



MIRAGE ENERGY, INC.  
7915 N. LLEWELYN  
HOBBS, N.M. 88242  
SEPTEMBER 7, 1997

NEW MEXICO OIL CONSERVATION DIVISION  
2040 SOUTH PACHECO STREET  
SANTA FE, NM 87505

RE: Administrative Order DHC-1557  
Downhole Commingling Application  
Sims 35 State Well No. 1  
Unit Letter B, Section 35-20S-35E  
Southeast Lea Wolfcamp and Osudo Morrow West Pools  
Lea County, New Mexico

Dear Mr. Lemay,

In response to your request, I am enclosing a copy of the allocation formula concerning the above well.

Sincerely,

A handwritten signature in cursive script, appearing to read "James D. Cogburn".

James D. Cogburn

ACT I  
Box 1980, Hobbs, NM 88240

**OIL CONSERVATION DIVISION**  
310 Old Santa Fe Trail, Room 206  
Santa Fe, New Mexico 87503

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO.  
30-025-27457

5. Indicate Type of Lease  
STATE  FEE

6. State Oil & Gas Lease No.  
V-279

7. Lease Name or Unit Agreement Name  
SIMS "35" STATE

8. Well No.  
1

9. Pool name or Wildcat OSUDO MORROW  
& SOUTHEAST LEA WOLFCAMP

**SUNDRY NOTICES AND REPORTS ON WELLS**  
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:  
OIL WELL  GAS WELL  OTHER

2. Name of Operator  
MIRAGE ENERGY, INC

3. Address of Operator  
7915 N. LLEWELYN, HOBBS, NM 88242

4. Well Location  
Unit Letter B : 660 Feet From The NORTH Line and 1980 Feet From The EAST Line

Section 35 Township 20S Range 35E NMPM LEA County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)  
3679.9 GR

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

**NOTICE OF INTENTION TO:**

PERFORM REMEDIAL WORK  PLUG AND ABANDON   
TEMPORARILY ABANDON  CHANGE PLANS   
PULL OR ALTER CASING   
OTHER:

**SUBSEQUENT REPORT OF:**

REMEDIAL WORK  ALTERING CASING   
COMMENCE DRILLING OPNS.  PLUG AND ABANDONMENT   
CASING TEST AND CEMENT JOB   
OTHER: ALLOCATION DHC-1557

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

PRODUCE ORIGINAL PERFS WOLFCAMP (11,465 - 11,611) MORROW (12,963 - 13,192)

06/11/97 COMMENCED WORKOVER. FISHED AND MILLED UP JUNK TBG., WIRE LINE TOOLS, AND OLD PACKER PARTS. DRILLED OUT CEMENT AND CAST IRON BRIDGE PLUGS. PUSHED REMAINDER OF CIBP TO 13,233. BOTTOM OF COMPLETION ASSEMBLY AT 11,911.

07/09/97 WORKOVER COMPLETE, READY TO PRODUCE

3/5/97 PRIOR PRODUCTION (WOLFCAMP) PUMPED 4 BO, 0 BW, 20 MCFPD

8/7/97 30 DAY TEST (MORROW & WOLFCAMP) FLOWED 17 BO, 0 BW, 1000 MCFPD

ALLOCATION	OIL	WATER	GAS
OSUDO MORROW	76%	50%	98%
SOUTHEAST LEA WOLFCAMP	24%	50%	2%

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

SIGNATURE James D. Cogburn TITLE OPERATION COORDINATOR DATE 8/10/97

TYPE OR PRINT NAME JAMES D. COGBURN TELEPHONE NO. (305) 392-7095

(This space for State Use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

CONDITIONS OF APPROVAL, IF ANY: