

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location]** **[NSP-Non-Standard Proration Unit]** **[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 - Simultaneous Dedication
 NSL NSP SD
- Check One Only for [B] or [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
- [D] Other: Specify _____
- [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] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Stan Wagner

Print or Type Name

Stan Wagner
 Signature

Regulatory Analyst

Title

4/11/07

Date

e-mail Address

District I

2625 N. French Drive, Hobbs, NM 88240

District II

1901 W. Grand Avenue, Artesia, NM 87210

District III

1000 Rio Hondo Road, Artesia, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Oil Conservation Division

1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION FOR DOWNHOLE COMMINGLING

Form C-107A
Revised June 10, 2003

APPLICATION TYPE

___ Single Well

___ Establish Pre-Approved Pools

EXISTING WELLBORE

___ Yes ___ No

EOG resources, Inc. P.O. Box 2267 ^{DHC-3879} Midland, TX 79702
 Operator Address
 Lease Federal MA 8 Well No. H 21-18S-33E Unit Letter-Section-Township-Range Lea County
 OGRID No. 7377 Property Code 25561 API No. 30-025-31492 Lease Type: Federal ___ State ___ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Corbin; BS, South		Corbin; WC, South
Pool Code	13160		13320
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	8513' - 9364'		10858' - 11330'
Method of Production (Flowing or Artificial Lift)	rod pump		rod pump
Bottomhole Pressure <small>(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)</small>	na		na
Oil Gravity or Gas BTU (Degree API or Gas BTU)	37.1		37.7
Producing, Shut-In or New Zone	producing		shut-in
Date and Oil/Gas/Water Rates of Last Production. <small>(Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)</small>	Date: 4/10/07 o/g/w Rates: 2/3/13	Date: Rates:	Date: 11/2000 o/g/w Rates: 4/90/8
Fixed Allocation Percentage <small>(Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)</small>	Oil 33 % Gas 3 %	Oil % Gas %	Oil 67 % Gas 97 %

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 Stan Wagner TITLE Regulatory Analyst DATE 4/12/07

TYPE OR PRINT NAME Stan Wagner TELEPHONE NO. (432) 686-3689

E-MAIL ADDRESS _____

DATA SHEET FOR NMOCD DOWNHOLE COMMINGLING

Operator: EOG Resources, Inc. 7377
Attn: Stan Wagner
P.O. Box 2267
Midland, TX 79702
432 686 3689

