

DATE IN 1/3/00	SUSPENSE 1/24/00	ENGINEER DC	LOGGED MW	TYPE DHC
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

2599

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]

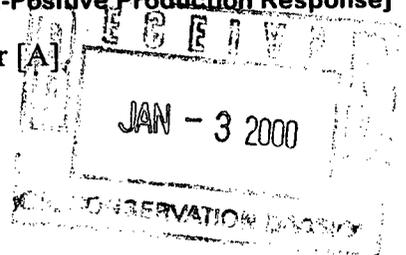
[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

- [A] Location - Spacing Unit - Directional Drilling
NSL NSP DD SD

Check One Only for [B] and [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 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.

Peggy Cole

Peggy Cole

Regulatory/Compliance Administrator

Print or Type Name

Signature

Title

Date

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

Form C-107-A
Revised August 1999

OIL CONSERVATION DIVISION

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

APPROVAL PROCESS:

Administrative Hearing

EXISTING WELLBORE

YES NO

APPLICATION FOR DOWNHOLE COMMINGLING

Burlington Resources Oil and Gas

PO Box 4289, Farmington, NM 87499

Operator **Lawson SRC** Well No. **2** Address **B-31-32N-11W** County **San Juan**
Lease _____ Spacing Unit Lease Types: (check 1 or more)
OGRID NO. **14538** Property Code **18569** API NO. **30-045-20347** 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 Pictured Cliffs- 72359		Basin Dakota- 71399
2. Top and Bottom of Pay Section (Perforations)	3100-3124		7590-7710
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: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) 191 psi (see attachment)	a.	a. 699 psi (see attachment)
	b. (Original) 1031 psi (see attachment)	b.	b. 2902 psi (see attachment)
6. Oil Gravity (EAPI) or Gas BTU Content	BTU 1000		BTU 1108
7. Producing or Shut-In?	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)	Yes		Yes
	Date: 3/92 Rates: 72 mcf/d	Date: Rates:	Date: Rates:
	Date: Rates:	Date: Rates:	Date: 10/31/99 Rates: 148 mcf/d
8. Fixed Percentage Allocation Formula -% for each zone (total of %'s to equal 100%)	Will be supplied upon completion.		Will be supplied upon completion.

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 J. Z. Dobson TITLE PRODUCTION ENGINEER DATE 12-29-99

