

DHC 10/4/99

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980
DISTRICT II
811 South First St., Artesia, NM 88210-2835
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

RECEIVED
SEP 13 1999

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

FOUR STAR OIL AND GAS COMPANY 3300 N. Butler Ave, Ste100 Farmington NM 87401
Operator PAUL WILLIAMS 3 F 35 T26N R06W RIO ARRIBA
Lease Well No. Unit Ltr. - Sec - Twp - Rge Spacing Unit Lease Types: (check 1 or more)
OGRID No. 131994 Property Code API No. 3003921079 Federal State (and/or) Fee

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	BLANCO MESA VERDE		BASIN DAKOTA
2. Top and Bottom of Pay Section (Perforations)	4698-4948		6939-7019
3. Type of Production (Oil or Gas)	GAS		GAS
4. Method of Production (Flowing or Artificial Lift)	flowing		flowing
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a. (Current) 440 calculated b. (Original)	a. b.	a. 485 calculated b.
6. Oil Gravity (*API) or Gas BTU Content	1289		1131
7. Producing or Shut-in ?	PRODUCING		PRODUCING
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: Rates:
* If Producing, give date and oil/gas/water rates of recent test (ithin 60 days)	Date: 06/01/1999 Rates: OIL .16BBL GAS-116MCF WATER-1BBL	Date: Rates:	Date: 06/01/1999 Rates: OIL-O GAS-100MCF WTR-50BBL
8. Fixed Percentage Allocation Formula - % for each zone	Oil: % 60 Gas: %	Oil: % Gas: %	Oil: % 40 Gas: %

- 9. If allocation formula is based upon something other than current or past production, or is based on 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 compayible, will formations not be damaged, will any cros 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. NMOC Reference Cases for Rule 303(D) 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 all working, overriding, and royalty interest 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 Rached Hindi Title Senior Engineer Date 9/9/99

TYPE OR PRINT NAM Rached Hindi Telephone 325-4397

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OIL CONSERVATION DIVISION

2040 S. Pacheco

Santa Fe, New Mexico 87505-6429

WELL API NO.	3003921079
5. Indicate Type of Lease	STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil / Gas Lease No.	897620
7. Lease Name or Unit Agreement Name	PAUL WILLIAMS
8. Well No.	3
9. Pool Name or Wildcat	BLANCO MESAVERDE (PRORATED GAS)
10. Elevation (Show whether DF, RKB, RT,GR, etc.)	6338 GR

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

1. Type of Well:	OIL WELL <input type="checkbox"/>	GAS WELL <input type="checkbox"/>	OTHER <input type="checkbox"/>
2. Name of Operator	FOUR STAR OIL AND GAS COMPANY		
3. Address of Operator	3300 N. Butler Ave, Ste100 Farmington NM 87401		
4. Well Location	Unit Letter <u>F</u> : <u>1575</u> Feet From The <u>NORTH</u> Line and <u>1555</u> Feet From The <u>WEST</u> Line Section <u>35</u> Township <u>T26N</u> Range <u>R06W</u> NMPM <u>RIO ARRIBA</u> COUNTY		
10. Elevation (Show whether DF, RKB, RT,GR, etc.)	6338 GR		

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPERATION <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <u>DOWN HOLE COMMINGLE</u> <input checked="" type="checkbox"/>		OTHER: _____ <input type="checkbox"/>	

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.

FOUR STAR OIL AND GAS REQUESTS APPROVAL TO DOWNHOLE COMMINGLE PRODUCTION FROM THE SUBJECT ZONE.

ZONES TO BE COMMINGLED

PERFORATIONS	MESA VERDE	DAKOTA
PRODUCTION	4698'-4948'	6938'-7019'
GAS BTU	150 MCF	80 MCF
	1289	1131

THE DAKOTA ZONE IS CURRENTLY PRODUCING THROUGH 1 1/4" COILED TUBING AND THE MESAVERDE UP THE ANNULUS. THE TWO ZONES WILL BE COMMINGLED AND PRODUCED BY MEANS OF ARTIFICIAL LIFT TO MAINTAIN A LOW FLUID LEVEL TO ENSURE MAXIMUM PRODUCTION.