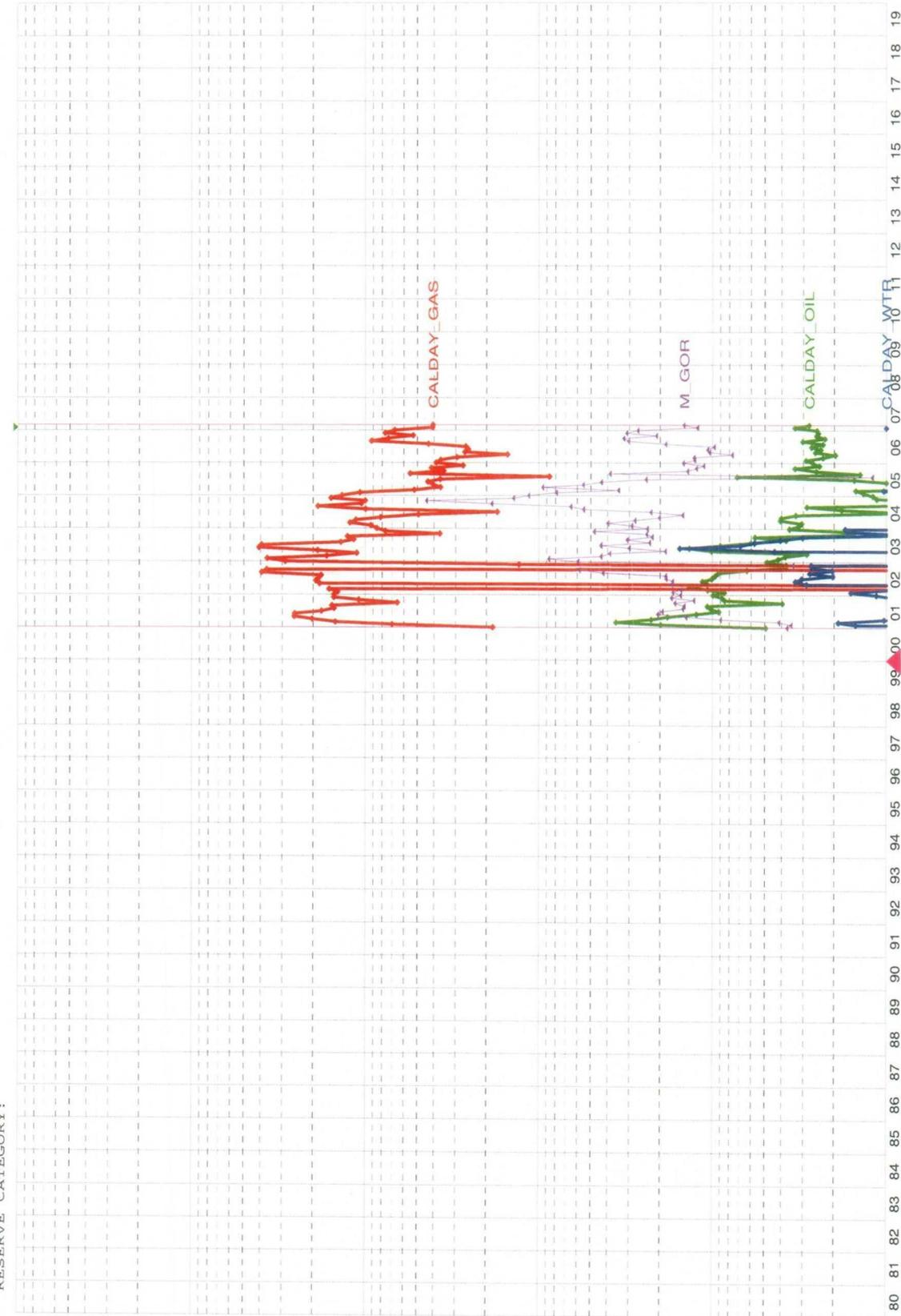
Lease Name and Well Number Federal MA 8

- (1) Names and codes of Pools to be commingled:
Corbin; Bone Spring, South (13160)
Corbin; Wolfcamp, South (13320)
- (2) Perforated Pay Intervals:
Bone Spring 8513' - 9364'
Wolfcamp 10858' - 11330'
- (3) Type of Production:
Oil
- (4) How is each zone being produced ?
Rod Pump
- (5) Estimated BHP:
NA
- (6) API Gravity of each zone:
Bone Spring 37.1
Wolfcamp 37.7
- (7) Production History (attach production curve for each zone):
Attached
- (8) Are Royalty and Working Interests identical with respect to all proposed combined zones in the well ?
Yes
- (9) Will commingling reduce the value of the total remaining production ?
No
- (10) Will cross flow exist ?
No
- (11) Are all produced fluids from all commingled zones compatible with each other ?
Yes. These pools have previously been downhole comingled in our West Corbin Federal No. 18.
- (12) Is a copy of this application being provided to either the United States Bureau of Land Management or New Mexico Commissioner of Public Lands ?
Yes - BLM

LEASE: FEDERAL MA BS

WELL: 08
 FIELD: CORBIN SOUTH
 OPERATOR: EOG RESOURCES
 COUNTY, STATE: LEA, NM
 RESERVE CATEGORY:

# of Wells	10000	1000	100	10	1
GOR-SCF/BBL	1e+06	100000	10000	1000	100



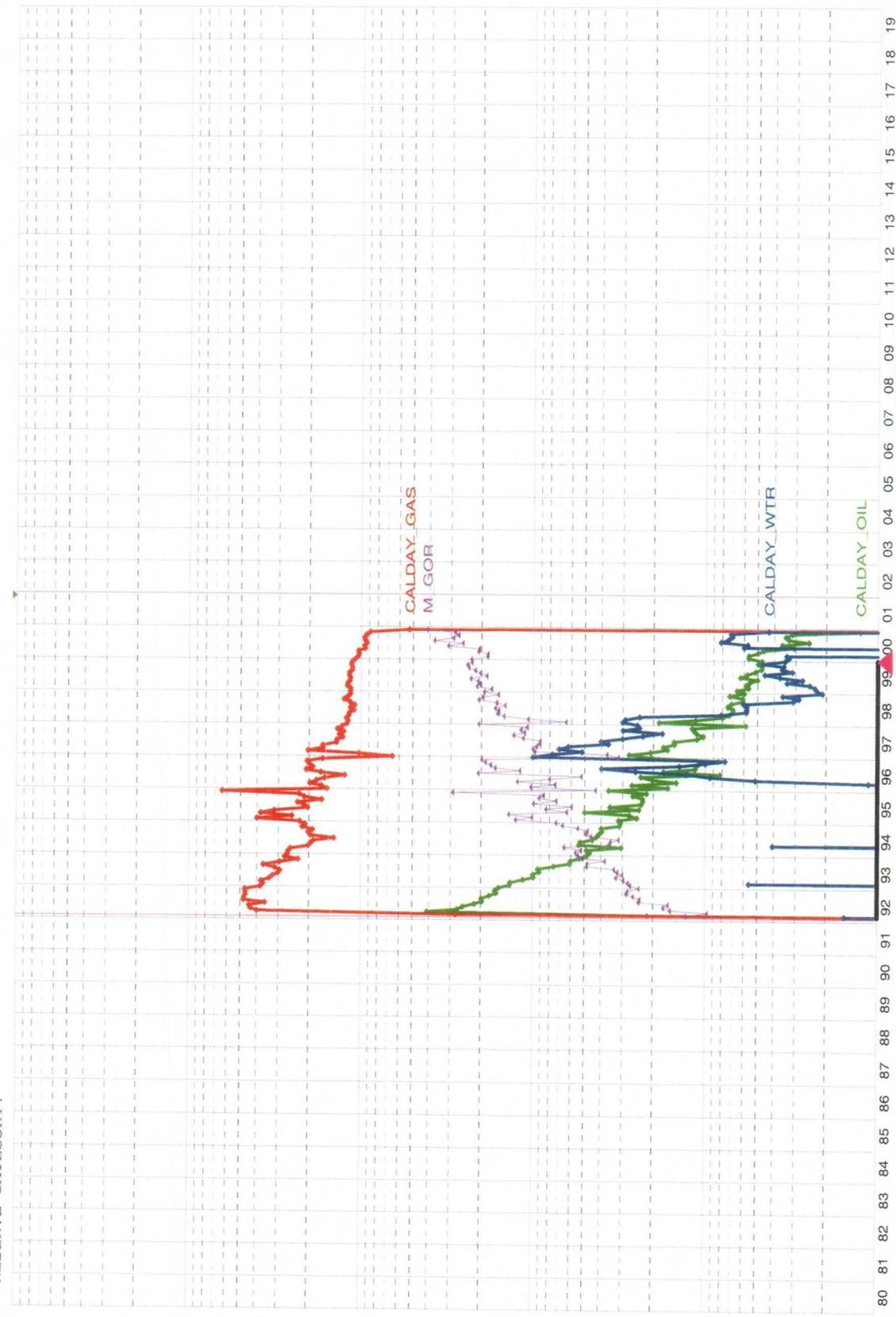
OIL-BOPD	10000	1000	100	10	1
GAS-MCFD	100	10	1	0.1	0.01
WATER-BWPD	100000	10000	1000	100	10

