

Submit 3 Copies
To Appropriate
District Office
DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, NM 87505

OIL CONS. DIV DIST. 3

AUG 21 2015

DISTRICT II
811 South First, Artesia NM 88210

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

WELL API NO. 30-039-29982
5. Indicate Type of Lease STATE <input type="checkbox"/> FED <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No. SF-078773
7. Lease Name or Unit Agreement Name: Rosa Unit
8. Well No. Rosa Unit 077C
9. Pool name or Wildcat BLANCO MV//BASIN DK

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	
2. Name of Operator WPX Energy Production LLC	
3. Address of Operator P.O. Box 640, Aztec, NM 87410	
4. Well Location (Surface) Unit letter ___ : 660' feet from the <u>SOUTH</u> line & 540' feet from the <u>EAST</u> line Sec 33 -31N-5W RIO ARRIBA, NM	
10. Elevation (Show whether DF, RKB, RT, GR, etc.)	

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

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

- | | | | |
|--|------------------|----------------------------|----------------------|
| PERFORM REMEDIAL WORK | PLUG AND ABANDON | REMEDIAL WORK | ALTERING CASING |
| TEMPORARILY ABANDON | CHANGE PLANS | COMMENCE DRILLING OPNS. | PLUG AND ABANDONMENT |
| PULL OR ALTER CASING | | CASING TEST AND CEMENT JOB | |
| X OTHER: <u>COMMINGLING AUTHORIZATION</u> | | OTHER: _____ | |

- 1) Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). Data below to satisfy NM OCD Rule 303.C.3 (b) (i)-(vii)
- i. Pre-approved Pool Division Order R-13122.
 - ii. Pools to be commingled: Blanco MV 72319, Basin Dakota 71599.
 - iii. Perforated intervals: **Blanco MV 5510'-5944', Basin Dakota 7990'-8202'**.
 - iv. Fixed percentage allocation based upon production data of 68% Blanco MV and 32% Basin Dakota. This is based on the historic production of all wells that have MV/DK production. See attached recommendation for details. This allocation may be adjusted at a later date based on a spinner survey after production has stabilized.
 - v. Commingling will not reduce the value of reserves.
 - vi. Interest owners in the spacing unit have not been notified of the intent to downhole commingle per order R-12991.
 - vii. The BLM has been notified on sundry notice form 3160-5.

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

SIGNATURE [Signature] TITLE: Permit Tech III DATE: 8/20/15

DENIED

Telephone No: (505) 333-1816

TITLE _____ DATE _____

BY: Amy H. Vermersch
DATE: 8-20-15 (505) 334-6178 Ext. 113

File on Current Form



Production Allocation Recommendation Rosa Unit #77C (MV/DK)

WELL NAME: Rosa Unit #77C
LOCATION: Sec. 33, T31N, R05W
API NO.: 30-039-29982

FIELD: Rosa Unit
COUNTY: Rio Arriba, NM
DATE: 8/10/2015

Current Status: WPX has drilled a vertical Mesaverde/Dakota well and is currently awaiting completions. WPX recommends commingling the well after the proposed completion work is finished.

Commingle Procedure:

1. Acidize & fracture stimulate the DK and MV formations.
2. Flow back and clean up each formation.
3. TIH w/ work string, drill out plugs and clean out to PBTB.
4. Complete with single string 2-3/8" tubing, landed below DK perms.
5. Turn well over to production as a commingle.

Allocation Method: WPX has assembled historic production data from MV and DK wells that have been drilled after Jan 2005. WPX used this production data to come up with an initial allocation for this commingle. WPX recommends that a spinner survey be performed after production has stabilized, so that allocation percentages can be corrected if need be.

After 18 months of production:

Total Production from well = 197,725 Mcf
Total Production from DK = 63,942 Mcf
Total Production from MV = 133,783 Mcf

DK allocation = $\text{DK prod} / \text{Total prod} = 63,942 \text{ Mcf} / 197,725 \text{ Mcf} = 32\%$
DK perforated intervals = 7990' – 8202'

MV allocation = $\text{MV prod} / \text{Total prod} = 133,783 \text{ Mcf} / 197,725 \text{ Mcf} = 68\%$
MV perforated intervals = 5510' – 5944'