

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised August 1, 2011

District II
811 S. First St., Artesia, NM 88210

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

District III
1000 Rio Brazos Road, Aztec, NM 87410

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

APPLICATION FOR DOWNHOLE COMMINGLING

J R Oil Ltd, Co. PO Box 2975, Hobbs, NM 88241
Operator Address
Owen 8 I 35 21S 37E Lea
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 256073 Property Code 330348 API No. 30-025-25479 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Tubb		Wantz Abo
Pool Code	60240		62700
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	6,120' - 6,251'		6,709' - 7,301'
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)	(NA)		(NA)
Oil Gravity or Gas BTU (Degree API or Gas BTU)	36.8 deg API		39.7 deg API
Producing, Shut-In or New Zone	Producing		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: Feb. 21, 2022 Rates: 0 BOPD, 1.5 MCFD 0 BWPD	Date: Rates:	Date: Feb. 21, 2022 Rates: 0 BOPD, 1.5 MCFD 0 BWPD
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil 40 % Gas 73.3 %	Oil % Gas %	Oil 60 % Gas 26.7 %

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: DHC-74

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  TITLE Engineer DATE April 23, 2022
 TYPE OR PRINT NAME Ian Petersen TELEPHONE NO. (432) 634-4922
 E-MAIL ADDRESS ian@ddpetro.com

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-25479		² Pool Code 60240		³ Pool Name Tubb	
⁴ Property Code 330348		⁵ Property Name Owen			⁶ Well Number 8
⁷ OGRID No. 256073		⁸ Operator Name J R Oil Ltd, Co.			⁹ Elevation 3,370' GL

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	35	21S	37E		1,830	South	710	East	Lea

¹¹ 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

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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.

	<p>¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p style="text-align: right;"> May 23, 2022 </p> <p>Signature Date</p> <p>Ian Petersen Printed Name</p> <p>ian@ddpetro.com E-mail Address</p>
	<p>¹⁸ 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.</p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor: _____</p>
	<p>Certificate Number _____</p>

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form O-1
Supersedes O-120
Effective 1-1-77

All distances must be from the outer boundaries of the Sections

CITIES SERVICE OIL COMPANY

OWEN A

8

35

21 South

37 East

Lea

1830

feet from the South

line and 710

feet from the East

3370'

Producing Formation
Abo

Well
Wantz Abo

40

- 1 Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- 2 If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 3 If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

CERTIFICATION

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

E. Spaulder

Region Operation Manager

Cities Service Company

February 22, 1979

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 knowledge and belief.

March 5, 1977

Date Surveyed

Responsible Licensed Engineer and Surveyor

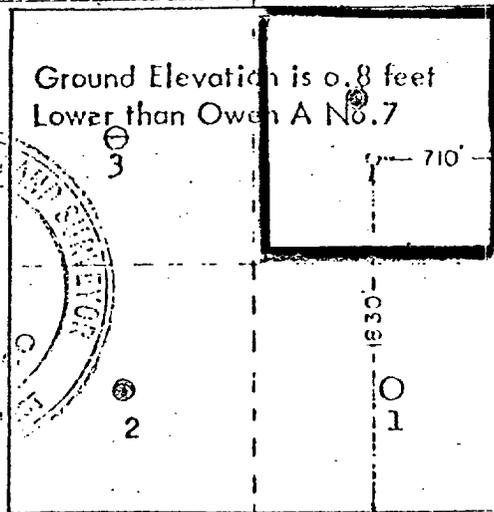
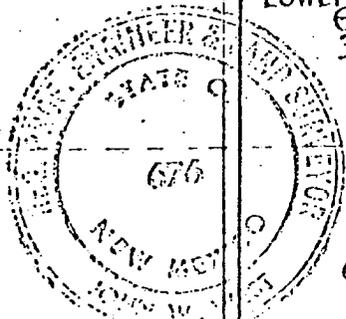
John W. West

676

Key

- - Granite Wash well
- ⊗ - Blinbry wells
- ⊖ - Dual Abo & Tubb well

Ground Elevation is 0.8 feet Lower than Owen A No. 7



J R Oil Ltd., Co.

