

EXHIBIT "B" - CASE NO. 11353, ORDER NO. R-10470-A

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

811 South First St., Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd. Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-6429

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

APPROVAL PROCESS

☒ Administrative ☐ Hearing

EXISTING WELLBORE

☒ YES ☐ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Santa Fe Energy Resources, Inc. 550 W. Texas, Suite 1330, Midland, TX 79701
Operator Address
H. F. "7" Federal 1 L-7-23S-29E Eddy
Case Well No. Unit Ltr. Sec. Twp. Rge County
OGRID NO. 020305 Property Code 17083 API NO. 30-015-28509 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	E. Loving Brushy Canyon Delaware #40350 142/8000		Culebra Bluff, South (Bone Spring) 15011
2. Top and Bottom of Pay Section (Perforations)	6036-6065' 136		6474-6494'
3. Type of production (Oil or Gas)	Oil		Oil
4. Method of Production (Flowing or Artificial Lift)	Pumping		Pumping
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a. (Current) 1000 b. (Original)	a. b.	a. 1000 b.
6. Oil Gravity (° API) or Gas BTU Content	40.6		44.8
7. Producing or Shut-In?	Producing		Shut-in
Production Marginal? (yes or no)	Yes		Yes
* 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	Date: Rates:	Date: Rates:	Date: 6/17/96 Rates: 10 BO, 25 MCF/D 24 BW
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: 10/26/96 Rates: 25 BO, 37 MCF/G 162 BW	Date: Rates:	Date: Rates:
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 70 % Gas: 60 %	Oil: % Gas: %	Oil: 30 % Gas: 40 %

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 communitized 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.

DEC 18 '96

O. C. D.
ARTESIA, OFFICE

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

SIGNATURE James Blount TITLE Engineer DATE 11/21/96

TYPE OR PRINT NAME James Blount TELEPHONE NO. (915) 687-3551

OFFSET OPERATORS

Amoco Exploration & Production
P. O. Box 4891
Houston, TX 77210

Yates Petroleum
105 South 4th Street
Artesia, NM 88210

DISTRICT I
P. O. Box 1980
Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals, and Natural Resources Department

Form C-102
Revised 02-10-94

Instructions on back

DISTRICT II
P. O. Drawer DD
Artesia, NM 88211-0719

OIL CONSERVATION DIVISION

P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Submit to the Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

☐ AMENDED REPORT

DISTRICT III
1000 Rio Brazos Rd.
Aztec, NM 87410

DISTRICT IV
P. O. Box 2088
Santa Fe, NM 87507-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-015-28509	2 Pool Code 40350	3 Pool Name E. Loving Brushy Canyon Delaware
4 Property Code 17083	5 Property Name H.F. "7" FED COM NO 1	6 Well Number 1
7 OGRID No. 020305	8 Operator Name SANTA FE ENERGY RESOURCES, INC	9 Elevation 2990'

