

**DISTRICT I**  
P.O. Box 1980, Hobbs, NM 88240

**DISTRICT II**  
611 Solan First St., Artesia, NM 88210

**DISTRICT III**  
1000 Rio Grande Rd, Azusa, NM 87410

State of New Mexico  
Energy, Minerals and Natural Resources Department

**OIL CONSERVATION DIVISION**  
2040 S. Pacheco  
Santa Fe, New Mexico 87505-8429

Form C-107-A  
New 3-12-96

**APPROVAL PROCESS:**  
 Administrative  Hearing

**EXISTING WELLBORE**  
 YES  NO

**APPLICATION FOR DOWNHOLE COMMINGLING**

Meridian Oil Inc./Burlington Resources Oil & Gas Company P.O. Box 51810 Midland, Texas 79710-1810

**OWNER:** Darius 'ADS' Federal Well No. 1 **ADDRESS:** B, Sec. 30, T23S, R32E **COUNTY:** Lea

**WELL NO.:** 18747 **UNIT LTR. SEC. TRIP PAGE:** 30-025-33262 **COUNTY:** Lea

**OGRID NO.:** 26485 **Property Code:** 18747 **API NO.:** 30-025-33262 **Spacing Unit Lease Type(s):** (check 1 or more)  Federal  State  (and/or) Fee

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zones	Lower Zone
1. Pool Name and Pool Code	West Triste Draw Delaware 59945		5th Sand Dunes Bone Spring 53805
2. Top and Bottom of Pay Section (Perforations)	7284'-7335' (Pro)		8657'-8693'
3. Type of production (Oil or Gas)	Oil		Oil
4. Method of Production (Flowing or Artificial Lift)			Flowing
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current)	a.	a. 3375
	b. (Original) 2337.5 See attached	b.	b. 2750
6. Oil Gravity (° API) or Gas BTU Content	+/-41		39
7. Producing or Shut-in?			
Production Marginal? (yes or no)			
* If Shut-in, give date and oil/gas/water rates of last production  Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.  * If Producing, give date and oil/gas/water rates of recent test (within 90 days)	Date: Rates:	Date: Rates:	Date: Rates:
	Date: Proposed Rates: 64 oil, 147 mcf, 86 water	Date: Rates:	Date: 8/29/96 Rates: 29 oil, 119 mcf, 1 water
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 60 % Gas: 50 %	Oil: % Gas: %	Oil: 40 % Gas: 50 %

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.
10. Are all working, overriding, and royalty interests identical in all commingled zones?  Yes  No  
If not, have all working, overriding, and royalty interests been notified by certified mail?  Yes  No  
Have all offset operators been given written notice of the proposed downhole commingling?  Yes  No
11. Will cross-flow occur?  Yes  No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable.  Yes  No (If No, attach explanation)
12. Are all produced fluids from all commingled zones compatible with each other?  Yes  No
13. Will the value of production be decreased by commingling?  Yes  No (if Yes, attach explanation)
14. If this well is on, or communized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application.  Yes  No
15. NMOCD Reference Cases for Rule 303(C) Exceptions: ORDER NO(S). \_\_\_\_\_

16. ATTACHMENTS:
- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
  - Production curve for each zone for at least one year. (If not available, attach explanation.)
  - For zones with no production history, estimated production rates and supporting data.
  - Data to support allocation method or formula.
  - Notification list of all offset operators.
  - Notification list of working, overriding, and royalty interests for uncommon interest cases.
  - Any additional statements, data, or documents required to support commingling.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Donna Williams TITLE Regulatory Compliance DATE 9/5/96

TYPE OR PRINT NAME Donna Williams TELEPHONE NO. ( 915 ) 688-6943

District I  
PO Box 1980, Hobbs, NM 88241-1980  
District II  
PO Drawer DD, Artesia, NM 88211-0719  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
PO Box 2088, Santa Fe, NM 87504-2088

**OIL CONSERVATION DIVISION**  
**P.O. Box 2088**  
**Santa Fe, NM 87504-2088**

Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

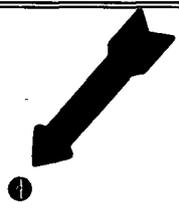
<sup>1</sup> API Number <b>30-025-33262</b>		<sup>2</sup> Pool Code <b>53805</b>		<sup>3</sup> Pool Name <b>South Sand Dunes Bone Springs</b>	
<sup>4</sup> Property Code <b>18747</b>		<sup>5</sup> Property Name <b>Darius 'ADS' Federal</b>			<sup>6</sup> Well Number <b># 1</b>
<sup>7</sup> OGRID No. <b>26485</b>		<sup>8</sup> Operator Name <b>Meridian Oil Inc.</b>			<sup>9</sup> Elevation <b>3638'</b>

