

DATE IN <u>11.12.10</u>	SUSPENSE	ENGINEER <u>DKB</u>	LOGGED IN <u>11.12.10</u>	TYPE <u>DHC</u>	APP NO. <u>1031639968</u>
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ABOVE THIS LINE FOR DIVISION USE ONLY

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



Merit Energy
(14591)

WS "19" Fed #1

ADMINISTRATIVE APPLICATION CHECKLIST *30-015-30149*

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.

cindy Chavez
Print or Type Name

Cynthia Chavez
Signature

Regulatory Analyst
Title

11/11/2010
Date

cynthia.chavez@meritenergy.com
e-mail Address

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

District II
1301 W. Grand Avenue, Artesia, NM 88210

District III
1000 Rio Hondo Road, Aztec, NM 87410

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

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

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

APPLICATION FOR DOWNHOLE COMMINGLING

Merit Energy Company 13727 Noel Road, Suite 500 Dallas, Texas 75240
Operator Address
Shugart West 19 Federal #1 N-19-18S-31E Eddy County
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 14591 Property Code 306802 API No. 30-015-30149 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Shugart; Bone Spring, North		Shugart; Wolfcamp
Pool Code	56405		56427
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	Perfs: 8177-8240'		Perfs: 9244-9254'
Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
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)	35.26 API Converted		
Producing, Shut-In or New Zone	Producing		New Zone
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: 10/13/2010 Rates: 12.1 bopd	Date: Rates:	Date: Rates:
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas % %	Oil Gas % %	Oil Gas % %

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 Cynthia Chavez TITLE Regulatory Analyst DATE 11/11/2010

TYPE OR PRINT NAME Cindy Chavez TELEPHONE NO. (972) 628-1603

E-MAIL ADDRESS cynthia.chavez@meritenergy.com

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

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

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 56427	Pool Name SHUGART ; BONE SPRINGS, NORTH
Property Code	Property Name West Shugart "19" Federal	Well Number 1
OGRID No. 147380	Operator Name Penwell Energy Inc.	Elevation 3620'

Surface Location

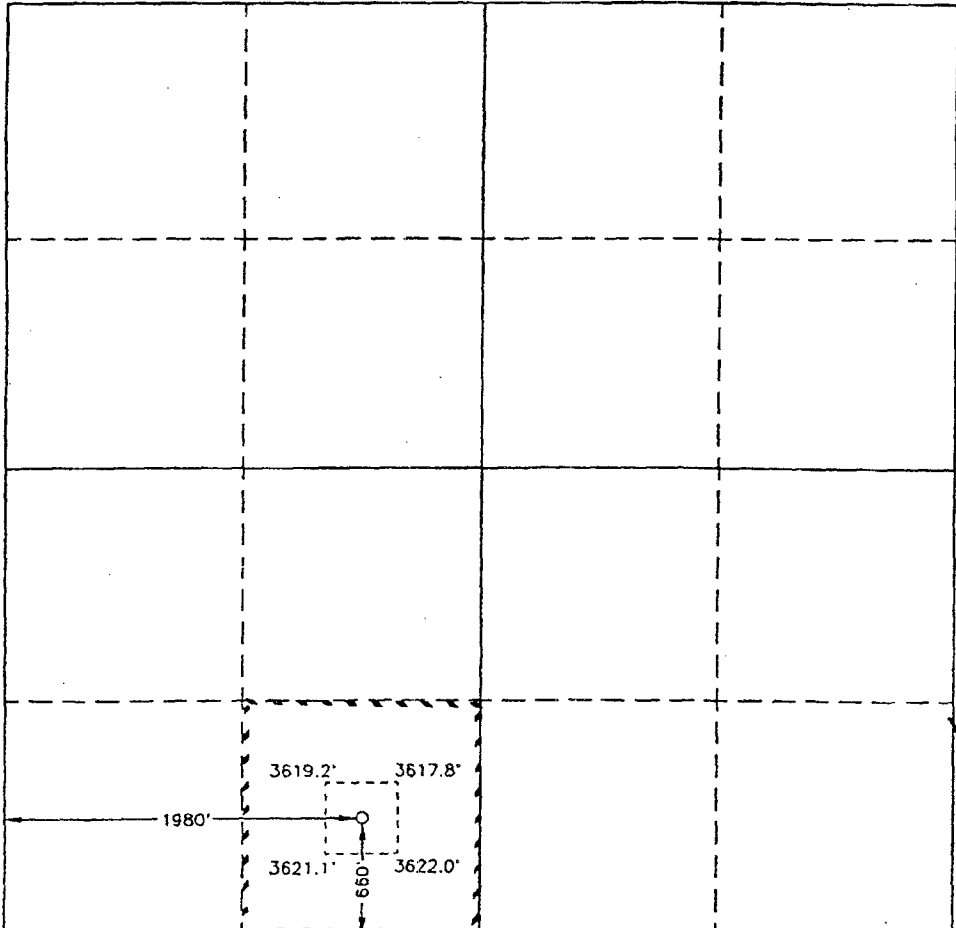
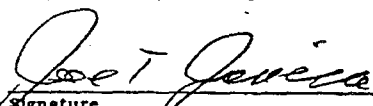
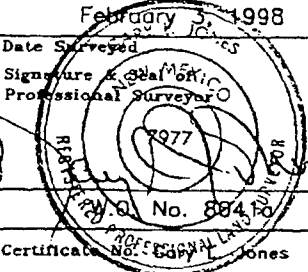
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	19	18 S	31 E		660	South	1980	West	Eddy