10 SURFACE LOCATION

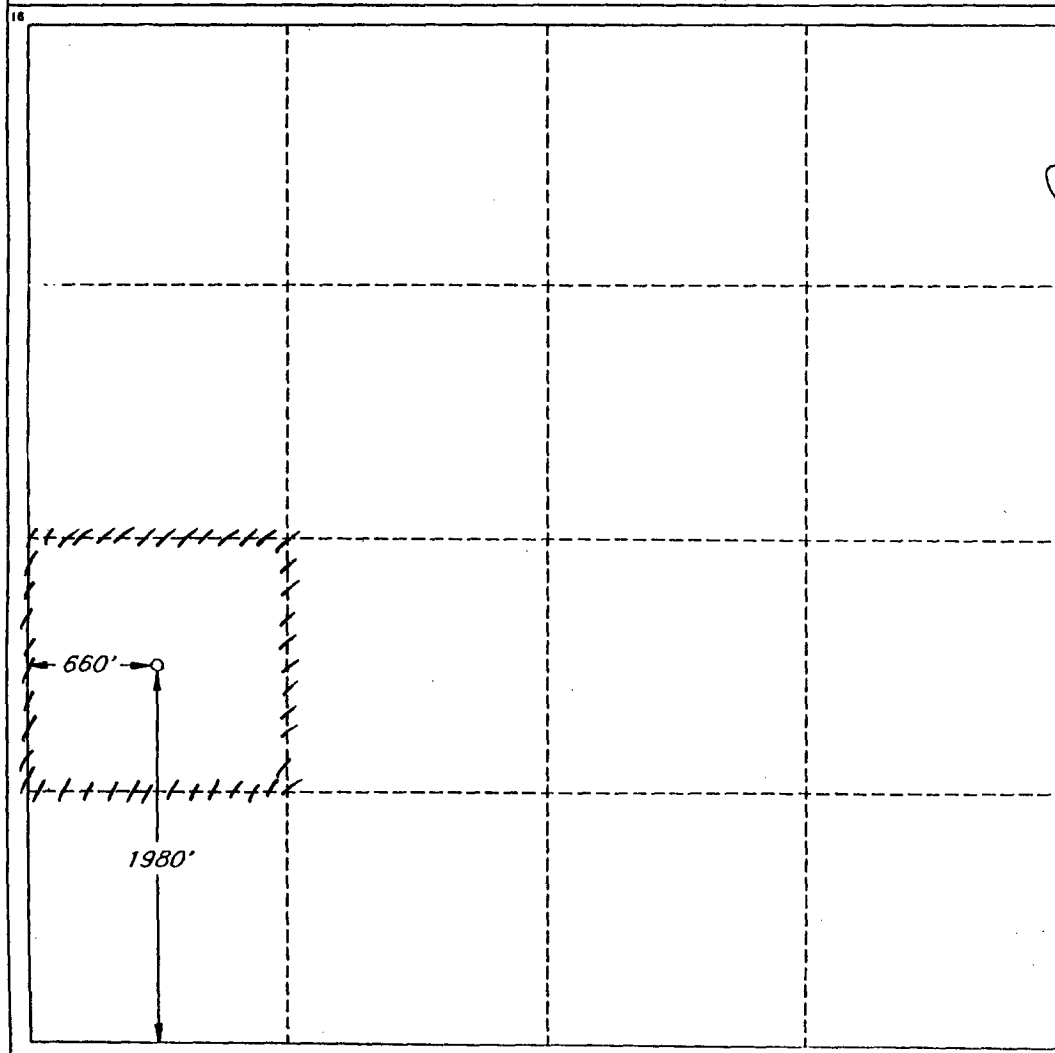
UL or lot no. L	Section 7	Township 23 SOUTH	Range 29 EAST, N.M.P.M.	Lot Ida	Feet from the 1980'	North/South line SOUTH	Feet from the 660'	East/West line WEST	County EDDY
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"BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
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12 Dedicated Acres 40	13 Joint or Infill	14 Consolidation Code	15 Order No.
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NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN
CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

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

Signature

Printed Name

Terry McCullough

Title

Sr. Production Clerk

Date

Dec. 2, 1996

SURVEYOR CERTIFICATION

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.

Date of Survey

FEBRUARY 8, 1995

Signature and Seal of
Professional Surveyor

STATE OF NEW MEXICO
V. LYNN
BEZNER
Certification No.
V. L. BEZNER R.P.S. #7920
JOB #31973 LANA 9 SE / V.H.B.

