

BRECK OPERATING CORP.

P.O. BOX 911
BRECKENRIDGE, TEXAS 76424-0911
254-559-3355

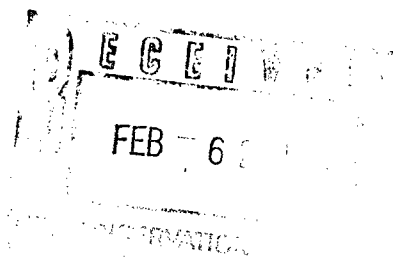
DHC 2/26/01

103847571

2885

February 1, 2001

New Mexico Energy Minerals & Natural
Resources Department
1220 South St. Francis Drive
Santa Fe, New Mexico 87504
Attn: David Catanach



Re: Application for Downhole Commingling

Dear Mr. Catanach:

Please find enclosed the application for downhole commingling for the Malaga Com #1 in Eddy County, New Mexico. As I stated to you over the phone, I hope I have everything that you need to approve this. We got our fixed allocation percentage from the C-115 for November and the 1992 Annual report from the New Mexico Oil & Gas Committee.

If you need any further information, please call me and I will send any requested information.

Yours very truly,

Frances Flourney

Frances Flourney
Production Clerk

Xc: DC/DW/FD/fef



District I
1625 N. French Drive, Hobbs, NM 88240

District II
811 South First Street, Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87504

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised May 15, 2000

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87504

APPLICATION TYPE
☒ Single Well
☐ Establish Pre-Approved Pools
EXISTING WELLBORE
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

Operator Breck Operating Corp. Address P. O. Box 911, Breckenridge, Texas 76424
Lease Malaga Com. Well No. 1 Unit Letter-Section-Township-Range G Section 3, 24S, R28E County Eddy
OGRID No. 02799 Property Code 24831 API No. 30-015-22853 Lease Type: ☐ Federal ☐ State ☒ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Malaga Delaware North		Malaga Bonesprings North
Pool Code	42960		42800
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5900-6182		6304-6331
Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	N/A		N/A
Oil Gravity or Gas BTU (Degree API or Gas BTU)	43.2 1235 BTU		
Producing, Shut-In or New Zone	Producing		Shut In
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.)	Date: 11/00 Rates: 317 BOPM, 3807 BWPM, 2186 MCFPM	Date: Rates:	Date: 6/93 Rates: 264 BOPM, 360 MCFPM, 282 BWPM
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil 55 % Gas 86 %	Oil % Gas %	Oil 45 % Gas 14 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ No ☐
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes ☐ No ☐

Are all produced fluids from all commingled zones compatible with each other? Yes ☒ No ☐

Will commingling decrease the value of production? Yes ☐ No ☒

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes ☐ No ☒

NMOCD Reference Case No. applicable to this well: _____

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, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

SIGNATURE Donald R Craig TITLE District Engineer DATE 2/1/01

TYPE OR PRINT NAME Donald Craig TELEPHONE NO. (254) 559-3355

District I
PO Box 1988, Hobbs, NM 88241-1988
District II
PO Drawer DD, Artesia, NM 88211-8719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-22853		Pool Code 42960	Pool Name Malaga; Delaware, North
Property Code 24831	Property Name Malaga Com.		Well Number 1
OGRID No. 02799	Operator Name Breck Operating Corp.		Elevation 3015.7

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
G	3	24S	28E		1980	north	1980	east	Eddy

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedic. 1 Acre	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

16 	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief <u>Donald R Craig</u> Signature <u>Donald Craig</u> Printed Name <u>District Engineer</u> Title <u>1/30/01</u> Date	
	18 SURVEYOR CERTIFICATION 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. Date of Survey Signature and Seal of Professional Surveyor: <u>See Attached</u> Certificate Number	

District I
PO Box 1988, Hobbs, NM 88241-1988
District II
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Energy, Minerals & Natural Resources Department

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Santa Fe, NM 87504-2088

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-22853		Pool Code 42800	Pool Name Malaga Bonesprings, North
Property Code 42800	Property Name Malaga Com.		Well Number 1
OGRID No. 02799	Operator Name Breck Operating Corp.		Elevation 3015.7

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
G	3	24S	28E		1980	north	1980	east	Eddy

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedic. 1 Acres		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

