MS pKRV023583510	6
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5835106 NSL 1/12/03 Kathy please log this applience log this Thurbon Store

DEC 2 3 2002

December 18, 2002

Mr. Will Jones Oil Conservation Division 1220 South St. Francis Drive Santa Fe, NM 87505

PETROLEUM

Re: Conoco State #3 Well 2110' FSL & 2055' FEL Sec. 33 (J) T18S, R38E Lea County, NM API No. 30-025-35961

Gentlemen:

Saga originally filed an application to drill the referenced well and complete as a dual and/or DHC Drinkard – Blinebry well. After drilling to TD of 7025', the Drinkard was perforated from 6806'-6933', treated and flow tested for approximately 30 days. Production testing of the Drinkard perforations showed the reservoir to be gas, not oil. Subsequently the Tubb was perforated from 6406'-6573', treated and flowed tested after a pkr was set at 6573'. Saga has flow tested the Tubb perfs for about 30 days and results indicate the reservoir to be gas also. The Tubb and Drinkard reservoirs appear to be compatible; therefore Saga has requested a permit for DHC of the Drinkard and Tubb pools. OCD has indicated that the Tubb pool is a NSL, we respectfully request approval<sup>3</sup> of the DHC permit and NSL of the referenced welf.

Should you require any further information, please contact the undersigned at your convenience.

Very truly yours,

SAGA PETROLEUM LLC

mice Susband

Bonnie Husband Production Analyst

Enclosures

415 W. Wall, Ste 1900 Midland, TX 79701

Office: (915) 684-4293 Fax (915) 684-0829



## **MEMORANDUM**

December 18, 2002

OCD 1220S St. Francis Dr Santa Fe, New Mexico 87505 Attn. Will Jones

**REFERENCE TO:** 

Completion of Saga Petroleum Conoco State No. 3 well From Tubb and Drinkard perforations

#### DISCUSSION:

Saga Petroleum originally proposed to complete the Conoco State No. 3 as a Drinkard Blinebry dual completion, anticipating both zones to be oil productive. Production testing of Drinkard perforations has shown the formation to be a gas reservoir. Current Tubb perforations have indicated this reservoir to be a gas producer as well. The Tubb and Drinkard reservoirs appear to be compatible. This is the basis for our request to co-mingle gas production from the two reservoirs.

Yours truly Kulla

Lorin J. Rulla Chief Geologist

District [ 1625 N. French Dr., Hobbs, NN District []	( 88240	State o Energy, Minerals &	Form C-102 Revised August 15, 2000		
811 South First, Artesia, NM 83 District [[] 1000 Rio Brazos Rd., Aztec, M District [V		2040	OIL CONSERVATION DIVISION Subr 2040 South Pacheco Santa Fe, NM 87505		
2040 South Pacheco, Santa Fe,		LL LOCATION ANI	D ACREAGE DEDICATI	ON PLAT	
API Num	ber	<sup>2</sup> Pool Code	<sup>3</sup> Pool Name		
30-025-35961		96946	Wildcat Tubb		
* Property Code	1	5 [	Property Name	• Well Number	
20363	Conoco Sta	te		3	
7 OGRID No.		• (	> Elevation		
148967	Saga Petrol	eum LLC	3639' Gr		
·		10 Su	Inface Location		

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	33	18S	38E		2110	S	2055	Е	LEA
<b></b>			11 B	lottom Ho	le Location If	Different From	Surface	······	•
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13 Dedicated Acre	s 13 Joint 0	r Infill 🛛 🕮 🕻	Consolidation	Code 15 O	rder No.				
160				1					

## NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED O NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<u>16</u>				17 OPERATOR CERTIFICATION
				I hereby certify that the information contained herein i
				true and complete to the best of my knowledge and
				belief. Bonnie Kunband
				Bonnie Husband
1				Printed Name
				Production Analyst
				Title
1	(			10/00/2000
				12/09/2002
1	· · ·	4		Date
· ·				<b>18SURVEYOR CERTIFICATION</b>
		3		I hereby certify that the well location shown on this pla
1				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.
<u>]</u> .				and correct to the best of my bellef.
		1		Date of Survey
		<b>₹</b> .	i	Signature and Seal of Professional Surveyor:
				· · ·
<b>.</b>				Certificate Number

· · ·					State of 1	New Mexico			
ÍSTRICT I .0. Bez 1960, Ester.	MA 00841-18					ral Resources Department		For Revised Februar	
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ISTRICT III 000 Rio Brazos B	L. Artoc. M	6 87410				xico 87504-2088		·	
DISTRICT IV <u>0. BOX 5066, EANT/</u> API 30-025- 7	Number ,	1		Pool Code 31730	AND ACR	HOBBS DR	Pool Name	E AMENDED	REF
30-025- 3596/ Property Code 20281			<u></u>		Property CONOCO	Name	······	Well Num	aber
ogrid No 148967					Operator FA PETRO	Name	<u> </u>	Elevation 3639	
					Surface I	ocation			
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		<u> </u>				ifferent From Su		·	<del>.</del>
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District IV 040 South Pachece	), Santa Fe, NN			CATIO		REAGE DEDI	<b>ΓΑΤΙΩΝΙ ΒΙ</b>		_	ENDED REPORT
30-025-359	API Number 61		96946	<sup>2</sup> Pool Code		Idcat Tubb	<sup>3</sup> Pool Na		<u> </u>	
+ Property 20363		Conoco S	tate		<sup>s</sup> Property	Name			3	Yell Number
<sup>7</sup> OGRID 148967	No.	Saga Peti	oleum LL	С	* Operator				3639'	Elevation Gr
			· · ·		<sup>10</sup> Surface	Location				
JL or lot no. J	Section 33	Township 18S	Range 38E	Lot Idn	Feet from the 2110	North/South line	Feet from the 2055	E Ea	st/West line	County LEA
			11 Bc	ttom Ho	le Location I	Different From	Surface			
JL or lot no.	Section	Township	Range	Lot Idn	Feet from the			Ea	st/West line	County
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			NON-STA	NDARD	UNIT HAS B	TION UNTIL AL EEN APPROVEL	BY THE DIV	ISION ERATO ertify that the properties to the formule	R CER	TIFICATION ion contained herein ny knowledge and
							Printed Name Production Title 12/09/20 Date		yst	· · · · · · · · · · · · · · · · · · ·
				585			I hereby co was plotted me or und	ertify that t d from field er my supe ct to the be	the well loca d notes of a	<b>IFICATION</b> ation shown on this pictual surveys made by if that the same is true ief.
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Certificate Number

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DISTRICT II P.O. Drawer DD, Artenia, MM 66211-0718

DISTRICT IV

DISTRICT III 1000 Rio Brases Ed., Astoc, NM 67410

WELL LOCATION AND ACREAGE DEDICATION PLAT

P.O. BOX 2006, SANTA FE, R.J. 17004-		C AMENDED R	REPORT
30-025- 3596	Pool Code 31730	HOBBS DRINKARD	
Property Code 20281	Property CONOCO S		pr
OCRID No. 148967	operator SAGA PETRO		