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Hobbs, NM 88241-1980

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4 Property Code 17083	5 Property Name H.F. "7" FED COM NO 1	6 Well Number 1
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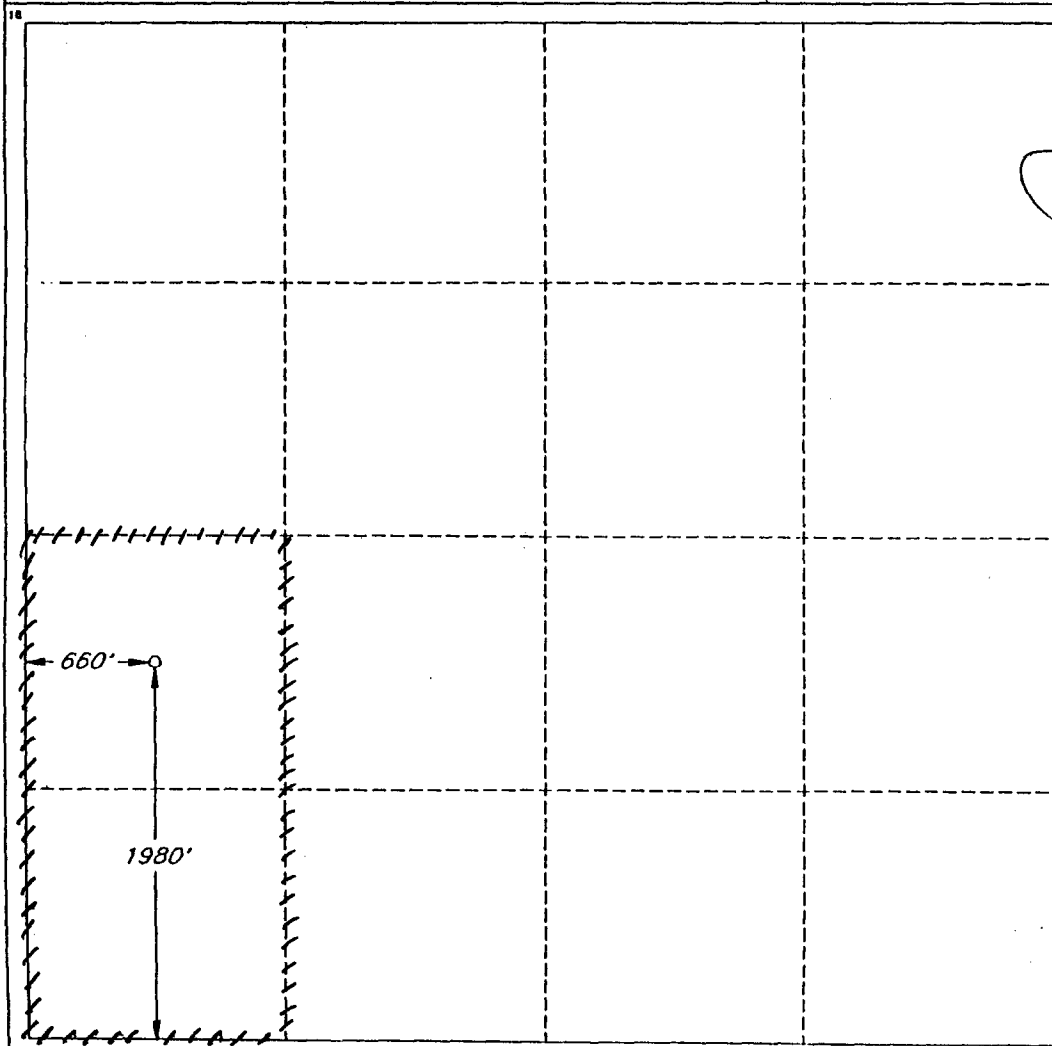
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contained herein is true and complete
to the best of my knowledge and belief.