<sup>10</sup> Surface Location									
UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
	<b>30</b>	<b>23S</b>	<b>32E</b>		<b>990'</b>	<b>North</b>	<b>2310'</b>	<b>East</b>	<b>Lea</b>

<sup>11</sup> Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County

<sup>12</sup> Dedicated Acres <b>40</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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**NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION**

				<p><b><sup>17</sup> OPERATOR CERTIFICATION</b></p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p>	
				<p></p> <p>Signature</p>	
				<p><b>Donna Williams</b></p> <p>Printed Name</p>	
				<p><b>Regulatory Compliance</b></p> <p>Title</p>	
				<p><b>9/3/96</b></p> <p>Date</p>	
				<p><b><sup>18</sup> SURVEYOR CERTIFICATION</b></p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p>	
				<p>_____</p> <p>Date of Survey</p>	
				<p>_____</p> <p>Signature and Seal of Professional Surveyor:</p>	
				<p>_____</p> <p>Certificate Number</p>	

DARIUS ADS FEDERAL : 1 : 60364A-1

Prop 2613

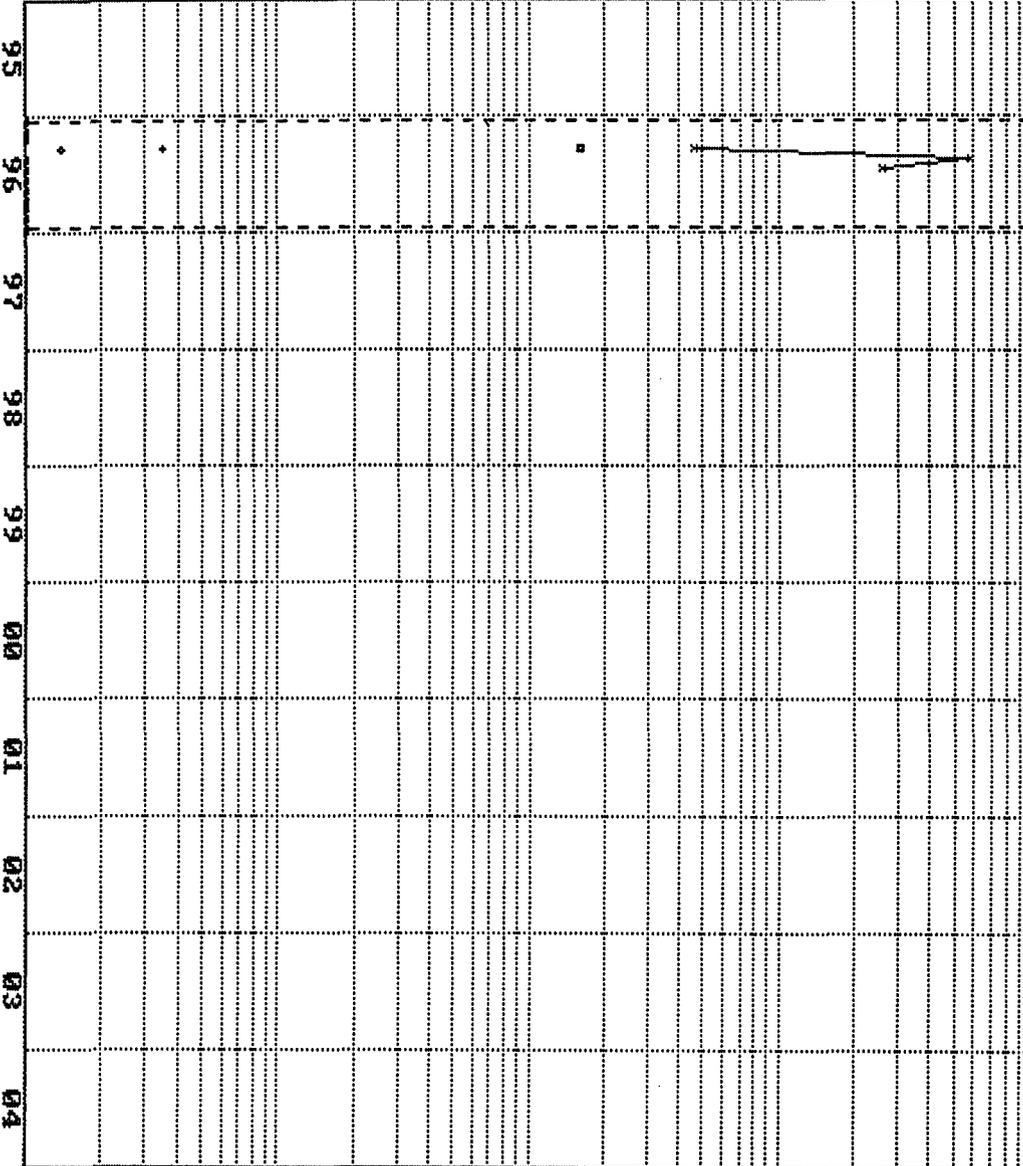
• WATER  
• GAS/OIL  
• GAS  
• OIL

1000  
1e+06  
100  
10

100  
100000  
10  
1

10  
10000  
1  
0.1

1  
1000  
0.1  
0.01



- OIL Bbl/d
  - GAS Mcf/d
  - GAS/OIL
  - WATER Bbls/d
- RateTime  
Semi Log

Major = OIL

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**P.O. Box 2088**  
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AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number <b>30-025-33262</b>		<sup>2</sup> Pool Code <b>59945</b>		<sup>3</sup> Pool Name <b>West Triste Draw Delaware</b>	
<sup>4</sup> Property Code <b>18747</b>		<sup>5</sup> Property Name <b>Darius 'ADS' Federal</b>			<sup>6</sup> Well Number <b># 1</b>
<sup>7</sup> OGRID No. <b>26485</b>		<sup>8</sup> Operator Name <b>Meridian Oil Inc.</b>			<sup>9</sup> Elevation <b>3638'</b>