¹⁶ 	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature Donald Craig Printed Name District Engineer Title 1/30/01 Date			
	¹⁸ SURVEYOR CERTIFICATION 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. Date of Survey Signature and Seal of Professional Surveyor: See Attached			
	Certificate Number			

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

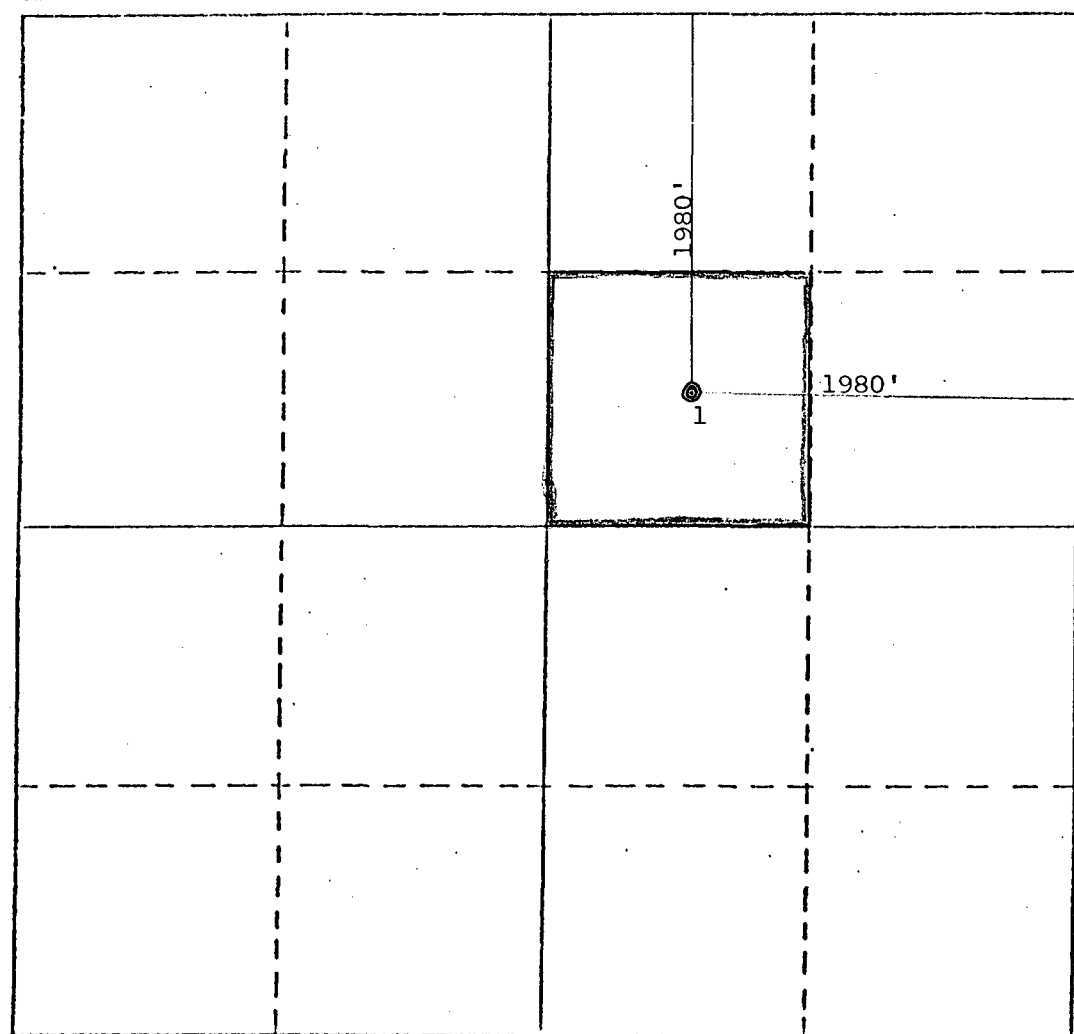
Operator Maddox Energy Corporation			Lease Malaga		Well No. 1
Unit Letter G	Section 3	Township 24S	Range 28E	County Eddy	
Actual Footage Location of Well:					
1980 feet from the North line and		1980 feet from the East line			
Ground Level Elev. 3015.7	Producing Formation Bone Spring	Pool Undesignated		Dedicated Acreage: 40 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 Division.