Signature
Terry McCullough
Printed Name
Terry McCullough

Title
Sr. Production Clerk

Date
Dec. 2, 1996

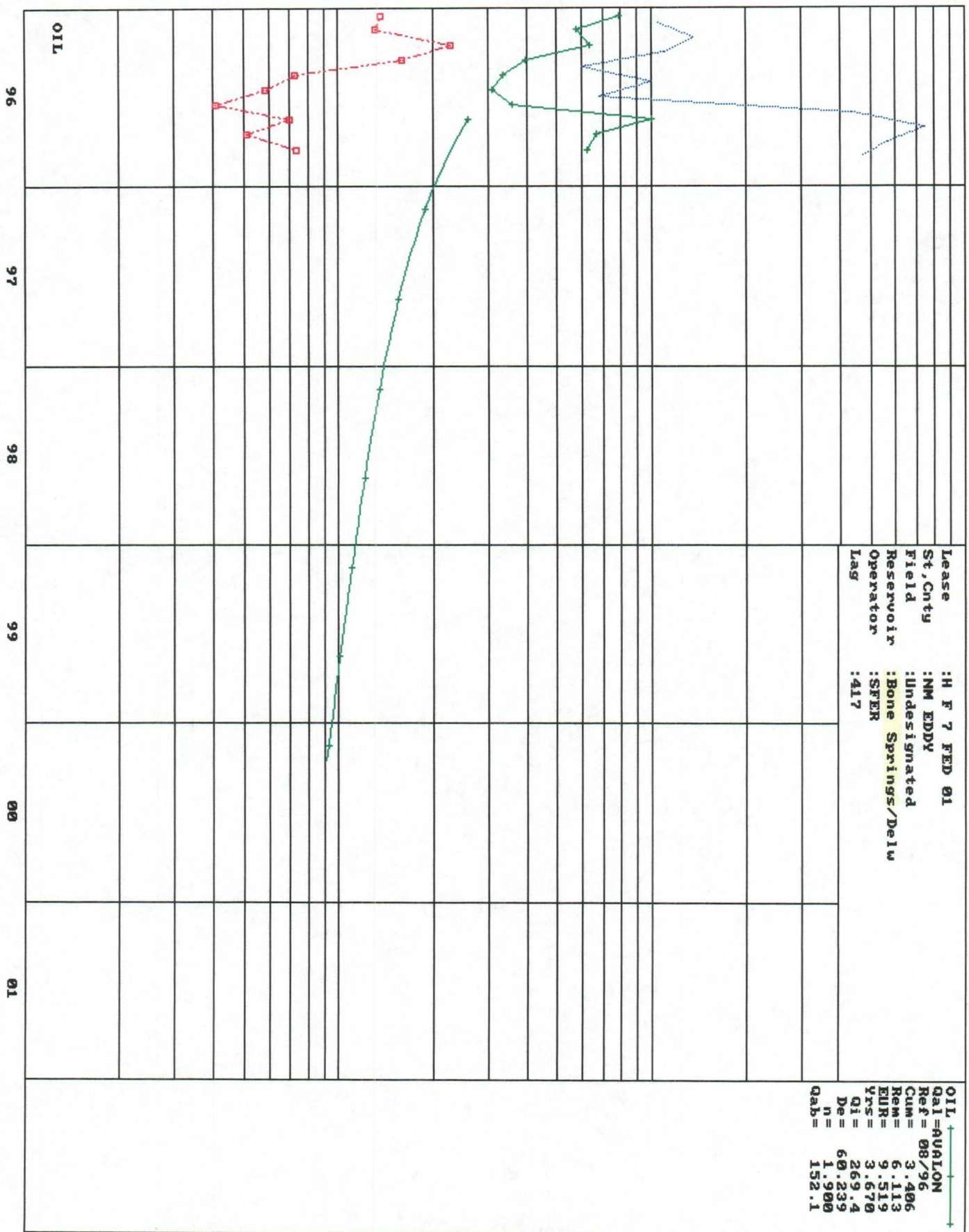
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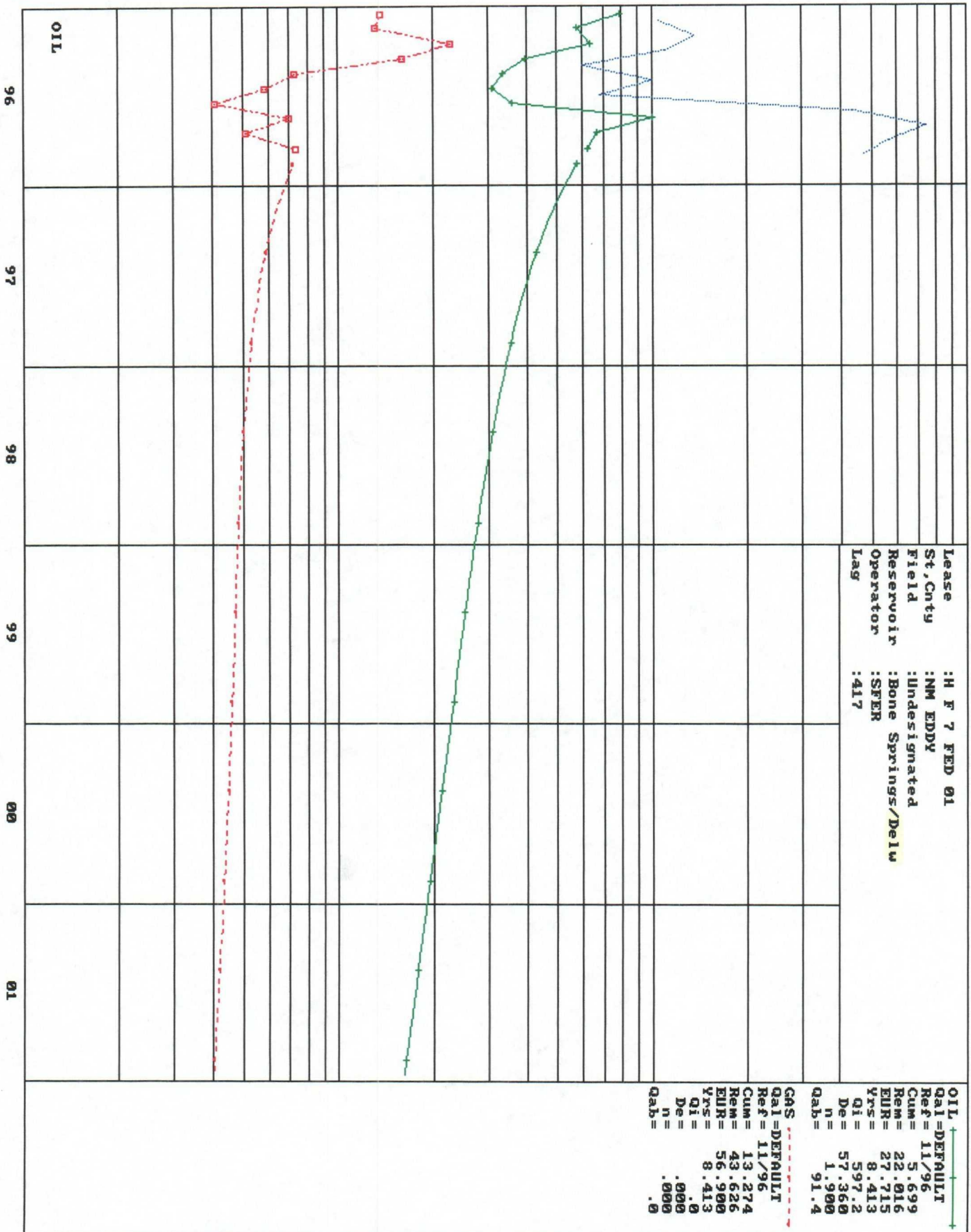
Date of Survey
FEBRUARY 8, 1995

