

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

DHC 2/14/00
Form C-107-A
Revised August 1999 2634

APPROVAL PROCESS:

Administrative ☐ Hearing ☐

EXISTING WELLBORE

☐ YES ☒ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Operator EAGLE RESOURCES, L.P. Address PO BOX 1547 LIBERAL, KANSAS 67905-1547

Lease MEGEE, COM Well No. #1 Unit Ltr. - Sec - Twp - Rge B 27-25-29E County ROOSEVELT

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 182843 Property Code API NO. 30-041-20813 Federal State (and/or) Fee XX

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	<u>TALE PENNSYLVANIA</u> <u>WC (645-86443)</u>		<u>TALE MONTOYA</u> <u>WC (645-86442)</u>
2. Top and Bottom of Pay Section (Perforations)	<u>6759-6769</u>		<u>7056-7081</u>
3. Type of production (Oil or Gas)	<u>GAS</u>		<u>GAS</u>
4. Method of Production (Flowing or Artificial Lift)	<u>FLOWING</u>		<u>FLOWING</u>
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) <u>N/A - DUAL</u> <u>CASING COMPLETION</u> b. (Original) <u>2,538</u>	a. <u>SURFACE BUILD-UP</u> <u>240 PSIG - LOADED</u> b. <u> </u>	a. <u>753.5 PSIG</u> <u>9-29-99</u> b. <u>2,508</u>
6. Oil Gravity (°API) or Gas BTU Content	<u>1101.8</u>		<u>1075.9</u>
7. Producing or Shut-In?	<u>PRODUCING</u>		<u>PRODUCING</u>
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: <u>12-31-99</u> Rates: <u>13 MCF/D</u> <u>0 - LIQ/LIDS</u> Date: <u>12-31-99</u> Rates: <u>13 MCF/D</u> <u>0 - LIQ/LIDS</u>	Date: Rates:	Date: <u>12-31-99</u> Rates: <u>41 MCF/D</u> <u>3 WATER - 11 MONTH</u> <u>0 - CONDENSATE</u> Date: <u>12-31-99</u> Rates: <u>41 MCF/D</u> <u>3 WATER - 11 MONTH</u> <u>0 CONDENSATE</u>
8. Fixed Percentage Allocation Formula - % for each zone (total of %'s to equal 100%)	Oil: <u> </u> % Gas: <u>24</u> %	Oil: <u> </u> % Gas: <u> </u> %	Oil: <u> </u> % Gas: <u>76</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

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 commingling 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 Ted Hoskinson TITLE PRESIDENT DATE 1-8-2000