<sup>10</sup> Surface Location

UL or lot no.	Section <b>30</b>	Township <b>23S</b>	Range <b>32E</b>	Lot. Idn	Feet from the <b>990'</b>	North/South Line <b>North</b>	Feet from the <b>2310'</b>	East/West line <b>East</b>	County <b>Lea</b>
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<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
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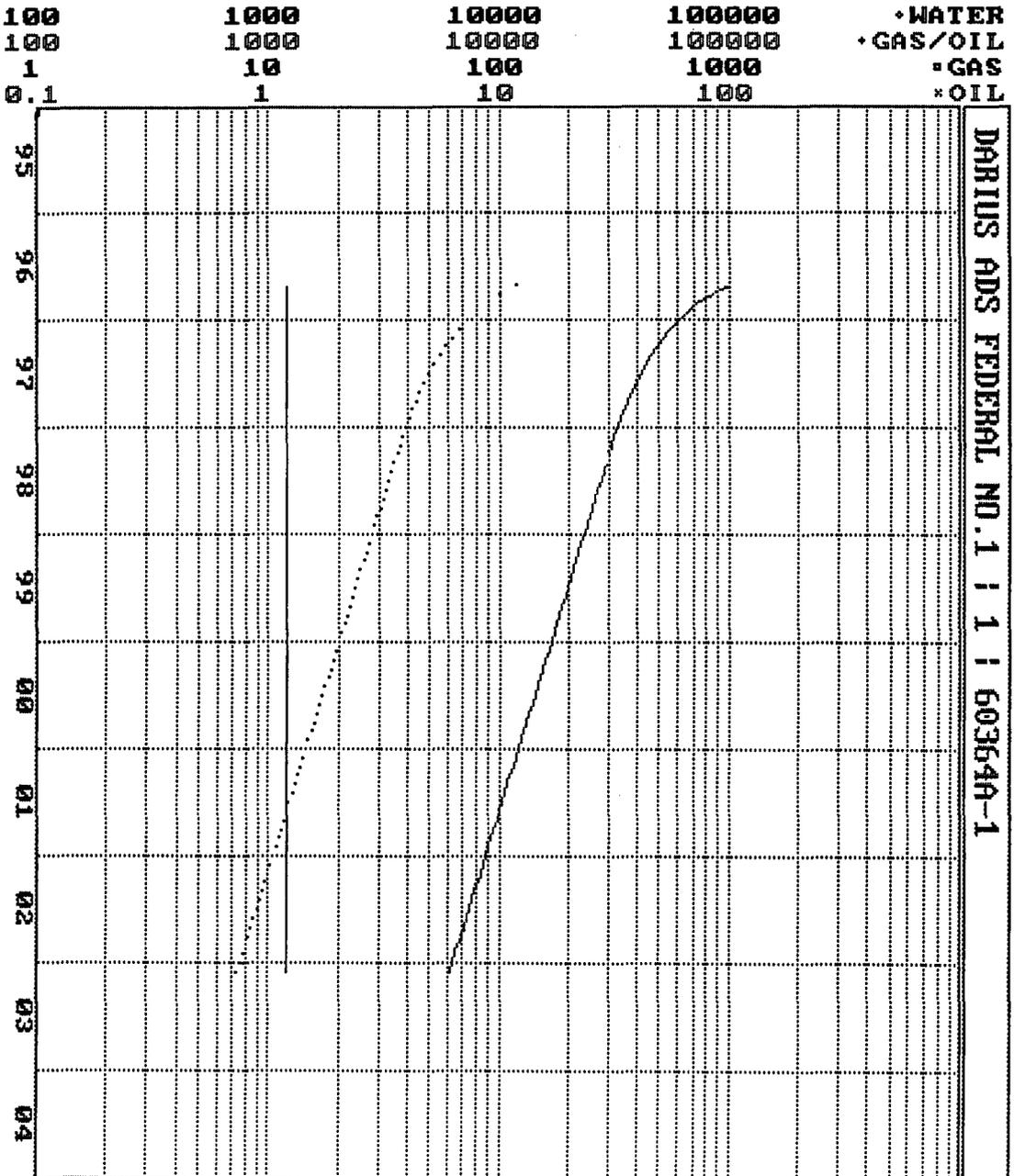
<sup>12</sup> Dedicated Acres <b>40</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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	<p><sup>17</sup> OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p></p> <p>Signature <b>Donna Williams</b> Printed Name <b>Regulatory Compliance</b> Title <b>9/3/96</b> Date</p>
	<p><sup>18</sup> SURVEYOR CERTIFICATION</p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>Date of Survey Signature and Seal of Professional Surveyer:</p> <p>Certificate Number</p>

