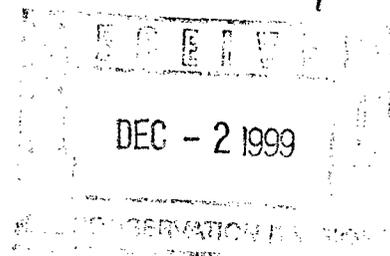


DHC 12/22/99



**EXXON** COMPANY, U.S.A.  
POST OFFICE BOX 4358 • HOUSTON, TEXAS 77210-4358

HOUSTON PRODUCTION ORGANIZATION  
PERMITTING

November 30, 1999

F. F. Hardison "B", Well No. 5  
Downhole Commingling Request  
Blinebry Oil and Gas Pool  
Tubb Oil and Gas Pool

2555

Ms. Lori Wrotenberry, Director  
New Mexico Oil Conservation Division  
2040 Pacheco  
Santa Fe, New Mexico 87505

Dear Ms. Wrotenberry,

Exxon requests approval to downhole commingle production from the F. F. Hardison "B", Well No. 5, located at Unit O, Section 27, T21S and R37E in Lea County, New Mexico. This is an exception to Rule 303A.

The pools to be downhole commingled are the Blinebry Oil and Gas Pool and the Tubb Oil and Gas Pool. Well No. 5 will be in a 40 acre Standard Oil Proration Unit in the Blinebry and in a 160-acre Non-Standard Gas Proration Unit in the Tubb.

The Offset Operators have been notified and return receipts are included in this package. There is a single Royalty Owner, the State of New Mexico, no Overriding Royalty Interest and no Working Interest Owners, other than Exxon.

We would appreciate your approval of this request. If there are questions, call Bob Ward at (713) 431-1024.

Sincerely,

Charlotte H. Harper

JRW/ffs  
Cc: Commissioner of Public Lands  
New Mexico DHC. dot  
G:/Permitting/Secrtry/Jrw/Req.comm Approval.DOC



**Offset Operator Listing  
F. F. Hardison "B" Lease  
Blinebry Oil and Gas Pool**

**Sections 27 and 34  
T21S, R34E, Lea County  
New Mexico**

**Amoco Production Company  
P. O. Box 3092  
Houston, Texas 77253**

**Apache Corporation  
2000 Post Oak Blvd. Ste. 100  
Houston, Texas 77056**

**Chevron USA Inc.  
P. O. Box 1150  
Midland, Texas 79702**

**Conoco Inc.  
10 Desta Dr. Ste. 100W  
Midland, Texas 79705**

**John H. Hendrix  
P. O. Box 3040  
Midland, Texas 79702**

**Marathon Oil Company  
P. O. Box 552  
Midland, Texas 79702**

**Texaco E & P Inc.  
P. O. Box 3109  
Midland, Texas 79702**

**Titan Resources Inc.  
500 West Texas Ste. 500  
Midland, Texas 79701**

mailed 11/18/99

Z 146 630 355



### Receipt for Certified Mail

No Insurance Coverage Provided  
Do not use for International Mail  
(See Reverse)

PS Form 3800, March 1993

Sent to	
Marathon Oil Comp.	
Street and No.	
P.O. Box 552	
P.O., State and ZIP Code	
Midland, TX 79702	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Marathon Oil Comp.  
P.O. Box 552  
Midland, TX 79702

4a. Article Number  
Z 146 630 355

4b. Service Type

Registered  Certified  
 Express Mail  Insured  
 Return Receipt for Merchandise  COD

7. Date of Delivery  
NOV 22 1999

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X *[Signature]*

PS Form 3811, December 1994 102595-98-B-0229 Domestic Return Receipt

Thank you for using Return Receipt Service.

Z 146 630 356



### Receipt for Certified Mail

No Insurance Coverage Provided  
Do not use for International Mail  
(See Reverse)

PS Form 3800, March 1993

Sent to	
John H. Hendrix	
Street and No.	
P.O. Box 3040	
P.O., State and ZIP Code	
Midland, TX 79702	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

Is your RETURN ADDRESS completed on the reverse side?

