

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First St., Aztec, NM 88210

DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410

DISTRICT IV
2040 S. Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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

Form C-107-A
Revised August 1999

APPROVAL PROCESS:
___ Administrative ___ Hearing

EXISTING WELLBORE
___ YES ___ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Mallon Oil Company

P. O. Box 2797

Durango, Colorado 81302

Operator

Jicarilla 30-03-28

2

D

28 – 30N – 03W

Rio Arriba

Lease

Well No.

Unit Ltr. - Sec - Twp - Rge

County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 13925

Property Code 00020459

API NO. 30-039-26106

Federal X

State

(and/or) Fee

<div>The following facts are submitted in support of downhole commingling:</div> <div>1. Pool Name and Pool Code</div>	<div>Upper Zone</div> <div>Cabresto Canyon San Jose Ext 96822</div>	<div>Intermediate Zone</div> <div>Cabresto Canyon Nacimiento Ext 96821 Cabresto Canyon Ojo Alamo Ext 96538</div>	<div>Lower Zone</div> <div>East Blanco Pictured Cliffs Ext 72400</div>
<div>2. Top and Bottom of Pay Section (Perforations)</div>	<div>1675'-1712' – San Jose</div>	<div>2582'-2631' – Nacimiento 3178'-3212' – Ojo Alamo</div>	<div>3658'-3728' – Pictured Cliffs</div>
<div>3. Type of production (Oil or Gas)</div>	<div>Gas</div>	<div>Gas Gas</div>	<div>Gas</div>
<div>4. Method of Production (Flowing or Artificial Lift)</div>	<div>Flowing</div>	<div>Flowing Flowing</div>	<div>Flowing</div>
<div>5. Bottomhole Pressure</div> <div>Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original</div>	<div>a. (Current)</div> <div>b. (Original)</div> <div>305 psi</div>	<div>a.</div> <div>b.</div> <div>1100 psi</div>	<div>a.</div> <div>b.</div> <div>1250 psi</div>
<div>6. Oil Gravity (EAPI) or Gas BTU Content</div>	<div>Each zone will be isolated and</div>	<div>tested for gas analysis and rate</div>	<div>for allocation percentages.</div>
<div>7. Producing or Shut-In?</div>	<div>Intent</div>	<div>Intent</div>	<div>Intent</div>
<div>Production Marginal? (yes or no)</div> <div>* If Shut-In, give date and oil/gas/ water rates of last production</div> <div>Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data</div> <div>* If Producing, give date and oil/gas/ water rates of recent test (within 60 days)</div>	<div>No</div> <div>Date:</div> <div>Rates:</div> <div>Date:</div> <div>Rates:</div>	<div>No</div> <div>Date:</div> <div>Rates:</div> <div>Date:</div> <div>Rates:</div>	<div>No</div> <div>Date:</div> <div>Rates:</div> <div>Date:</div> <div>Rates:</div>
<div>8. Fixed Percentage Allocation Formula - % for each zone (total of %'s to equal 100%)</div>	<div>Oil: % Gas: %</div>	<div>Oil: % Gas: %</div>	<div>Oil: % Gas: %</div>

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.

10. Are all working, overriding, and royalty interests identical in all commingled zones?

X

 Yes ___ No
If not, have all working, overriding, and royalty interests been notified by certified mail? ___ Yes ___ No

11. Will cross-flow occur?

X

 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.

X

 Yes ___ No (If No, attach explanation)

12. Are all produced fluids from all commingled zones compatible with each other?

X

 Yes ___ No

13. Will the value of production be decreased by commingling? ___ Yes

X

 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.

X

 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 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

Terry G. Lindeman

 TITLE Operation Superintendent DATE 6/28/00

TYPE OR PRINT NAME Terry G. Lindeman TELEPHONE NO. (970-382-9100)