Signature and Seal of
Professional Surveyor
V. LYNN BEZNER
STATE OF NEW MEXICO
V. LYNN BEZNER
Certification No. 7920
V. LYNN BEZNER R.P.S. #7920
JOB #51873 LANS SE / V.H.B.

100 1000 Gas (mcf) 10000 100000
 10 100 Oil (bbl) 1000 10000



100 1000 Gas(mcf) 10000 100000
 10 100 Oil(bbl) 1000 10000



THE OILFIELD WORKSTATION
SANTA FE ENERGY RESOURCES
PRODUCTION HISTORY REPORT

PG NO : 1
AS OF : 12/02/96

PROD	DAYS			OIL		GAS		WAT		
MM	T	S	PM ON	PROD	SOLD	PROD	SOLD	INJ	INJ	SUPP
Area : Not on File										
Field : E LOVING BRUSHY CANYON										
Well : H F 7 FED COM #1										
					(30015009801)	Reservoir : Not on File				
						Property : 004868001001				
01/96	PO	P	SR 26	791.71	355.13	1372.01	0.01	0.00	1054.75	0.00
02/96	PO	P	SR 21	579.89	722.07	1320.32	0.01	0.00	1363.50	0.00
03/96	PO	P	SR 31	634.65	364.16	2292.81	0.01	0.00	1096.62	0.00
04/96	PO	P	SR 30	394.24	721.54	1595.87	141.17	0.00	599.00	0.00
05/96	PO	P	SR 31	333.70	366.61	726.45	726.45	0.00	1002.00	0.00
06/96	PO	P	SR 30	309.54	357.15	587.24	587.24	0.00	685.25	0.00
07/96	PO	P	SR 24	360.37	184.24	405.87	405.87	0.00	4370.75	0.00
08/96	PO	P	SR 27	1000.67	1069.12	699.98	699.98	0.00	7458.75	0.00
09/96	PO	P	SR 27	670.44	730.66	510.77	510.77	0.00	5627.75	0.00
10/96	PO	P	SR 28	622.06	542.07	746.06	746.06	0.00	4686.75	0.00
11/96				0.00	0.00	0.00	0.00	0.00	0.00	0.00
12/96				0.00	0.00	0.00	0.00	0.00	0.00	0.00
Totals :				5697.27	5412.75	10257.38	3817.57	0.00	27945.12	0.00