PROPOSED DELAWARE FORMATION FORECAST

DARIUS ADS FEDERAL NO.1 : 1 : 60364A-1



Prop 15

- OIL Bbl/d
- GAS Mcf/d
- GAS/OIL
- WATER Bbls/d

RateTime  
Semi Log

EUR 54,652

Cum Rem 0  
54,652  
Rem% 100.0%  
Yrs 6.49

Date 9/1/1996

Act 0  
Qmo 2,748

Q 100  
n 1.6  
De 90

Qab 6

GetQual PROD

Major = OIL

T  
23  
S

Meridian

Section

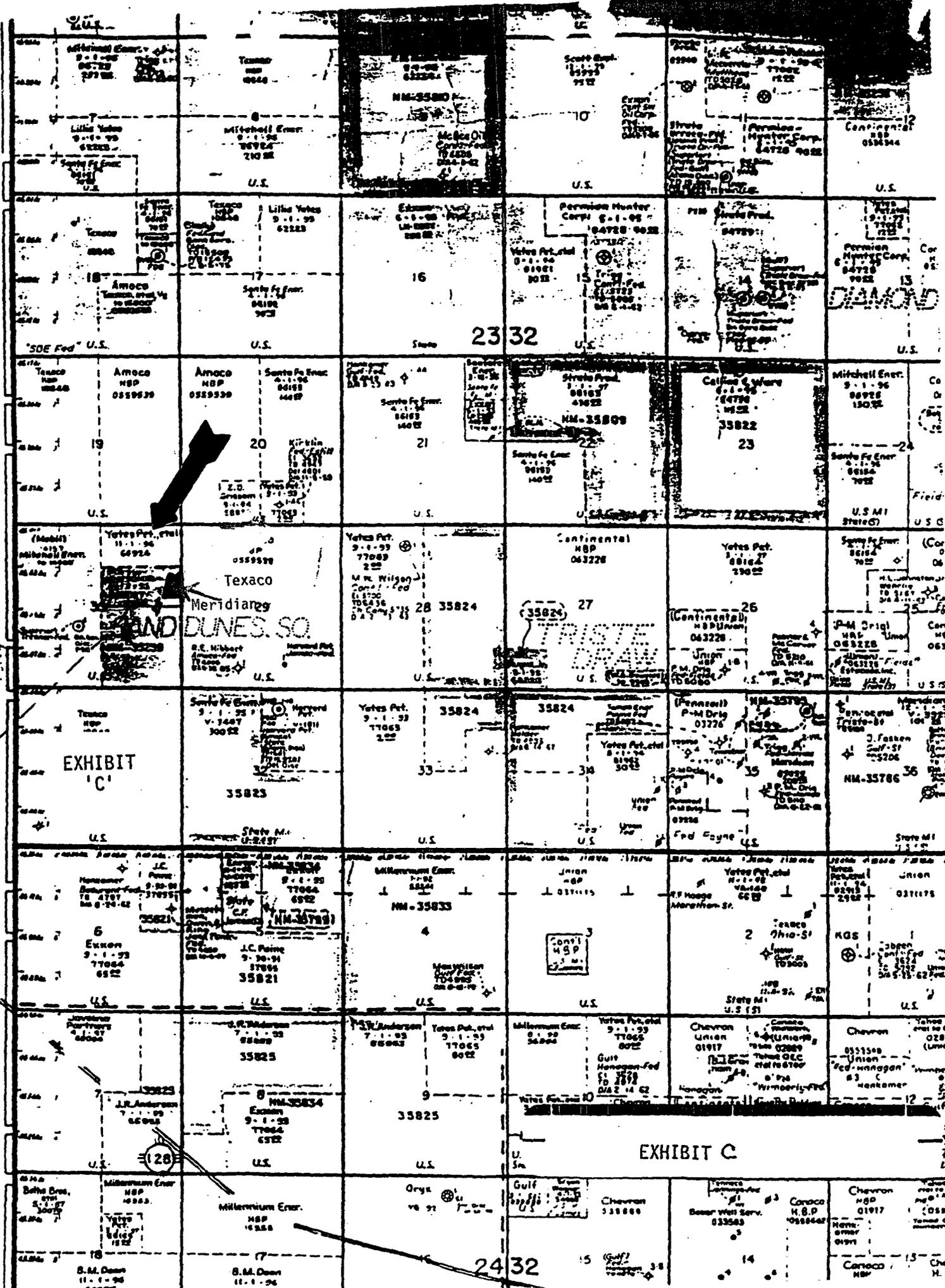


EXHIBIT  
'C'

SAND DUNES, SO.

EXHIBIT C

2432

**MERIDIAN OIL INC.**  
**APPLICATION FOR ADMINISTRATIVE APPROVAL**  
**DOWNHOLE COMMINGLING**  
**DARIUS 'ADS' FEDERAL WELL NO. 1**  
**LEA COUNTY, NEW MEXICO**