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

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
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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

	OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature Joe T. Janica Printed Name Agent Title 02/06/98 Date 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. February 3, 1998 Date Surveyed  Signature & Seal Professional Surveyor Certificate No. 88410 7977 BASIN SURVEYS
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DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

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1000 Rio Brazos Rd., Aztec, NM 87410

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OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 56427	Pool Name SHUGART; WOLFCAMP, WEST
Property Code	Property Name West Shugart "19" Federal	Well Number 1
OGRID No. 147380	Operator Name Penwell Energy Inc.	Elevation 3620'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	19	18 S	31 E		660	South	1980	West	Eddy

Bottom Hole Location If Different From Surface

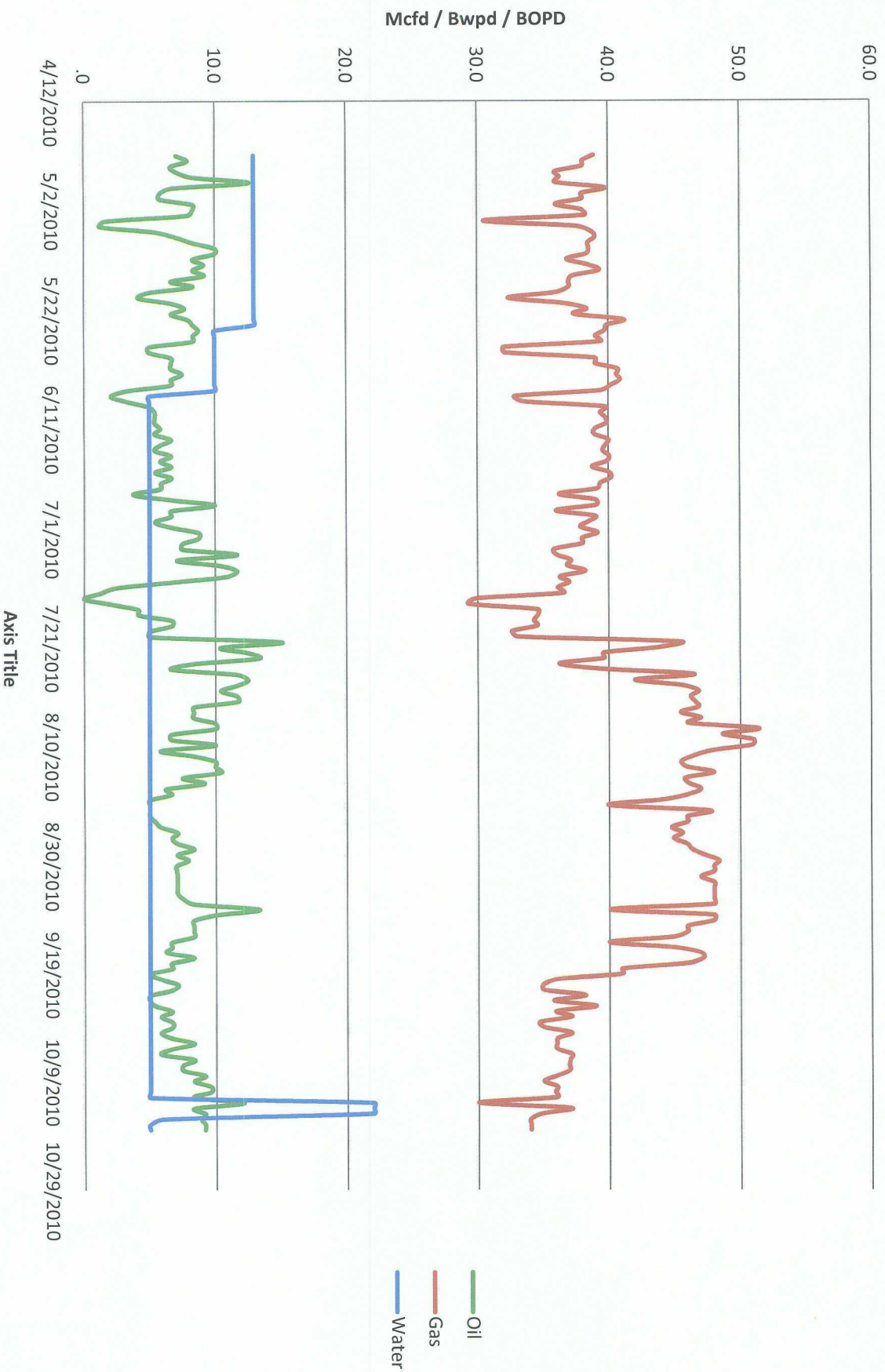
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Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.						