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

SIGNATURE Rached Hindi TITLE Senior Engineer DATE 9/9/99

TYPE OR PRINT NAME Rached Hindi Telephone No. 325-4397

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

DISTRICT I

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

DISTRICT II

P.O. Box Drawer DD, Artesia, NM 88211-0719

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

P.O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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

Form C-102
Revised February 10, 1999
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copie
Fee Lease - 3 Copie
 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 3003921079		² Pool Code 71599		³ Pool Name BASIN DAKOTA (PRORATED GAS)	
⁴ Property Code		⁵ Property Name PAUL WILLIAMS			⁶ Well No. 3
⁷ OGRID Number 131994		⁸ Operator Name FOUR STAR OIL AND GAS COMPANY			⁹ Elevation 6228'

¹⁰ Surface Location

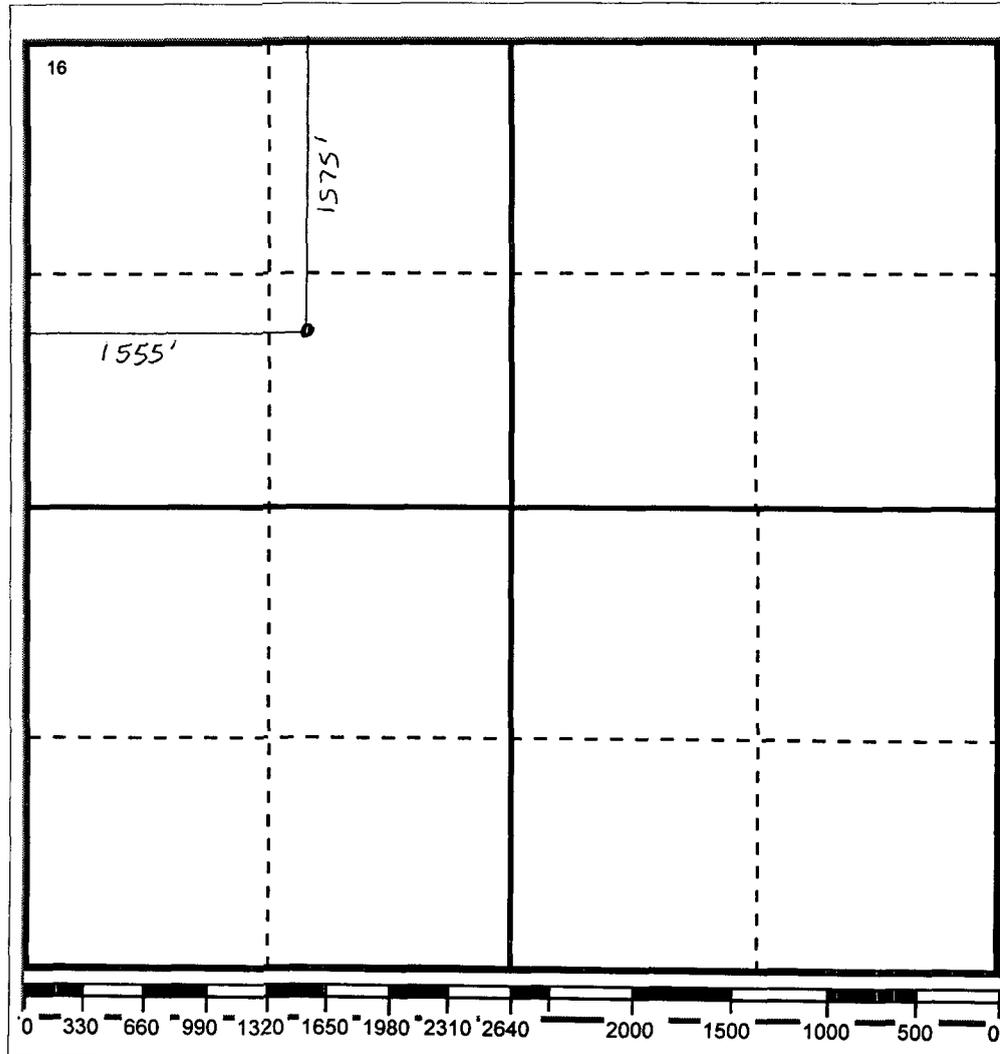
UI or lot no	Section	Township	Range	Lot.Idn	Feet From The	North/South Line	Feet From The	East/West Line	County
F	35	T26N	R06W		1575	NORTH	1555	WEST	RIO ARRIBA