TYPE OR PRINT NAME Jennifer Dobson TELEPHONE NO. (505) 326-9700

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

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

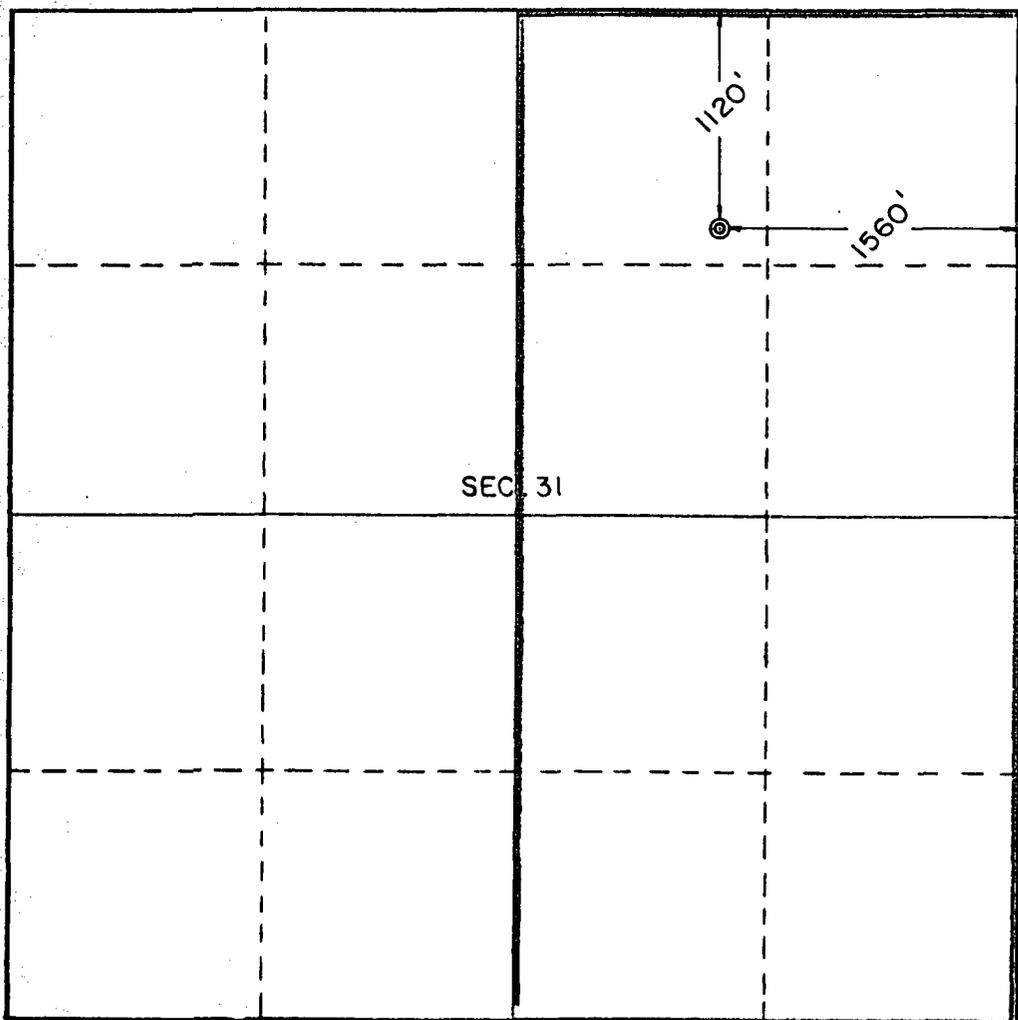
Operator AZTEC OIL & GAS COMPANY			Lease Larson SRC		Well No. 2
Unit Letter B	Section 31	Township 32 North	Range 11 West	County San Juan	
Actual Footage Location of Well: 1120 feet from the North line and 1560 feet from the East line					
Ground Level Elev. 6466, ungr.	Producing Formation Dakota		Pool Basin Dakota	Dedicated Acreage: 320 Acres	

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

Yes No If answer is "yes," type of consolidation communitization

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

No allowable 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 interests, has been approved by the Commission.



CERTIFICATION

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

ORIGINAL SIGNED BY **JOE C. SALMON**

Name Joe C. Salmon
Position District Superintendent
Company Astec Oil and Gas
Date Sept. 18, 1968

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 September 6, 1968
Registered Professional Engineer and/or Land Surveyor E. J. [Signature]