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	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. Signature Joe T. Janica Printed Name Agent Title Date 02/06/98
	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. February 5, 1998 Date Surveyed Signature & Seal of Professional Surveyor Professional Surveyor 7977 P.W.O. No. 88410 Certificate No. 88410 Jones 7977 BASIN SURVEYS

FORM	TOP																																																														
		20" @ 40' circ to surf 13 3/8" @ 480' w/370 sx, circ 8 5/8" @ 2830' w/915 sx, circ 12/30/2001 107 - 1.2" Fiberglass 80- 1" "D" Rods 80- 7/8" "D" Rods 8 - 1-1/2" flex sinker bars 2" RP @ 8282' OV Tool @ 4804', circ to surf 10/1/98 SELECT PERFS: 11/4/1998 8177-8204, 8208-8240', Dolomite 11/12/98 Flowing 291 bopd, 207 mcf/d, 67 bwpd Frased 3/8/2003 11/3/1998 CIBP @ 9650' w/35' cmt 10/8/1998 9704-9750' 10/12/98 SIBHP 2966 @ 9735' for 64 hrs 11/2/98 - pmp 11 bopd, 39 bwpd, 12 mcf/d 11/2/98 - pmp 11 bopd, 39 bwpd, 12 mcf/d 10/3/1998 10064-076, 10102-108' 10/5/99 swab 14 bo, 0 bw in 12 hrs from 9400'. 5 1/2" @ 10,270 w/1345 sx 9/27/98 TD 8500'	1 W SHUGART 19 FED CURRENT WELLBORE DIAGRAM KCS MEDALLIAN RESOURCES Sec.Twp.Rng 19 18S 31E 660 FSL 1980 FWL API #: 30-015-30149 POOL: Shugart Bone Spring CO, ST: EDDY, NM STATUS: ACTIVE DIAGRAM REVISED: Updated PEHart 3/1/2009 LOG ELEVATION: 3634' KB GROUND ELEVATION: 3620' <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th></th> <th>CASING</th> <th>LINER</th> <th>TUBING</th> </tr> </thead> <tbody> <tr> <td>Hole</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Pipe</td> <td>13 3/8</td> <td>8 5/8</td> <td>5 1/2</td> </tr> <tr> <td>Weight</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Depth</td> <td>480</td> <td>2830</td> <td>10275</td> </tr> <tr> <td></td> <td></td> <td></td> <td>8303</td> </tr> </tbody> </table> 3/21/2005 <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th colspan="4">LOGS</th> </tr> </thead> <tbody> <tr> <td>DNCP</td> <td></td> <td></td> <td></td> </tr> <tr> <td>NE</td> <td></td> <td></td> <td></td> </tr> <tr> <td>GR</td> <td></td> <td></td> <td></td> </tr> <tr> <td>LLD</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> Spud Date: 08/28/1998 Comp. Date: 11/12/1998 First Perforated Interval: 10064-76, 10102-108, 10/3/1998 Acid Job: 10/4/1998 5000 Gal. 15% FE Frac: Mgal. M # Sand CO2 IP: Swab 14 bo, 0 bw-12 hrs from 9400'=28 bopd, Then PB Second Perforated Interval: 9704-9750', 10/8/1998 Acid Job: 10/9/98 8000 Gal. Frac: Mgal. M # Sand Ton of CO2 IP: 11 bopd, 39 bwpd, 12 mcf/d, then isolated Third Perf Interval: 8177-8204, 8208-8240', 11/4/1998 Acid Job: 11/5/1998 4500 Gal. 15% hcl, fcp, prk Frac: 3/8/2003 74.5 Mgal. 183 M # Sand Ton of CO2 IP: 291 bopd, 207 mcf/d, 0 bwpd NOTES: 10/5/98 - Swab wolcamp at 14 bo in 12 hrs, Found bridge @ 3922' w/220# TP 12 hrs later, Then PB to 9704' zone 9/99 Cut paraffin to 1200' 4/99 install PU & Rods 7/2001 - Rpr well & Hot oil, TA @8107', MA@8303', 2-7/8" 12/2001 Run new RP 4/2002 Rpr PR Liner COMMENTS		CASING	LINER	TUBING	Hole				Pipe	13 3/8	8 5/8	5 1/2	Weight				Depth	480	2830	10275				8303	LOGS				DNCP				NE				GR				LLD																			
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Shugart 19-1 Bonesprings Dolo Production Artificial Lift: Pumping Unit