¹¹ Bottom Hole Location If Different From Surface

UI or lot no.	Section	Township	Range	Lot.Idn	Feet From The	North/South Line	Feet From The	East/West Line	County

¹² Dedicated Acre	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



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

Signature: *Rached Hindi*
Printed Name: Rached Hindi
Positio: Senior Engineer
Date: 8/31/99

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 knowledge and belief.

Date Surveyed:
Signature & Seal of Professional Surveyor:
Certificate No.:

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WELL LOCATION AND ACREAGE DEDICATION PLAT

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⁴ Property Code	⁵ Property Name PAUL WILLIAMS	⁶ Well No. 3
⁷ OGRID Number 131994	⁸ Operator Name FOUR STAR OIL AND GAS COMPANY	⁹ Elevation 6338 GR

¹⁰ Surface Location

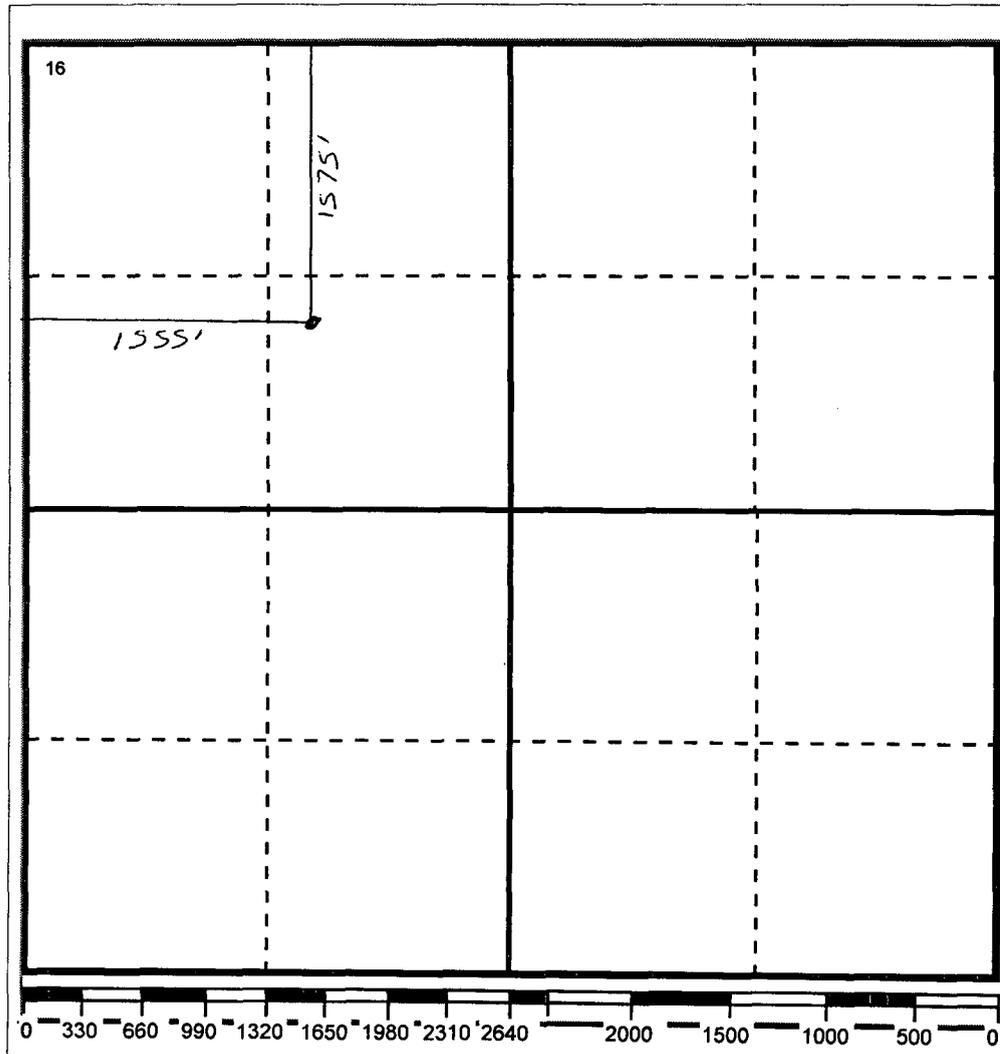
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Signature