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- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

John H. Hendrix  
P.O. Box 3040  
Midland, TX 79702

4a. Article Number  
Z 146 630 356

4b. Service Type

Registered  Certified  
 Express Mail  Insured  
 Return Receipt for Merchandise  COD

7. Date of Delivery

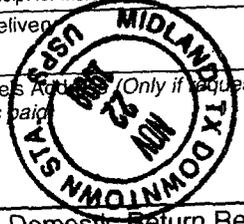
5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X *[Signature]*

PS Form 3811, December 1994 102595-98-B-0229 Domestic Return Receipt



Thank you for using Return Receipt Service.

Z 146 630 415



### Receipt for Certified Mail

No Insurance Coverage Provided  
Do not use for International Mail  
(See Reverse)

PS Form 3800, March 1993

Sent to	
Chevron USA Inc.	
Street and No. P.O. Box 1150	
P.O., State and ZIP Code Midland, TX 79702	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

Is your RETURN ADDRESS completed on the reverse side?

#### SENDER:

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- Complete items 3, 4a, and 4b.
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I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

#### 3. Article Addressed to:

Chevron USA Inc.  
P.O. Box 1150  
Midland, TX 79702

#### 4a. Article Number

Z 146 630 415

#### 4b. Service Type

- Registered  Certified
- Express Mail  Insured
- Return Receipt for Merchandise  COD

#### 7. Date of Delivery

NOV 22 1993

#### 5. Received By: (Print Name)

#### 6. Signature (Addressee or Agent)

X

#### 8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

102595-98-B-0229

Domestic Return Receipt

Thank you for using Return Receipt Service.

Z 146 630 372



### Receipt for Certified Mail

No Insurance Coverage Provided  
Do not use for International Mail  
(See Reverse)

PS Form 3800, March 1993

Sent to	
Conoco Inc.	
Street and No. 10 Desta Dr., Ste. 100W	
P.O., State and ZIP Code Midland, TX 79702	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

Is your RETURN ADDRESS completed on the reverse side?

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I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

#### 3. Article Addressed to:

Conoco Inc.  
10 Desta Dr. Ste. 100W  
Midland, TX 79702

#### 4a. Article Number

Z 146 630 372

#### 4b. Service Type

- Registered  Certified
- Express Mail  Insured
- Return Receipt for Merchandise  COD

#### 7. Date of Delivery

11/24

#### 5. Received By: (Print Name)

#### 6. Signature (Addressee or Agent)

X

#### 8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

102595-98-B-0229

Domestic Return Receipt

Thank you for using Return Receipt Service.

Z 146 630 418



### Receipt for Certified Mail

No Insurance Coverage Provided  
Do not use for International Mail  
(See Reverse)

Sent to <b>Amoco Prod. Co.</b>	
Street and No. <b>P.O. Box 3092</b>	
P.O., State and ZIP Code <b>Houston, TX 77253</b>	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing: to Whom & Date Delivered:	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <b>Recd. 11/22/99</b>	

Is your RETURN ADDRESS completed on the reverse side?

#### SENDER:

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- Complete items 3, 4a, and 4b.
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I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

**Amoco Production Co.  
P.O. Box 3092  
Houston, TX 77253**

4a. Article Number  
**Z 146 630 418**

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Merchandise
- Certified
- Insured
- COD

7. Date of Delivery  
**NOV 22 1999**

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)  
*X [Signature]*

PS Form 3811, December 1994 102595-98-B-0229 Domestic Return Receipt

PS Form 3800, March 1993

Thank you for using Return Receipt Service.

Z 146 630 417



### Receipt for Certified Mail

No Insurance Coverage Provided  
Do not use for International Mail  
(See Reverse)

Sent to <b>Apache Corp.</b>	
Street and No. <b>2000 Post Oak Blvd, Ste 1</b>	
P.O., State and ZIP Code <b>Houston, TX 77056</b>	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing: to Whom & Date Delivered:	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

Is your RETURN ADDRESS completed on the reverse side?