TO: NMOCD, Hobbs District
FROM: Ian Petersen
(432) 634-4922
SUBJECT: Owen #8 (30-025-25479)
DATE: April 23, 2022

J R Oil respectfully requests permission to reactivate this well bore and down-hole commingle as follows:

- 1) remove dual completion equipment
- 2) equip to produce via rod pump.

Perfs depths are

Tubb [60240]	6,120' - 6,251'
Wantz Abo [62700]	6,709' - 7,301'

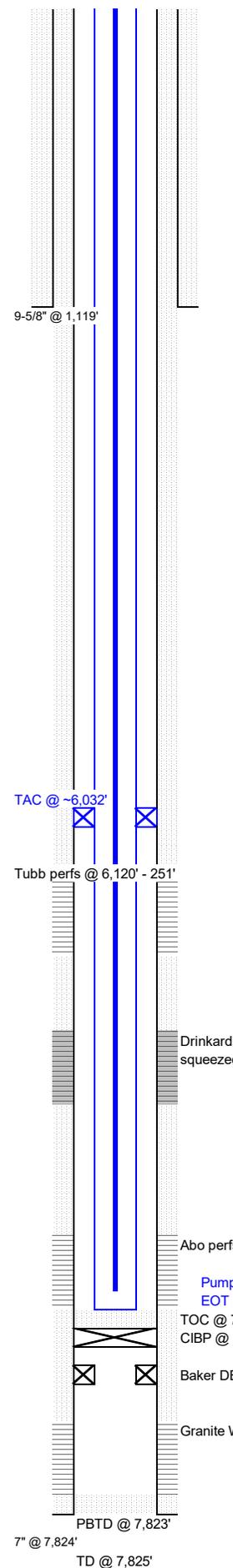
Allocations are based on the cumulative production volumes of the respective pools for all wells in 1 mile radius from the subject well. A detailed table and map are attached. In summary 40.0% of the oil production will be allocated to the Tubb and 60.0% to the Abo. 73.3% of the gas production will be allocated to the Tubb and 26.7% to the Abo.

Down-hole commingling will not reduce the total remaining production's value. Installing artificial lift will reduce the flowing bottom hole pressure of both pools resulting in an increase of reserves.

The working and royalty interests of each pool in this wellbore are identical.

JR Oil Ltd.