Rached Hindi

Printed Name

Rached Hindi

Positio

Senior Engineer

Date

8/31/99

¹⁸ SURVEYOR CERTIFICATION

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Date Surveyed

Signature & Seal of
Professional Surveyor

Certificate No.



PAUL WILLIAMS No. 3 CURRENT COMPLETION

WELL:

Paul Williams No. 3

LOCATION:

Unit F, 1575' FNL & 1555' FWL
Sec. 35, T26N, R6W
Rio Arriba County

SPUD DATE: 5/15/75

COMPL. DATE: 5/22/75

FORMATION TOPS:

Pictured Cliffs 1505'
Mesa Verde 3070'
Mancos 4240'
Gallup 5137'
Greenhorn 5874'
Dakota 5970'

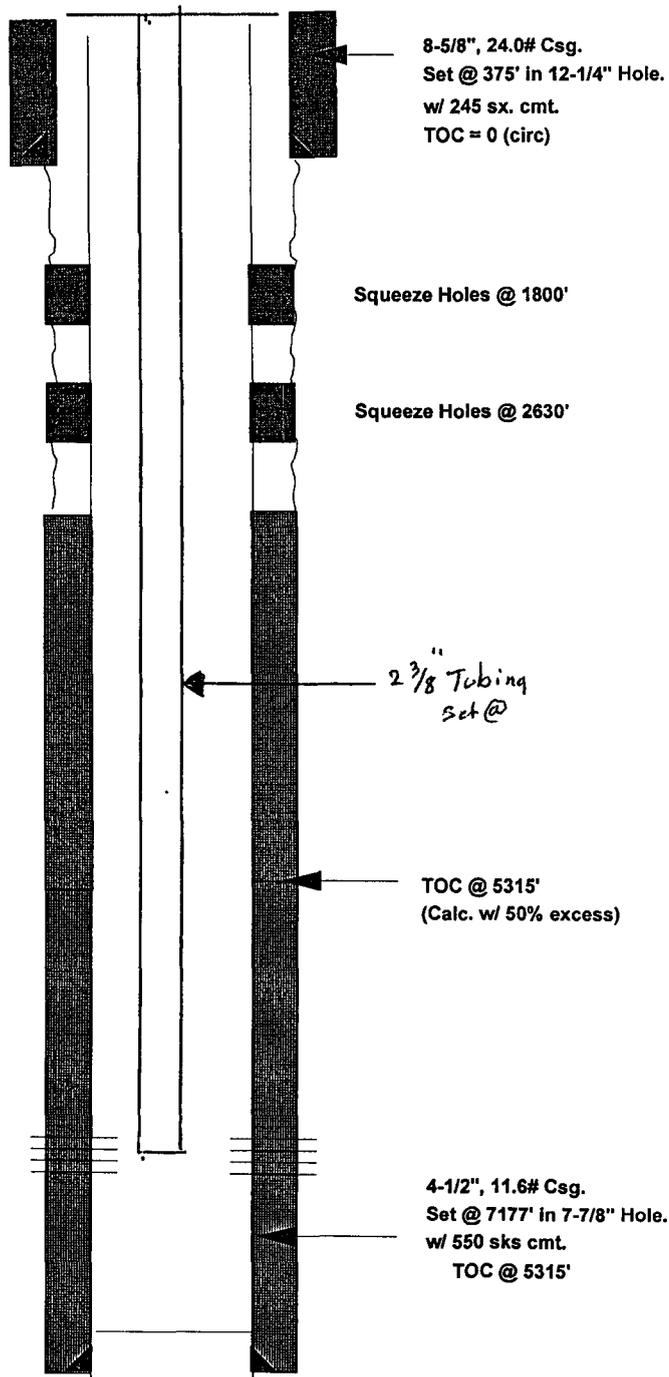
MESA VERDE PERFS:

