

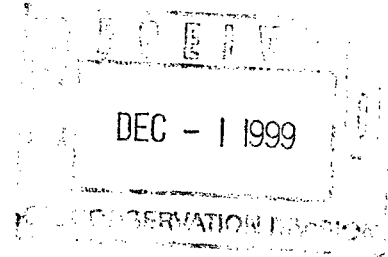
DHCO 12/21/99

AMERADA HESS CORPORATION

P. O. BOX 840
SEMINOLE, TEXAS 79360
915-758-6700

November 29, 1999

Attn: Lori Wrotenbery
State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505-5472



Re: State "Q" Well No. 7
API No. 30-025-34162
Unit J, Sec. 16, T20S, R37E
Lea County, New Mexico

Dear Ms. Wrotenbery,

Amerada Hess Corporation respectfully request approval to downhole commingle oil and gas production from State "Q" Well No. 7 in Monument Abo SE, Monument Tubb, & Monument Paddock Zones.

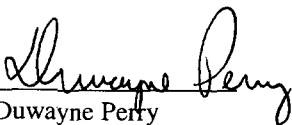
Production will be allocated based on following percentages:

	<u>OIL</u>	<u>GAS</u>
Monument Abo SE (96764)	46%	58%
Monument Tubb (47090)	27%	32%
Monument Paddock (47080)	27%	10%

Enclosed are Form C-107-A and supporting documents for your review.

If additional information is needed, please contact us at your earliest convenience.

Sincerely,


Duwayne Perry

xc: Mr. Chris Williams - NMOCD, Hobbs
Mr. Ray Powell - State of N.M., Commissioner of Public Lands

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
DISTRICT II
811 South First St., Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410
DISTRICT IV
2040 S. Pacheco, Santa Fe, NM 87505

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
Revised August 1999

APPROVAL PROCESS:

☒ Administrative ☐ Hearing

EXISTING WELLBORE

☒ YES ☐ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Amerada Hess Corporation

P. O. Box 840, Seminole, Texas 79360

Operator Address

State "Q"

7

J-16-20S-37E

Lea

Lease Well No. Unit Ltr. - Sec - Twp - Rge County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 000495 Property Code 000206 API NO. 30-025-34162 Federal , State X , (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	Monument Paddock (47080)	Monument Tubbs (47090)	Monument Abo SE (96764)
2. Top and Bottom of Pay Section (Perforations)	5139' - 5190'	6370' - 6595'	7170' - 7420'
3. Type of production (Oil or Gas)	Oil	Oil	Oil
4. Method of Production (Flowing or Artificial Lift)	Artificial Lift	Artificial Lift	Artificial Lift
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) 400	a. 497	a. 800
	b. (Original)	b.	b.
6. Oil Gravity (EAPI) or Gas BTU Content	37.9	40.1	41.4
7. Producing or Shut-In?	Producing	Producing	Shut-In
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 60 days)	Yes	Yes	Yes
	Date: 11-22-99 Rates: 6 B.O./D., 14 B.W./D., & 3 MCFGPD	Date: 11-22-99 Rates: 6 B.O./D., 14 B.W./D., & 10 MCFGPD	Date: 9-15-99 Rates: 10 B.O./D., 4 B.W./D. & 18 MCFGPD
	Date: Rates:	Date: Rates:	Date: Rates:
8. Fixed Percentage Allocation Formula - % for each zone (total of %'s to equal 100%)	Oil: 27 % Gas: 10 %	Oil: 27 % Gas: 32 %	Oil: 46 % Gas: 58 %

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

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(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 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 Duwayne Perry TITLE Sr. Petroleum Engineer DATE November 29, 1999

TYPE OR PRINT NAME Duwayne Perry TELEPHONE NO. (915) 758-6700

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
Fee Lease - 3 Copies

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 S. 1st Street, Artesia, NM 88210-2834
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-34162	² Pool Code 47080	³ Pool Name Monument Paddock
⁴ Property Code 000206	⁵ Property Name State "Q"	
⁷ OGRID No. 000495	⁸ Operator Name Amerada Hess Corporation	⁶ Well Number 7
		⁹ Elevation 3532' GR

¹⁰ Surface Location									
UL or lot no. J	Section 16	Township 20S	Range 37E	Lot. Idn	Feet from the 2200	North/South Line South	Feet from the 1650	East/West line East	County 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 160		¹³ Joint or Infill		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

