

LITTLE  
OIL & GAS, INC.

Sylvia F. Little, President

2346 EAST 20TH STREET  
P. O. BOX 1258 • FARMINGTON, NEW MEXICO 87499  
OFF: (505) 327-6176 • FAX: (505) 327-6177

RECEIVED  
APR - 7 1999  
OIL CON. DIV.  
DIST. 3

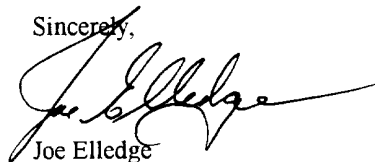
April 5<sup>th</sup>, 1999

Mr. David Catanach  
Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

Dear Mr. Catanach:

Please find attached Form C-107-A with items #2, #6, #7, and # 9 information submitted.  
I apologize for any inconvenience this may have caused you in approving the application to commingle  
the Salazar #10.

Sincerely,



Joe Elledge

CC: OCD-Aztec  
Little Oil and Gas Inc.

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107-A  
New 3-12-96

DISTRICT II  
811 South First St., Artesia, NM 88210-2835

OIL CONSERVATION DIVISION

2040 S. Pacheco  
Santa Fe, New Mexico 87505-6429

APPROVAL PROCESS:

☒ Administrative ☐ Hearing

DISTRICT III  
1000 Rio Brazos Rd, Aztec, NM 87410-1693

EXISTING WELLBORE

☒ YES ☐ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Operator: Little Oil & Gas, Inc. Address: P.O. Box 1258, Farmington, NM 87499  
2346 E. 20th Street, Farmington, NM 87401  
Lease: Salazar Well No. 10 Unit Ltr. - Sec - Twp - Rge K 22 25 6 County: Rio Arriba

OGRID NO. \_\_\_\_\_ Property Code \_\_\_\_\_ API NO. 30-039-23765 Spacing Unit Lease Types: (check 1 or more)  
Federal ☒ State \_\_\_\_\_ (and/or) Fee \_\_\_\_\_

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	South Blanco P.C.		Otera Chacra
2. Top and Bottom of Pay Section (Perforations)	2577 to 2680		3412 to 3529
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flow		Flow
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a. (Current) 200 b. (Original) 900		a. , 150 b. 980
6. Oil Gravity (°API) or Gas BTU Content	1132		1136
7. Producing or Shut-In?	Producing		Shut-in
Production Marginal? (yes or no)	Yes		Yes
* If Shut-In, give 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 * If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: April-1999 Rates: Oil-0 Gas-21 MCF/D Water 0	Date: Rates:	Date: 1-1996/5-1997 Rates: Oil-0 Gas-15 MCF/D Water 5BBLs/Month
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 0 % Gas: 53 %	Oil: % Gas: %	Oil: 0 % Gas: 47 %

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.  
(BASED ON PREVIOUS PRODUCTION WHEN BOTH ZONES WERE PRODUCING)

10. Are all working, overriding, and royalty interests identical in all commingled zones? ☒ Yes ☐ No  
If not, have all working, overriding, and royalty interests been notified by certified mail? ☐ Yes ☐ No  
Have all offset operators been given written notice of the proposed downhole commingling? ☒ Yes ☐ No

11. Will cross-flow occur? ☒ Yes ☐ No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. ☒ Yes ☐ No (If No, attach explanation)

12. Are all produced fluids from all commingled zones compatible with each other? ☒ Yes ☐ No

13. Will the value of production be decreased by commingling? ☐ Yes ☒ No (If Yes, attach explanation)

14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. ☒ Yes ☐ No

15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S). \_\_\_\_\_

16. 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 all offset operators.
- \* Notification list of working, overriding, and royalty interests for uncommon interest cases.
- \* Any additional statements, data, or documents required to support commingling.

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

SIGNATURE Joe Elledge TITLE Agent DATE 2-4-1999  
TYPE OR PRINT NAME Joe Elledge TELEPHONE NO. ( 505 ) 327 9267