TYPE OR PRINT NAME TED HOSKINSON TELEPHONE NO. (316) 624-5536

OTIS COMPLETION GUIDE

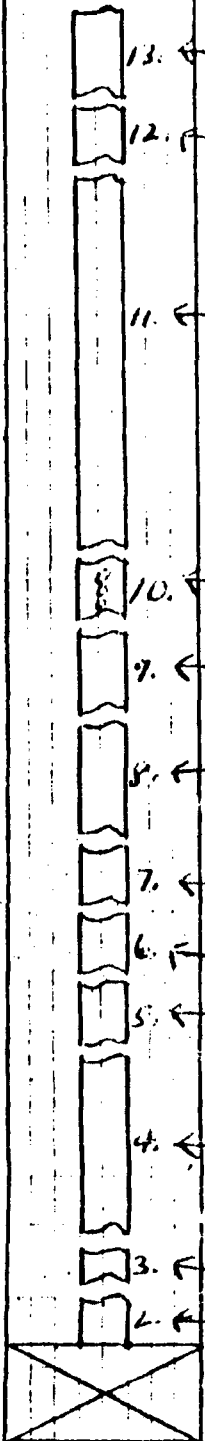


OTIS ENGINEERING CORPORATION

OEC-217-E

A HALLIBURTON Company

PREPARED FOR		COMPANY		TELEPHONE		DATE	
Woody Marshall		Marshall Petroleum				5/1/87	
FIELD NAME		WELL NAME		COUNTY		STATE	
North of Elida		S. T. McGehee		Brazos		TX	
CASING	SIZE	WEIGHT	GRADE	THREAD	DEPTH		
	5 1/2						
LINER	SIZE	WEIGHT	GRADE	THREAD	DEPTH		
TUBING SIZE	UT	MT	LT	THREAD			
	2 3/8			8-d 3-55			
DESCRIPTION				I.D.	O.D.	LENGTH	ESTIMATE OR DEPTH
K.B. 10'						10.00	0
13. ONE ST. 2 3/8 tubing (surface)				1.94	2.38	34.85	(10.00)
12. 7/12) 4' sub 2 3/8				1.94	2.38	4.15	42.85
11. 209 STS. 2 3/8 tubing (6696.81)				1.94	2.38	6696.81	47.00
10. 2" X 0 Sleeve				1.935	3.09	3.20	6743.81
9. 8' sub 2 3/8				1.94	2.38	8.93	6742.01
8. 20' Blast ST. (20.22)				1.93	3.002	20.22	6755.44
Perforations 6759 to 6769'							
7. 4' sub 2 3/8				1.94	2.38	4.30	6775.66
6. 8' sub 2 3/8				1.94	2.38	8.31	6779.96
5. 6' sub 2 3/8				1.94	2.38	6.10	6788.27
4. Seven STS. 2 3/8 tubing (224.21)				1.94	2.38	224.21	6794.37
3. N-ripping				1.791	2.31	136	7018.58
2. Switch seal assembly, c/w seal				1.91	3.00	0.06	7019.44
1. W.B. Packer 5 1/2 3" bore				3.00	4.64	2.40	7020.00
							7022.40
Perforations 7056 to 7082							
TOTAL ESTIMATE							
PREPARED BY		OFFICE		TELEPHONE			
Tommy Hinderlita		Brazosville, TX		665-4419			



EAGLE RESOURCES, LP
MSE GEE #1

ATTACHMENT #4 — NO PRODUCTION CURVES AVAILABLE
USED FOR ALLOCATION FORMULA

EAGLE RESOURCES LP ASSUMED OPERATIONS JULY 1ST, 1999
PRODUCTION AS FOLLOWS:

	PENNSYLVANIA	MONTOYA
JULY	431	803
AUG	370	1161
SEPT	368	1717
OCT	433	733
NOV	224	1367
DEC	<u>558</u>	<u>1891</u>
	2384	7672

$$\begin{array}{r} 397.3 \text{ PER MONTH} \\ 6 \overline{) 2384} \text{ 6 MONTH AVERAGE} \end{array}$$

$$\begin{array}{r} 12.8 \text{ PER DAY} \\ 31 \overline{) 397.3} \text{ 6 MONTH AVG} \end{array}$$

24%

$$\begin{array}{r} 1278.6 \text{ PER MONTH} \\ 6 \overline{) 7672} \text{ 6 MONTH AVG} \end{array}$$

$$\begin{array}{r} 41.2 \text{ PER DAY} \\ 31 \overline{) 1278.6} \text{ 6 MONTH AVG} \end{array}$$

76%

THE WELL PRODUCES INTO A ENKOR MAINLINE AT AN AVERAGE OF 840 PSIG LINE PRESSURE, REQUIRING TWO STAGE COMPRESSION. WHEN THE COMPRESSOR GOES DOWN, THE WELLS LOAD UP WITH WATER REQUIRING SOAPING AND ADDITIONAL SHUT-IN TIME. CO-MINGLING AND ARTIFICIAL LIFT METHODS WOULD ELIMINATE LOADING CONDITIONS AND ADDITIONAL SHUT-IN TIME. THE LOWER MONTHLY VOLUMES ABOVE REFLECT EXCESSIVE SHUT-IN TIME.

THE COST OF PUMP JACK INSTALLATION WILL BE APPROXIMATELY \$22,000 ⁰⁰.