	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 Roy L. Wheeler, Jr. Printed Name Bus. Svc. Spec. II Title 11-29-99 Date
	¹⁸ SURVEYOR CERTIFICATION <i>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.</i> Date of Survey Signature and Seal of Professional Surveyer:
	Certificate Number

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
811 S. 1st Street, Artesia, NM 88210-2834

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

District IV
2040 South Pacheco, Santa Fe, NM 87505

☐ **AMENDED REPORT**

¹ API Number 30-025-34162		² Pool Code 47090	³ Pool Name Monument Tubb	
⁴ Property Code 000206	⁵ Property Name State "Q"			⁶ Well Number 7
⁷ OGRID No. 000495	⁸ Operator Name Amerada Hess Corporation			⁹ Elevation 3532' GR

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
J	16	20S	37E		2200	South	1650	East	Lea

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
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¹² Dedicated Acres 160	¹³ Joint or Infill	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**

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

Date _____

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.

Signature and Seal of Professional Surveyor:

Certificate Number

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised October 18, 1994

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 S. 1st Street, Artesia, NM 88210-2834
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OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-34162		2 Pool Code Monument Abo SE		3 Pool Name 96764	
4 Property Code 000206		5 Property Name State "Q"			6 Well Number 7
7 OGRID No. 000495		8 Operator Name Amerada Hess Corporation			9 Elevation 3532' GR

10 Surface Location									
UL or lot no. J	Section 16	Township 20S	Range 37E	Lot. Idn	Feet from the 2200	North/South Line South	Feet from the 1650	East/West line East	County 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 160		13 Joint or Infill		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**

	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 Roy L. Wheeler, Jr. Printed Name Bus. Svc. Spec. II Title 11-29-99 Date
	18 SURVEYOR CERTIFICATION <i>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.</i> Date of Survey Signature and Seal of Professional Surveyer:
	Certificate Number

State 'Q' #7 Swab Test Results for Production Allocation

Tubb Zone											
DATE	SITP	IN. FL. LEVEL	HRS	RUNS	BO	BW	BFPD	%OIL	24 HR BOPD	GAS	COMMENTS
10/28/99	25	4000	11	21	0	117	255	0.0%	0	Slight	
10/29/99	25	5700	12	22	4	80	168	5.0%	8	Slight	
11/1/99	25	5600	12	22	4	65	138	5.7%	8	Slight	
11/2/99	25	5200	6	13	5	65	280	7.1%	19	Slight	Calc SBHP = 497 psi

Paddock Zone											
DATE	SITP	IN. FL. LEVEL	HRS	RUNS	BO	BW	BFPD	%OIL	24 HR BOPD	GAS	COMMENTS
11/3/99	N/A	5100	8	18	3	10	39	23.1%	9	Fair	Est SBHP =400 psi

11/22/99 Pumping Test of Commingled zones:

12 BOPD/ 28 BWPD/ 13MCFD

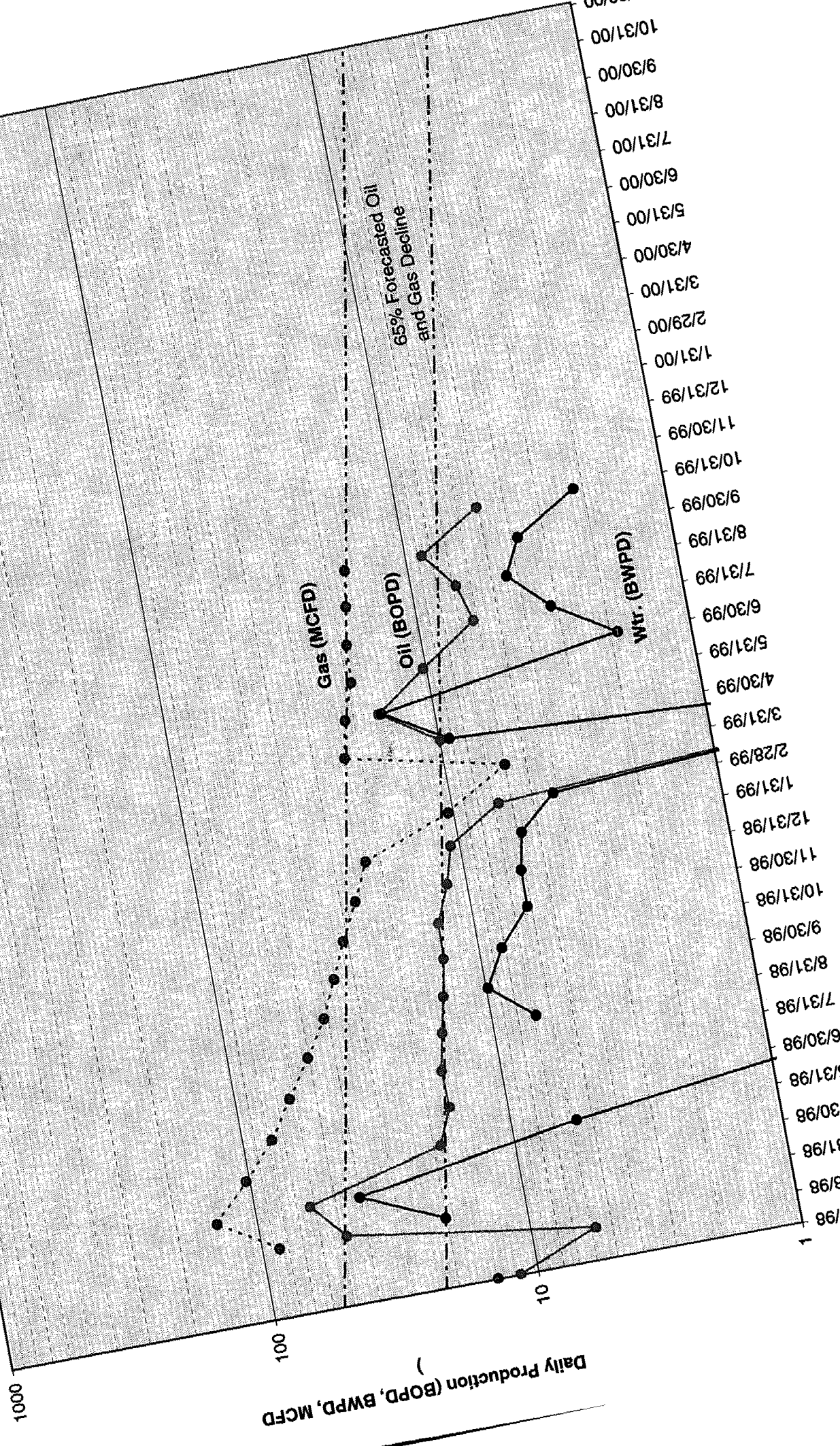
Estimated Tubb rate:

6 BOPD/ 14 BWPD/ 10 MCFD

Estimated Paddock rate:

6 BOPD/ 14 BWPD/ 3 MCFPD

Amerada Hess Corporation
 Monument Field
 State 'Q' #7
 Abo Production



AMERADA HESS CORPORATION
DIVISION ORDER OWNERSHIP
LIVE DIVISION ORDER OWNERSHIP BY PROPERTY

PROPERTY-TRACT: 02306-0000 STATE Q

STATE: NEW MEXICO

COUNTY: LRA

DESCRIPTION: 160 ACRES DESCR AS THE SE/4 SEC 16-20S-37E (AIRC LEASE NM00516)

PAGE: 1
REPORT #TDO10001
RUN DATE: 04/28/98 TIME: 09:42

TRACT FACTOR: 1.0000000

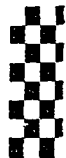
OWNER NUMBER	NAME AND ADDRESS	PAY/HOLD CODE	INTEREST DESC TYPE	DESC	OIL	GAS	COND	CSGHD	OTHER
00010	AMERADA HESS CORPORATION P O BOX 2040 HOUSTON, TX 77252-2040 TAX IDENTIFICATION: 134921002	80	ELM	11	WI	0.8750000	0.8750000	0.8750000	0.0000000
63902	COMMISSIONER OF PUBLIC LANDS OIL & GAS PROCESSING SECTION P O BOX 2308 SANTA FE, NM 87504-2308 TAX IDENTIFICATION: 856000565	30	PAY	23	RI	0.0000000	0.0000000	0.1250000	0.0000000
63903	COMMISSIONER OF PUBLIC LANDS NM TAXATION & REVENUE DEPARTMENT P O BOX 2308 SANTA FE, NM 87504-2308 TAX IDENTIFICATION: 856000565	30	PAY	23	RI	0.1250000	0.1250000	0.0000000	0.0000000

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*** OR REPRESENTATION AS TO THE ACCURACY OR CORRECTNESS OF THIS INFORMATION, AND PARTIES RELY ON SUCH INFORMATION
*** DO SO AT THEIR OWN RISK AND WITHOUT RECOURSE AGAINST AMERADA HESS CORPORATION, OR ANY OF ITS AGENTS OR EMPLOYEES.