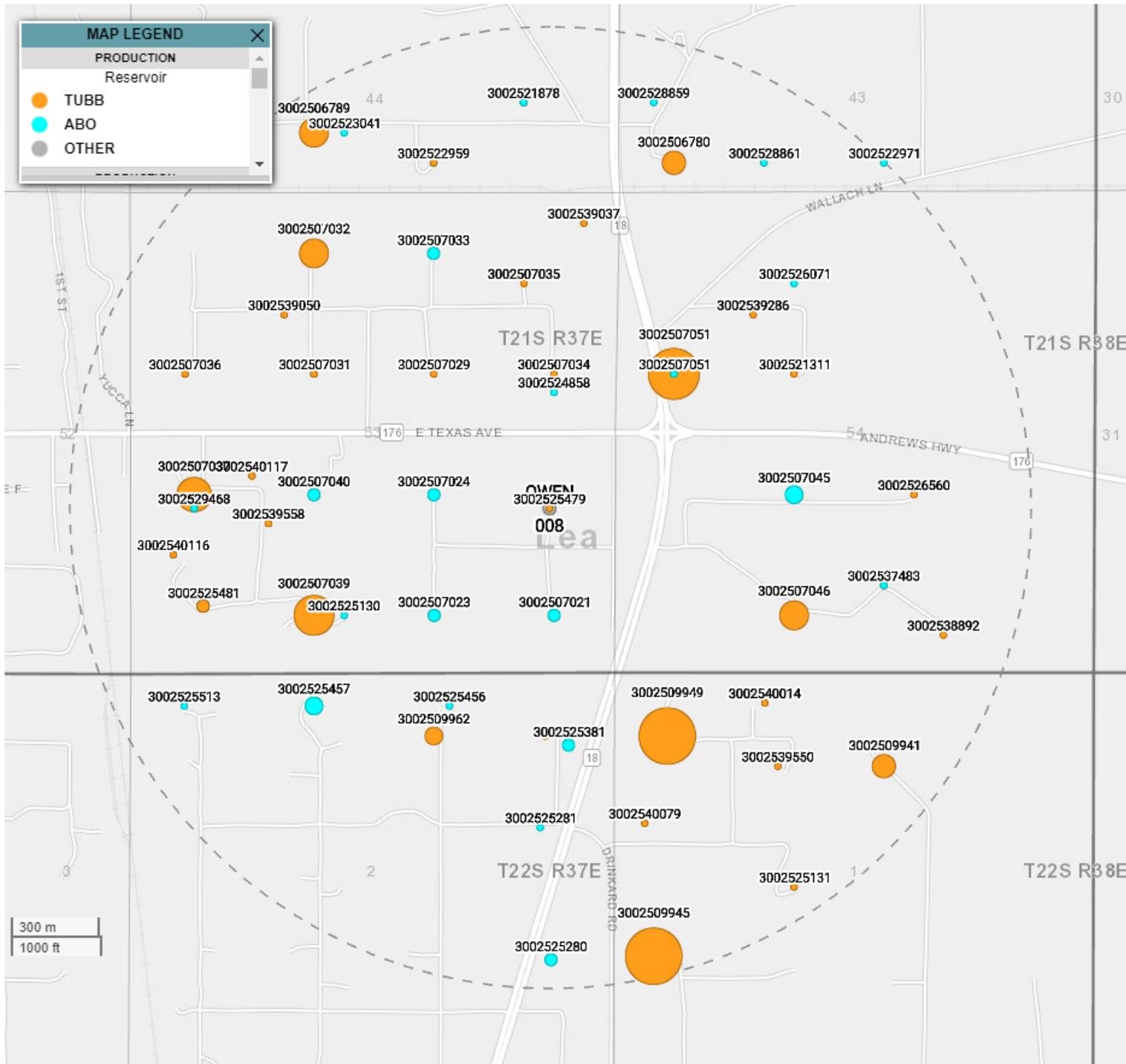
Owen #8 PROPOSED



WELL NAME: Owen #8		FORMATION: Abo, Tubb		KB: 12.0																																					
API NO: 30-025-25479		FIELD: Wantz, Tubb		PBTd: 7,311' (CIBP w/ cement)																																					
SPUD DATE: April 28, 1977		COUNTY: Lea		TD: 7,825'																																					
CASING				CEMENT & HOLE DATA																																					
	joints	OD	lb/ft	grade	ID (in)	drift (in)	top	bottom	bit size	depth	sacks	TOC																													
Surface	25	9 5/8	36.00				12'	1,119'	12 1/4	1,150'	550	surf.																													
Production (DV Tool)	181	7	23, 26	K-55, N-80			12'	4,030'	8 3/4		1,650	surf.																													
							4030'																																		
								7,824'		7,825'	1,000	4,030'																													
History:						PERFORATIONS																																			
<p>4/28/1977 Spud by Cities Service, drill out to 7,823', perf Granite Wash, set Baker DB pkr @ 7,382', acidize 4k gal 15% HCL, and BS, swab 1 BO, 7 BW in 8 hrs, frac 25k# 20/40 sand in 20k gal kerosene & BS, acidize 1,500 15% "Dolowash," swab 8 BLO, 11 BLW in 8 hrs, set "RZ" blanking plug in model R profile nipple @ 7,382', set RBP w/ sand, perf Abo, acidize 3k gal 15% HCL, BS, 14 hr SITP 1,250, swab & flow, acid frac 9k# 100-mesh, 12k# 20/40 sand in 7k gal 15% acid and 14k gal lease crude, IP 24 BOPD, 612 MCFD, 72 BWPD, API 39.7</p> <p>12/3/1985 POOH Abo & GW strings, set CIBP @ 7,348', dump cement to 7,311', set Baker DB pkr @ 6,640' w/ mill-out ext., 20' sub, 1.78" F-profile, and mule shoe, use E-22 seal assembly, swab, acidize Abo w/ 5,500 gal 15% HCL NEFE, BS, BO, TP 1,800 - 4,500, 5" SIP 0, swab, set blanking plug in F-nipple, perf Drinkard, swab & flow, set dual tbg, hot oil Drinkard, swab, acidize Drinkard 3k gal 15% HCL NEFE, BS, good BA, ATR 4.8 ATP 2,400 ISIP vac., swab, attempt to pull blanking plug, fell to bottom, swab Abo & Drinkard, hot oil Drinkard 165 BO, Abo flowing, swab Drinkard, POP Drinkard, continue swab Abo, severe emulsion in Drinkard, squeeze emulsion breaker, pump 4 days, squeeze prfn solvent, IP Abo 9 BOPD, 90 MCFD, 0 BWPD, IP Drinkard 8 BOPD, 96 MCFD, 3 BWPD, API 38.0</p> <p>4/25/1986 Letter submitted to OCD indicating that Drinkard was uneconomic to produce due to emulsion.</p> <p>8/12/1988 Set blanking plug in Abo, trip bit & scraper to 6,640', squeeze Drinkard w/ 46 sx cement, drill out, held 500 psi 15 min., perf Tubb, acidize 3,500 gal 15% HCL NEFE, BS, BDTP 2,000, ATR 3 ATP 3,600, poor BA, ISIP 1,300, 5" 800, 10" vac, swab, recover prfn, frac 50k# 20/40 sand in 40k gal 65Q CO2 foam, ppa 1-4, ATR 29 ATP 2,400 ISIP 1,970, 5" 1,830, 10" 1,790, 15" 1,760, swab, RIH Abo & Tubb strings, dual pkr, circ. pkr fluid, swab Tubb, bail Abo tbg, POOH blanking plug, flow, SITP 480, swab Abo, IP Tubb 0, IP Abo 8 BOPD, 97 MCFD, 3 BWPD, API 41.3, "unsuccessful" Tubb