MID	15854	CompletionName	Shugart West 19 Federal 001	Type	Producing Status	Oil	Producing Method	Flowing
API	300153014900	-				Producing Oil		Mid - MID NM Op Shugart
State	New Mexico	County	Eddy		State Plus Regulatory Field	Shugart	Route	14534-01
Cost Center	1001071400	Aries Case	266900728				Accounting ID	
Daily Production Information for Shugart West 19 Federal 001								
	BeginningOil	Oil Sales	Oil Prod	EndingOil	Gas Prod	Gas Prod w GL	Gas Sales	NGLS
10/18/2010	134.4	0.0	9.2	143.5	34.0	34.0	28.0	8.7
10/17/2010	125.2	0.0	9.2	134.4	34.0	34.0	28.0	8.7
10/16/2010	293.1	176.8	8.9	125.2	34.0	34.0	28.0	8.7
10/15/2010	283.9	0.0	9.2	293.1	34.9	34.9	28.9	9.0
10/14/2010	275.6	0.0	8.4	283.9	37.0	37.0	31.0	9.5
10/13/2010	263.4	0.0	12.1	275.6	30.0	30.0	24.0	7.7
10/12/2010	255.1	0.0	8.4	263.4	36.0	36.0	30.0	9.2
10/11/2010	245.5	0.0	9.6	255.1	35.9	35.9	29.9	9.2
10/10/2010	235.9	0.0	9.6	245.5	36.0	36.0	30.0	9.3
10/9/2010	227.5	0.0	8.4	235.9	35.0	35.0	29.0	9.0
10/8/2010	218.3	0.0	9.2	227.5	36.0	36.0	30.0	9.3
10/7/2010	210.8	0.0	7.5	218.3	36.9	36.9	30.9	9.5
10/6/2010	203.3	0.0	7.5	210.8	36.9	36.9	30.9	9.5
10/5/2010	195.0	0.0	8.4	203.3	37.0	37.0	31.0	9.5
10/4/2010	189.1	0.0	5.8	195.0	37.1	37.1	31.1	9.5
10/3/2010	182.4	0.0	6.7	189.1	36.0	36.0	30.0	9.2
10/2/2010	174.1	0.0	8.4	182.4	36.0	36.0	30.0	9.2
10/1/2010	167.4	0.0	6.7	174.1	36.1	36.1	30.1	9.3
9/30/2010	161.6	0.0	5.8	167.4	37.1	37.1	31.1	9.5
9/28/2010	154.9	0.0	6.7	161.6	35.1	35.1	29.1	9.0
9/26/2010	148.2	0.0	6.7	154.9	34.7	34.7	28.7	8.9
9/27/2010	142.4	0.0	5.8	148.2	37.1	37.1	31.1	9.5
9/26/2010	135.7	0.0	6.7	142.4	35.9	35.9	29.9	9.2
9/25/2010	130.3	0.0	5.4	135.7	39.0	39.0	33.0	10.1
9/24/2010	125.2	0.0	5.0	130.3	35.8	35.8	29.8	9.2
9/23/2010	120.2	0.0	5.0	125.2	38.2	38.2	32.2	9.8
9/22/2010	113.5	0.0	6.7	120.2	35.0	35.0	29.0	9.1
9/21/2010	106.4	0.0	7.1	113.5	34.9	34.9	28.9	9.0
9/20/2010	100.5	0.0	5.9	106.4	36.0	36.0	30.0	9.3
9/19/2010	95.5	0.0	5.0	100.5	41.0	41.0	35.0	10.6
9/18/2010	88.8	0.0	6.7	95.5	41.0	41.0	35.0	10.6
9/17/2010	252.4	170.2	6.7	88.8	46.0	46.0	40.0	11.9
9/16/2010	244.0	0.0	8.4	252.4	47.2	47.2	41.2	12.3
9/15/2010	237.8	0.0	6.3	244.0	47.0	47.0	41.0	12.3
9/14/2010	231.1	0.0	6.7	237.8	45.0	45.0	39.0	11.6
9/13/2010	224.4	0.0	6.0	224.4	40.0	40.0	34.0	10.2
9/12/2010	216.1	0.0	8.3	224.4	44.9	44.9	38.9	11.5
9/11/2010	207.7	0.0	8.3	216.1	46.0	46.0	40.0	11.9
9/10/2010	199.4	0.0	8.3	207.7	46.0	46.0	40.0	11.8
9/9/2010	191.0	0.0	8.3	199.4	48.0	48.0	42.0	12.4
9/8/2010	181.0	0.0	10.0	191.0	48.0	48.0	42.0	12.4
9/7/2010	167.7	0.0	13.4	181.0	40.1	40.1	34.1	10.3
9/6/2010	159.3	0.0	8.3	167.7	48.0	48.0	42.0	12.4
9/5/2010	151.8	0.0	7.5	159.3	48.0	48.0	42.0	12.4
9/4/2010	144.7	0.0	7.1	151.8	48.0	48.0	42.0	12.4
9/3/2010	137.6	0.0	7.1	144.7	48.0	48.0	42.0	12.4
9/2/2010	130.5	0.0	7.1	137.6	48.0	48.0	42.0	12.3
9/1/2010	123.4	0.0	7.1	130.5	47.0	47.0	41.0	12.1
8/31/2010	116.4	0.0	7.0	123.4	48.0	48.0	42.0	12.4
8/30/2010	289.4	180.0	7.0	116.4	48.0	48.0	42.0	12.4
8/29/2010	281.4	0.0	7.9	289.4	48.4	48.4	42.4	12.4
8/28/2010	274.3	0.0	7.1	281.4	47.3	47.3	41.3	12.1
8/27/2010	266.0	0.0	8.4	274.3	46.3	46.3	40.3	11.9
8/26/2010	258.9	0.0	7.1	266.0	45.9	45.9	39.9	11.8
8/25/2010	252.2	0.0	6.7	258.9	44.9	44.9	38.9	11.5
8/24/2010	245.0	0.0	7.1	252.2	45.6	45.6	39.6	11.7

