

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

ADMINISTRATION

Phone (505) 827-5700

Fax (505) 827-5853

GENERAL COUNSEL

Phone (505) 827-5713

Fax (505) 827-4262

PUBLIC AFFAIRS

Phone (505) 827-5765

Fax (505) 827-5766



DHC-2640

COMMERCIAL RESOURCES

Phone (505) 827-5724

Fax (505) 827-6157

MINERAL RESOURCES

Phone (505) 827-5744

Fax (505) 827-4739

ROYALTY MANAGEMENT

Phone (505) 827-5772

Fax (505) 827-4739

SURFACE RESOURCES

Phone (505) 827-5793

Fax (505) 827-5711

**New Mexico State Land Office
Commissioner of Public Lands
Ray Powell, M.S., D.V.M.**

February 22, 2000

Amerada Hess Corporation
P.O. Box 840
Seminole, Texas 79360

Attn: Mr. Roy L. Wheeler, Jr.

Re: Application for Surface Commingling
State "Q" Well No. 4
Unit Letter I, Section 16-20S-37E
Weir Blinebry, Monument Tubb and Monument Paddock Pools
State Lease AO-1469-2
Lea County, New Mexico

Dear Mr. Wheeler:

We have received your letter of January 28, 2000, wherein you requested our approval to surface commingle the production from the above well from the Weir Blinebry, Monument Tubb and Monument Paddock pools.

It is our understanding that production from the subject well will be allocated as follows.

<u>POOL</u>	<u>ALLOCATION</u>	
	Oil %	Gas %
Weir Blinebry	78.9%	42.9%
Monument Paddock	7.9%	0%
Monument Tubb	13.2%	57.1%
	<u>100%</u>	<u>100%</u>

Since it appears that there will be no loss of revenue to the State of New Mexico's beneficiaries as a result of your proposed operation, your request is hereby approved. Our approval is given with the understanding that the Commissioner of Public Lands reserves the right to amend or withdraw his approval, should this operation prove to be unprofitable to the state at any time in the future. Also, our approval is subject to like approval by the New Mexico Oil Conservation Division.

Your \$30.00 filing fee has been received.

Also, please submit a copy of the Oil Conservation Division's approval order.

"WE WORK FOR EDUCATION"

310 Old Santa Fe Trail, P. O. Box 1148 Santa Fe, New Mexico 87504-1148

Amerada Hess Corporation

Page 2

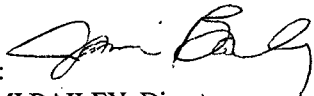
February 22, 2000

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY:


JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/cpm

Enclosure

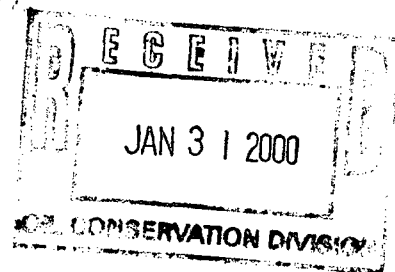
xc: Reader File

OCD-Mr. David Catanach, Mr. Ben Stone

DHC

2/21/00

2640



AMERADA HESS CORPORATION

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

Januray 28, 2000

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: Application to Downhole Commingle
State "Q" Well No. 4
API No. 30-025-20358
Unit I, Sec. 16, T20S, R37E
Lea County, N.M.

Dear Ms. Wrotenbery,

Amerada Hess Corporation respectfully request approval to downhole commingle oil and gas production from State "Q" Well No. 4 in Monument Paddock, Weir Blinebry, and Monument Tubb Zones.

This well is currently producing from Monument Paddock Zone. Form C-101 w/Plats have been submitted to NMOCD, Hobbs, requesting approval to perform work.

Attached are Form C-107-A with attachments for your review. Estimated production volumes are listed at this time for Weir Blinebry and Monument Tubb Zones until actual rates are established through well work.

Your consideration in this matter is appreciated.

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

Sincerely,

A handwritten signature in cursive script that reads "Duwayne Perry".

Duwayne Perry
Sr. Petroleum Engineer

Xc: Mr. Chris Williams – NMOCD, Hobbs
Mr. Ray Powell – State of New Mexico, 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"

4

Unit I, Sec. 16, T20S, R37E

Lea

Lease

Well No.