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- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

**Apache Corp.  
2000 Post Oak Blvd.  
Suite 100  
Houston, TX 77056**

4a. Article Number  
**Z 146 630 417**

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Merchandise
- Certified
- Insured
- COD

7. Date of Delivery  
**11/22/99**

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)  
*X [Signature]*

PS Form 3811, December 1994 102595-98-B-0229 Domestic Return Receipt

PS Form 3800, March 1993

Thank you for using Return Receipt Service.

Z 146 630 354



### Receipt for Certified Mail

No Insurance Coverage Provided  
Do not use for International Mail  
(See Reverse)

PS Form 3800, March 1993

Sent to	
Texaco E & P Inc.	
Street and No.	
P.O. Box 3109	
P.O., State and ZIP Code	
Midland, TX 79702	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

Is your RETURN ADDRESS completed on the reverse side?

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I also wish to receive the following services (for an extra fee):

- Addressee's Address
  - Restricted Delivery
- Consult postmaster for fee.

#### 3. Article Addressed to:

Texaco E & P Inc.  
P.O. Box 3109  
Midland, TX 79702

#### 4a. Article Number

Z 146 630 354

#### 4b. Service Type

- Registered  Certified
- Express Mail  Insured
- Return Receipt for Merchandise  COD

#### 7. Date of Delivery

NOV 22 1993

#### 5. Received By: (Print Name)

#### 8. Addressee's Address (Only if requested and fee is paid)

#### 6. Signature: (Addressee or Agent)

X *[Signature]*

PS Form 3811, December 1994

102595-98-B-0229

Domestic Return Receipt

Thank you for using Return Receipt Service.

Z 146 630 353



### Receipt for Certified Mail

No Insurance Coverage  
Do not use for International Mail  
(See Reverse)

PS Form 3800, March 1993

Sent to	
Titan Resources Inc.	
Street and No.	
500 West Texas, Ste	
P.O., State and ZIP Code	
Midland, TX 79701	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

Is your RETURN ADDRESS completed on the reverse side?

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I also wish to receive the following services (for an extra fee):

- Addressee's Address
  - Restricted Delivery
- Consult postmaster for fee.

#### 3. Article Addressed to:

Titan Resources Inc.  
500 West Texas, Ste. 500  
Midland, TX 79701

#### 4a. Article Number

Z 146 630 353

#### 4b. Service Type

- Registered  Certified
- Express Mail  Insured
- Return Receipt for Merchandise  COD

