

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

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

District III  
1000 Rio Brazos 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 May 15, 2000

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

Operator MERIT ENERGY COMPANY Address 13727 NOEL ROAD SUITE 500, DALLAS, TX 75240

Lease GRAYBURG-JACKSON - H.E. WEST "B" #85 K-3-175-31E Eddy County  
Well No. 014951 020058 Unit Letter-Section-Township-Range  
OGRID No. Property Code API No. 30-015-28387 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	QUEEN		GRAYBURG-JACKSON ON
Pool Code			
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	2857' - 2903'		3328' - 4237'
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)			
Producing, Shut-In or New Zone	NEW ZONE		PRODUCING
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: Rates:	Date: Rates:	Date: 3/1/03 Rates: 5 OIL 4 GAS 116 WTR
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.

Merit will supply 90's after isolating each zone.

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 Bev Hatfield TITLE Regulatory Analyst DATE 4-24-03  
TYPE OR PRINT NAME Bev Hatfield TELEPHONE NO. (972) 628-1630

*This will  
be the new  
Queen Pool*

14

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 15, 2000  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 3001528387		<sup>2</sup> Pool Code		<sup>3</sup> Pool Name	
<sup>4</sup> Property Code 020058		<sup>5</sup> Property Name H.E. West "B"			<sup>6</sup> Well Number 85
<sup>7</sup> OGRID No. 014951		<sup>8</sup> Operator Name Merit Energy Company			<sup>9</sup> Elevation 3961

<sup>10</sup> Surface Location

UL or lot no. K	Section 3	Township 17S	Range 31E	Lot Idn	Feet from the 2614	North/South line South	Feet from the 2621	East/West line West	County Eddy
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<sup>11</sup> 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
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<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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

<sup>16</sup> 	<sup>17</sup> <b>OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature Bev Hatfield Printed Name Regulatory Analyst Title 4-23-03 Date
	<sup>18</sup> <b>SURVEYOR CERTIFICATION</b> 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: Certificate Number

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NE 1/4 SW 1/4

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505  
LC029426-B

Form C-102  
Revised August 15, 2000  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies  
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 3001528387	<sup>2</sup> Pool Code 20058	<sup>3</sup> Pool Name Grayburg Jackson SR-QN-GB-SA
<sup>4</sup> Property Code 020058	<sup>5</sup> Property Name H.E. West "B"	<sup>6</sup> Well Number 85
<sup>7</sup> OGRID No. 014951	<sup>8</sup> Operator Name Merit Energy Company	<sup>9</sup> Elevation 3961

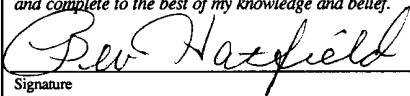
<sup>10</sup> Surface Location

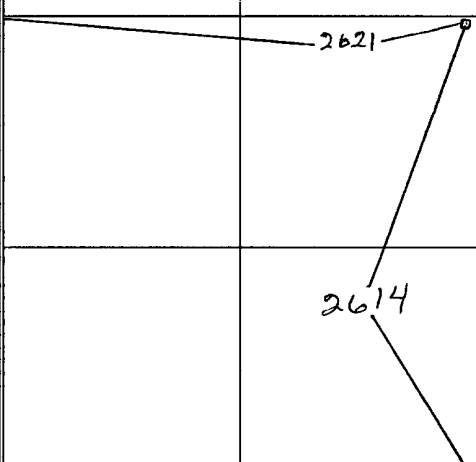
UL or lot no. K	Section 3	Township 17S	Range 31E	Lot Idn	Feet from the 2614	North/South line South	Feet from the 2621	East/West line West	County Eddy
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<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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

<sup>16</sup>				<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature Bev Hatfield Printed Name Regulatory Analyst Title 4-23-03 Date
				<sup>18</sup> 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:  Certificate Number



~~PRV0311936546~~

DHC  
WVS

NA

Form C-103  
Revised March 25, 1999

Submit 3 Copies To Appropriate District Office  
District I  
1625 N. French Dr., Hobbs, NM 88240  
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State of New Mexico  
Energy, Minerals and Natural Resources  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
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WELL API NO. <u>30-015-28387</u>
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. <u>LC-029426-B</u>
7. Lease Name or Unit Agreement Name: <u>H.E. West "B"</u>
8. Well No. <u>85</u>
9. Pool name or Wildcat <u>Grayburg-Jackson SR-ON-GB-SA</u>