4698' - 4948'

DAKOTA PERFS:

6938' - 7019'

PBTD - 7144'
TD - 7177'





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WELL:

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Unit F, 1575' FNL & 1555' FWL
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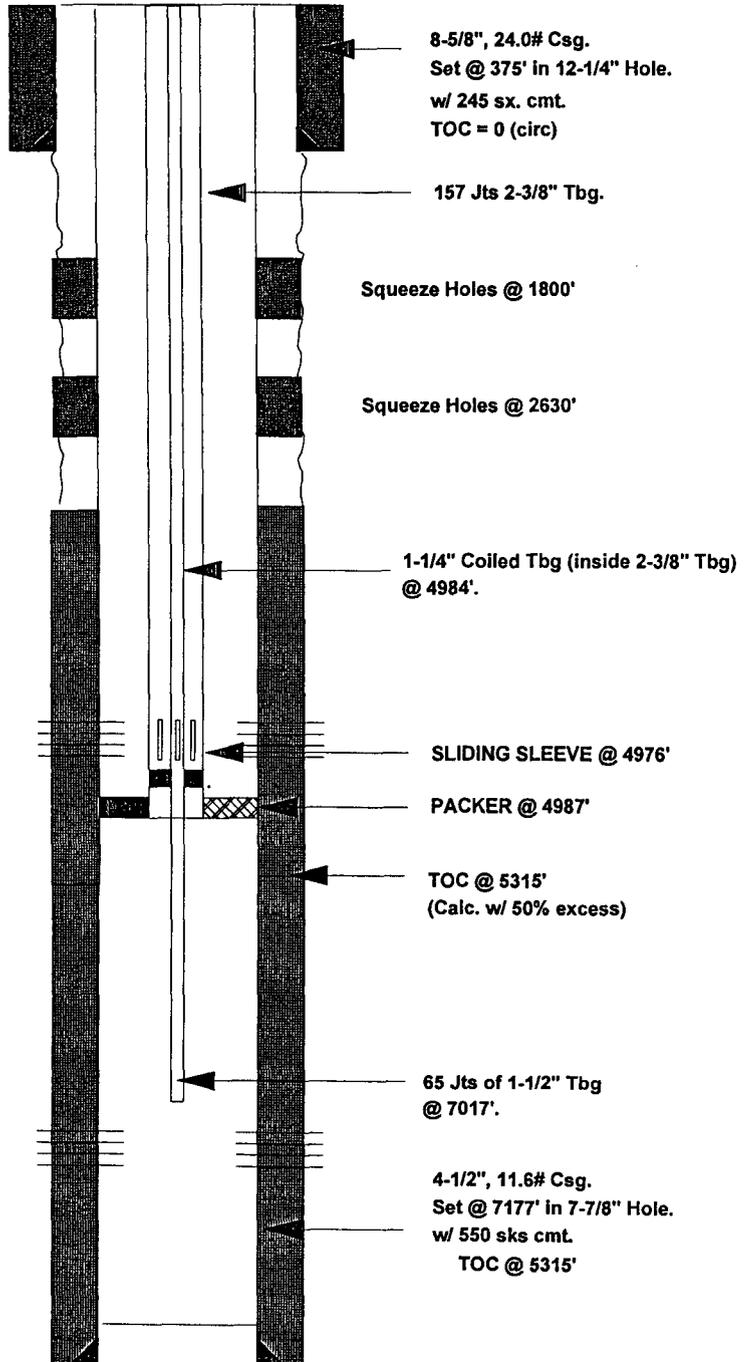
MESA VERDE PERFS:

4698' - 4948'

DAKOTA PERFS:

