

District I
1623 N. Franklin Drive, Hobbs, NM 87401

District II
1301 W. Grand Avenue, Artesia, NM 87402

District III
1000 Rio Grande Road, Aztec, NM 87410

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

RECEIVED

JUN 22 2005

State of New Mexico
Energy, Minerals and Natural Resources Department

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-107A
Revised June 10, 2003

APPLICATION TYPE
☒ Single Well
☐ Establish Pre-Approved Pools
☐ EXISTING WELLBORE

APPLICATION FOR DOWNHOLE COMMINGLING

☒ Yes ☐ No

Redwolf Production, Inc. P. O. Box 5382 Farmington, NM 87499

Operator

Kelly

No. 1

P-25-T30N-R15W

San Juan

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. **018973** Property Code **009585** API No. **30-045-26494** Lease Type: ☐ Federal ☐ State ☒ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Grassy-Gallup		Basin Dakota
Pool Code	96339		71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	4524' - 24968'		5434' - 5555'
Method of Production (Flowing or Artificial Lift)	Pumping		Pumping
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)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)	37.9		est. 1200
Producing, Shut-In or New Zone	Producing		SHUT
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: 3/05 Rates: 1.3 BOPD 0 MCFD	Date: Rates:	Date: 9/85 (Test) Rates: 0 BOPD 188 MCFD
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil 100 % Gas 0 %	Oil % Gas %	Oil 0 % Gas 100 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?

Yes ☒ No ☐
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 ☐

NMOC 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 the best of my knowledge and belief.

SIGNATURE Dana L. Delventhal TITLE Vice President DATE 5/16/05

TYPE OR PRINT NAME Dana L. Delventhal TELEPHONE NO. (505) 326-4125

E-MAIL ADDRESS ddelventhal@qwest.net

District I
P. O. Box 1980, Hobbs, NM 88241-1980
District II
P.O. Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos RD., Aztec, NM 87410
District IV
P.O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised February 21, 1994

Instructions on back
Submit to Appropriate District Office

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, NM 87504-2088

State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-045-26494	2 Pool Code	3 Pool Name Wildcat; Grassy-Gallup (Oil)
4 Property Code 009585	5 Property Name KELLY	6 Well Number 1
7 OGRID No. 018973	8 Operator Name Redwolf Production, Inc.	9 Elevation 5380' KB

10 Surface Location

UL or lot no. P	Section 25	Township 30N	Range 15W	Lot Idn	Feet from the 990	North/South line S	Feet from the 880	East/West line E	County San Juan
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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.						

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

16					17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief
					Signature: <i>Dana L. Delventhal</i>
					Printed Name Dana L. Delventhal
					Title Vice President
					Date 3-Feb-95
					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.
					Date of Survey
					Signature and Seal Professional Surveyor:
					Certificate Number

All measurements must be from the outer boundaries of the Section.

Jerome P. McHugh		Lease Kelly		Well No. 1
Unit Letter P	Section 25	Township 30 North	Range 15 West	County San Juan
Actual Footage Location of Well: 990 feet from the South line and 880 feet from the East line				
Ground Level Elev. 5365	Producing Formation Gallup/Dakota	Pool Gallup/Basin Dakota	Dedicated Acreage: 40/320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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? NA

☐ 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 Division.

S/2 of Sec. 25 - McHugh Fee Lease		<p style="text-align: center;">RECEIVED</p> <p style="text-align: center;">JUL 29 1985</p> <p style="text-align: center;">OIL CON. DIV.</p> <p style="text-align: center;">DIST. 3</p>	

CERTIFICATION

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

Name
James S. Hazen

Position
Field Supt.

Company
Jerome P. McHugh

Date
7/26/85



Date Surveyed
July 26, 1985

Registered Professional Engineer
and/or Land Surveyor

Edgar L. Risenhoover
Certificate No. 5979
Edgar L. Risenhoover, E.S.

Rate/Time Graph

Project: C:\Program Files\IHS Energy\PowerTools v6.0\Projects\Redwolf Reserves.MDB

Date: 5/16/2005
Time: 12:48 PM

Lease Name: KELLY (1)