**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  
Merit Energy Company

3. Address of Operator  
13727 Noel Road, Ste. 500

4. Well Location  
Unit Letter K : 2614 feet from the South line and 2621 feet from the West line  
Section 3 Township 17S Range 31E NMPM County Eddy

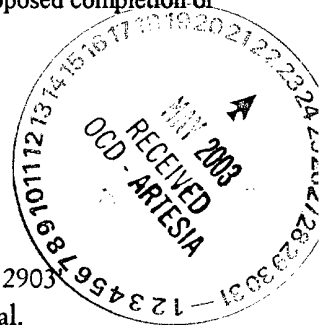
10. Elevation (Show whether DR, RKB, RT, GR, etc.)

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"/>	REMEDIAL WORK <input type="checkbox"/>
PLUG AND ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
CHANGE PLANS <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>
MULTIPLE COMPLETION <input type="checkbox"/>	OTHER: <input type="checkbox"/>
OTHER: <u>Perf/Frac Queen - DHC</u> <input checked="" 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 recompletion. Perf - Frac - then Down Hole Completion

1. Move in & R/U pulling unit.
2. N/D wellhead & N/U BOP's.
3. POOH with tubing and pump.
4. RIH with bit and scraper and clean out well to PBTD @ 4421', POOH.
5. Set RBP @ 3270' and test casing to 4000#.
6. R/U electric line and perforate Queen formation from 2857' - 2871' & 2896' - 2903'.
7. Move in & R/U BJ Pumping Services and frac well as per BJ treatment proposal.
8. R/D BJ Service and clean out to RBP.
9. R/U & swab test Queen formation, establish production rate.
10. RIH, pull RBP, & RIH with pump & tubing.
11. R/D pulling unit and put well on production.



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

SIGNATURE Bev Hatfield TITLE Regulatory Analyst DATE 4-23-03

Type or print name Bev Hatfield Telephone No. 972 628-1630

APPROVED BY Simon W. Green TITLE District Supervisor DATE MAY 28 2003

Conditions of approval, if any:

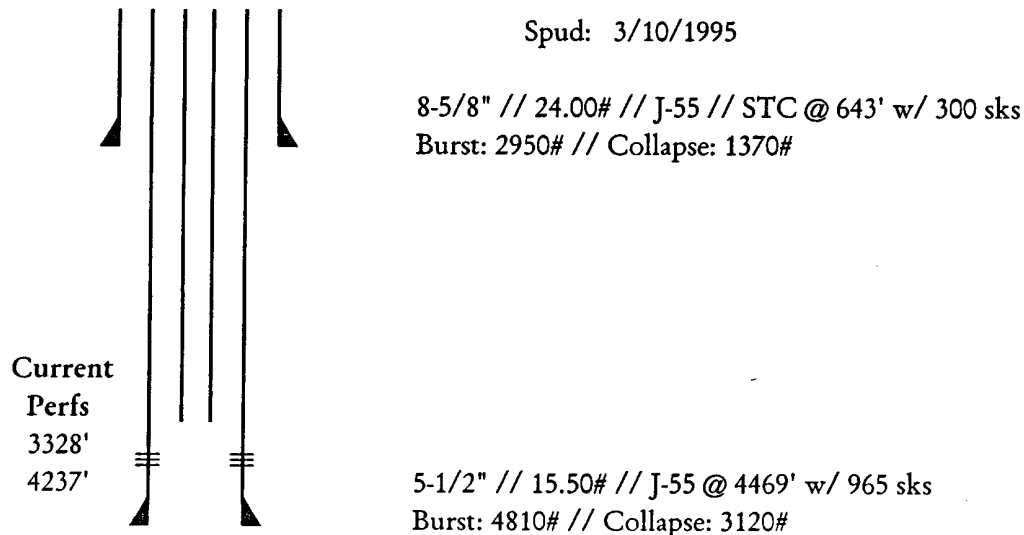


Well: H.E. West "B" #85  
Field: Grayburg-Jackson  
County: Eddy  
State: New Mexico