#### 7. Date of Delivery

11/22

#### 5. Received By: (Print Name)

#### 8. Addressee's Address (Only if requested and fee is paid)

#### 6. Signature: (Addressee or Agent)

*[Signature]*

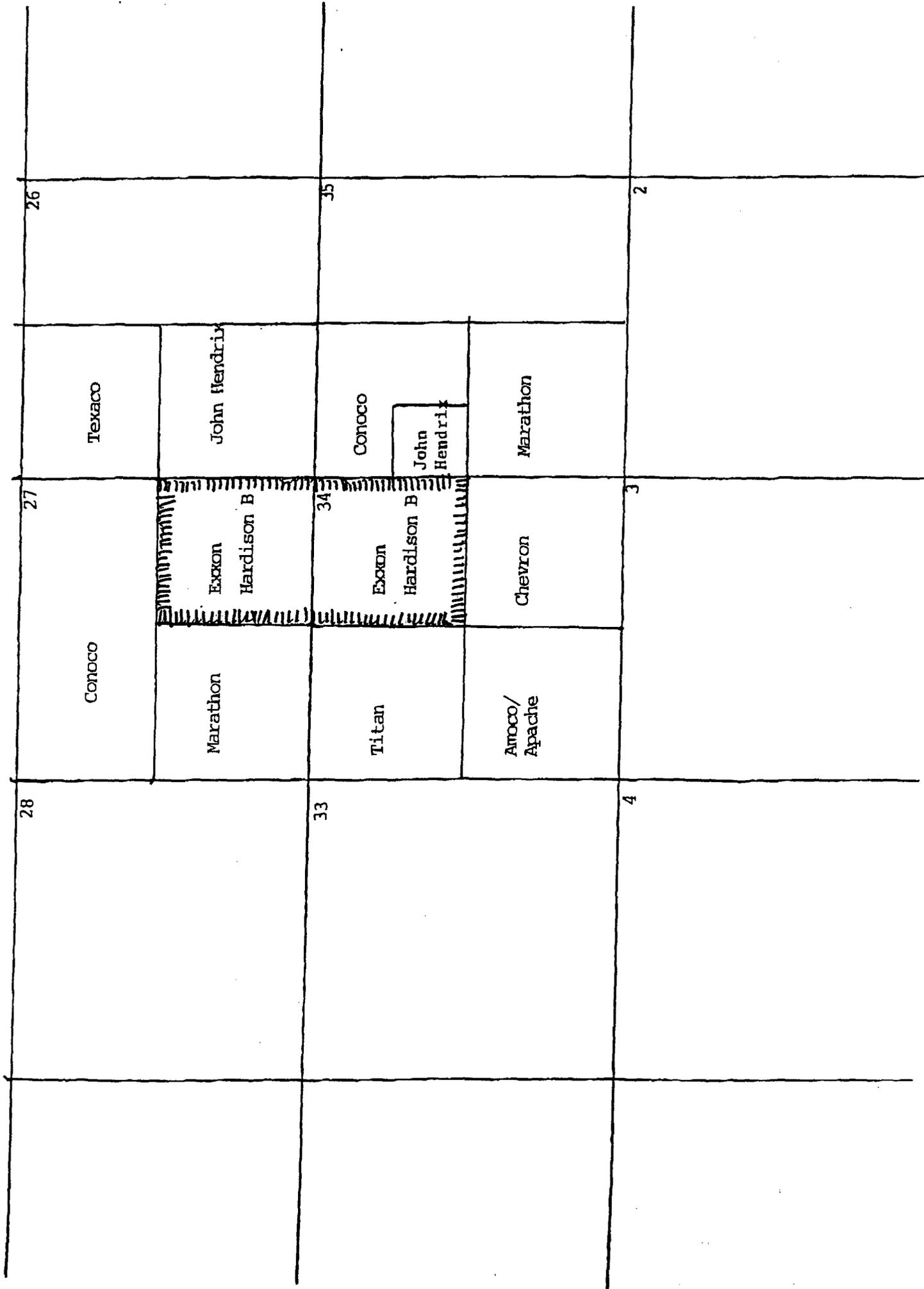
PS Form 3811, December 1994

102595-98-B-0229

Domestic Return Receipt

Thank you for using Return Receipt Service.

Offset operators for the Hardison Lease  
Sections 27, 26, 35, 34, T-21-S, R-37-E  
Lea County, New Mexico



## F.F. Hardison #5 Allocation Formula

### Current Tubb Gas

0	BOPD
179	Kcf/d
1	BWPD

### Estimated Bliney Oil Rates

9	BOPD
139	Kcf/d
2	BWPD

### Total Commingled

9	BOPD
318	Kcf/d
3	BWPD

## Allocations

	<u>Tubb</u>	<u>Bliney</u>
Oil	0%	100%
Gas	56%	44%
Water	33%	67%

**RESERVE, FLOWSTREAM & ECONOMIC ASSUMPTIONS**

***All economics are Blinebry Only reserves and rates (No Commingle of Tubb Included)***

Risked Reserves (Gross) 16 kbo 195 Mcf

Flowstream Construction (Gross):

