

6/30/2016 MAM G/0/2016 DHC DMAM 1618 256025

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



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2016 JUN 30 P 3:47

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:
 [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] TYPE OF APPLICATION - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR
- [D] Other: Specify _____

- [2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply
- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

William J. Savage _____
 Print or Type Name Signature Title Date 6/29/16

bsavage@amtenergy.com
 e-mail Address

-DHC 4794
 - Amtex Energy Inc
 785
 well
 -Daggs state #1
 30-025-27222
 Pool
 -WL-025 G 07523307
 Bone Spring
 97927
 -WL-0256-10
 52133280, WOLF Camp
 98033

District I
1625 N. Tenth Drive, 16466, N.M. 87249
District II
RTS 1st St., Artesia, N.M. 88210
District III
198100 Burton Road, A-ave, NM 87110
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-107A
Revised August 1, 2011

APPLICATION TYPE
 Single Well
 Establish Pre-Approved Pools
EXISTING WELLBORE
 Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

Amtec Energy, Inc.

P.O. Box 3418, Midland, TX 79702

Operator Address
Daguer State Unit I F 30 T21S R33E Lea
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 785 Property Code 38799 API No. 30-025-27222 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name		WC-025 G-07 S213330F; Rome Spring	WC-025 G-07 S213330; Wolfcamp
Pool Code		97927	98033
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)		11,250' - 11,290' & 11,920' - 11,950'	12,280' - 12,460'
Method of Production (Flowing or Artificial Lift)		Artificial Lift	Artificial Lift
Bottomhole Pressure <small>(Note: Pressure data will not be required if the formation performance in the lower zone is within 150% of the depth of the top perforation in the upper zone.)</small>		N/A	N/A
Oil Gravity or Gas BTU <small>(Degree API or Gas BTU)</small>		41	48
Producing, Shut-In or New Zone		Deepening Sidetrack	New Zone
Date and Oil/Gas/Water Rates of Last Production. <small>(Note: For new zones with no production history, copies of shaft log required to attach production estimates and supporting data.)</small>	Date: Rates:	Date: 3/31/2015 Rates: 6 bbls/day	Date: N/A Rates: N/A
Fixed Allocation Percentage <small>(Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)</small>	Oil Gas % %	Oil Gas TBD by future production log	Oil Gas TBD by future production log

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes No
 If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes No
 Are all produced fluids from all commingled zones compatible with each other? Yes No
 Will commingling decrease the value of production? Yes No
 If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes No
 NMOCD Reference Case No. applicable to this well: _____

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 working, royalty and overriding royalty interests for uncommon interest cases.
 Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools
 List of all operators within the proposed Pre-Approved Pools
 Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
 Bottomhole pressure data.

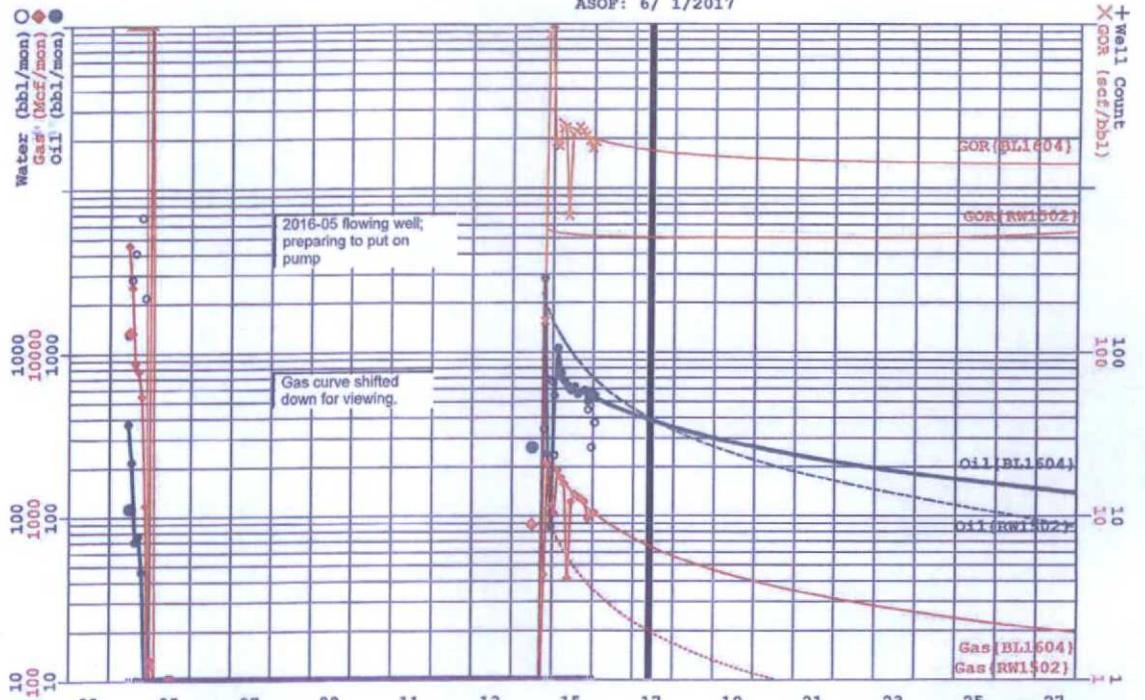
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE William J. Savage TITLE President DATE 6/29/15
 TYPE OR PRINT NAME William J. Savage TELEPHONE NO. (817) 421-2534
 E-MAIL ADDRESS wsavage@amtexenergy.com