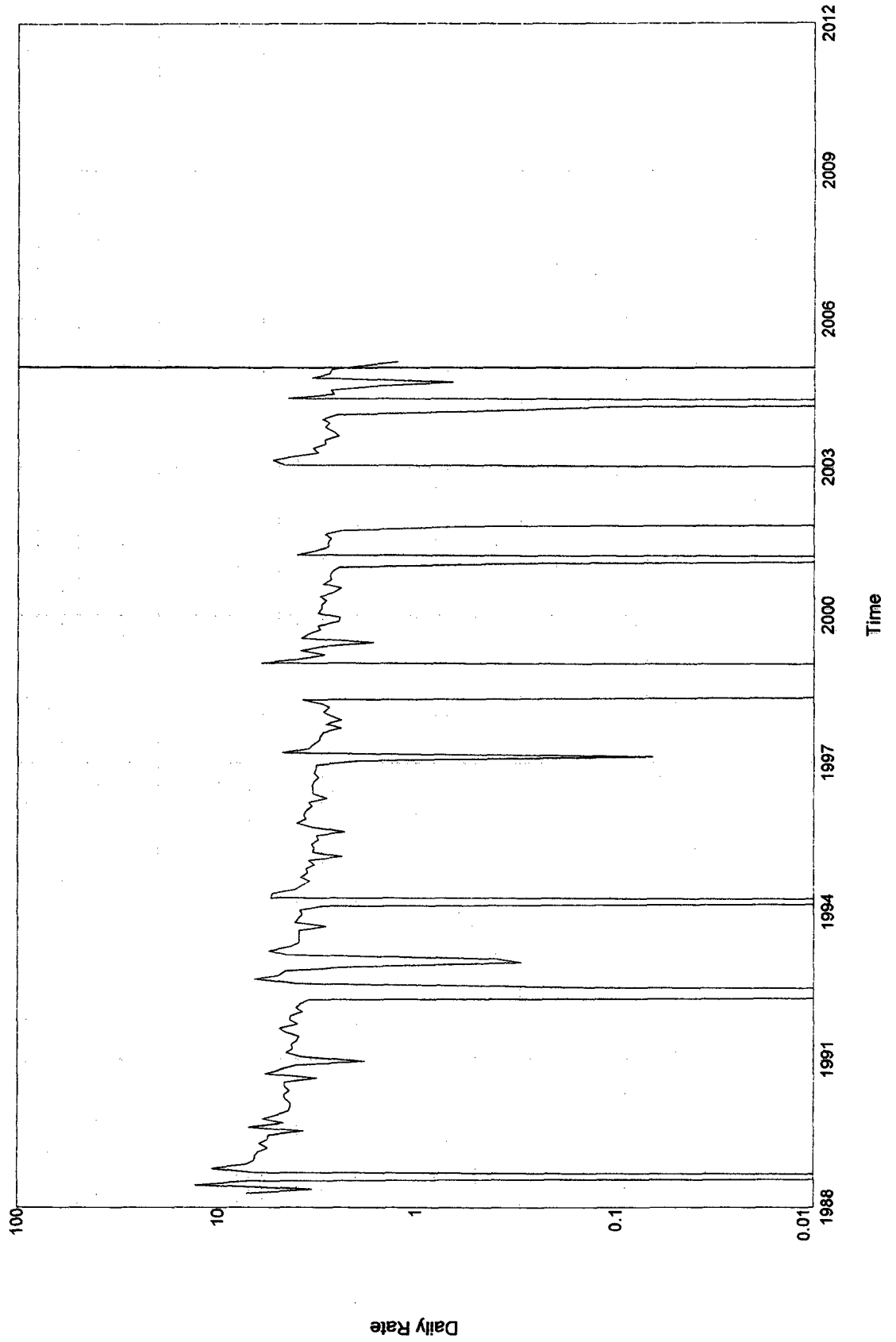
County, ST: SAN JUAN, NM

Location: 25P 30N 15W SE SE

Operator: REDWOLF PRODUCTION INCORPORATED

Field Name: GRASSY

KELLY - GRASSY



District I
1423 N. French Drive, Hobbs, NM 87240
District II
1301 W. Grand Avenue, Artesia, NM 87210
District III
1000 Rio Grande Road, Aztec, NM 87410
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1720 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
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☒ Single Well
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EXISTING WELLBORE
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Redwolf Production, Inc. P. O. Box 5382 Farmington, NM 87499

Operator **Kelly** Address **No. 1 P-25-T30N-R15W San Juan**
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. **018973** Property Code **009585** API No. **30-045-26494** Lease Type: ☐ Federal ☐ State ☒ Fee

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SIGNATURE Dana J. Delventhal TITLE Vice President DATE 5/16/05

TYPE OR PRINT NAME Dana L. Delventhal TELEPHONE NO. (505) 326-4125

E-MAIL ADDRESS ddelventhal@qwest.net

Instructions on back
Submit to Appropriate District Office

State Lease - 4 Copies
 Fed Lease - 3 Copies

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, NM 87504-2088

☐ AMENDED REPORT

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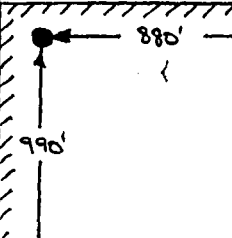
10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	25	30N	15W		990	S	880	E	San Juan

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
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				Signature and Seal Professional Surveyor:
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All areas must be from the outer boundaries of the Section.

Jerome P. McHugh		Lease Kelly		Well No. 1
Unit Letter P	Section 25	Township 30 North	Range 15 West	County San Juan
Actual Footage Location of Well:				
990	feet from the South	line and	880	feet from the East line
Ground Level Elev. 5365	Producing Formation Gallup/Dakota	Pool <u>W.C.</u> Under Gallup/Basin Dakota	Dedicated Acreage: 40/320 Acres	

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<p>RECEIVED</p> <p>JUL 29 1985</p> <p>OIL CON. DIV.</p> <p>DIST. 3</p>		<p>SEC. 25</p>	
		<p>S/2 of Sec. 25 - McHugh Fee Lease</p>	

CERTIFICATION

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

Name
James S. Hazen

Position
Field Supt.