TAMM VOU
TED HOSKINS

EAGLE RESOURCES, LP

Operator Marshall Pipe and Supply			Lessee J. T. McGee		1	
Unit Letter B	Section 27	Township 2 South	Range 29 East	County Roosevelt		

Actual Footage Location of Well:

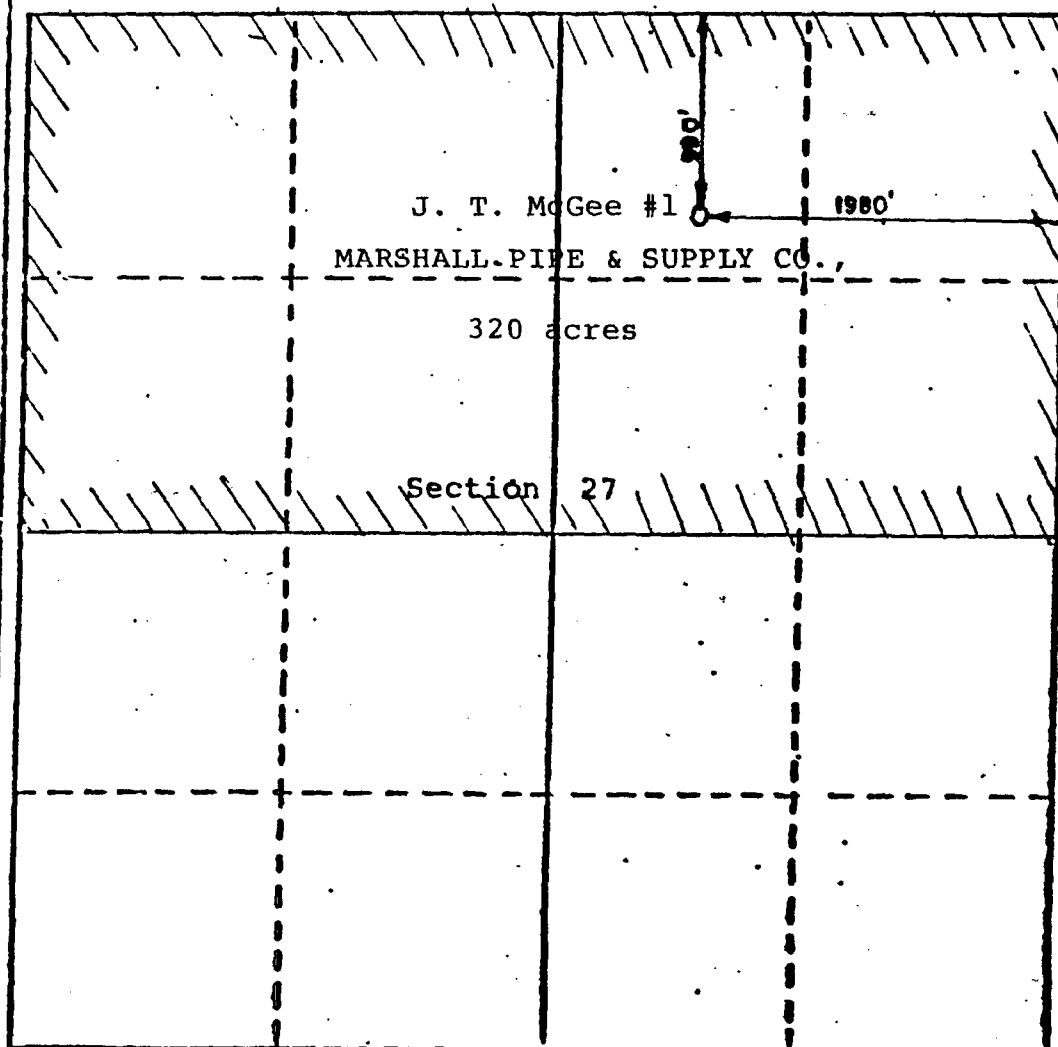
990	feet from the North	line and	1980	feet from the East	line
Ground Level Elev. 4385	Producing Formation Montoya	Pool WC	Dedicated Acreage: 320 if gas Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 Division



CERTIFICATION

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

J. W. Marshall
Name **J. W. Marshall**
Partner

Position
Marshall Pipe & Supply

Company **Company**

Date
February 9th, 1987

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

February 4, 1987

Date Surveyed
P. R. Patterson

Registered Professional Engineer
and/or Land Surveyor
8112

Certificate No.