completion</p> <p>2/10/1989 Follow up completion report states production began, 2/17 IP of 11 BOPD, 500 MCFD, 4 BWPD, and letter submitted to OCD indicating that Tubb is now producing, requested allowable</p> <p>Swab 6/6/94, 12/2/94, 12/10/94, 3/19/96, 4/7/96, 4/19/96, 5/1/96, 5/30/96, 6/5/96, 2/21/97, 11/11/97, 11/18/97, 12/23/97, 2/10/98, 4/22/98, 9/10/98, 1/26/99, 4/27/99 (cut prfn on both strings), 8/17/01, 1/30/02, 5/10/02</p> <p>PROPOSED Remove dual completion equipment, down-hole commingle, convert to rod pump</p>						<table border="1"> <thead> <tr> <th>top</th> <th>bottom</th> <th>zone</th> <th>status</th> <th>tfl shots</th> <th>date</th> </tr> </thead> <tbody> <tr> <td>6,120'</td> <td>6,251'</td> <td>Tubb</td> <td>active</td> <td>60</td> <td>08/12/88</td> </tr> <tr> <td>6,473'</td> <td>6,539'</td> <td>Drinkard</td> <td>squeezed</td> <td>36</td> <td>12/12/85</td> </tr> <tr> <td>6,709'</td> <td>7,301'</td> <td>Abo</td> <td>active</td> <td>60</td> <td>04/28/77</td> </tr> <tr> <td>7,424'</td> <td>7,810'</td> <td>Granite Wash</td> <td>plugged</td> <td>56</td> <td>04/28/77</td> </tr> </tbody> </table>						top	bottom	zone	status	tfl shots	date	6,120'	6,251'	Tubb	active	60	08/12/88	6,473'	6,539'	Drinkard	squeezed	36	12/12/85	6,709'	7,301'	Abo	active	60	04/28/77	7,424'	7,810'	Granite Wash	plugged	56	04/28/77
top	bottom	zone	status	tfl shots	date																																				
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TUBING (PROPOSED) avg jt length = 30.536'																																									
	OD (in)	ID (in)	joints	length (ft)	depth (ft)																																				
Tubing	2 3/8	1.995	195	5,954.54	5,967																																				
Marker				2.00	5,969																																				
Tubing			2	61.07	6,030																																				
TAC				2.75	6,032																																				
Tubing			39	1,190.91	7,223																																				
IPC			1	32.00	7,255																																				
SN				1.10	7,256																																				
Perf sub				4.00	7,260																																				
BPMA			1	31.04	7,291																																				
RODS (PROPOSED)																																									
	OD (in)	grade	rods	length (ft)	depth (ft)																																				
PR Liner	1 1/2			16.0																																					
Polished rod	1 1/4			26.0	7																																				
Ponies	7/8			0.0	7																																				
Sucker rods	7/8		89	2,225.0	2,232																																				
	3/4		197	4,925.0	7,157																																				
Sinker bars	1 1/4		3	75.0	7,232																																				
Guide sub				4.0	7,236																																				
RHBO				0.5	7,236																																				
Pump	1 1/4	RHBO		20.0	7,256																																				
Gas anchor	1			16.0	7,272																																				