CERTIFICATION

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

Rebecca A. Hughes
Name

Rebecca A. Hughes

Position

Agent

Company

MADDOX ENERGY CORPORATION

Date

8/30/85

I hereby certify that the well location shown on this plot 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

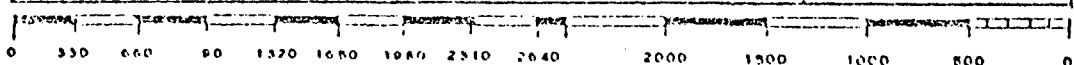
2/6/79

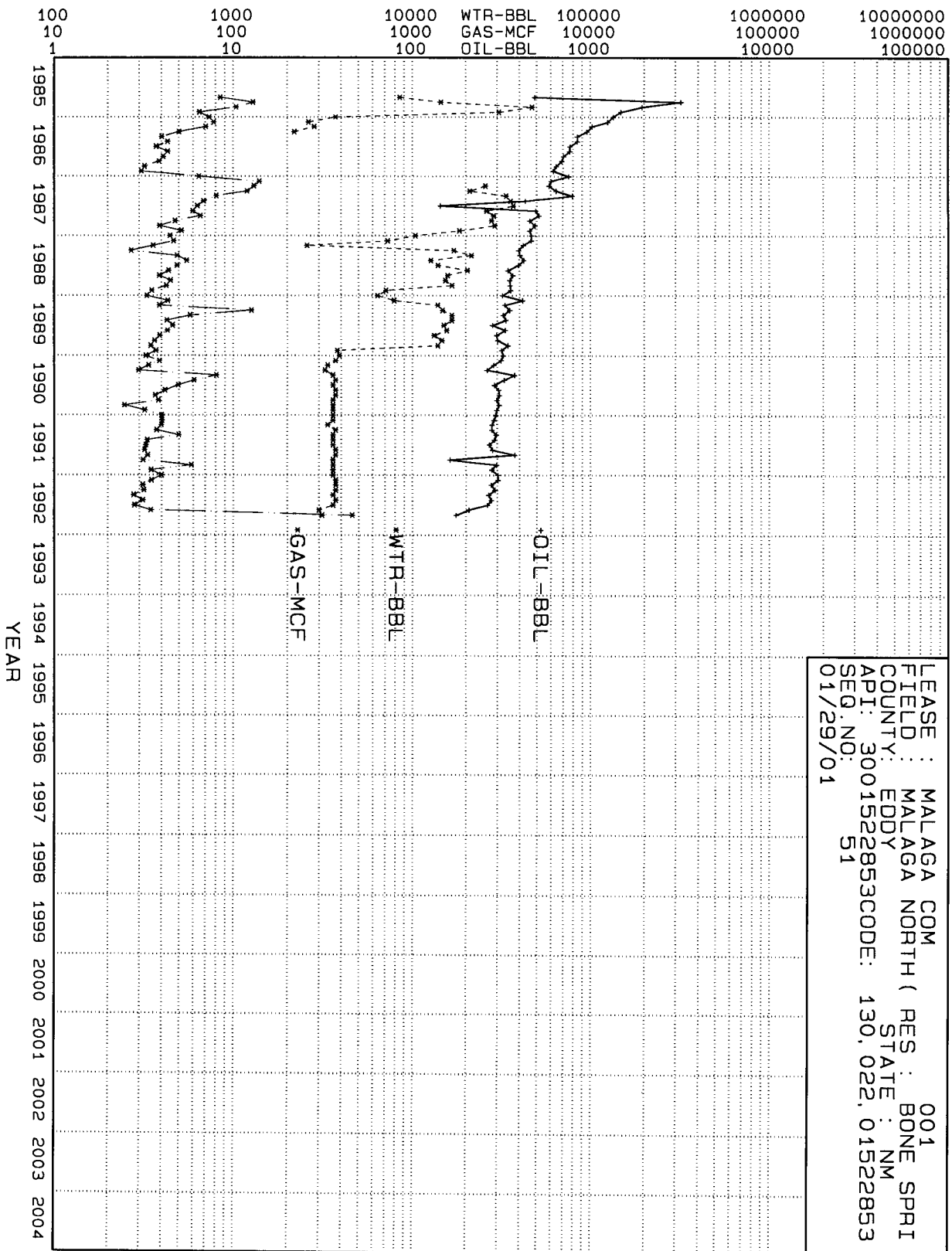
Registered Professional Engineer and/or Land Surveyor

