

12/11/98

12/31/98

DC

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DHC

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

2164-

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
 [DD-Directional Drilling] [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 - Directional Drilling

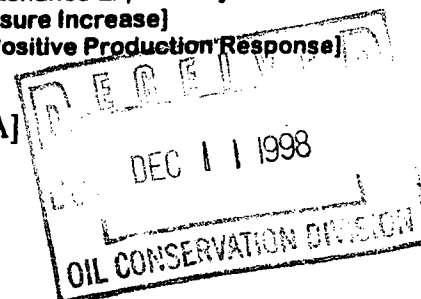
☐ NSL ☐ NSP ☐ DD ☐ SD

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[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] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

ERNEST L. HERRERA
 Print or Type Name

Ernest L. Herrera
 Signature

OPERATOR
 Title

12-8-98
 Date

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

811 South First St., Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd. Artesia, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-6429Form C-107-A
New 3-12-96

APPROVAL PROCESS:

☐ Administrative ☐ Hearing

EXISTING WELLBORE

☐ YES ☐ NO

APPLICATION FOR DOWNHOLE COMMINGLING

APPLICANT: ERNIE L. HEZNER Co. ADDRESS: P.O. Box 1637 Hobbs, N.M. 88240
WELL NO.: EDITH BUTLER #5 UNIT LTR.: F SEC 18, T-22-S, R-38-E COUNTY: LEA

OGRID NO. 07506 Property Code 21579 API NO. 00-025-12123 Spacing Unit Lease Types: (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	<u>PADONK 49210</u>	<u>BLUEBAY 96314</u>	<u>BANSON DEPT. 100 3001 96313</u>
2. Top and Bottom of Pay Section (Perforations)	<u>5154-5233</u>	<u>5628-5730</u>	<u>6410-7127</u>
3. Type of production (Oil or Gas)	<u>OIL</u>	<u>OIL</u>	<u>OIL</u>
4. Method of Production (Flowing or Artificial Lift)	<u>AL</u>	<u>AL</u>	<u>FLOW</u>
5. Bottomhole Pressure	a. (Current) <u>400</u>	a. (Current) <u>400</u>	a. (Current) <u>485</u>
Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	b. (Original)	b. (Original)	b. (Original)
6. Oil Gravity (°API) or Gas BTU Content	<u>37.8</u>	<u>38.0</u>	<u>38.0</u>
7. Producing or Shut-In?	<u>P</u>	<u>SI</u>	<u>SI</u>
Production Marginal? (yes or no)	<u>Y</u>	<u>Y</u>	<u>Y</u>
• If Shut-In, give date and oil/gas/water rates of last production	Date: <u>10-98</u> Rates: <u>30IL 30MCF</u>	Date: <u>5-83</u> Rates: <u>50IL 30MCF</u>	Date: <u>1-96</u> Rates: <u>30IL-30MCF</u>
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 60 days)	Date: Rates:	Date: Rates:	Date: Rates:
8. Fixed Percentage Allocation Formula - % for each zone	Oil: <u>27 %</u> Gas: <u>33 %</u>	Oil: <u>46 %</u> Gas: <u>33 %</u>	Oil: <u>27 %</u> Gas: <u>34 %</u>

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 Ernie L. Hezner TITLE OPERATOR DATE 12-8-98

TYPE OR PRINT NAME ERNIE L. HEZNER TELEPHONE NO. (505) 393-6327

ERNIE L. HEGWER CO.

Oil & Gas Operator
P.O. Box 1637
Hobbs, N.M. 88240



Office (505) 393-6327
Cellular (505) 390-8596
Fax: (505) 393-8182

December 8, 1998

RE: DHC Edith Butler #5
Unit Letter F SEC 18, T-22-S, R-38-E
Lea County, N.M.

To; All Offset Operators

We are filing application to downhole commingle the production from the Paddock, Blinebry and Brunson Drinkard Abo on the above referenced well. If you have any questions please call me at (505) 393-6327.