Unit Ltr. - Sec - Twp - Rge

County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 00495 Property Code 000206 API NO. 30-025-20358 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)	Weir Blinebry (63780)	Monument Tubb (47090)
2. Top and Bottom of Pay Section (Perforations)	5136' - 5187'	5661' - 5758'	6306' - 6555'
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	a. (Current) 500 PSI	a. 800 PSI	a. 500 PSI
Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	b. (Original)	b.	b.
6. Oil Gravity (EAPI) or Gas BTU Content			
7. Producing or Shut-In?	Producing	Proposed	Proposed
Production Marginal? (yes or no)			
* If Shut-In, give date and oil/gas/water rates of last production	Date:	Date:	Date:
	Rates:	Rates:	Rates:
Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data	Date: 12-08-99	Date: Estimated	Date: Estimated
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Rates: 3 B.O./D., 0 MCFGPD, & 10 B.W./D.	Rates: 30 B.O./D., 30 MCFGPD, & 10 B.W./D.	Rates: 5 B.O./D., 40 MCFGPD, & 5 B.W./D.
8. Fixed Percentage Allocation Formula - % for each zone (total of %'s to equal 100%)	Oil: 8 7.9 % Gas: 0 %	Oil: 79 78.9 % Gas: 43 42.9 %	Oil: 13 13.2 % Gas: 57 57.1 %

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.

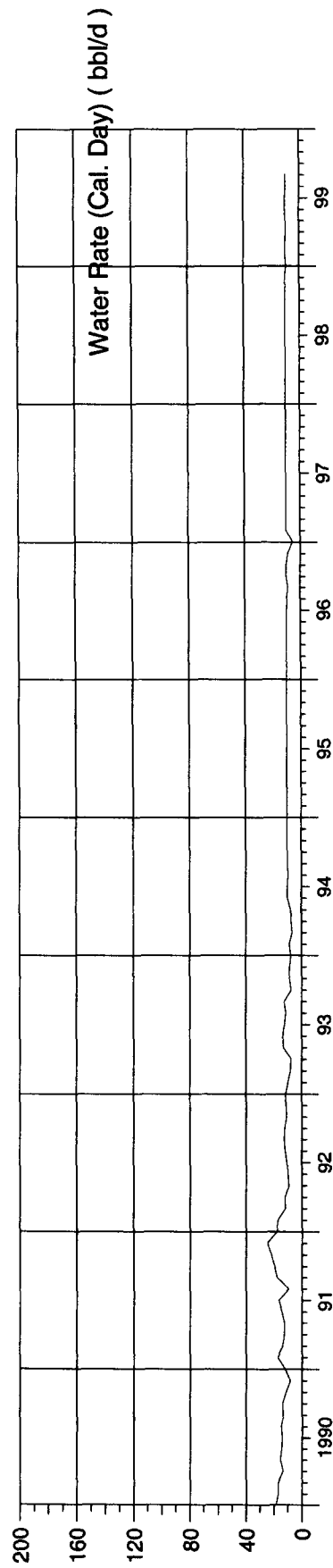
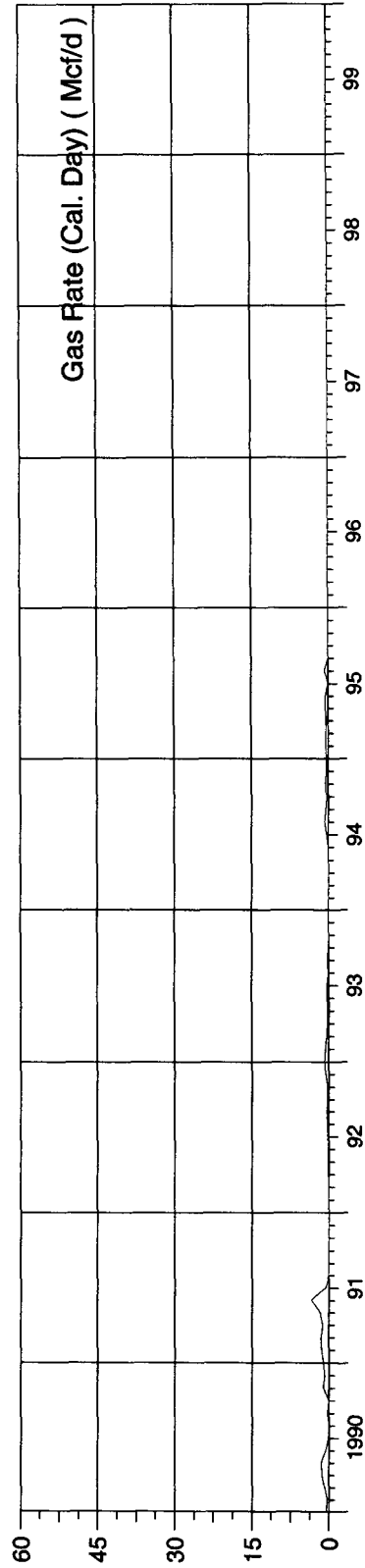
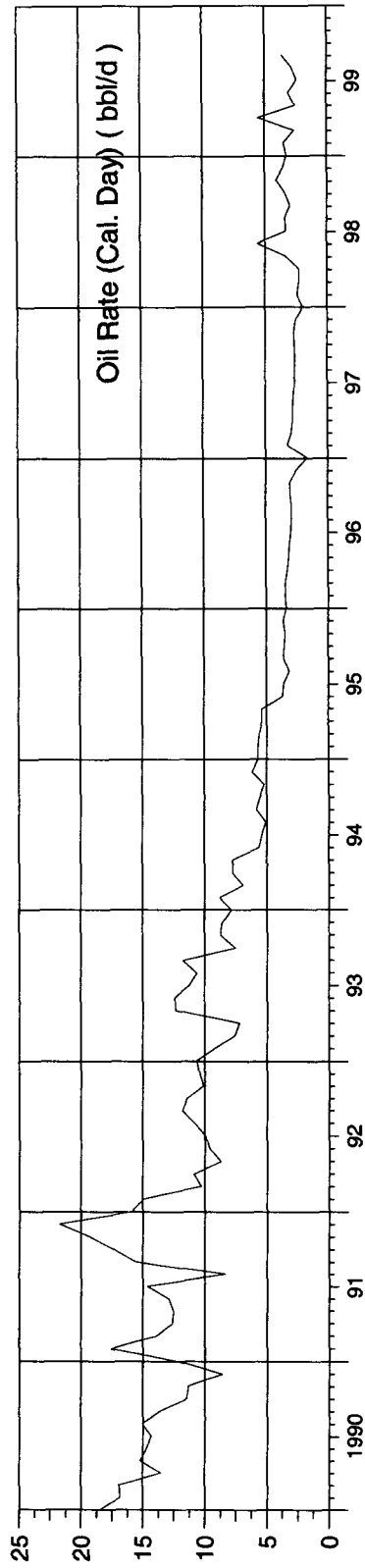
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Duwayne Perry TITLE Sr. Petroleum Engineer DATE 1-28-2000