Certificate No. **3602**



**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-1-65

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

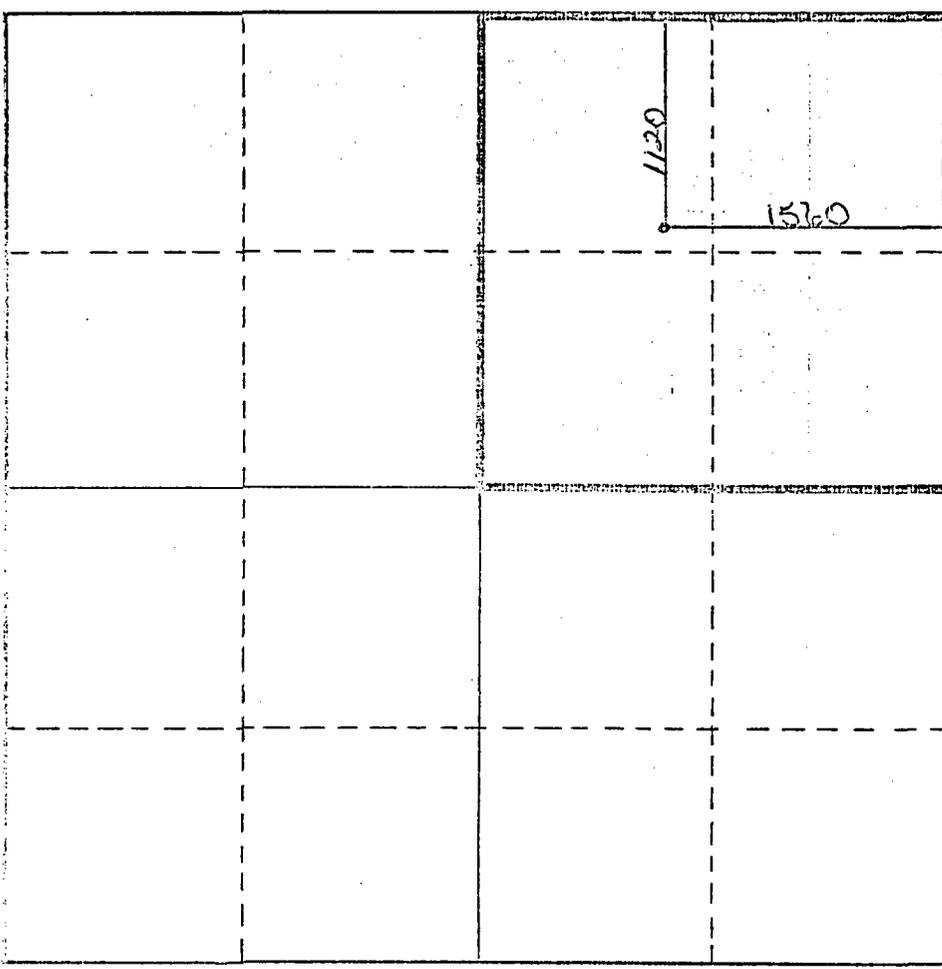
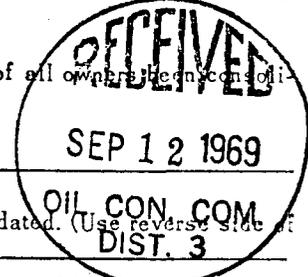
Operator Aztec Oil & Gas Company			Lease Lawson SRC		Well No. #2
Unit Letter B	Section 31	Township 32 North	Range 11 West	County San Juan	
Actual Footage Location of Well: 1120 feet from the North line and 1560 feet from the East line					
Ground Level Elev: 6486 Gr	Producing Formation Pictured Cliffs		Pool Wildcat West Katz-Pictured Cliffs	Dedicated Acreage: 160 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been 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 allowable 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 interests, has been approved by the Commission.



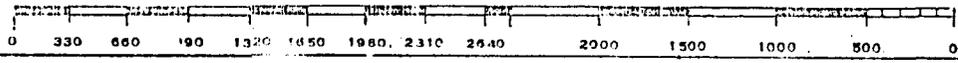
CERTIFICATION

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

Joe C. Salmon
Name
Joe C. Salmon
Position
District Superintendent
Company
Aztec Oil & Gas Company
Date
September 11, 1969

