

SOVEREIGN EAGLE, LLC

P.O. BOX 968
ROSWELL, NM 88202-0968
575-623-1957 TEL 575-623-3533 FAX

RECEIVED

2009 MAY 6 AM 11 56

May 5, 2009

SENT VIA FEDERAL EXPRESS

State of New Mexico
Oil Conservation Division
Attn: William Jones
1220 South St. Francis DR.
Santa Fe, NM 87505

(263940)

No-C103

RE: Filing C-103 for Sovereign Eagle, LLC
Application for Downhole Commingling amendment
J.T. Mcgee #1
Roosevelt County, NM

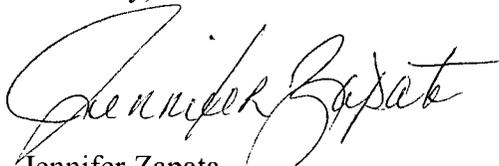
30-041-20813

Dear Examiner,

The J.T. Mcgee #1 is a producing gas well in Roosevelt County, New Mexico. This well is producing from the Montoya and Pennsylvania formations. Due to a recompletion of this well the allocation percentage from the Montoya and Pennsylvania formations has changed.

Should you have any questions feel free to call Jennifer Zapata @ (575) 622-1127 or e-mail @ jzapata@stratanm.com. Thank you for your attention to this matter.

Sincerely,


Jennifer Zapata
Production Analyst

March 115

Montoya 651

Penm, 205

856-201.11
856-80%.

C-145 - Hobbs - 1-1-09

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 May 27, 2004

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

| |
|---|
| WELL API NO. 30-041-20813 |
| 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> |
| 6. State Oil & Gas Lease No. |

| | | |
|---|--|--|
| SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) 1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/> | | 7. Lease Name or Unit Agreement Name J.T. MCGEE |
| 2. Name of Operator SOVEREIGN EAGLE, LLC | | 8. Well Number 001 |
| 3. Address of Operator P.O. BOX 968, ROSWELL, NM 88202-0968 | | 9. OGRID Number 263940 |
| 4. Well Location Unit Letter <u>B</u> : <u>990'</u> feet from the <u>FNL</u> line and <u>1080'</u> feet from the <u>FEL</u> line Section <u>27</u> Township <u>2S</u> Range <u>29E</u> NMPM County <u>ROOSEVELT</u> | | 10. Pool name or Wildcat MONTOYA; PENN |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) | | |
| Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/> Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____ Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____ | | |

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

| | | | |
|--|--|---|--|
| NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> OTHER: <input type="checkbox"/> | | SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: CHANGE COMMINGLING % <input checked="" type="checkbox"/> | |
|--|--|---|--|

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

SOVEREIGN EAGLE, LLC WOULD LIKE TO CHANGE THE ALLOCATION % ON OUR COMMINGLING ADMINISTRATIVE ORDER DHC-2634 FROM:
 TULE-PENNSYLVANIAN GAS POOL (86443) = 24% TO THE NEW AMOUNT OF 80%
 TULE-MONTOYA GAS POOL (86442) = 76% TO THE NEW AMOUNT OF 20%

THE NEW ALLOCATION PERCENTAGE WILL BE EFFECTIVE IMMEDIATELY. THE REASON FOR THE CHANGE IS A RECOMPLETION AND NEW PENN ZONES WERE OPENED.

Asked Miss Zapata to Fax Reconn. data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Jennifer Zapata TITLE PRODUCTION ANALYST DATE 05/05/09

Type or print name JENNIFER ZAPATA E-mail address: jzapata@stratanm.com Telephone No. (575) 622-1127

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any): _____

Submit 3 Copies To Appropriate District Office
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 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 June 19, 2008

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

| |
|---|
| WELL API NO. 30-041-20813 |
| 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> |
| 6. State Oil & Gas Lease No. |
| 7. Lease Name or Unit Agreement Name MCGEE |
| 8. Well Number 001 |
| 9. OGRID Number 263940 |
| 10. Pool name or Wildcat MONTROYA; PENN |

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator
SOVEREIGN EAGLE, LLC

3. Address of Operator
PO BOX 968, ROSWELL, NM 88202-0968

4. Well Location
 Unit Letter B : 900 feet from the NORTH line and 1980 feet from the EAST line
 Section 27 Township 2S Range 29E NMPM ROOSEVELT County NM

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

| | | | |
|--|---|---|--|
| NOTICE OF INTENTION TO: | | SUBSEQUENT REPORT OF: | |
| PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input checked="" type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> | COMMENCE DRILLING OPNS. <input type="checkbox"/> | P AND A <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | MULTIPLE COMPL <input type="checkbox"/> | CASING/CEMENT JOB <input type="checkbox"/> | |
| DOWNHOLE COMMINGLE <input type="checkbox"/> | | | |
| OTHER: <input type="checkbox"/> | | OTHER: <input type="checkbox"/> | |

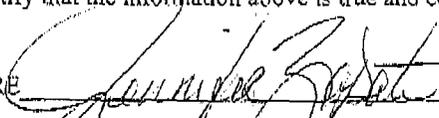
13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

- 3/11/09- RU TOH W/ PRODUCTION STRING. RU. REVERSE UNIT. TIH W/ TOOL'S.
- 3/12-17/09- DRLG OUT PERMANENT PKR @ 7037'. CIRC HOLE CLEAN. TOH & LAY DOWN TOOL'S.
- 3/18/09- TIH W/ SCRAPER. CIRC. HOLE. RU WIRELINE. TIH W/ GUNS. PERF. PENN "D" 6986-98' (8 HOLES) PERF PENN "A" 6921-58' (6 HOLES). PERF "COAL" 6851-56' (5 HOLES). TOH W/ GUNS.
- 3/19/09- ACIDIZE PERFS W/ 3000 GAL 7 1/2% NEFE. TOH W/ PPI TOOLS.
- 3/20/09- TIH W/ PRODUCTION STRING. PUT ON PUMP.
- 3/21/09- RD. PUMPING...

Spud Date: 03/18/87

Rig Release Date: 04/16/87

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

SIGNATURE  TITLE PRODUCTION ANALYST DATE 04-16-09

Type or print name JENNIFER ZAPATA E-mail address: jzapata@stratanm.com PHONE: 575-622-1127
 For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____