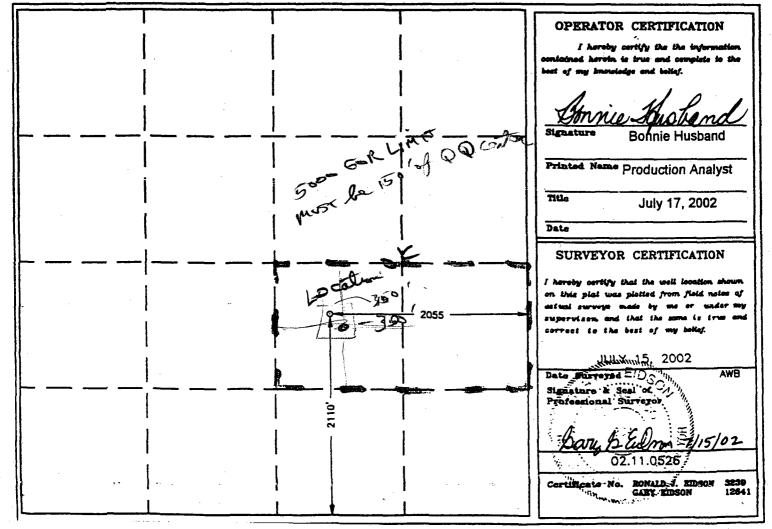
#### Surface Location

UL or lot No.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/Vest line	County
J	33	18-S	38-E		2110	SOUTH	2055	EAST	LEA

Bottom Hole Location If Different From Surface

UL or let No.	Section.	Township	Range	Lot Idn	Fost from the	North/South line	Feet from the	East/Vest line	County
Dedicated Acres	Joint o	r hafill Ce	neclidation (	Code Or	der Ne.		•	·	I

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



State of New Mexico

Energy, Massals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

Form C-102 Revised February 10, 1994 Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

PKR	10234656309	DHC w	VJ NA
District I 1625 N. French Drive, Hobbs, NM 68240	State of N	ew Mexico tural Resources Department	Form C-107A Revised May 15, 2000
DISTRICT II 811 South First Street, Artesia, NM 88210	OIL CONSERVA' C   2 2002 2040 Sout Santa Fe, New	h Pacheco Mexico 87505	APPLICATION TYPE <u>X</u> Single Well <u>X</u> Established Pre-Approved Pools EXISTING WELLBORE
2040 South Pacheco, Santa Fe, NM 87505	APPLICATION FOR DOV	VNHOLE COMMINGLING	<u>X</u> Yes <u>No</u>
Saga Petroleum LLC		W. Wall, Suite 1900, Midland, T	TX 79701
Operator	Add		1
CONOCO STATE	3 J-33-18S -3 Well No. Unit Letter-S	38E Section-Township-Range	Lea County
Lease			
OGRID No. 148967 Propert	y Code_20281 API No30-02:	5-35961 Lease Type	FederalStateFee
DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Wildcat Tubb		Hobbs Drinkard
Pool Code	96946	· · · · · · · · · · · · · · · · · · ·	31730
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	<sup>a</sup> 6406'-6573'		6806'- 6933'
Method of Production (Flowing of Artificial Lift)	Flw'g		Flw'g
Bottomhole Pressure (Note: Pressure data will not be required if the hottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zon			731
Oil Gravity or Gas BTU (Degree API or Gas BTU)	BTU 1206		BTU 1.159
Producing, Shut-in or New Zone	Prod - New zone		SI while testing Tubb
Date and Oil/Gas/Water Rates of Last Production (Note: For new zones with no production history, applicant shall be required to attach production	Date: 12/08/2001	Date:	Date: 10/29/2002
applicant shall be required to attach production astimates and supporting data.)	Rates: 402 MCFGPD	Rates:	Rates: 348MCF
Fixed Allocation Percentage (Note: If allocation is based upon someting other	Oil Gas	Oil Gas	Oil Gas
than current or part production, supporting data or explanation will be required.)	70 % 54 %	% %	30 % 46 %

### ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingling zones? If not, have all working royalty and overriding royalty interest owners been notified by certified mail?	Yes Yes		No No	
Are all produced fluids from all commingling zones compatible with each other?	Yes_	X	No_	
Will commingling decrease the value of production?	Yes_		No_	X

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?

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.

## 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 he best of my knowledge and belief.

# SIGNATURE

TITLE Production Analyst

\_DATE\_12/09/2002

Connie Hustand TYPE OR PRINT NAME Bonnie Husband

TELEPHONE NO. (915)684-4293

Yes	No <u>X</u>
Yes	No