API	TUBB		ABO	
	Cum. Oil (MBO)	Cum. Gas (MMCF)	Cum. Oil (MBO)	Cum. Gas (MMCF)
3002506780	101,523	3,948,536		
3002506789	78,547	4,812,925		
3002507021			225,037	918,326
3002507023			93,105	1,228,088
3002507024			129,171	1,336,534
3002507029	12,054	821,706		
3002507031	12,087	371,459	63,799	562,292
3002507032	77,187	4,406,215		
3002507033			124,037	1,371,498
3002507034	17,093	258,000		
3002507035	12,392	248,854		
3002507036	934	132,925		
3002507037	245,507	4,262,000		
3002507039	140,133	5,567,288		
3002507040			88,321	768,214
3002507045			76,531	3,090,505
3002507046	163,034	4,026,628		
3002507051	68,435	7,853,860	9,124	91,748
3002509941	65,279	3,399,692		
3002509945	28,895	9,775,086		
3002509949	73,529	11,440,604		
3002509961	9,575	87,685		
3002509962	147,798	2,388,401		
3002521311	58,197	780,982		
3002521878	1,857	74,491	25,098	67,401
3002522959	2,616	128,248	56,318	172,757
3002523041			37,150	231,258
3002524858				
3002525130			110,978	374,122
3002525131		82,086		
3002525280			43,877	1,023,938
3002525281			310	7,230
3002525381			98,168	996,554
3002525456			80,526	587,188
3002525457			70,626	2,407,978
3002525479	10,525	460,737	30,183	495,625
3002525481	16,130	1,279,402	29,771	1,155,182
3002525513			353	2,005
3002526071			3,650	18,560
3002526560	13,703	66,765		
3002528859			55,221	209,065
3002528861			28,395	141,365
3002529468			49,190	322,650
3002537483	9,546	51,038		
3002538892				

API	TUBB		ABO	
	Cum. Oil (MBO)	Cum. Gas (MMCF)	Cum. Oil (MBO)	Cum. Gas (MMCF)
3002539037	6,957	83,443		
3002539050	5,867	87,221		
3002539286	5,955	175,843		
3002539550	3,890	195,880		
3002539558	2,486	302,708		
3002540014	3,131	190,824		
3002540079	1,852	119,961		
3002540116	3,198	231,414		
3002540117	3,698	232,263		
TOTAL	1,403,610	68,345,170	1,528,939	17,580,083
AVERAGE	42,534	2,010,152	63,706	732,503
COMMINGLED PERCENT	40.0%	73.3%	60.0%	26.7%



J R Oil Ltd., Co.

TO: NMOCD, Hobbs District
FROM: Ian Petersen
(432) 634-4922
SUBJECT: Owen #8 (30-025-25479)
DATE: April 23, 2022

J R Oil respectfully requests permission to reactivate this well bore and down-hole commingle as follows:

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The working and royalty interests of each pool in this wellbore are identical.

J R Oil Ltd., Co.

TO: NMOCD, Hobbs District
FROM: Randie Lewis
(972) 740-3488
SUBJECT: Owen #8 (30-025-25479)
DATE: April 27, 2022

To Whom It May Concern:

J R Oil, LLC, as operator, will be filing applications with the New Mexico Conservation Division for approval for the aforementioned downhole commingling project. After a review of the internal records and in compliance with 19.15.12.7(B) NMAC the ownership between the pools are identical.

If you have any questions, please do not hesitate to contact the undersigned.