**Mobil Exploration & Production**  
**Box 633**  
**Midland, Texas 79702**

**Texaco, Inc.**  
**Box 3109**  
**Midland, Texas 79702**

**Yates Petroleum Corporation**  
**105 S. 4th**  
**Artesia, New Mexico 88210**

**Amoco Production Company**  
**Box 4891**  
**Houston, Texas 77210**

**Meridian Oil Inc.**  
**P.O. Box 51810**  
**Midland, Texas 79710-1810**

**Bureau of Land Management**  
**620 E. Greene Street**  
**Carlsbad, New Mexico 88220**

**ADDITIONAL DATA FOR DOWNHOLE COMMINGLING**  
**DARIUS 'ADS' FEDERAL WELL NO. 1**

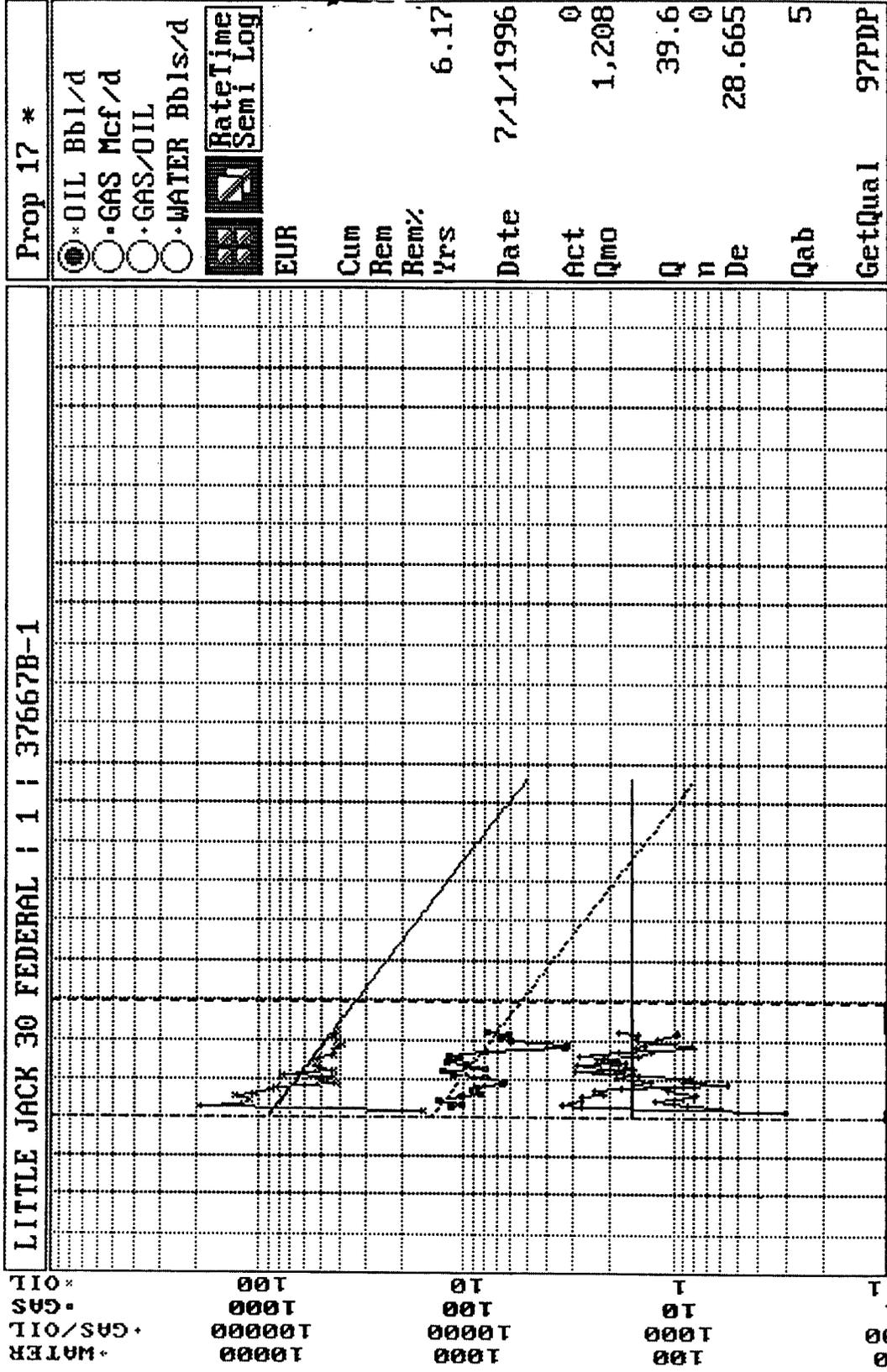
**Meridian Oil Inc. respectfully submits the following:**

**The estimated bottomhole pressures for the perforations in the Delaware for the above referenced wells are calculated off the actual BHP for the Little Jack '30' Federal well(s) no 1 & 2. As indicated on the application for the # 1 & 2, the original BHP for the # 1 & 2 is an average of 2337.5, and the current BHP today is approximately 1190. We anticipate the well to come in flowing but eventually will have to be put on artificial lift. The estimated gravity for the Delaware zone is +/- 41. Based off figures from the Delaware production in the # 1 & 2, we anticipate the Delaware perms in this well to be approximately 64 bbls oil, 147 mcf, and 86 water. This would make the allocation factors for the downhole commingling of the Darius 'ADS' Federal # 1 to be as follows:**

<b>Delaware:</b>	<b>60% oil and 50% gas</b>
<b>Bone Spring:</b>	<b>40% oil and 50% gas</b>

**We submit the production graph information for the Little Jack '30' Federal well(s) no. 1 & 2 to be considered for the proposed downhole commingling of the well.**

