

pNRMO223949412

2-9-01

Order Number

DI-0013

API Number

30-025-26804

Operator

Finley Resources, Inc.

County

Lea

Order Date

5-3-02

Well Name

McQuatters Com

Number

004

Location

G
UL

11
Sec

21S
T (+Dir)

36E
R (+Dir)

Oil %

Gas %

Pool 1

47970

Oil Center Glorieta

11%

10%

Pool 2

29710

Hardy Blin ebry

86%

84%

Pool 3

29760

Hardy Tubb Drinkard

3%

6%

Pool 4

Comments:

Work completed effective

5-3-02

Work cancelled effective

Supplement

1712N

5-3-02

1713N

7-1-02

8-28-02
Ported to
RBDMS
3

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 811 South First, Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised March 25, 1999

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

WELL API NO.	30 025 26804
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>	
6. State Oil & Gas Lease No. 180387	
7. Lease Name or Unit Agreement Name: McQuatters Com	
7. Well No.	4
8. Pool name or Wildcat Hardy Blinebry	
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 3565' KB	

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
 Finley Resources, Inc.

3. Address of Operator
 1308 Lake St., Fort Worth, Texas 76102

4. Well Location
 Unit Letter G : 1650 feet from the North line and 2310 feet from the East line
 Section 11 Township 21S Range 36E NMPM County Lea

11. 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 type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: Downhole Commingling <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

12. 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 recompilation.

See attached additional page for description.

DI DHC Order No. 0013

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

SIGNATURE *James L. Nance* TITLE Production & Operations Engineer DATE 2/9/2001

Type or print name James L. Nance Telephone No. (817) 336-1924 x27
 (This space for State use)

APPROVED BY _____ TITLE ORIGINAL SIGNED BY CHRIS WILLIAMS DATE FEB 15 2001
 Conditions of approval, if any: DISTRICT I SUPERVISOR

2001

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C-103, Item 12 Continued:

Division Order R-11363. Proposal to commingle Hardy Blinebry (29710) with Hardy Tubb-Drinkard (29760) and Oil Center Glorietta (47970). Proposed Operations: 2/15/2001 Rig up WO unit. Pull rods, pump & tubing. Perforate Tubb-Drinkard intervals: 6854-58', 6846-50', 6836-44', 6506-14', 6482-92'. Set packer @ 6400'. Frac treat Drinkard interval 6482-6858' OA w/ 1500 gal 15% HCL and 1500 bbls of slick water. Flow test Drinkard interval. Set retr. Bridge plug @ 6400'. Test bridge plug, casing & tubing to 1000 psig. Perforate Blinebry interval w/ 1 shot per foot 5837-45', 5808-16', 5791-99', 5762-70', 5744-52', 5728-36'. Frac treat Blinebry interval w/ 1500 gals 15% HCL acid and 1500 bbls of slick water. Flow test Blinebry interval. Run rods & pump for extended test. Submit Blinebry test for clearance to remove packer & retr bridge plug to commingle zones. Upon resubmitted C-103 approval, pull treating packer & bridge plug. Set 2 3/8" production tubing (mud anchor, SN, tubing anchor) w/ end of tubing @ 6800'. Run rods & pump, return to production as 3 zone commingle.

Current Perforations:

Oil Center Glorietta (47970) perforations 5209-98' OA
 Hardy Tubb-Drinkard (29760) Perforations 6563-6767' OA

Proposed Perforation:

Oil Center Glorietta (47970) perforations 5209-98' OA
 Hardy Blinebry (29710) perforations 5728-5845' OA
 Hardy Tubb-Drinkard (29760) Perforations 6482-6858' OA

① 67%
 ② 0%
 ③ 33%

The current allocation between Glorietta and Tubb-Drinkard is as follows: Glorietta 67% / Tubb-Drinkard 33%. 30 day test from November, 2000 produced 109 bo, 728 mcfg or 3.6 bopd, 24.3 mcfgpd. Allocating each zone: Glorietta produced 2.4 bopd, 16.2 mcfgpd, Tubb-Drinkard produced 1.2 bopd, 8.1 mcfgpd. A separate production test will be conducted in the Blinebry zone prior to commingling. Using an estimated production rate for the Blinebry of 25 bopd, 100 mcfgpd, total commingled production would be allocated as follows:

Glorietta	2.4 bopd, 16.2 mcfgpd	5.1 boepd	10.3%
Tubb-Drinkard	1.2 bopd, 8.1 mcfgpd	2.6 boepd	5.3%
Blinebry	25 bopd, 100 mcfgpd	41.7 boepd	84.4%

Total	28.6 bopd, 124.3 mcfgpd	49.4 boepd	100%

Working and Revenue interest in each of the intervals above is common and no disparity exists by depth. Since the production is artificially lifted by rod pump, each interval will be able to reach the wellbore and no waste or loss is anticipated by this combined producing activity.

DI DHC Order No. 0013

DOWNHOLE COMMINGLE CALCULATIONS: 30-025-26804
HOB-0013

OPERATOR: Finley Resources Inc.

PROPERTY NAME: McQuatters Com

WNULSTR: 4-G, 11-21-36

AOIL 50000	SECTION I:	ALLOWABLE AMOUNT	
	POOL NO. 1	<u>Oil Center Glorieta (Oil)</u>	<u>107</u> <u>214</u> MCF 2000
AHAR 20000	POOL NO. 2	<u>Hardy BLinebry</u>	<u>107</u> <u>214</u> MCF 2000
AHAR 30000	POOL NO. 3	<u>Hardy Tubh Drinkard</u>	<u>142</u> <u>852</u> MCF 6000
	POOL NO. 4	_____	_____ MCF
		POOL TOTALS	<u>356</u> <u>1280</u>

	SECTION II:		Oil	Gas
47970	POOL NO. 1	<u>Oil Center Glorieta (Oil)</u>	<u>11%</u>	<u>10%</u>
29710	POOL NO. 2	<u>Hardy BLinebry</u>	<u>86% X 356 = 306.16</u>	<u>84%</u>
29760	POOL NO. 3	<u>Hardy Tubh Drinkard</u>	<u>3%</u>	<u>6%</u>
	POOL NO. 4	_____		

	<u>OIL</u>	<u>GAS</u>
SECTION III:	<u>107 ÷ 86% = 124.42 (125)</u>	_____
SECTION IV:	<u>125 X 11% = 13.75 (14)</u>	_____
	<u>125 X 86% = 107.50 (107)</u>	_____
	<u>125 X 3% = 3.75 (4)</u>	_____
	_____	_____

Hardy Blinley Oil Gas
28/24 (85.72) 86% | 51/43 (84.32) 84%

Hardy Fubb & unkeed
28/1 (3.58) 3% | 51/3 (5.89) 6%

Dil Center Glouster
28/3 (10.72) 11% | 51/5 (9.81) 10%