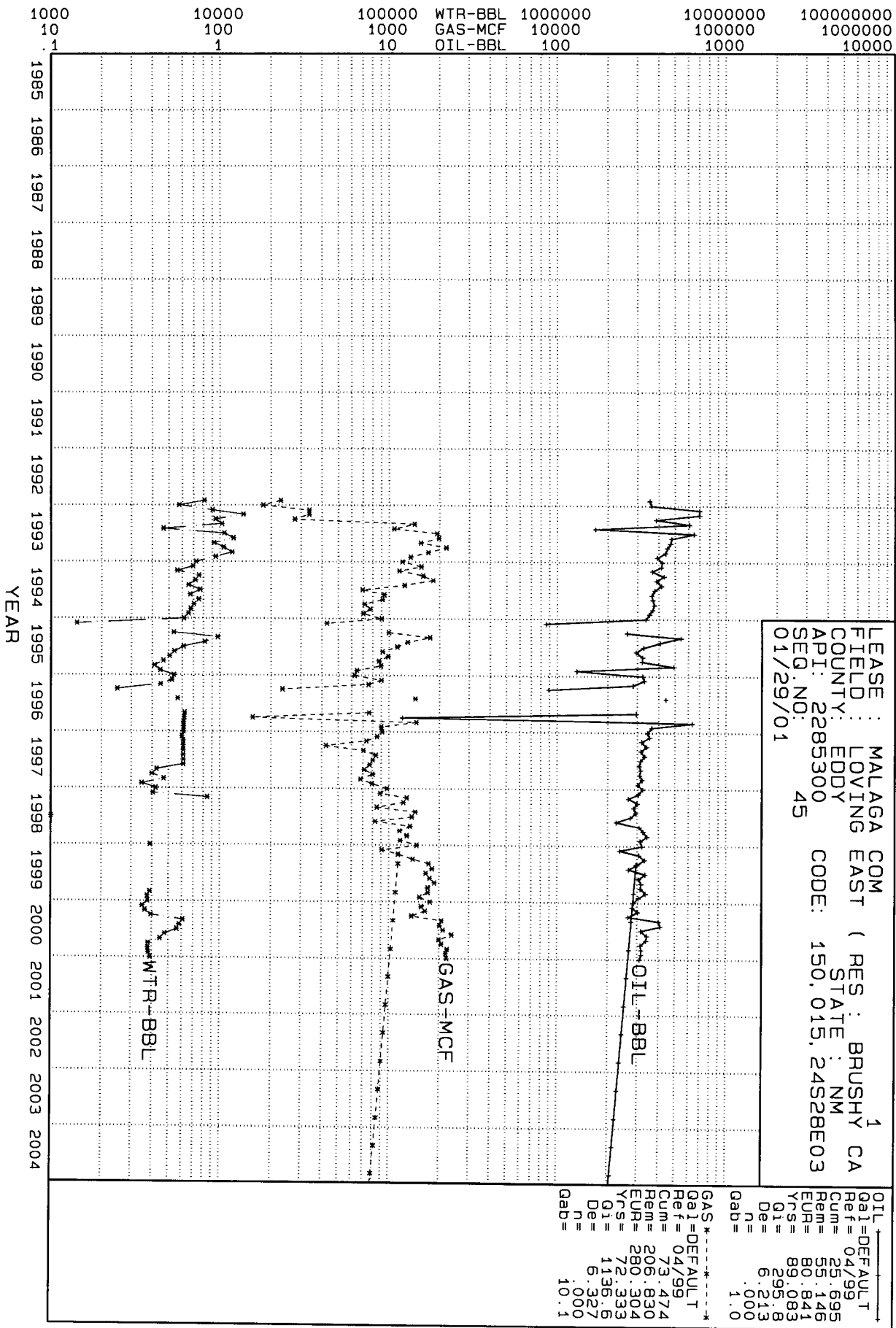
original signed by:

John W. West

Certificate No.