***** END OF REPORT *****

AMERADA HESS

APR 28 1997 1:31PM



ONSHORE PRODUCTION
MONUMENT AREA
SEMINOLE DISTRICT

MONUMENT FIELD
LEA COUNTY, NEW MEXICO

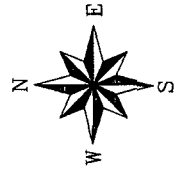
PADDOCK FORMATION

LEASE	LOCATION	WELL	STATUS
STATE Q	20S 37E 16 I	4	ACTIVE
STATE Q	20S 37E 16 J	1	ACTIVE
STATE Q	20S 37E 16 O	5	INACTIVE
STATE Q	20S 37E 16 P	6	INACTIVE

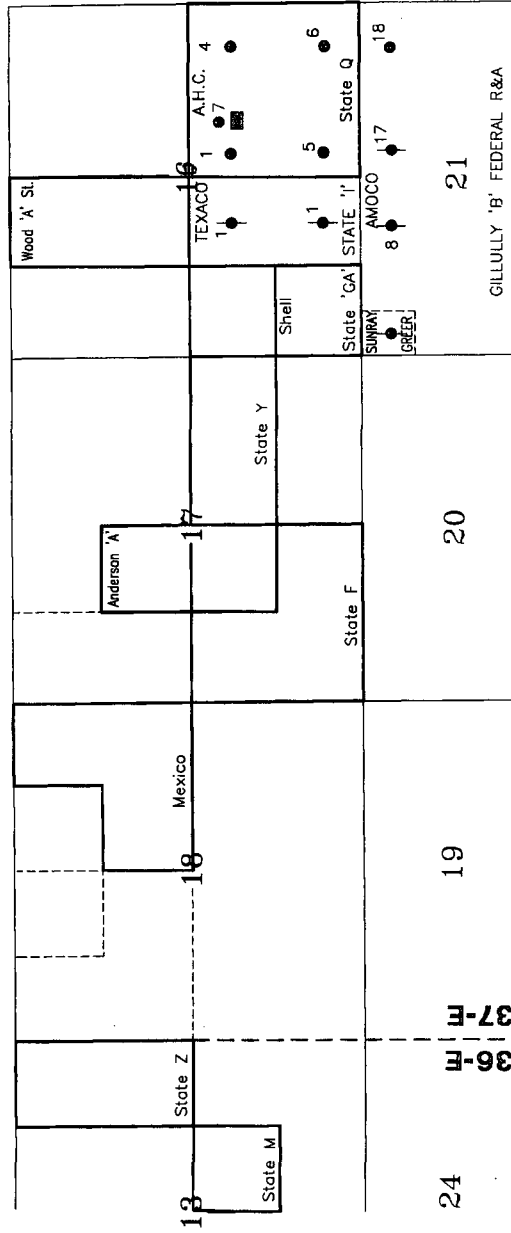
MONUMENT ABO SE FORMATION

LEASE	LOCATION	WELL	STATUS
STATE Q	20S 37E 16 J	7	ACTIVE

STATE "Q" STORAGE FACILITY



T-20-S



CONFIDENTIAL

AMERADA HESS CORPORATION

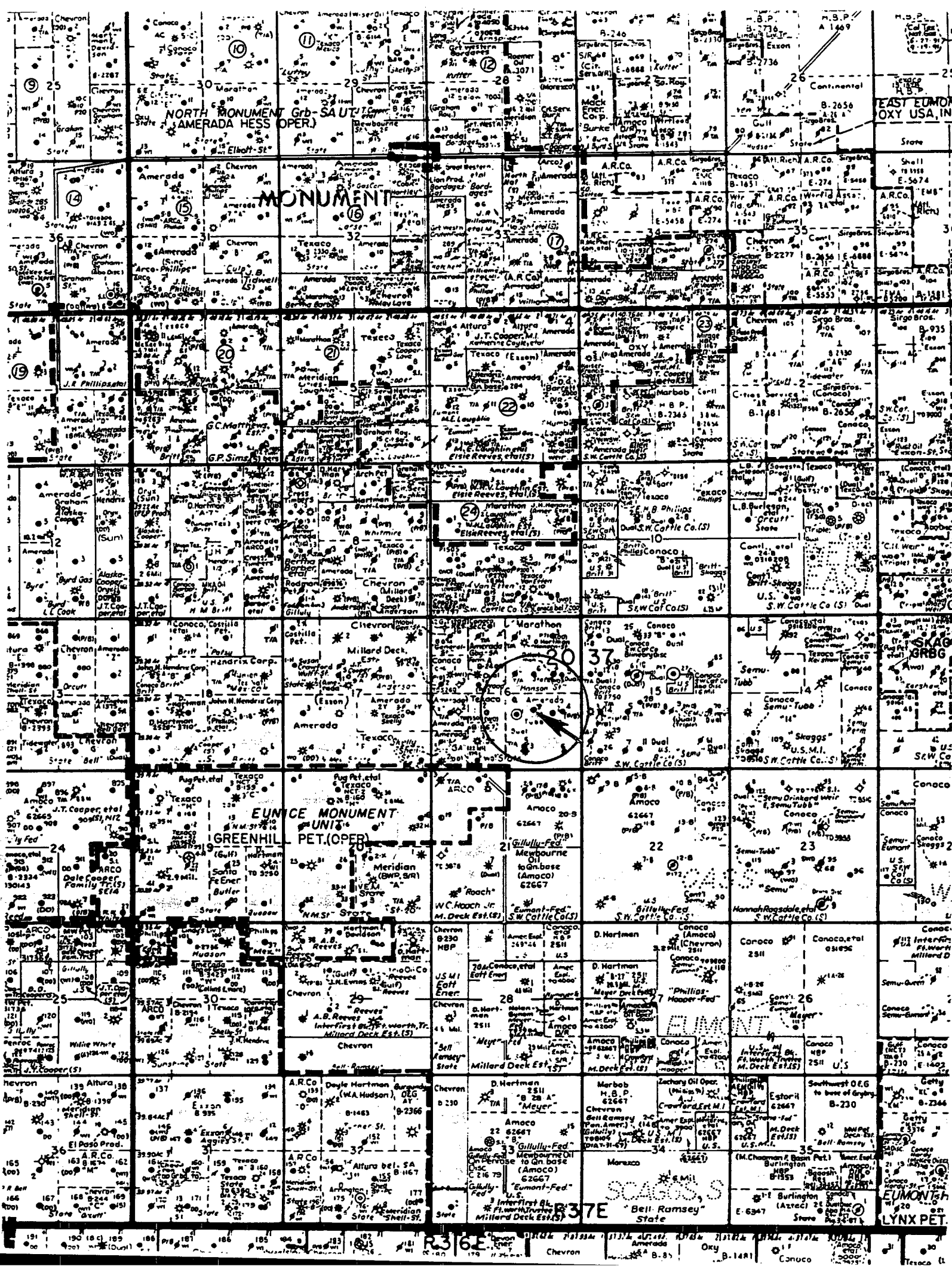
BASE MAP

5-20-1998
MON-2b.DWG

WELL INFORMATION

- OIL WELL
- TA'D
- P & A
- GAS WELL
- INJECTION WELL
- SWD
- AHC

LEASE INFORMATION



AMERADA HESS CORPORATION

P. O. BOX 840
SEMINOLE, TEXAS 79360
915-758-6700

November 29, 1999

State of New Mexico
Commissioner of Public Lands
Ray Powell, M.S., D.V.M.
310 Old Santa Fe Trail, P. O. Box 1148
Santa Fe, New Mexico 87504-1148

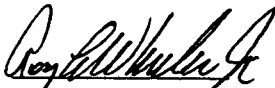
Re: Application to Subsurface Commingle
State "Q" Well No. 7
State Lease No. NM00516
Lea County, New Mexico

Dear Sir,

Amerada Hess Corporation respectfully request approval to subsurface commingle production from State "Q" Well No. 7 as submitted to State of New Mexico Oil Conservation Division by Form C-107-A with attachments.

If we can furnish additional information, please let us know at your earliest convenience.

Sincerely,



Roy L. Wheeler, Jr.

Xc: NMOCD - Santa Fe

Attachments