Most Likely Case = Average current production of Exxon and Offset wells

3 bopd @ 17% decline and 141 kcf @ 21% decline to 25 kcf abandonment

Weighted at 40%

High Side Case = Average IP production of Exxon and Offset wells

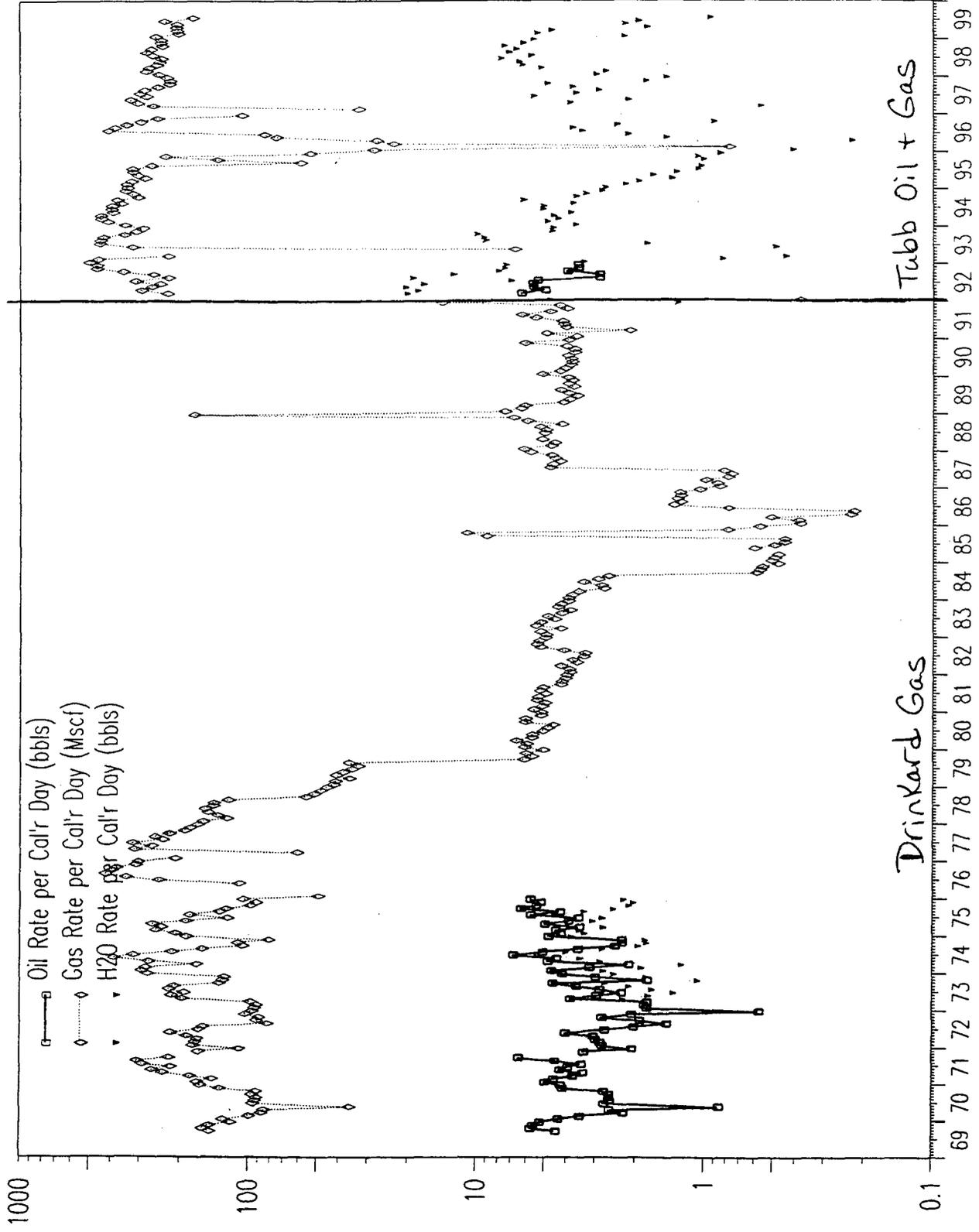
24 bopd @ 17% decline to 3 bopd abandonment & 259 kcf @ 21% decline

Weighted at 40%

Dry Hole - No production weighted at 20%

Declines were calculated from Exxon Blinebry Oil wells on the F F Hardison Lease.