8/23/2010	239.2	0.0	5.9	245.0	44.8	44.8	38.8	11.5	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	0	Producing Oil
8/22/2010	233.8	0.0	5.4	239.2	46.0	46.0	40.0	11.8	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
8/21/2010	228.7	0.0	5.0	233.8	46.0	46.0	40.0	11.8	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
8/20/2010	223.7	0.0	5.0	228.7	47.6	47.6	41.6	12.2	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
8/19/2010	218.7	0.0	5.0	223.7	40.0	40.0	34.0	9.9	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
8/18/2010	213.7	0.0	5.0	218.7	44.0	44.0	38.0	11.2	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
8/17/2010	207.0	0.0	6.7	213.7	46.1	46.1	40.1	11.8	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
8/16/2010	200.8	0.0	6.3	207.0	47.0	47.0	41.0	12.1	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
8/15/2010	191.6	0.0	9.2	200.8	46.1	46.1	40.1	11.8	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
8/14/2010	184.1	0.0	7.5	191.6	45.8	45.8	39.8	11.7	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
8/13/2010	173.6	0.0	10.4	184.1	48.0	48.0	42.0	12.3	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
8/12/2010	163.6	0.0	10.0	173.6	45.9	45.9	39.9	11.7	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
8/11/2010	153.6	0.0	10.0	163.6	45.5	45.5	39.5	11.6	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
8/10/2010	327.7	182.5	8.3	153.6	46.4	46.4	40.4	11.8	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
8/9/2010	321.8	0.0	5.8	327.7	47.9	47.9	41.9	12.2	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
8/8/2010	311.8	0.0	10.0	321.8	50.9	50.9	44.9	13.0	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
8/7/2010	305.1	0.0	6.7	311.8	51.0	51.0	45.0	13.0	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
8/6/2010	298.5	0.0	6.7	305.1	48.7	48.7	42.7	12.4	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
8/5/2010	288.4	0.0	10.0	298.5	51.4	51.4	45.4	13.2	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
8/4/2010	278.4	0.0	10.0	288.4	46.1	46.1	40.1	11.9	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
8/3/2010	270.1	0.0	8.4	278.4	47.0	47.0	41.0	12.1	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
8/2/2010	261.7	0.0	8.4	270.1	45.5	45.5	39.5	11.6	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
8/1/2010	253.3	0.0	8.4	261.7	46.8	46.8	40.8	12.0	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
7/31/2010	241.6	0.0	11.7	253.3	46.6	46.6	40.6	11.9	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	Producing Oil
7/30/2010	229.9	0.0	11.7	241.6	46.2	46.2	40.2	11.8	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
7/29/2010	219.5	0.0	10.4	229.9	46.8	46.8	40.8	11.9	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
7/28/2010	207.8	0.0	11.7	219.5	45.5	45.5	39.5	11.6	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
7/27/2010	195.3	0.0	12.5	207.8	42.0	42.0	36.0	10.7	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
7/26/2010	183.6	0.0	11.7	195.3	46.5	46.5	40.5	11.8	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
7/25/2010	176.9	0.0	6.7	183.6	39.6	39.6	33.6	10.1	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
7/24/2010	168.6	0.0	8.3	176.9	36.2	36.2	30.2	9.1	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
7/23/2010	155.2	0.0	13.4	168.6	39.6	39.6	33.6	10.1	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
7/22/2010	142.7	0.0	12.5	155.2	39.6	39.6	33.6	10.1	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
7/21/2010	132.3	0.0	10.4	142.7	43.9	43.9	37.9	11.2	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
7/20/2010	117.2	0.0	15.0	132.3	45.5	45.5	39.5	11.5	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
7/19/2010	112.2	0.0	5.0	117.2	33.1	33.1	27.1	8.4	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
7/18/2010	107.2	0.0	5.0	112.2	32.6	32.6	26.6	8.2	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
7/17/2010	100.5	0.0	6.7	107.2	34.5	34.5	28.5	8.7	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
7/16/2010	93.8	0.0	6.7	100.5	34.3	34.3	28.3	8.7	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
7/15/2010	89.7	0.0	4.2	93.8	34.6	34.6	28.6	8.8	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
7/14/2010	255.5	170.0	4.2	89.7	34.6	34.6	28.6	8.8	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
7/13/2010	253.4	0.0	2.1	255.5	29.3	29.3	23.3	7.4	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
7/12/2010	253.4	0.0	.0	253.4	29.9	29.9	23.9	7.6	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
7/11/2010	252.2	0.0	1.3	253.4	36.6	36.6	30.6	9.4	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
7/10/2010	249.7	0.0	2.5	252.2	36.1	36.1	30.1	9.3	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
7/9/2010	243.0	0.0	6.7	249.7	37.0	37.0	31.0	9.6	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
7/8/2010	232.1	0.0	10.9	243.0	36.3	36.3	30.3	9.3	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
7/7/2010	220.4	0.0	11.7	232.1	38.2	38.2	32.2	9.8	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
7/6/2010	210.0	0.0	10.4	220.4	36.9	36.9	30.9	9.4	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
7/5/2010	202.9	0.0	7.1	210.0	37.1	37.1	31.1	9.5	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
7/4/2010	191.2	0.0	11.7	202.9	36.0	36.0	30.0	9.2	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
7/3/2010	183.7	0.0	7.5	191.2	35.9	35.9	29.9	9.1	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
7/2/2010	176.2	0.0	7.5	183.7	38.0	38.0	32.0	9.7	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
7/1/2010	167.4	0.0	8.8	176.2	38.0	38.0	32.0	9.7	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
6/30/2010	158.6	0.0	8.8	167.4	39.2	39.2	33.2	9.9	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
6/29/2010	151.9	0.0	6.7	158.6	37.9	37.9	31.9	9.7	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
6/28/2010	146.5	0.0	5.4	151.9	38.5	38.5	32.5	9.8	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
6/27/2010	139.8	0.0	6.7	146.5	39.0	39.0	33.0	9.9	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
6/26/2010	133.2	0.0	6.7	139.8	36.0	36.0	30.0	8.6	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
6/25/2010	123.1	0.0	10.0	133.2	39.1	39.1	33.1	9.6	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
6/24/2010	116.5	0.0	6.7	123.1	39.0	39.0	33.0	9.2	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
6/23/2010	112.7	0.0	3.8	116.5	36.2	36.2	30.2	8.3	5.0	5.0	0.0	0.0	0.0	0.0	50	50	16.0	8.0 Electrical	
6/22/2010	106.8	0.0	5.9	112.7	39.1	39.1	33.1	9.1	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	
6/21/2010	280.9	179.9	5.9	106.8	39.4	39.4	33.4	9.1	5.0	5.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	Producing Oil