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

STATE Q # 41 P023060

PADDOCK 300252035800:00168902



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

PROPERTY-TRACT: 02306-0000 STATE Q

STATE: NEW MEXICO
COUNTY: LHA

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

TRACT FACTOR: 1.0000000

PAGE: 1
REPORT BTDO10001
RUN DATE: 04/28/98 TIME: 09:42

NO. 0035

OWNER NUMBER	NAME AND ADDRESS	PAY/HOLD CODE	INTEREST DESC	TYPE	DESC	OIL	GAS	COND	CASHID	OTHER
00010	AMERADA HESS CORPORATION P O BOX 1040 HOUSTON, TX 77252-2040 TAX IDENTIFICATION: 134921002	80	ELM	11	WT	0.8750000	0.8750000	0.8750000	0.8750000	0.0000000
63902	COMMISSIONER OF PUBLIC LANDS NM TAXATION & REVENUE DEPARTMENT OIL & GAS PROCESSING SECTION P O BOX 2308 SANTA FE, NM 87504-2308 TAX IDENTIFICATION: 856000565	30	PAY	23	RI	0.0000000	0.1250000	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	0.0000000	0.1250000	0.0000000	0.0000000

*** THIS INFORMATION IS BEING PROVIDED TO YOU AS AN ACCOMMODATION ONLY. AMERADA HESS CORPORATION MAKES NO WARRANTY
*** OR REPRESENTATION AS TO THE ACCURACY OR CORRECTNESS OF THIS INFORMATION, AND PARTIES RELYING 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 *****



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
 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

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 30-025-20358	² Pool Code 47080	³ Pool Name Monument Paddock
⁴ Property Code 000206	⁵ Property Name State "Q"	⁶ Well Number 4
⁷ OGRID No. 000495	⁸ Operator Name Amerada Hess Corporation	⁹ Elevation 3550' DF