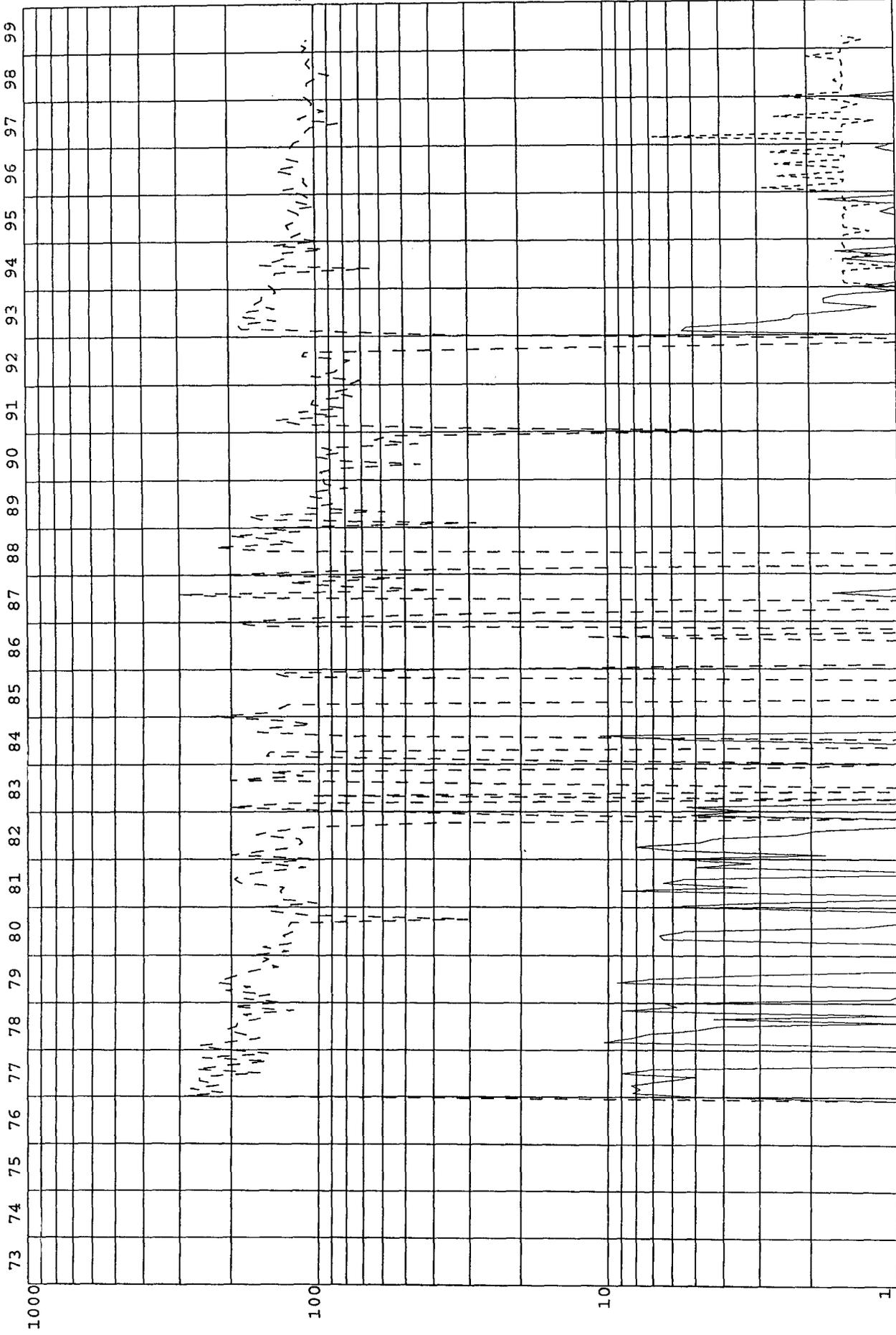
6938' - 7019'

PBTD - 7144'
TD - 7177'