19-1 down power co. back 19-1 down pov

6/20/2010	274.2	0.0	6.7	280.9	40.2	40.2	34.2	9.3	5.0	0.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	Producing Oil
6/19/2010	268.7	0.0	5.4	274.2	40.0	40.0	34.0	9.3	5.0	0.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	Producing Oil
6/18/2010	262.0	0.0	6.7	268.7	38.8	38.8	32.8	9.0	5.0	0.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	Producing Oil
6/17/2010	256.2	0.0	5.8	262.0	39.9	39.9	33.9	9.3	5.0	0.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	Producing Oil
6/16/2010	249.5	0.0	6.7	256.2	40.1	40.1	34.1	9.3	5.0	0.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	Producing Oil
6/15/2010	244.1	0.0	5.4	249.5	39.6	39.6	33.6	9.8	5.0	0.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	Producing Oil
6/14/2010	238.3	0.0	5.8	244.1	39.8	39.8	33.8	9.8	5.0	0.0	0.0	0.0	0.0	0.0	50	50	24.0	.0	Producing Oil
6/13/2010	231.6	0.0	6.7	238.3	40.0	40.0	34.0	9.9	5.0	0.0	0.0	0.0	0.0	0.0	100	50	24.0	.0	Producing Oil
6/12/2010	226.2	0.0	5.4	231.6	38.9	38.9	32.9	9.7	5.0	0.0	0.0	0.0	0.0	0.0	100	50	24.0	.0	Producing Oil
6/11/2010	220.3	0.0	5.8	226.2	39.0	39.0	33.0	9.6	5.0	0.0	0.0	0.0	0.0	0.0	100	50	24.0	.0	Producing Oil
6/10/2010	214.9	0.0	5.4	220.3	39.8	39.8	33.8	9.9	5.0	0.0	0.0	0.0	0.0	0.0	100	50	24.0	.0	Producing Oil
6/9/2010	209.5	0.0	5.4	214.9	39.8	39.8	33.8	9.9	5.0	0.0	0.0	0.0	0.0	0.0	100	50	24.0	.0	Producing Oil
6/8/2010	204.0	0.0	5.4	209.5	39.4	39.4	33.4	9.8	5.0	0.0	0.0	0.0	0.0	0.0	100	50	24.0	.0	Producing Oil
6/7/2010	199.0	0.0	5.0	204.0	39.8	39.8	33.8	9.9	5.0	0.0	0.0	0.0	0.0	0.0	100	50	24.0	.0	Producing Oil
6/6/2010	195.7	0.0	3.3	199.0	33.5	33.5	27.5	8.4	5.0	0.0	0.0	0.0	0.0	0.0	100	50	24.0	.0	Producing Oil
6/5/2010	193.6	0.0	2.1	195.7	32.9	32.9	26.9	8.2	5.0	0.0	0.0	0.0	0.0	0.0	100	50	24.0	.0	Producing Oil
6/4/2010	190.3	0.0	3.3	193.6	39.4	39.4	33.4	9.7	10.0	0.0	0.0	0.0	0.0	0.0	100	50	24.0	.0	Producing Oil
6/3/2010	183.6	0.0	6.7	190.3	40.2	40.2	34.2	9.8	10.0	0.0	0.0	0.0	0.0	0.0	100	50	24.0	.0	Producing Oil
6/2/2010	176.9	0.0	6.7	183.6	40.9	40.9	34.9	9.9	10.0	0.0	0.0	0.0	0.0	0.0	100	50	24.0	.0	Producing Oil
6/1/2010	169.4	0.0	7.5	176.9	40.6	40.6	34.6	9.6	10.0	0.0	0.0	0.0	0.0	0.0	100	50	24.0	.0	Producing Oil
5/31/2010	162.7	0.0	6.7	169.4	40.7	40.7	34.7	9.7	10.0	0.0	0.0	0.0	0.0	0.0	100	50	24.0	.0	Producing Oil
5/30/2010	156.1	0.0	6.7	162.7	39.0	39.0	33.0	9.3	10.0	0.0	0.0	0.0	0.0	0.0	100	50	24.0	.0	Producing Oil
5/29/2010	149.4	0.0	6.7	156.1	39.0	39.0	33.0	9.3	10.0	0.0	0.0	0.0	0.0	0.0	100	50	24.0	.0	Producing Oil
5/28/2010	144.4	0.0	5.0	149.4	32.2	32.2	26.2	7.6	10.0	0.0	0.0	0.0	0.0	0.0	100	50	24.0	.0	Producing Oil
5/27/2010	139.4	0.0	5.0	144.4	32.1	32.1	26.1	7.5	10.0	0.0	0.0	0.0	0.0	0.0	100	50	24.0	.0	Producing Oil
5/26/2010	131.0	0.0	8.3	139.4	39.4	39.4	33.4	9.4	10.0	0.0	0.0	0.0	0.0	0.0	100	50	24.0	.0	Producing Oil
5/25/2010	122.7	0.0	8.3	131.0	39.0	39.0	33.0	9.2	10.0	0.0	0.0	0.0	0.0	0.0	100	50	24.0	.0	Producing Oil
5/24/2010	113.9	0.0	8.8	122.7	39.7	39.7	33.7	9.4	10.0	0.0	0.0	0.0	0.0	0.0	100	50	24.0	.0	Producing Oil
5/23/2010	105.6	0.0	8.4	113.9	39.9	39.9	33.9	9.5	13.0	0.0	0.0	0.0	0.0	0.0	100	50	24.0	.0	Producing Oil