OIL-BOPD 2/2007 Ref= 13097 Cum=
 GAS-MCFD 2/2007 Ref= 26454 Cum=
 WATER-BWPD 2/2007 Ref= 26788 Cum=
 GOR-SCF/BBL 2/2007 Ref= 0 Cum=
 # of Wells 2/2007 Ref= 0 Cum=

LEASE: FEDERAL MA
 WELL: 08 (BP) SOUTH
 FIELD: COMBLYN SOUTH
 OPERATOR: EOG RESOURCES
 COUNTY STATE: LEEA, NM
 RESERVE CATEGORY:

WC

# of Wells	10000	1000	100	10	1
GOR-SCF/BBL	1e+06	100000	10000	1000	100



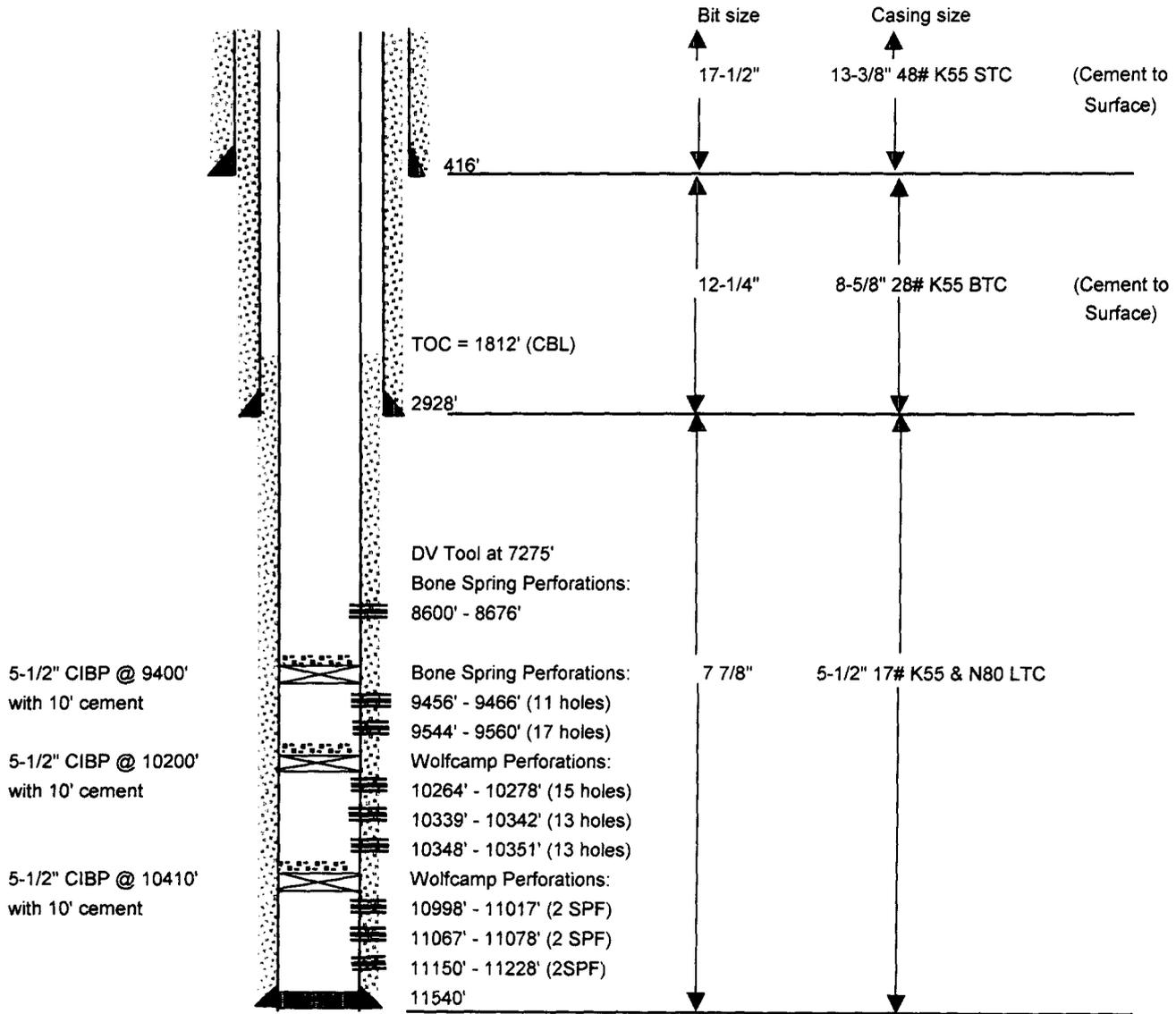
OIL-BOPD	10000	1000	100	10	1
GAS-MCFD	1000	100	10	1	0.1
WATER-BWPD	10000	1000	100	10	1