Company
Jerome P. McHugh

Date
7/26/85



Date Surveyed
July 26, 1985

Registered Professional Engineer
and/or Land Surveyor

Edgar L. Risenhoover

Certificate No. 5979

Edgar L. Risenhoover, E.S.

Rate/Time Graph

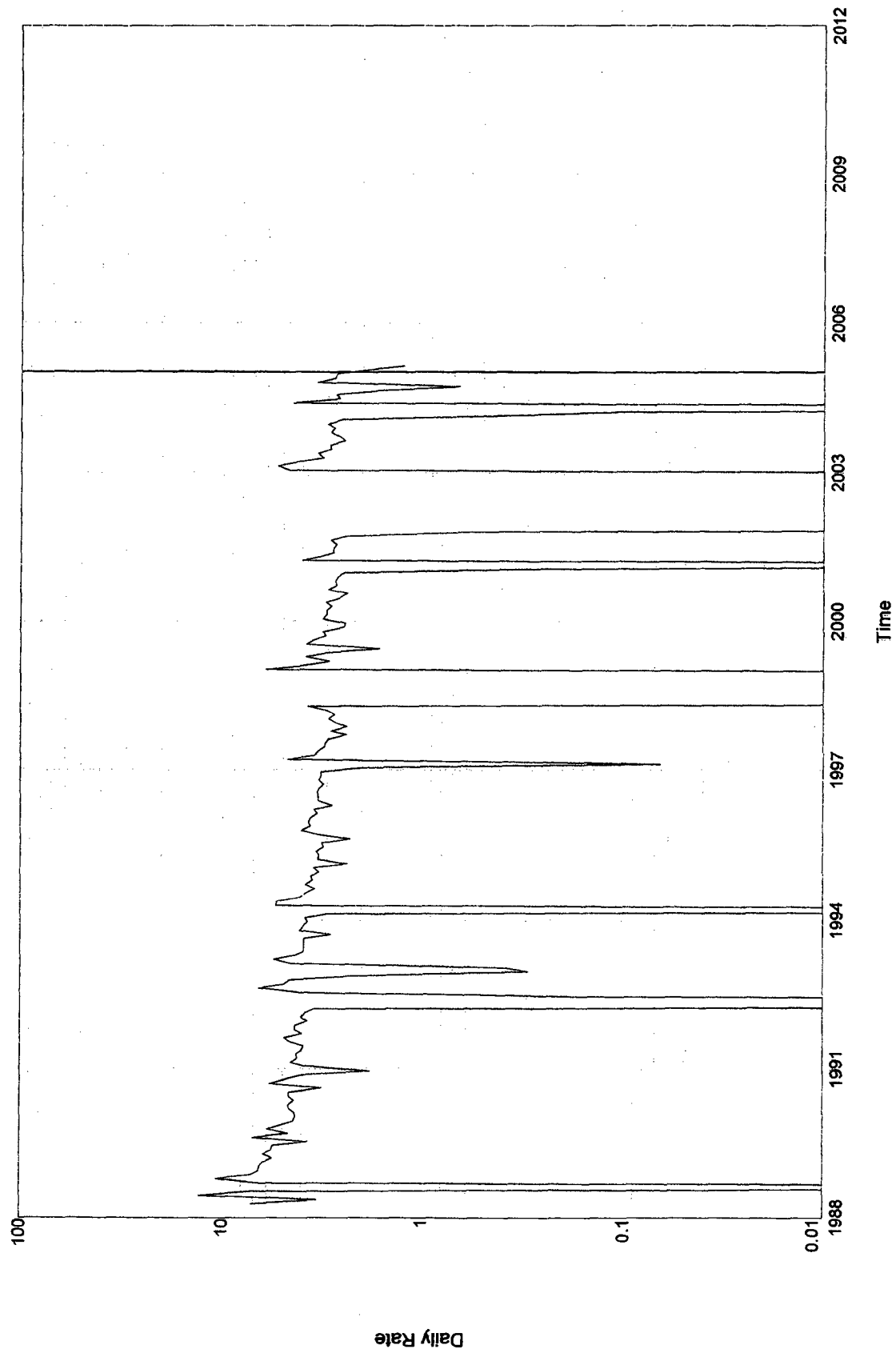
Project: C:\Program Files\IHS Energy\PowerTools v6.0\Projects\Redwolf Reserves.MDB

Date: 5/16/2005
Time: 12:48 PM

Lease Name: KELLY (1)
County, ST: SAN JUAN, NM
Location: 25P 30N 15W SE SE

Operator: REDWOLF PRODUCTION INCORPORATED
Field Name: GRASSY

KELLY - GRASSY



ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- 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

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☒ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☐ Offset Operators, Leaseholders or Surface Owner
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] 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.

Print or Type Name

Signature

Title

Date

e-mail Address