Sincerely,

Ernie L. Hegwer

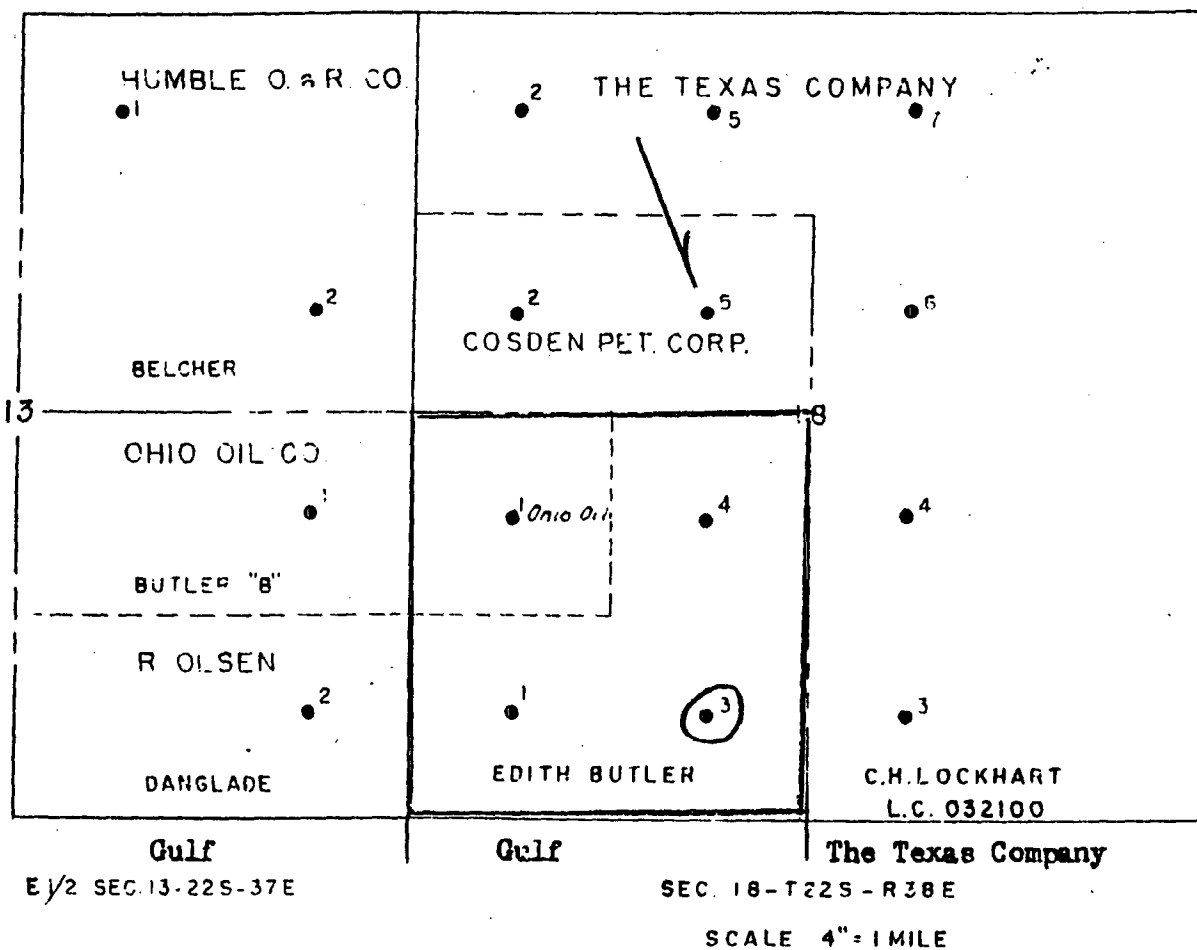
Dec 8, 1998

EXHIBIT 1

DHC Edith Butler #5
Unit Letter F. Sec 18, T-22-S, R-38-E
Lea County, N.M.