¹⁰ Surface Location									
UL or lot no. I	Section 16	Township 20S	Range 37E	Lot. Idn	Feet from the 1980	North/South Line South	Feet from the 660	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 40	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 1-26-2000 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	

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⁷ OGRID No. 000495	⁸ Operator Name Amerada Hess Corporation	⁹ Elevation 3550' DF

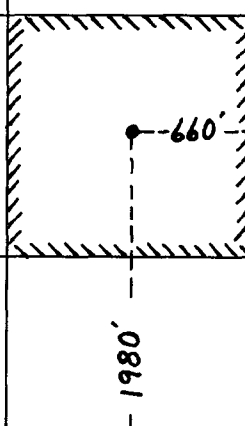
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Energy, Minerals & Natural Resources Department

Form C-102

Revised October 18, 1994

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Santa Fe, NM 87505

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☐ **AMENDED REPORT**

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-20358	² Pool Code 47090	³ Pool Name Monument Tubb
⁴ Property Code 000206	⁵ Property Name State "Q"	
⁷ OGRID No. 000495	⁸ Operator Name Amerada Hess Corporation	⁶ Well Number 4
		⁹ Elevation 3550' DF

¹⁰ Surface Location									
UL or lot no. I	Section 16	Township 20S	Range 37E	Lot. Idn	Feet from the 1980	North/South Line South	Feet from the 660	East/West line East	County Lea

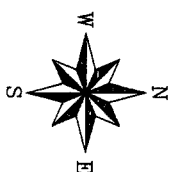
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
¹² Dedicated Acres 80		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

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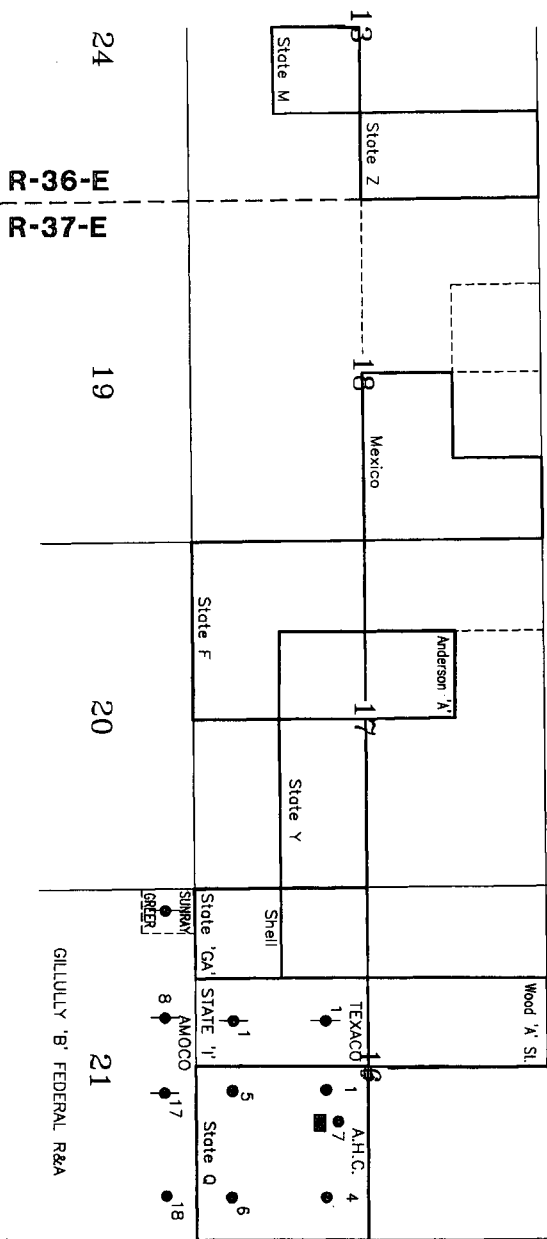
<!-- Well Location Diagram --> 660' 1980'	¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i> Signature Roy L. Wheeler, Jr. Printed Name Bus. Svc. Spec. II Title 1-26-2000 Date
<!-- Surveyor Diagram --> 660' 1980'	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

MONUMENT FIELD
LEA COUNTY, NEW MEXICO

ONSHORE PRODUCTION
MONUMENT AREA
SEMINOLE DISTRICT



T-20-S



CONFIDENTIAL

PADDOCK FORMATION

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

WELL INFORMATION

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

LEASE INFORMATION

AHC

AMERADA HESS CORPORATION

BASE MAP

5-20-1998
MON-2b.DWG