Sincerely,



Randie Lewis
Land Manager

Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

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



ADMINISTRATIVE APPLICATION CHECKLIST

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

Applicant: J R Oil Ltd **OGRID Number:** 256073
Well Name: Owen #8 **API:** 30-025-25479
Pool: Wantz Granite Wash / Wantz Abo / Tubb O&G (oil) **Pool Code:** 62730 / 62700 / 60240

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
 A. Location – Spacing Unit – Simultaneous Dedication
 NSL NSP (PROJECT AREA) NSP (PRORATION UNIT) SD

- B. Check one only for [I] or [II]
 [I] Commingling – Storage – Measurement
 DHC CTB PLC PC OLS OLM
 [II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
 A. Offset operators or lease holders
 B. Royalty, overriding royalty owners, revenue owners
 C. Application requires published notice
 D. Notification and/or concurrent approval by SLO
 E. Notification and/or concurrent approval by BLM
 F. Surface owner
 G. For all of the above, proof of notification or publication is attached, and/or,
 H. No notice required

FOR OCD ONLY	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	Application Content Complete

3) **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.

Ian Petersen
 Print or Type Name

Signature

April 23, 2022
 Date

(432) 634-4922
 Phone Number

ian@ddpetro.com
 e-mail Address

From: [Engineer, OCD, EMNRD](#)
To: [Ian Petersen](#)
Cc: [McClure, Dean, EMNRD](#); [Kautz, Paul, EMNRD](#); [Wrinkle, Justin, EMNRD](#); [Powell, Brandon, EMNRD](#); lisa@rwbyram.com
Subject: Approved Administrative Order DHC-5194
Date: Friday, June 3, 2022 11:24:00 AM
Attachments: [DHC5194 Order.pdf](#)

NMOCD has issued Administrative Order DHC-5194 which authorizes J R Oil, LTD. Co. (256073) to downhole commingle production within the following well:

Well Name: Owen #8
Well API: 30-025-25479

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

From: [Ian Petersen](#)
To: [McClure, Dean, EMNRD](#)
Subject: RE: [EXTERNAL] RE: downhole commingling application DHC-5194
Date: Monday, May 23, 2022 5:27:29 PM
Attachments: [C-102's Owen #8 Tubb 40 acres.pdf](#)

My Landman confirmed the Tubb holds 40 acres. See attachment for updated C-102's. Please advise if you need more information and I'll gladly provide it.

Ian
(432) 634-4922

From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Sent: Wednesday, May 18, 2022 2:39 PM
To: Ian Petersen <ian@ddpetro.com>
Subject: RE: [EXTERNAL] RE: downhole commingling application DHC-5194

Ian,

Within the attached C-102 the Tubb pool is listed as being dedicated to 160 acres. However, pool 60240 should only have 40 acres dedicated to it as is also reflected within Division records for this well currently. Please confirm J R Oil's intent and if the 160 acres is in error, please resubmit a corrected C-102.

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

From: Ian Petersen <ian@ddpetro.com>
Sent: Wednesday, May 18, 2022 1:29 PM
To: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Subject: [EXTERNAL] RE: downhole commingling application DHC-5194

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Tubb [60240] is 1.391 MMBTU/MCF
Wantz Abo [62700] is 1.362 MMBTU/MCF

See attachment for C-102's.

Thank you very much for making time for this application!

Ian

(432) 634-4922

From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Sent: Wednesday, May 18, 2022 11:38 AM
To: Ian Petersen <ian@ddpetro.com>
Subject: downhole commingling application DHC-5194

Mr. Petersen,

I am reviewing downhole commingling application DHC-5194 which involves the commingling or pools within the well bore of the Owen #8 (30-025-25479) and is operated by J R Oil, LTD. Co. (256073).

Please provide the following:

- A BTU value for the gas from each pool
- A C-102 for each pool

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION FOR DOWNHOLE COMMINGLING
SUBMITTED BY J R OIL, LTD. CO.**

ORDER NO. DHC-5194

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having considered the application and the recommendation of the Engineering Bureau, issues the following Order.