WELL S T R	JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	1992	PROD	MP	ACCUH
MALAGA BONE SPRING, NORTH BS 6M TO 7M																
PARKER & PARLEY DEVELOPMENT COMPANY																
MALAGA COM																
1G 224S28E OIL	303	277	291	268	278	264	208	176								
GAS	321	312	318	360	372	360	300	312								
WAT	351	314	318	279	314	282	348	4597								
RECOMPLETED TO LOVING DELAWARE, EAST																
											527			2592	42578	
											226			3048	82537	
											6086			14689	54761	
MALAGA DELAWARE DL ON TO 5M																
AUSTIN GAS PURCHASING INC.																
MALAGA UNIT TRACT 4																
2G1324S28E OIL																30418
GAS																292
WAT																64277
PLUGGING APPROVED 1984																
MALAGA UNIT TRACT 5																
1J1324S28E OIL																17273
GAS																735
WAT																18896
PLUGGING APPROVED 1978																
MALAGA UNIT TRACT 7																
1P1324S28E OIL																387
GAS																28624
WAT																35575
PLUGGING APPROVED 1979																
MALAGA UNIT TRACT 8																
1I1324S28E OIL																50278
GAS																137
WAT																32995
PLUGGING APPROVED 1977																
MALAGA UNIT TRACT 9																
1A1324S28E OIL																52846
GAS																1597
WAT																102224
PLUGGING APPROVED 1984																
MALAGA UNIT TRACT 10																
10I224S28E OIL																22823
GAS																1388
WAT																47954
PLUGGING APPROVED 1984																
MALAGA UNIT TRACT 11																
10I824S29E OIL																20076
GAS																7500
WAT																19896
PLUGGING APPROVED 1977																
MALAGA UNIT TRACT 12																
2E1824S29E OIL																37578
GAS																4358
WAT																43114
PLUGGING APPROVED 1977																
MALAGA UNIT TRACT 13																
2L 724S29E OIL																48330
GAS																88592
WAT																17926
PLUGGING APPROVED 1984																
COMPANY TOTAL OIL																
GAS																287814
WAT																42552
																279649
COLLINS & WARE INC.																
LITTLE PECOS VALLEY																
1D 724S29E OIL											510	1086	1596P	1596		
GAS											1	1	2	2		
WAT											1399	145	1544	1544		
DINERO OPERATING CO.																
DEWEY																
1024S28E OIL	338	367	289	195	140	304	282	416	286	229	183	126	3155P	30227		
GAS	162	174	130	180	108	180	180	186	114	162	96	64	1758	13998		
WAT	273	203	238	172	227	222	247	278	176	200	200	283	2719P	30507		
2824S28E OIL																
GAS	330	319	341	242	308	330	341	341	297	319	330	341	3839	27176		
WAT	611	570	527	367	367	526	529	694	462	429	383	409	5874	60734		
LEASE TOTAL																
OIL	492	493	491	422	416	510	521	527	411	481	426	407	5597	41174		
GAS																
WAT																
PLUGGING APPROVED 1984																
NEWITT																
1L1224S28E OIL																378
GAS																
WAT																
PLUGGING APPROVED 1984																
GUY A REED																
1E24S28E OIL																44570
GAS																25158
WAT																190259
PLUGGING APPROVED 1984																
COMPANY TOTAL OIL																
GAS	1643	1537	1643	1590	1643	1590	1643	1643	1590	1643	1590	1643	19398	190259		
WAT	611	570	527	367	378	546	545	694	462	435	386	411	5932	109682		
	2135	2030	2134	2012	2059	2100	2164	2170	2001	2124	2016	2050	24995	231433		
THE EASTLAND OIL COMPANY																
MALAGA UNIT TRACT 2																
1J 724S29E OIL																66736
GAS																28527
WAT																48328
LAST PROD. DATE 12/83																
MALAGA UNIT TRACT 3																
2G 724S29E OIL	58	48	48	22	64	55	54	50	53	49	48	16	565P	48328		
GAS	25	25	25	20	20	20	20	20	20	20	20	25	260	260		
WAT	101	365	218	20	200	293	150	76	420	356	183	24	2356	72304		
LEASE TOTAL																
OIL	58	48	48	22	64	55	54	50	53	49	48	16	565	114774		
GAS	25	25	25	20	20	20	20	20	20	20	20	25	260	4154		
WAT	101	365	218	20	200	293	120	76	420	356	183	24	2356	100531		
MALAGA UNIT TRACT 4																
1B1324S28E OIL																
GAS																
WAT																
INJECTION WELL																
MALAGA UNIT TRACT 6																
10I324S28E OIL																
GAS																
WAT																
LAST PROD. DATE 10/89																
MALAGA UNIT TRACT 10																
2P1224S28E OIL																
GAS																
WAT																
INJECTION WELL																
MALAGA UNIT TRACT 12																
1P 724S29E OIL	58	49	48	22	63	55	54	49	52	49	47	17	563P	64810		
GAS	25	25	25	20	20	20	20	20	20	20	20	25	260	3390		
WAT	101	366	218	20	201	294	120	74	411	348	180	23	2336	97504		
2M 724S29E OIL																
GAS																
WAT																
INJECTION WELL																
LEASE TOTAL																
OIL	58	49	48	22	63	55	54	49	52	49	47	17	563	117522		
GAS	25	25	25	20	20	20	20	20	20	20	20	25	260	33811		
WAT	101	366	218	20	201	294	120	74	411	348	180	23	2336	106423		
MALAGA UNIT TRACT 13																
3K 724S29E OIL																
GAS																
WAT																
PLUGGING APPROVED 1989																
REID FEDERAL																
1B 724S29E OIL	11	38	23	10	21	31	13	10	44	37	19			80	43403	
GAS														245	190203	
WAT																
PLUGGING APPROVED 1989																
COMPANY TOTAL OIL																
GAS	116	97	96	44	127	110	108	99	105	98	95	33	1128	476534		
WAT	50	50	50	50	50	50	50	50	50	50	50	50	600	25983		
	213	769	499	50	422	618	253	158	879	741	382	47	4937	661396		
SOUTHERN CALIFORNIA																
PETROLEUM CORPORATION																
MAL C 724S29E OIL																
GAS																
WAT																
PLUGGING APPROVED 1954																
TROMEC OIL COMPANY																
VALLEY LAND COMPANY																
1K 724S29E OIL																
GAS																
WAT																
PLUGGING APPROVED 1954																
V H WESTBROOK																
GUY A REED																
2L2424S28E OIL																
GAS																
WAT																
CONVERTED TO SMD																
MALAGA DELAWARE, NORTH																
DL ON TO 5M																
PERRY R. BASS																
JAN R. BEEHAN ET AL																
1K 724S28E OIL																
GAS																
WAT																
PLUGGING APPROVED 1963																
SOUTHWEST ROYALTIES INC.																
MALAGA 4																
2D 724S28E OIL	884	764	772	689	677	657	634	622	562	606	568	585	8020F	14709		
GAS	2138	2002	2138	2002	2138	2138	2070	2138	1662	2138	2070	2138	24772	31222		
WAT	1681	1385	1388	1263	1276	1202	824	1124	1009	1104	969	1023	14248	27600		