Case Name: DAGGER STATE UNIT # 3 (Early Top Hat #1)
 County, State: LEA, NM
 Archive Set: BL1604

Oper: AMTEX ENERGY INC
 Field: WC-025 G-07 S213330F
 Reservoir: Wolfcamp

ASOF: 6/ 1/2017

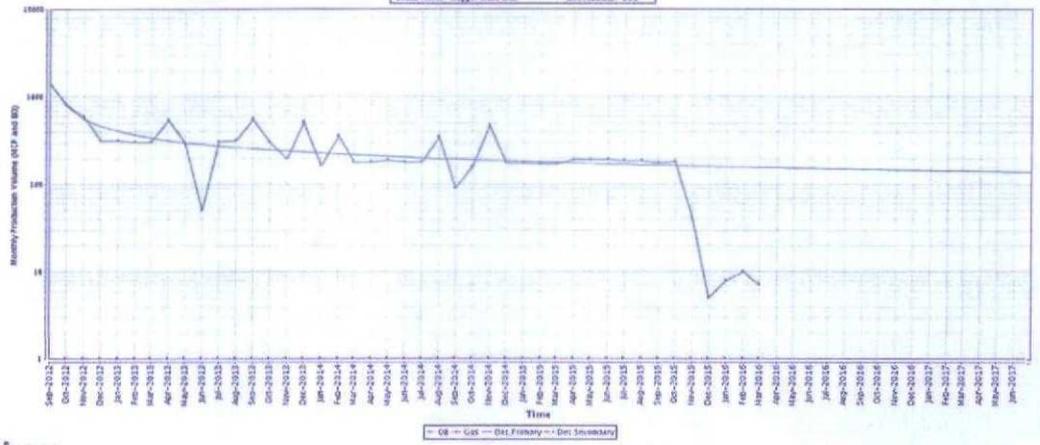


Oil As of Qi: 0.385Mbb1/mo
 Oil As of Decl: 17.1 %
 Oil Bfact: 1.200

Oil EUR: 47.06 Mbb1
 Gas EUR: 170.91 MMcf
 Disc Value: 66.40 M\$

Monthly Production Gas vs Time for 20-025-272210001
 County Name: LEA Com Oil Prod: null
 Operator Name: Amex Energy, Inc Total Depth: 22224
 Field Name: W-025 G-07 5213330F Well Number: 003
 Lease Name: Stagger State Oil

Bone Springs



drillinginfo

— Oil — Gas — DML Primary — DML Secondary

W-025 G-07 5213330F
 Well 5213330F, LEA

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Madrid
 1025 N. French Dr., Suite 101, NM 87240
 Madrid
 1501 W. Grand Avenue, Artesia, NM 87210
 Espanola
 1800 Elm Branch Rd., Aztec, NM 87410
 Roswell
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Form C-102
 Revised October 12, 2005
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies
AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

* API Number 30-025 27222		* Pool Code 97927		* Pool Name WC-025-G-07 S213330F3 Bone Spring	
* Property Code 38799		* Property Name Daager State Unit			* Well Number 001
* OGRID No. 000785		* Operator Name Amex Energy, Inc.			* Elevation 3806.4'

10 Surface Location

UL or lot no.	Section	Township	Range	1st 1/4	Feet from the	North/South line	Feet from the	East/West line	County
F	30	21S	33E		1980	North	1980	West	Lea

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	1st 1/4	Feet from the	North/South line	Feet from the	East/West line	County
40									

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	18	19	20
	1980' FNL			17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that the information either arose or was derived from or obtained through sources in the field including the proposed bottom hole location or that a right to drill that well in this location pertains to a contract with an owner of such a surface or working interest, or to a voluntary pooling agreement or a compulsory pooling order. Hereby signed by the Operator: <i>William J. Savage</i> Signature: <i>William J. Savage</i> Date: 10/22/16 Printed Name: William J. Savage
	1980' FWL			
				18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was placed 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: Signature and Seal of Professional Surveyor: Certificate Number:

1625 N French Dr., Hobbs, NM 88240
 1301 W. Grand Avenue, Artesia, NM 88210
 1800 Rio Grande Rd., Artesia, NM 87410
 1120 E St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Form C-102
 Revised October 12, 2005
 Submit to Appropriate District Office
 State Lease - 4 Copies
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT									
* APT Number 30-025 27222		* Pool Code 98033		* Pool Name Wolfcamp; WC-025 G-07 S213330					
* Property Code 38799		* Property Name Dagger State Unit				* Well Number 001			
* OGRID No. 000785		* Operator Name Amex Energy, Inc.				* Elevation 38064'			
10 Surface Location									
UL or lot no.	Section	Township	Range	Lat 10'	Feet from the 1980	North/South line	Feet from the 1980	East/West line	County
F	30	21S	33E		1980	North	1980	West	Lea
11 Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lat 10'	Feet from the	North/South line	Feet from the	East/West line	County
12 Deducted Acres 40		13 Well or wellbore		14 Consolidation Code		15 Order No.			