5/22/2010	97.6	0.0	8.0	105.6	41.2	41.2	35.2	9.8	13.0	0.0	0.0	0.0	0.0	0.0	100	50	24.0	.0	Producing Oil
5/21/2010	90.9	0.0	6.7	97.6	37.4	37.4	31.4	8.9	13.0	0.0	0.0	0.0	0.0	0.0	100	50	19.2	4.8 Compressor Down	Producing Oil
5/20/2010	253.4	170.2	7.7	90.9	38.4	38.4	32.4	9.5	13.0	0.0	0.0	0.0	0.0	0.0	100	50	24.0	.0	Producing Oil
5/19/2010	246.7	0.0	6.7	253.4	36.6	36.6	30.6	9.1	13.0	0.0	0.0	0.0	0.0	0.0	100	50	24.0	.0	Producing Oil
5/18/2010	242.5	0.0	4.2	246.7	32.4	32.4	26.4	7.9	13.0	0.0	0.0	0.0	0.0	0.0	100	50	24.0	.0	Producing Oil
5/17/2010	237.5	0.0	5.0	242.5	36.0	36.0	30.0	8.9	13.0	0.0	0.0	0.0	0.0	0.0	100	50	24.0	.0	Producing Oil
5/16/2010	229.2	0.0	8.4	237.5	37.0	37.0	31.0	9.2	13.0	0.0	0.0	0.0	0.0	0.0	100	50	24.0	.0	Producing Oil
5/15/2010	222.5	0.0	6.7	229.2	37.0	37.0	31.0	9.2	13.0	0.0	0.0	0.0	0.0	0.0	100	50	24.0	.0	Producing Oil
5/14/2010	213.3	0.0	9.2	222.5	37.3	37.3	31.3	9.3	13.0	0.0	0.0	0.0	0.0	0.0	100	50	24.0	.0	Producing Oil
5/13/2010	204.9	0.0	8.4	213.3	39.3	39.3	33.3	9.8	13.0	0.0	0.0	0.0	0.0	0.0	100	50	24.0	.0	Producing Oil
5/12/2010	195.8	0.0	9.2	204.9	38.5	38.5	32.5	9.6	13.0	0.0	0.0	0.0	0.0	0.0	100	50	24.0	.0	Producing Oil
5/11/2010	187.4	0.0	8.4	195.8	36.9	36.9	30.9	9.1	13.0	0.0	0.0	0.0	0.0	0.0	100	50	24.0	.0	Producing Oil
5/10/2010	177.4	0.0	10.0	187.4	38.4	38.4	32.4	9.5	13.0	0.0	0.0	0.0	0.0	0.0	100	50	24.0	.0	Producing Oil
5/9/2010	167.4	0.0	10.0	177.4	38.5	38.5	32.5	9.5	13.0	0.0	0.0	0.0	0.0	0.0	100	50	24.0	.0	Producing Oil
5/8/2010	159.0	0.0	8.4	167.4	38.5	38.5	32.5	9.5	13.0	0.0	0.0	0.0	0.0	0.0	100	50	24.0	.0	Producing Oil
5/7/2010	151.9	0.0	7.1	159.0	39.0	39.0	33.0	9.7	13.0	0.0	0.0	0.0	0.0	0.0	100	50	24.0	.0	Producing Oil
5/6/2010	146.5	0.0	5.4	151.9	38.8	38.8	32.8	9.6	13.0	0.0	0.0	0.0	0.0	0.0	100	50	24.0	.0	Producing Oil
5/5/2010	145.2	0.0	1.3	146.5	37.5	37.5	31.5	9.2	13.0	0.0	0.0	0.0	0.0	0.0	100	50	24.0	.0	Producing Oil
5/4/2010	143.6	0.0	1.7	145.2	30.5	30.5	24.5	7.5	13.0	0.0	0.0	0.0	0.0	0.0	100	50	24.0	.0	Producing Oil
5/3/2010	135.6	0.0	7.9	143.6	38.2	38.2	32.2	9.4	13.0	0.0	0.0	0.0	0.0	0.0	100	50	24.0	.0	Producing Oil
5/2/2010	127.3	0.0	8.4	135.6	38.0	38.0	32.0	9.3	13.0	0.0	0.0	0.0	0.0	0.0	100	50	24.0	.0	Producing Oil
5/1/2010	118.9	0.0	8.4	127.3	36.0	36.0	30.0	8.8	13.0	0.0	0.0	0.0	0.0	0.0	100	50	24.0	.0	Producing Oil
4/30/2010	113.1	0.0	5.8	118.9	38.0	38.0	32.0	9.3	13.0	0.0	0.0	0.0	0.0	0.0	100	50	24.0	.0	Producing Oil
4/29/2010	107.2	0.0	5.8	113.1	38.0	38.0	32.0	9.3	13.0	0.0	0.0	0.0	0.0	0.0	100	50	24.0	.0	Producing Oil
4/28/2010	100.5	0.0	6.7	107.2	39.8	39.8	33.8	9.7	13.0	0.0	0.0	0.0	0.0	0.0	100	50	24.0	.0	Producing Oil
4/27/2010	264.2	176.3	12.6	100.5	36.0	36.0	30.0	8.7	13.0	0.0	0.0	0.0	0.0	0.0	100	50	24.0	.0	Producing Oil
4/26/2010	255.9	0.0	8.3	264.2	36.3	36.3	30.3	8.8	13.0	0.0	0.0	0.0	0.0	0.0	100	50	24.0	.0	Producing Oil
4/25/2010	248.8	0.0	7.1	255.9	36.0	36.0	30.0	8.7	13.0	0.0	0.0	0.0	0.0	0.0	100	50	24.0	.0	Producing Oil
4/24/2010	242.1	0.0	6.7	248.8	38.0	38.0	32.0	9.2	13.0	0.0	0.0	0.0	0.0	0.0	100	50	24.0	.0	Producing Oil
4/23/2010	234.2	0.0	7.9	242.1	38.1	38.1	32.1	9.2	13.0	0.0	0.0	0.0	0.0	0.0	100	50	24.0	.0	Producing Oil
4/22/2010	227.1	0.0	7.1	234.2	38.9	38.9	32.9	9.5	13.0	0.0	0.0	0.0	0.0	0.0	100	50	24.0	.0	Producing Oil