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2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Form C-115
Revised March 17, 1999

OPERATOR'S MONTHLY REPORT

☐ Amended Report

2 Operator: BRECK OPERATING CORP.
5 Address: P.O. Box 911, Breckenridge, TX 76424
3 OGRID: 002799
4 Month/Year 11/2000
6 page 1 of 1

		INJECTION			PRODUCTION				DISPOSITION OF OIL, GAS, AND WATER							
7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
POOL NO. AND NAME Property No. and Name Well No. & U-L-S-T-R API No.	C O D E 1	Volume	Pressure	C O D E 2	Barrels of oil/conden- sate produced	Barrels of water produced	MCF Gas produced	Days prod- uced	C O D E 3	Point of Disposition	Gas BTU or Oil API Gravity	Oil on hand at beginning of month	Volume (Bbls/mcf)	Transporter OGRID	C O D E 4	Oil on hand at end of month
42960 MALAGA, DELAWARE, NORTH 024831 MALAGA COM																
001 G-03-24S-28E 30-015-22853	P				317	3807	2186	30	O G W	2041730 2041710 2824422	42.2 1235	236	392 2186 3807	015694 032109	O	161

I hereby certify that the information contained in this report is true and complete to the best of my knowledge and belief.
24

Signature Linda Venekamp
Printed Name & Title
Date 11-29-00
Phone Number (254) 559-3355 ext. 236