OIL-BOPD 12/2001 Ref= 143942 Cum= 143942
 GAS-MCFD 12/2001 Ref= 655688 Cum= 655688
 WATER-BWPD 12/2001 Ref= 28730 Cum= 28730
 GOR-SCF/BBL 12/2001 Ref= 0 Cum= 0
 # of Wells 12/2001 Ref= 95 Cum= 95

EXISTING



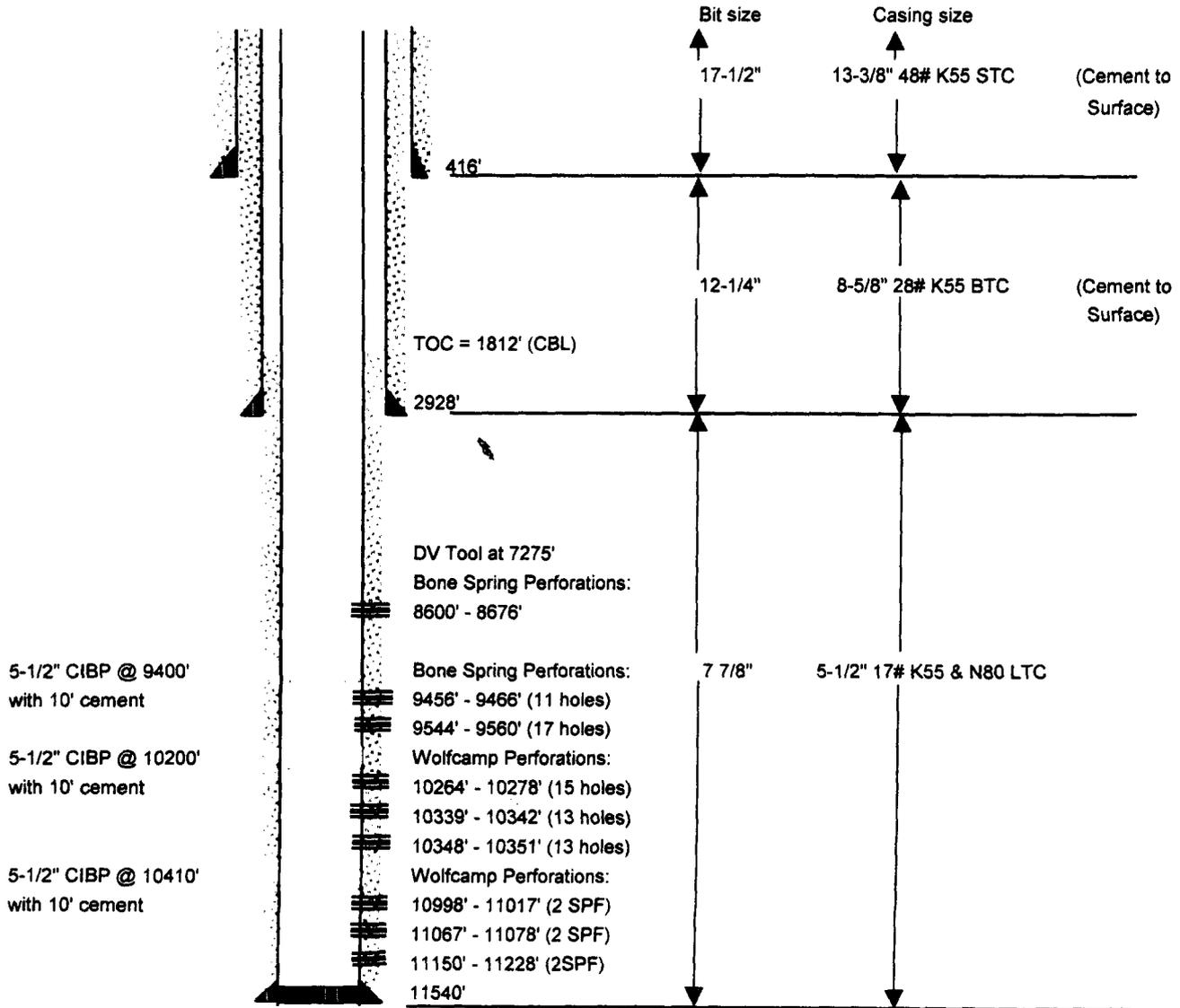
Federal MA #8
 2062' FNL & 769' FEL
 Sec 21, T18S, R33E
 Lea County, New Mexico
 API No: 30-025-31492