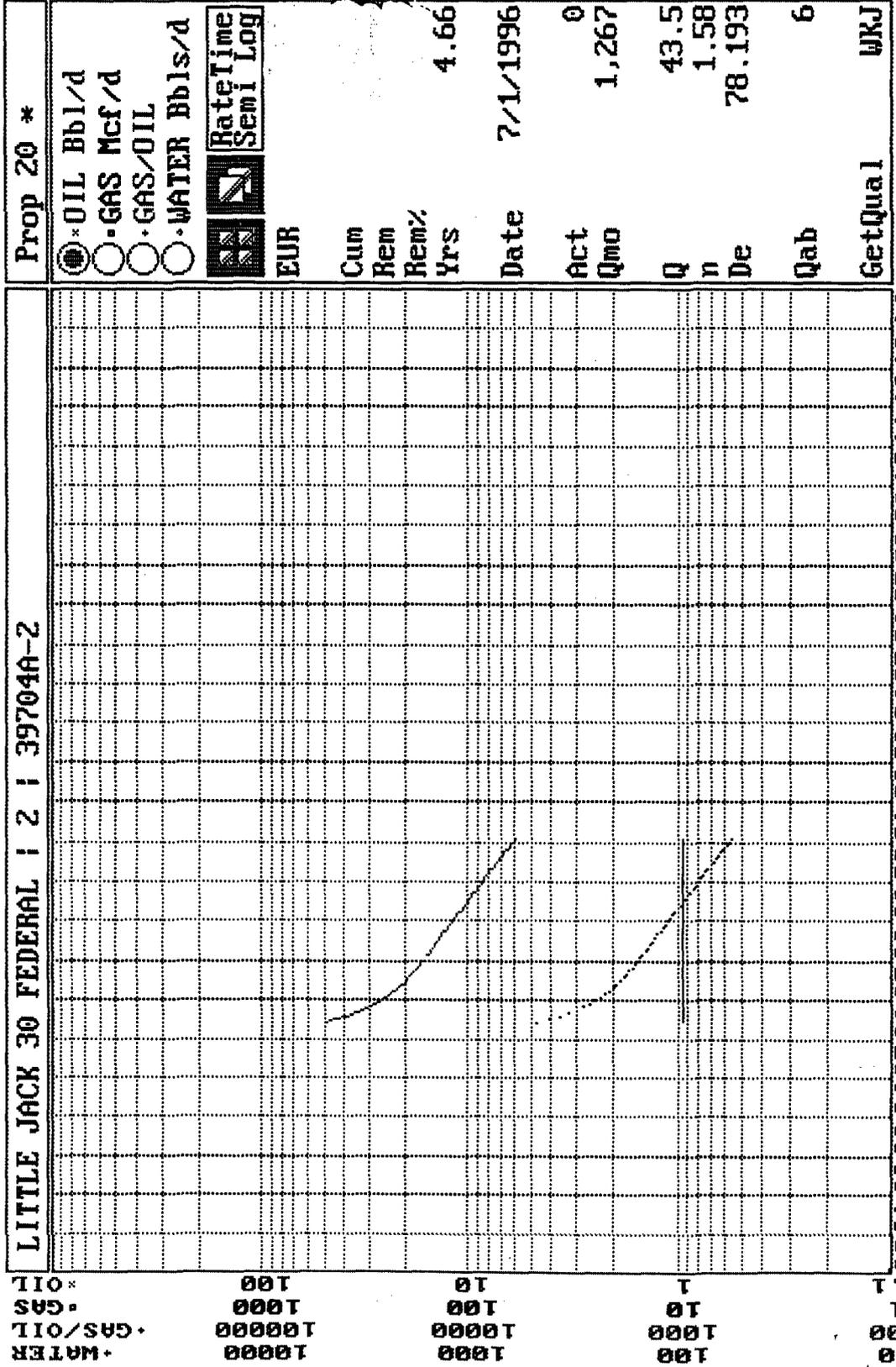
Delaware - Upper Zone



LITTLE JACK 30 FEDERAL I 1 I 37667B-1		Prop 17 *
<input checked="" type="radio"/> OIL Bbl/d	<input type="radio"/> GAS Mcf/d	<input type="radio"/> GAS/OIL
<input type="radio"/> GAS	<input type="radio"/> WATER Bbls/d	
<input type="checkbox"/> EUR	<input checked="" type="checkbox"/> Rate Time	<input checked="" type="checkbox"/> Semi Log
Cum Rem	Rem% Yrs	Date
		7/1/1996
Act Qmo		
	1,208	
Q n	39.6	
De	28.665	
Qab	5	
GetQual	97PDP	

Major = OIL

Delaware - Upper Zone



Major = OIL