LEASE NAME: WILLIAMS, PAUL
 TEX WELL NO: 3
 CURR_LSE_NO: 017725

RSVR: DAKOTA
 REG_FLD: 71599

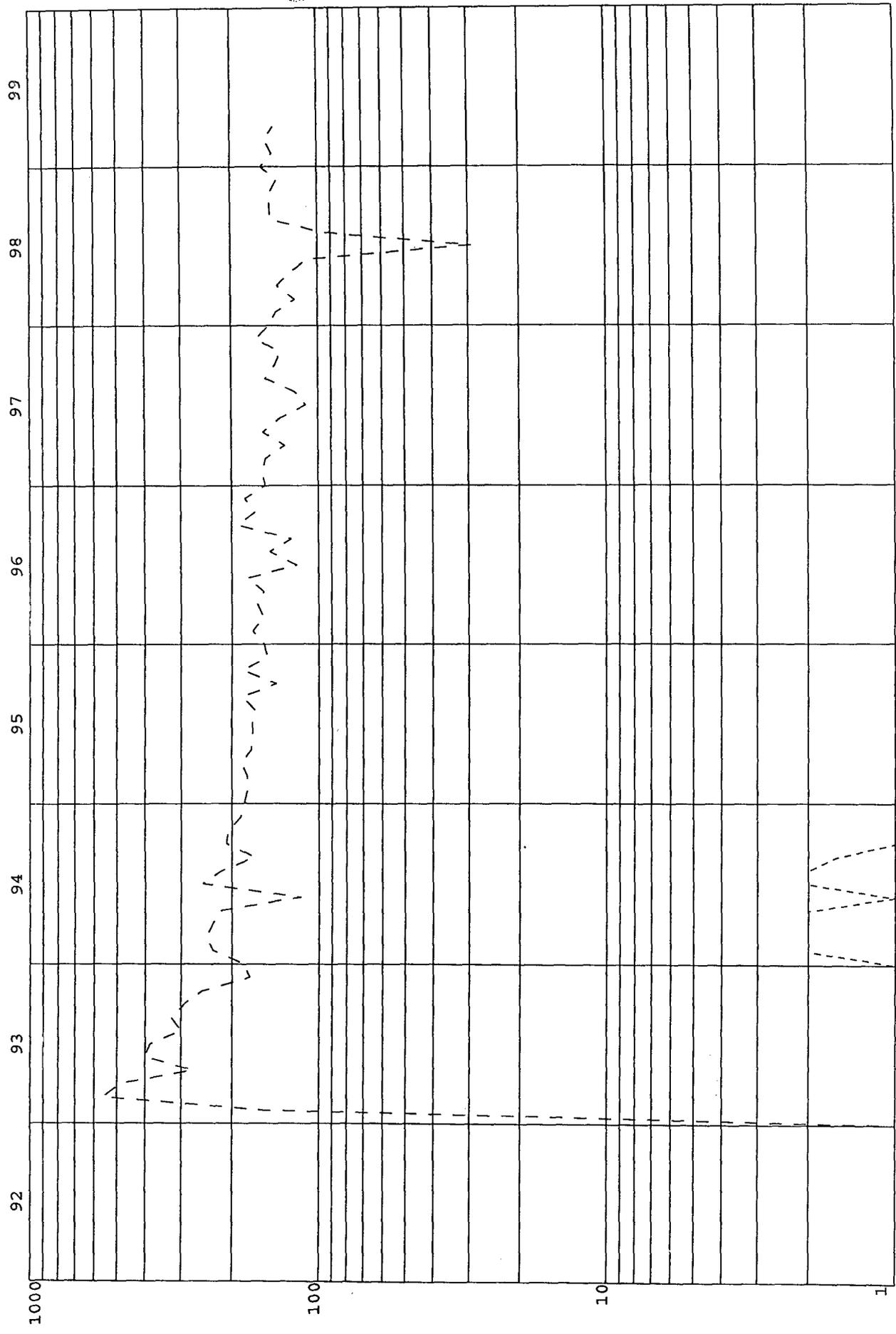


D A I L Y R A T E

— BOPD --- MCFPD ---- BWPD --- AVG INJ PRES / 1
 CURRENT CUMS: OIL: 10,355 bbl GAS: 1,054,180 mcf WTR: 3,254 bbl WINJ: 0 bbl

LEASE NAME: WILLIAMS, PAUL
 TEX_WELL_NO: 3
 CURR_LSE_NO: 017725

RSVR: MV
 REG_FLD: 72319



--- BOPD --- MCFPD --- BWPD --- AVG INJ PRES / 1
 CURRENT CUMS: OIL: 0 bbl GAS: 418,827 mcf WTR: 432 bbl WINJ: 0 bbl

DAILY RATE

Begin New File

SEAPORT IMAGING

EnsignTM

Scanner Type: ALL

Function: Begin New File

This is used only with multi-image file formats.