PROPOSED



Federal MA #8
 2062' FNL & 769' FEL
 Sec 21, T18S, R33E
 Lea County, New Mexico
 API No: 30-025-31492



P. O. BOX 1468
MONAHANS, TEXAS 79756
(915) 943-3234 or 563-1040

Martin Water Laboratories, Inc.
WATER CONSULTANTS SINCE 1953
BACTERIAL AND CHEMICAL ANALYSES

709 W. INDIANA
MIDLAND, TEXAS 79701
(915) 683-4521

February 1, 2002

Ms. Beverly Hatfield
EOG Resources, Inc.
P.O. Box 2267
Midland, TX 79702

Subject: Compatibility between Bone Spring and Wolfcamp, West Corbin Federal lease.

Dear Ms. Hatfield:

This letter is to provide an evaluation between the above listed waters in Lea county, New Mexico. We have utilized our records of Bone Spring in the S. Corbin field, but the closest records we have of Wolfcamp are about 10-12 miles to the north.

We have studied these records and find no evidence of any incompatibility. This is to say that based on the evidence we have available, we would not expect any precipitation or scaling potential to result from combining Bone Spring and Wolfcamp based on our records in this area.

Yours very truly,



Waylan C. Martin

WCM/am



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
BETTY RIVERA
Cabinet Secretary

Lori Wrotenberg
Director
Oil Conservation Division

ADMINISTRATIVE ORDER DHC-2989

EOG Resources, Inc.
P.O. Box 2267
Midland, Texas 79702

Attention: Ms. Bev Hatfield

*West Corbin Federal No. 18
API No. 30-025-30726
Unit F, Section 18, Township 18 South, Range 33 East, NMPM,
Lea County, New Mexico.
South Corbin-Bone Spring (Oil - 13160) and
South Corbin-Wolfcamp (Oil - 13320) Pools*

Dear Ms. Hatfield:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303.C.(1), each of the commingled pools shall be allowed to produce up to the top oil allowable and top casinghead gas allowable applicable for that pool.

Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

South Corbin-Bone Spring Pool	Oil-52%	Gas-52%
South Corbin-Wolfcamp Pool	Oil-48%	Gas-48%

Administrative Order DHC-2989

EOG Resources, Inc.

February 14, 2002

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REMARKS: The operator shall notify the Hobbs District Office of the Division upon implementation of commingling operations.

Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 14th day of February, 2002.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



LORI WROTENBERY
Director

SEAL

LW/DRC

cc: Oil Conservation Division - Hobbs
Bureau of Land Management-Carlsbad