Location: S3-T17S-R31E  
Elevation: GL - 3961' // KB 3975'  
API #: 30-025-28387

*Workover: Perforate & frac Queen formation and commingle with existing Grayburg-Jackson perms*

**Wellbore Information:**

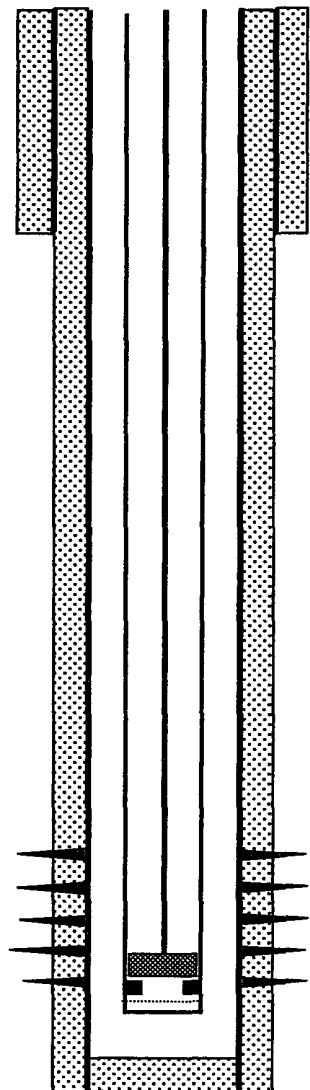


**Procedure:**

1. Move in & R/U pulling unit.
2. N/D wellhead & N/U BOP's.
3. POOH with tubing and pump.
4. RIH with bit and scraper and clean out well to PBTD @ 4421', POOH.
5. Set RBP @ 3270' and test casing to 4000#.
6. R/U electric line and perforate Queen formation from 2857' - 2871' & 2896' - 2903'.
7. Move in & R/U BJ Pumping Services and frac well as per BJ treatment proposal.
8. R/D BJ Service and clean out to RBP.
9. R/U & swab test Queen formation, establish production rate.
10. RIH, pull RBP, & RIH with pump & tubing.
11. R/D pulling unit and put well on production.

# DEVON ENERGY CORPORATION WELLBORE SCHEMATIC

WELL NAME: H.E. WEST "B" #85				FIELD: GRAYBURG-JACKSON		
LOCATION: 2614'FSL & 2621'FWL, SEC 3-T17S-R31E				COUNTY: EDDY		STATE: NM
ELEVATION: GL=3961'; KB=3975'				SPUD DATE: 03/10/95		COMP DATE: 04/24/95
API#: 30-015-28387		PREPARED BY: C.H. CARLETON			DATE: 09/14/01	
	DEPTH	SIZE	WEIGHT	GRADE	THREAD	HOLE SIZE
CASING:	0' - 643'	8 5/8"	24#	J-55	ST&C	12 1/4"
CASING:	0' - 4469'	5 1/2"	15.5#	J-55	LT&C	7 7/8"
CASING:						
TUBING:	0' - 4272'	2 7/8"	6.5#	J-55	EUE 8rd	
TUBING:						



☒ CURRENT

☐ PROPOSED

OPERATOR: DEVON ENERGY CORPORATION(NEVADA)

8 5/8" CASING @ 643' W/300 SXS. TOC @ SURFACE.

## DETAIL OF PERFORATIONS

U.GRAYBURG: 3328', 48', 54', 58'

LOCO HILLS: 3403', 08', 13'

METEX: 3434', 37', 44', 59', 74'

L.GRAYBURG: 3497', 99', 3521'

PREMIER: 3533', 35', 43', 51', 59', 63', 65'

LOVINGTON: 3679', 97', 99', 3727'

M.JACKSON: 3838', 57', 59', 64', 97', 99', 3953', 54', 64', 67', 70', 73'

L.JACKSON: 4008', 16', 30'

SLAUGHTER: 4155', 68', 70', 72', 75', 77', 80', 92', 4210', 19', 37'

(NOTE: BOLD PERF DEPTH @ 2 SHOTS/INTERVAL)

PERFORATIONS: 3328'- 4237' (OA) - 56 HOLES

SEAT NIPPLE @ 4235'

PBTD @ 4421'

5 1/2" CASING @ 4469' W/965 SXS. TOC @ SURFACE

TD @ 4470'