hot oil well 19-

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Monday, November 15, 2010 9:26 AM
To: 'cynthia.chaves@meritenergy.com'
Subject: WS 19 Fed #1; DHC Application

Dear Ms. Chavez

I have in hand the reference application.

I note that the allocation percentages are not filled in on the form C-107-A. This is not unusual in cases where completion has not yet occurred in one or more formations, and allocation is to be based on well tests. However, this application does not, so far as I can see, include any statement that allocation formulas will be supplied, or any statement of how they will be determined.

We would appreciate being furnished with this information.

Thanks

David K. Brooks
Legal Examiner

Brooks, David K., EMNRD

From: Chavez, Cynthia [Cynthia.Chavez@meritenergy.com]
Sent: Monday, November 15, 2010 12:47 PM
To: Brooks, David K., EMNRD
Subject: RE: WS 19 Fed #1; DHC Application

Mr. Brooks,

Below are the allocation procedures:

1. Monthly production data from the Bonesprings Dolomite Formation have been documented. An average monthly production figure will be determined 3 months prior to commingling. (Pre drill-out production)
2. Operations will commence to drill out existing CIBPs
3. 2 Months Production will be recorded. (Post Drill-out Production)
4. Allocation Percentages will be derived from the previous Bonesprings production relative to production post-operations.

Wolfcamp Allocation % = (Post Drill-out Production- Pre drill-out production) ÷ Post Drill-out Production

Bonesprings Allocation % = Pre drill-out production ÷ Post Drill-out Production

Please let me know if you have any further questions.

Thank you,
Cindy

From: Brooks, David K., EMNRD
Sent: Monday, November 15, 2010 9:26 AM
To: 'cynthia.chaves@meritenergy.com'
Subject: WS 19 Fed #1; DHC Application

Dear Ms. Chavez

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We would appreciate being furnished with this information.

Thanks

David K. Brooks
Legal Examiner

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