F F HARDISON B 0005(3)



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

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised February 10, 1994  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

District II  
PO Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088

AMENDED REPORT

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

District IV  
PO Box 2088, Santa Fe, NM 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-06808	Pool Code 06660	Pool Name BLINEBRY OIL & GAS (OIL)
Property Code 004180	Property Name F. F. HARDISON "B"	Well Number 5
OGRID No. 007673	Operator Name Exxon Corp.	Elevation 3393'

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	27	21S	37E		660	SOUTH	660	EAST	LEA

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

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
-----------------------	-----------------	--------------------	-----------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNIT ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>C.H. Harper</i> Signature</p> <p>C.H. Harper Printed Name</p> <p>Permits Supervisor Title</p> <p>12-1-99 Date</p>
	<p><b>SURVEYOR CERTIFICATION</b></p> <p>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.</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor.</p> <p>Certificate Number</p>

Distance to nearest Town 0.12 Miles E of EUNICE, New Mexico.	Drawn By DA	Date 10/29/99	Drawing File Name File No.: A10294-5
---	----------------	------------------	---

Submit to Appropriate District Office  
 State Lease - 4 copies  
 Fee Lease - 3 copies

OIL CONSERVATION DIVISION

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

DISTRICT I  
 P.O. Box 1880, Hobbs, NM 88240

DISTRICT II  
 P.O. Drawer 00, Artesia, NM 88210

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

All distances must be from the outer boundaries of the Section.

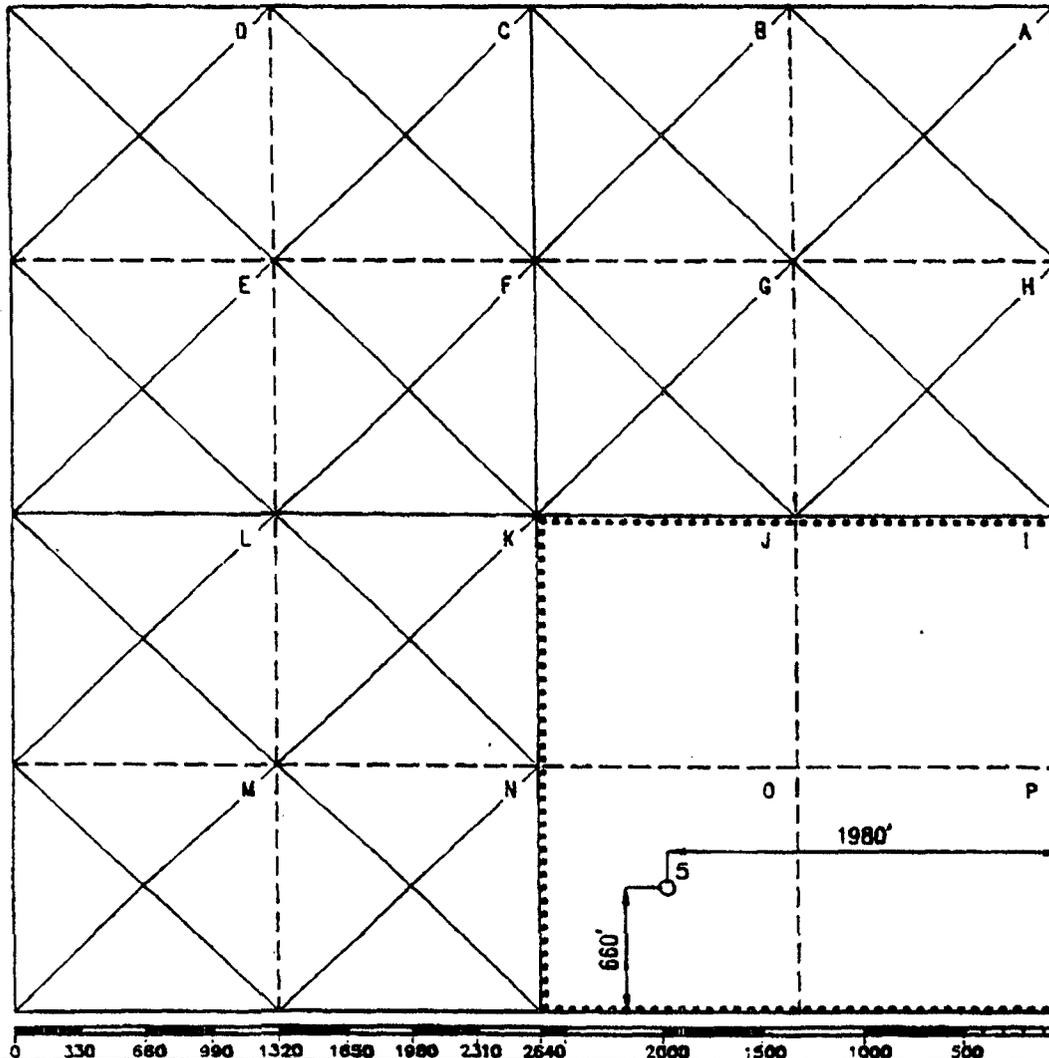
Operator Exxon Corporation			Lease F.F. HARDISON "B"		Well No. 5
Unit Letter 0	Section 27	Township 21S	Range 37E	County LEA	
Actual Footage Location of Well: 660' feet from the SOUTH line and 1980' feet from the EAST line.					
Ground level Elev. DF 3395'	Producing Formation TUBB		Pool TUBB	Dedicated Acreage: 160 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners bears consolidated by communitization, unitization, force-pooling, etc.?