OFFSET OPERATORS

1. Texaco Exploration & Production
P.O. Box 3109
Midland, TX 79702



I, Charles P. Miller a licensed surveyor of the State of New Mexico, hereby certify that I have surveyed for COSDEN PETROLEUM CORPORATION the location sites shown upon its property as platted herewith. I certify further that the offset locations shown to Cosden Petroleum Corporation; as platted herewith; are to the best of my knowledge correctly located.

In witness whereof I hereunto affix my hand and seal this 10th day of July 1954.

Charles P. Miller

(There are no direct offsets to the South boundary of Cosden Petroleum Corporation's Butler lease)

Submit 3 Copies
to Appropriate
District OfficeDISTRICT I
P.O. Box 1980, Hobbs, NM 88240DISTRICT II
P.O. Drawer DD, Artesia, NM 88210DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, NM 87505

WELL API NO.

30-025-12123

5. Indicate Type of Lease

STATE ☐FEE ☒

6. State Oil & Gas Lease No.

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

ERNIE L. HEZWER CO.

3. Address of Operator

P.O. Box 1637

4. Well Location

Unit Letter F : 1980 Feet From The FHL Line and 1980 Feet From The FHL Line

Section

18

Township

T-22-S

Range

R-38-E

NMPM

LEA

County

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

3353 D.F.

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: ☐

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.

PLAN TO DRILL OUT BRIDGE PLUGS @ 6050', 6390', & 6865'. PUMP
ALL ZONES VIA ROD PUMP.
DHC FILED 12-9-98.

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

SIGNATURE

TITLE

OPERATOR

DATE

12-8-98

TYPE OR PRINT NAME

ERNIE L. HEZWER

TELEPHONE NO. 505-343-6327

(This space for State Use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

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

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-1
Revised October 18, 19
Instructions on b:
Submit to Appropriate District Off
State Lease - 4 Cop
Fee Lease - 3 Cop

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-12123		2 Pool Code 49210-96314-96313		3 Pool Name PODNER-BLUNTER-394-BENSON DENVER PER SOUTH	
4 Property Code 21579		5 Property Name EDITH BUTLER			6 Well Number 5
7 OGRID No. 07508		8 Operator Name ERNIE L. HEZNER CO			9 Elevation 3353 OF

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
F	18	22S	38E		1980	NORTH	1980	WEST	LEA

11 Bottom Hole Location If Different From Surface

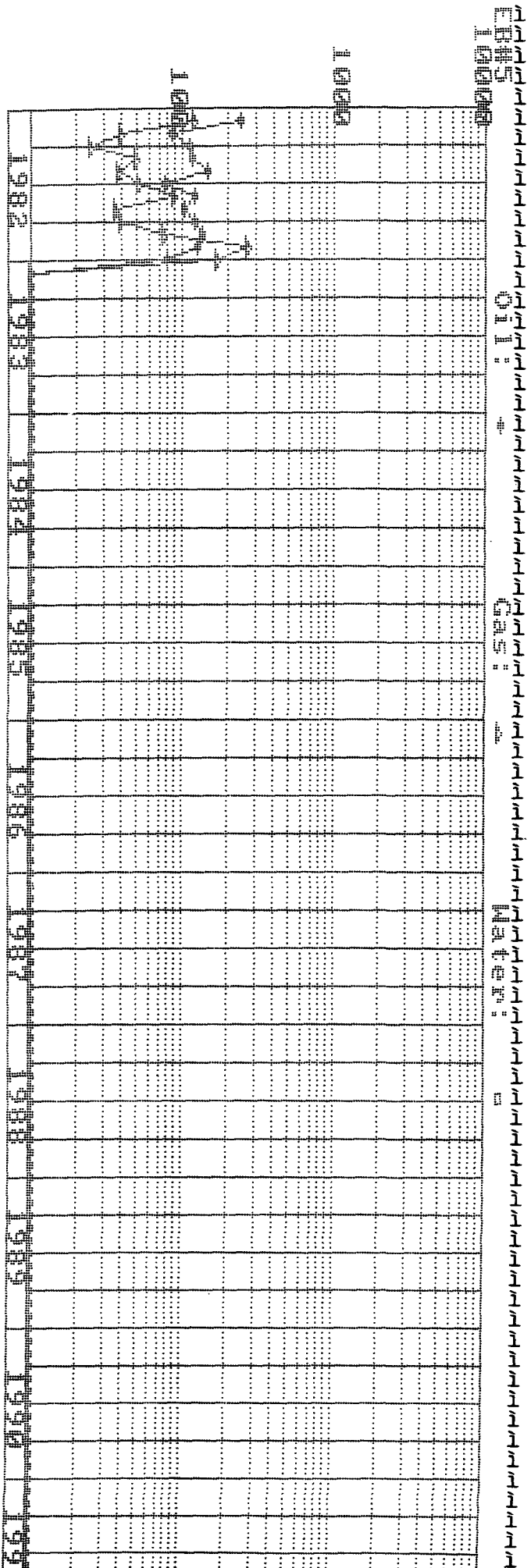
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