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
		1980' FNL		I hereby certify that the information furnished herein is true and complete to the best of my knowledge and belief and that this information was obtained from a reliable source or sources and that the same is true and correct to the best of my knowledge and belief.
		1980' FWL	x	
				Signature: <i>William J. Savage</i> Date: 6/12/10 Printed Name: William J. Savage
				18 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: Signature and Seal of Professional Surveyor: Certificate Number:

NEW MEXICO STATE LAND OFFICE
Commingle PRE-Application ONLINE Version

Please provide the following requested information so that the SLO staff can determine whether or not you qualify to submit a commingle application package.

Name: William J. Savage Company: Amtex Energy, Inc.
Address: P.O. Box 3418 City: Midland
Telephone: 817-421-2534 Fax: 817-421-2536 State TX Zip 79702

The State Land Office rule that applies to commingling oil and gas production from New Mexico State Trust Lands is Rule 100.53. The rule is attached to the bottom of this form. If you have any questions, please contact the Oil, Gas, and Minerals Division at 505-827-5791.

1. Briefly describe what you propose to do. Sidetrack and deepen the Dagger State Unit #1 in order to reach depths sufficient to adequately test the Wolfcamp formation and the Bone Springs Sand formation.

This is an application to downhole commingle.

2. Fill in the following information for each well. *[Attach additional pages if needed.]*

Well name & number Dagger State Unit #1 Lease # VO-6981
Lessee of Record Amtex Energy, Inc.
Legal land description: Subdivisions SE/4 of the NW/4, Unit F
Sect 30 T 21S R 33E NMPM Lea County NM
Pool Bone Springs; WC-025 G-07 S213330F

Well name & number Dagger State Unit #1 Lease # VO-6981
Lessee of Record Amtex Energy, Inc.
Legal land description: Subdivisions SE/4 of the NW/4, Unit F
Sect 30 T 21S R 33E NMPM Lea County NM
Pool Wolfcamp; WC-025 G-10 S2133280

Well name & number _____ Lease # _____
Lessee of Record _____
Legal land description: Subdivisions _____
Sect _____ T _____ R _____ NMPM _____ County NM
Pool _____

Note: When you provide a check as payment, you authorize the State of New Mexico to either use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction. Please be advised that payments will be drafted from your account immediately upon receipt.

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Sect 30 T 21S R 33E NMPM Lea County NM
Pool Wolfcamp; WC-025 G-10 S2133280

Well name & number _____ Lease # _____
Lessee of Record _____
Legal land description: Subdivisions _____
Sect _____ T _____ R _____ NMPM _____ County NM
Pool _____

Note: When you provide a check as payment, you authorize the State of New Mexico to either use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction. Please be advised that payments will be drafted from your account immediately upon receipt.

P. O. Box 3418
MIDLAND, TX 79702
432/686-0847
888/789-5245 FAX
432/770-0913 CELL



AMTEX ENERGY, INC.

July 6, 2016

Energy, Minerals and Natural Resources Department
Attn: Michael McMillan
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: MEMO: Dagger State Unit Well No. 1, Identical Ownership at All Depths
Sec 30, T21S, R33E
Lea County, New Mexico

Mr. McMillan:

The purpose of this letter is to attest and confirm to you that the depth ownership is identical at all depths in the Dagger State Unit Well No. 1 (API: 30-025-27222) and in the state lease number VO-6981, located in the W/2 of section 30, T21S R33E, Lea County, NM. The only well on this lease is the Dagger State Unit Well No. 1. Amtex is currently applying for a permit to commingle multiple zones in this well.

This lease was taken by Amtex Energy, Inc. ("Amtex") originally on January 1, 2004 from the state of New Mexico. All depths were included in the original lease and there has never been a depth severance of any type. Amtex was the original lessee and still is the only lessee on this lease. Therefore, Amtex has been the only party able to make a depth severance of any kind with this lease and none have been made. Additionally, the Dagger State Unit Well No. 1 was plugged and abandoned at the time Amtex originally took the lease. After Amtex re-entered this well and production was established, the interest in the well was determined by the current state lease VO-6981.

Due to the facts above, Amtex attests and confirms the depth ownership in state lease number VO-6981 and in the Dagger State Unit Well No. 1 is identical at all depths.

If you have any questions, please feel free to call me at (817) 706-5174 or email me at Tate.Savage@AmtexEnergy.com.

Regards,

Tate F. Savage, RPL
Business Development/Land Manager