Yes  No If answer is "yes", type of consolidation \_\_\_\_\_

If answer is "no", list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowance will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature  
*C. H. Harper for C. H. Harper*

Printed Name  
 C. H. Harper

Position  
 PERMITS SUPERVISOR

Company  
 Exxon Corporation  
 P.O. Box 1600-Midland, Tx.-797

Date  
 12-17-92

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from the 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  
 8/21/46

Signature & Seal of Professional Surveyor

Certificate No.

0.25 Miles NE of EUNICE, New Mexico.

C.E. File No. A00436G

**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, Artesia, NM 87410-1693

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107-A  
New 3-12-96

**OIL CONSERVATION DIVISION**

2040 S. Pacheco  
Santa Fe, New Mexico 87505-6429

APPROVAL PROCESS:

Administrative  Hearing

EXISTING WELLBORE

YES  NO

**APPLICATION FOR DOWNHOLE COMMINGLING**

Exxon Corp., P.O.Box 4358, Houston, TX 77120-4358

Operator: F.F. Hardison "B" Address: 5 0, 27, T21S, R37E  
Lease: Well No. Unit Ltr. - Sec - Twp - Rge County  
OGRID NO. 007673 Property Code 04180 API NO. 3002507008 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 Zone	Lower Zone
1. Pool Name and Pool Code	Blinebry Oil and Gas (Oil)		Tubb Oil and Gas (PRO Gas)
2. Top and Bottom of Pay Section (Perforations)	5656-5902		5971-6200
3. Type of production (Oil or Gas)	Oil		Gas
4. Method of Production (Flowing or Artificial Lift)	AL		AL
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a. (Current) ~ 500 est.	a.	a. ~ 500 est.
	b. (Original)	b.	b.
6. Oil Gravity (°API) or Gas BTU Content	35.4		BTN/CuFt 1193
7. Producing or Shut-in?			Producing
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)	Date: Rates:	Date: Rates:	Date: Rates:
	Date: Rates:	Date: Rates:	Date: 8/99 Rates: 0 BOPB 179 Kcf/d 1 bwpd
8. Fixed Percentage Allocation Formula -% for each zone	Oil: 100 % Gas: 44 %	Oil: % Gas: %	Oil: 0 % Gas: 56 %

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(D) Exceptions: ORDER NO(S). D.H.C. 2368

**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 J.R. Ward TITLE Sr. Regulatory Sp. DATE 11-30-99

TYPE OR PRINT NAME J. R. Ward TELEPHONE NO. ( 713 ) 431-1024