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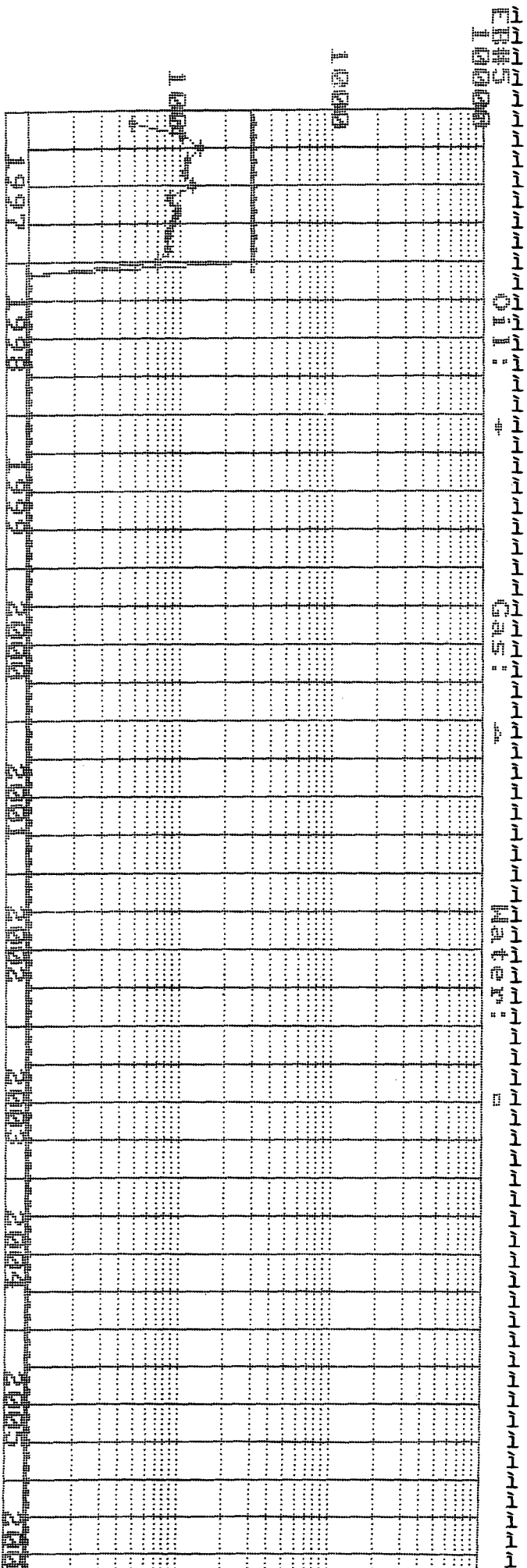
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16 	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature ERNIE L. HEZNER Printed Name OPERATOR Title DECEMBER 8, 1998 Date	
	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 Surveyer:	
	Certificate Number	

Production Curve
 from Butler #5
 1982 Production History
 June 1984



Production Curve
 EDRI Series #5
 1997 Production History
 Product K



Production Curve
 EDIN BURR #5
 1995 Production History
 Bakken Delema Area Sum