ATTACHMENT #1

RT2 BOX:234
Liberal, Kansas 67905-2079
Telephone (316)624-7231

National Helium Laboratories

GAS ANALYSIS

ANALYSIS NO.: 99ng-001
COMPANY: NHC
DESCRIPTION: EAGLE RES.-McGEE-PENN

DATE RUN: 23-Nov-99
DATE SAMPLED: 20-Nov-99
TIME SAMPLED:

SAMPLE PRESS:
SAMPLE TEMP. (F):
METER STATION #:

REQUESTED BY: CB
SAMPLED BY: JW

CHROMATOGRAPH METHOD (GPA 2261-90)

<u>COMPONENT</u>	<u>MOL%</u>	<u>G.P.M. *</u>
HELIUM	0.31	
HYDROGEN	0.00	
CARBON DIOXIDE	0.21	
NITROGEN	5.69	
METHANE	83.57	
ETHANE	5.19	1.389
PROPANE	2.57	0.709
I-BUTANE	0.36	0.116
N-BUTANE	0.90	0.284
I-PENTANE	0.27	0.099
N-PENTANE	0.33	0.121
HEXANES-PLUS	0.60	0.257
TOTAL	100.0	2.975

** REAL GROSS HEATING VALUE PER CU.FT. @ 60F & 14.73 PSIA SAT.	1082.7
** REAL GROSS HEATING VALUE PER CU.FT. @ 60F & 14.73 PSIA DRY	1101.8
** REAL SPECIFIC GRAVITY @ 60F & 14.696 PSIA	0.6759

REMARKS:

ANALYST

* CALCULATED VALUE BASED ON IDEAL GAS VALUES
FROM GPA 2145-96 AT 60F AND 14.73 PSIA.

** CALCULATIONS BASED ON VALUES FROM GPA 2145-96

C6+ is calculated using Table IV from GPA Publication 2261-90

Rev. 02/07/96

RT2 BOX:234
Liberal, Kansas 67905-2079
Telephone (316)624-7231

National Helium Laboratories

GAS ANALYSIS

ANALYSIS NO.: 99ng-007
COMPANY: NHC
DESCRIPTION: EAGLE RES. McGEE-MONTOYA

DATE RUN: 24-Nov-99
DATE SAMPLED: 20-Nov-99
TIME SAMPLED:

SAMPLE PRESS: 120
SAMPLE TEMP. (F):
METER STATION #:

REQUESTED BY: CB
SAMPLED BY: JW

CHROMATOGRAPH METHOD (GPA 2261-90)

<u>COMPONENT</u>	<u>MOL%</u>	<u>G.P.M. *</u>
HELIUM	0.87	
HYDROGEN	0.00	
CARBON DIOXIDE	0.12	
NITROGEN	10.55	
METHANE	76.42	
ETHANE	5.48	1.465
PROPANE	3.60	0.991
I-BUTANE	0.54	0.176
N-BUTANE	1.24	0.390
I-PENTANE	0.32	0.119
N-PENTANE	0.36	0.129
HEXANES-PLUS	0.51	0.221
TOTAL	100.0	3.490

** REAL GROSS HEATING VALUE PER CU.FT. @ 60F & 14.73 PSIA SAT.	1057.2
** REAL GROSS HEATING VALUE PER CU.FT. @ 60F & 14.73 PSIA DRY	1075.9
** REAL SPECIFIC GRAVITY @ 60F & 14.696 PSIA	0.7110

REMARKS:

ANALYST

* CALCULATED VALUE BASED ON IDEAL GAS VALUES
FROM GPA 2145-96 AT 60F AND 14.73 PSIA.

** CALCULATIONS BASED ON VALUES FROM GPA 2145-96

C6+ is calculated using Table IV from GPA Publication 2261-90

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