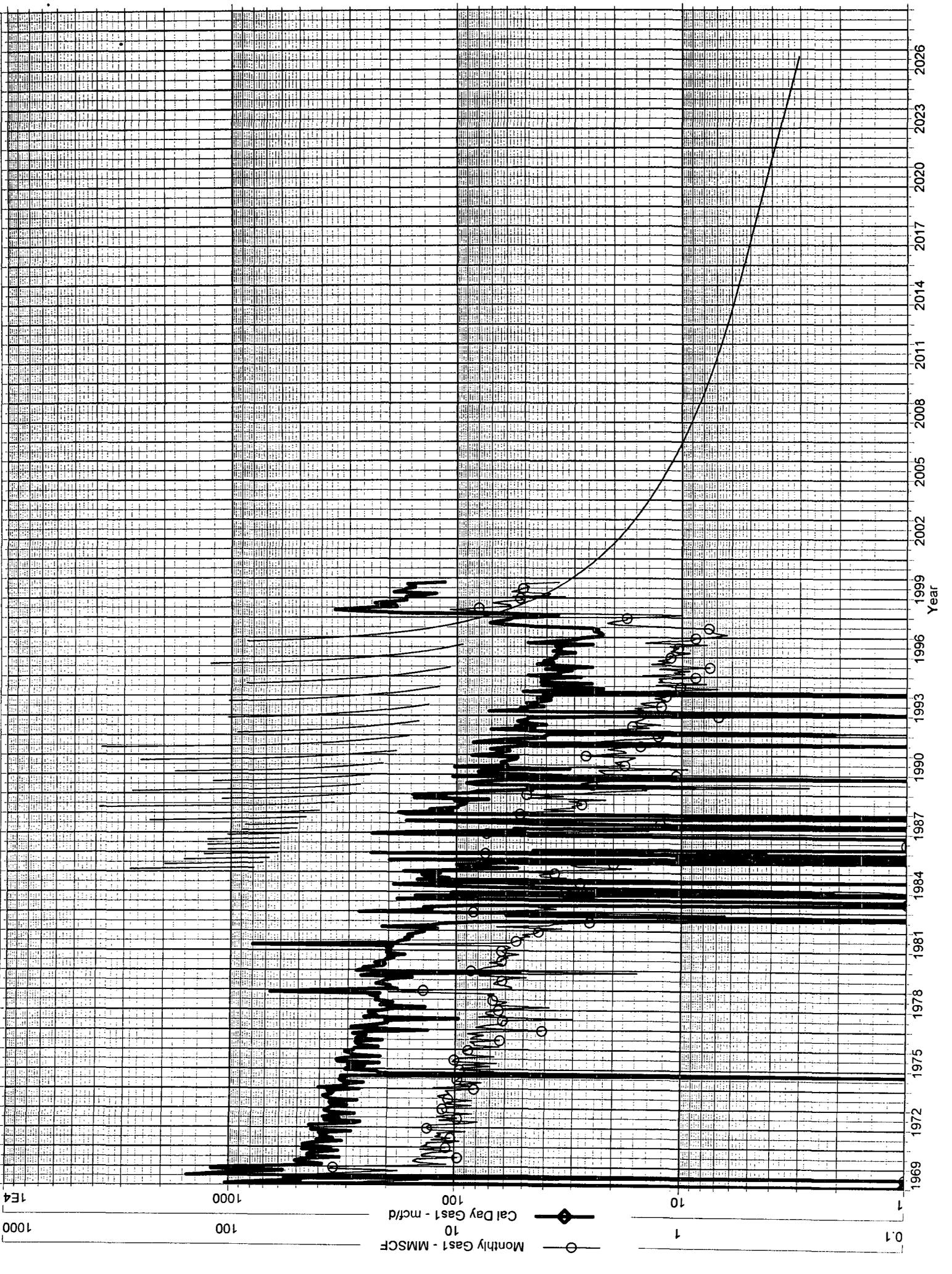
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed _____
Registered Professional Engineer and/or Land Surveyor _____

