

DHC 3/26/97

To David Catanach



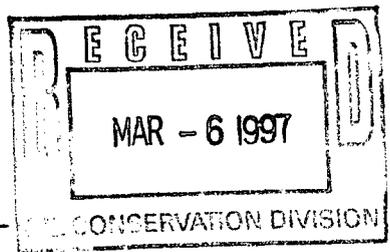
1501

From

Downa

2/24/97

Energy & Minerals Department
OIL CONSERVATION DIVISION
P O Box 1980
Hobbs NM 88241



Telephone Number (505) 393-6161

- For Your Files
- Prepare a Reply for My Signature
- For Your Review and Return
- For Your Information
- For Your Handling
- For Your Approval
- As Per Your Request
- For Your Signature
- Please Advise
- For Your Attention

DISTRICT I
PO 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, NM 87505-6429
APPLICATION FOR DOWNHOLE COMMINGLING

Form C-107-A

New 3-12-86

APPROVAL PROCESS

Administrative Hearing

EXISTING WELLBORE

YES NO

Primal Energy Corporation OPERATOR 222 Pennbriht, Suite #116, Houston, TX 77090 ADDRESS

Hale State LEASE 6 WELL NO. G-2-T25S-R37E UNIT LTR.-SEC.-TWP.-RGE. Lea COUNTY

OGRID NO. 154303 Property Code 18949 API NO. 30-025-33507 Spacing Unit Lease Types: (check 1 or more) Federal State Indian Fee

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Blinebry (34200)	Tubb Drinkard (35280)	
2 Top and Bottom of Pay Section (Perforations)	5090-5643'	5926-6134'	
3. Type of Production (Oil or Gas)	oil	oil	
4. Method of Production (Flowing or Artificial Lift)	AL	AL	
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated or Measured Original	a. (Current) 800psi	a. 900psi	a.
	b. (Original)	b.	b.
6. Oil Gravity (^o API or Gas BTU Content)	37.3	35.9	
7. Producing or Shut-in?	P	SI	
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)	Y	Y	
	Date: Rates:	Date: 10/96 Rates: 20 BO, 85 MCF, 15 BW	Date: Rates:
	Date: 2/6/97 Rates: 44 BO, 172 MCF, 18 BW	Date: Rates:	Date: Rates:
8. Fixed Percentage Allocation Formula- % for each zone	Oil 69 % Gas 67 %	Oil 31 % Gas 33 %	Oil % Gas %

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.

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

SIGNATURE John Abernethy TITLE Manager, Operations & Engineering DATE February 17, 1997

TYPE OR PRINT NAME John Abernethy TELEPHONE NO. (281) 875-5100

DISTRICT I
 PO Box 1980, Hobbs, NM 88241-1980
 DISTRICT II
 811 South First, Artesia, NM 88210
 DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410
 DISTRICT IV
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals & Natural Resources Department

Form C-102
 Revised October 18, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 ee Lease - 3 Copies

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-33507	² Pool Code 35280	³ Pool Name Justis Tubb Drinkard
⁴ Property Code 018949	⁵ Property Name Hale State	⁶ Well Number 6
⁷ OGRID No. 154303	⁸ Operator Name Primal Energy Corporation	⁹ Elevation 3169'GL

¹⁰ Surface Location

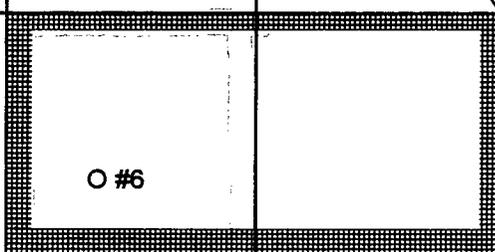
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West Line	County
G	2	25S	37E	G	2260	North	2310	East	Lea

¹¹ 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

¹² Dedicated Acres 40	¹³ Joint or Infill Y	¹⁴ Consolidation Code	¹⁵ 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

¹⁶				¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i>  Signature <u>John Abernethy</u> Printed Name <u>Manager, Oper. & Eng.</u> Title <u>February, 17, 1997</u> Date
	 O #6			¹⁸ SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from fieldnotes 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> Date of Survey _____ Signature and Seal of Professional Surveyer: _____ Certificate Number _____

List of Offset Operators - Hale State #6

Citation Oil & Gas Corp.
8223 Willow Pl. - Suite 250
Houston, TX 77070

Collins & Ware, Inc.
508 W. Wall, Suite 1200
Midland, TX 79701-5076

Conoco, Inc.
10 Desta DR, Suite 100W
Midland, TX 79705-4500

Samson Resources Co.
Two West Second Street
Tulsa, OK 74103

OXY USA Inc.
6 Desta Dr.-Suite 6000
Midland, TX 79710

Texaco Exploration & Production, Inc.
PO Box 1404
Houston, TX 77251-1404