FINDINGS OF FACT

1. J R Oil, LTD. Co. (“Applicant”) submitted a complete application (“Application”) to downhole commingle the pools described in Exhibit A (“the Pools”) within the well bore of the well identified in Exhibit A (“the Well”).
2. Applicant proposed a method to allocate the oil and gas production from the Well to each of the Pools that is satisfactory to the OCD and protective of correlative rights.
3. Applicant has certified that all produced fluids from all the Pools are compatible with each other.
4. Applicant has certified that downhole commingling the Pools will not decrease the value of the oil and gas production.
5. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that ownership in the Pools is identical as defined by 19.15.12.7(B) NMAC.
6. To the extent that ownership is diverse, Applicant identified all owners of interest in the Pools, provided evidence a copy of the Application was given to each person, and those persons either submitted a written waiver or did not file an objection to the Application.
7. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.

CONCLUSIONS OF LAW

8. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, Sections 70-2-6, 70-2-11, 70-2-12, 70-2-16, 70-2-17, and 19.15.12 NMAC.
9. The downhole commingling of the Pools is common, or Applicant has provided evidence that the fluids are compatible and will not damage the Pools in accordance with 19.15.12.11(A)(1) NMAC.
10. The bottom perforation of the lower zone is within one hundred fifty percent (150%) of the depth of the top perforation in the upper zone or Applicant has provided evidence that the

proposed commingling of the Pools shall not result in shut-in or flowing well bore pressure in excess of the commingled pool's fracture parting pressure in accordance with 19.15.12.11(A)(3) NMAC.

11. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.11(A)(8) NMAC.
12. To the extent that ownership is diverse, Applicant identified all owners of interest in the Pools and provided evidence the application was given to those persons in accordance with 19.15.12.11(C)(1)(b) NMAC.
13. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

1. Applicant is authorized to downhole commingle the Pools described in Exhibit A within the well bore of the well identified in Exhibit A.
2. Applicant shall allocate a fixed percentage of the oil and gas production from the Well to each of the Pools as described in Exhibit A.
3. If an alteration is made to the Well or a condition within the Well changes which may cause the allocation of production to the Pools as approved within this Order to become inaccurate, then no later than sixty (60) days after that event, Applicant shall submit Form C-103 to the OCD Engineering Bureau describing the event and include a revised allocation plan. If OCD denies the revised allocation plan, this Order shall terminate on the date of such action.
4. If any of the pools being commingled is prorated, or the Well's production has been restricted by an OCD order in any manner, the allocated production from each producing pool in the commingled well bore shall not exceed the top oil or gas allowable rate for a well in that pool or rate restriction applicable to the well.
5. If the Well is deepened, then no later than forty-five (45) days after the Well is deepened, Applicant shall conduct and provide logs to OCD that are sufficient for OCD to determine which pool(s) each new completed interval of the Well will produce from.
6. If the downhole commingling of the Pools reduces the value of the oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new downhole commingling application to OCD to amend this Order to remove the pool that caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
7. If a completed interval of the Well is altered from what is submitted within the Application as identified in Exhibit A, then no later than sixty (60) days after the alteration, Applicant shall submit Form C-103 to the OCD Engineering Bureau detailing the alteration and completed interval.

8. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
9. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE E. SANDOVAL
DIRECTOR**

DATE: 6/03/2022

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: **DHC-5194**

Operator: **J R Oil, LTD. Co. (256073)**

Well Name: **Owen #8**

Well API: **30-025-25479**

Pool Name: **TUBB OIL AND GAS (OIL)**

Upper Zone

Pool ID: **60240**

Current: **X**

New:

Allocation: **Fixed Percent**

Oil: **40%**

Gas: **73.3%**

Interval: **Perforations**

Top: **6,120**

Bottom: **6,251**

Pool Name:

Intermediate Zone

Pool ID:

Current:

New:

Allocation:

Oil:

Gas:

Interval:

Top:

Bottom:

Bottom of Interval within 150% of Upper Zone's Top of Interval:

Pool Name: **WANTZ; ABO**

Lower Zone

Pool ID: **62700**

Current: **X**

New:

Allocation: **Fixed Percent**

Oil: **60%**

Gas: **26.7%**

Interval: **Perforations**

Top: **6,709**

Bottom: **7,301**

Bottom of Interval within 150% of Upper Zone's Top of Interval: **YES**

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720

District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720

District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 101719

CONDITIONS

Operator: J R OIL, LTD. CO. P.O. Box 52647 Tulsa, OK 74152	OGRID: 256073
	Action Number: 101719
	Action Type: [C-107] Down Hole Commingle (C-107A)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	6/3/2022