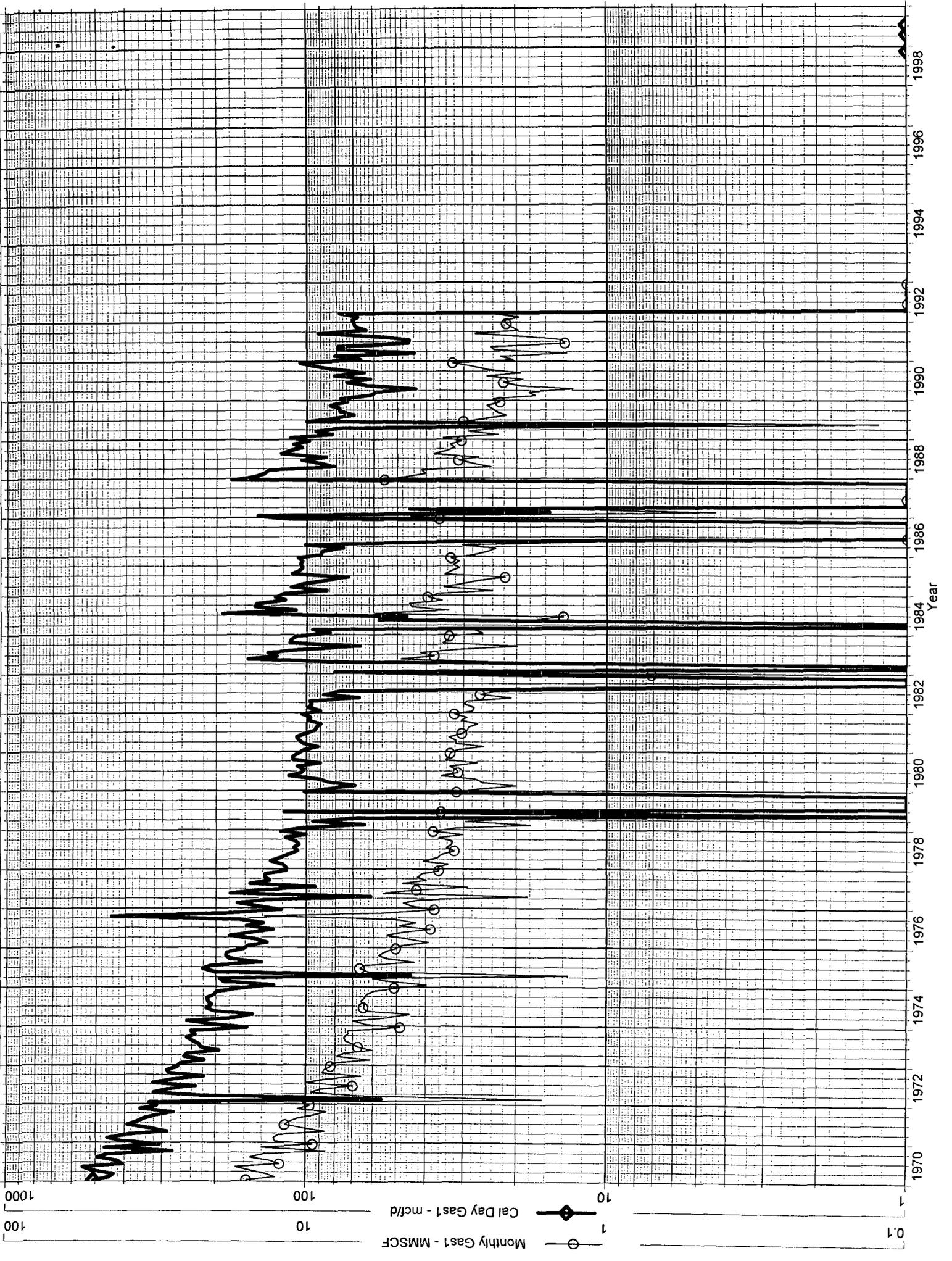


Certificate No. _____

LAWSON SRC 2 4217901 (252104413758.868) Data: Oct. 1968-Nov. 1999



LAWSON SRC 2 4217902 (240934559866.163) Data: Jan. 1970-Jul. 1999



Lawson SRC #2
Bottom Hole Pressures
Flowing and Static BHP
Cullender and Smith Method
Version 1.0 1/14/98

Pictured Cliffs	Dakota																																																
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AIN	METER	WELLNAME	#	FRM	MONTH	PRD	3 MON AVG	Year	Month	Day	WH Pressure	Cum Prod		
4217901	75950	LAWSON SRC	2	DK	31-Jan-99	5260		1968	10	31	2,372.00		original	
					28-Feb-99	3934		1970	3	11	1,114.00			
					31-Mar-99	3849		1971	6	2	982			
					30-Apr-99	5739		1972	6	28	856			
					31-May-99	5364		1973	5	31	858			
					30-Jun-99	5092		1975	4	2	711			
					31-Jul-99	4777		1977	5	25	665			
					31-Aug-99	4967		1979	8	27	771			
					30-Sep-99	5010		1981	5	12	812			
					31-Oct-99	3519	148	1983	11	4	929			
								1985	9	4	843			
								1988	10	5	826			
								1990	4	9	827			
								1994	4	5	725			
											575	2026.05	current estimate from P/Z data	
4217902	75963	LAWSON SRC	2	PC	31-Jan-99	0		1977	5	10	930		original	
					28-Feb-99	0		1978	3	5	758			
					30-Apr-99	0		1979	6	1	572			
					31-May-99	0		1980	4	8	593			
					31-Jul-99	0	0	1982	4	7	533			
								1984	6	26	543			
											165	560.087	current estimate from P/Z data	