

DATE IN 7.14.05	SUSPENSE	ENGINEER Stagner	LOGGED IN 7.15.05	TYPE DHC	APP NO. Psem0519630456
-----------------	----------	------------------	-------------------	----------	------------------------

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.

Carol J. Moore
 Print or Type Name

Signature

Carol J. Moore

Senior Advisor/Regulatory
 Title

7/8/2005
 Date

cmoore@hess.com
 e-mail Address

Please refer to NSL-5156(SD)

2005 JUL 14 PM 12 13

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

District II
1301 W. Grand Avenue, Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
1220 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.
Santa Fe, New Mexico 87505

APPLICATION TYPE
☒ Single Well
☐ Establish Pre-Approved Pools
EXISTING WELLBORE
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

Amerada Hess Corporation P.O. Box 840 Seminole, TX 79360
Operator Address
Fred Turner Jr. C No. 2 Unit E, Sec. 17, T20S, R38E Lea
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 495 Property Code 25984 API No. 30-025-37059 Lease Type: ☐ Federal ☐ State ☒ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Wade Nadine Paddock Blinebry	Nadine Tubb West / Skaggs Drinkard	Warren Abo West
Pool Code	47400	47530 / 57000	62940
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5870 - 6076' (est.)	6436 - 6675' (est.) / 6690 - 6942'	7054' - 7650'
Method of Production (Flowing or Artificial Lift)			
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)			
Producing, Shut-In or New Zone	New	New / New (U. Drinkard) Producing (L. Drinkard)	Shut-in
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: *SEE BELOW Rates:	Date: *SEE BELOW Rates:	Date: *SEE BELOW Rates:
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas *SEE BELOW % %	Oil Gas *SEE BELOW % %	Oil Gas *SEE BELOW % %

*Allocation percentage to be reported to Hobbs NMOCD prior to commingling.

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: NSL-5156 (SD)

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 Carol J. Moore TITLE Senior Advisor/Regulatory DATE 7/8/2005

TYPE OR PRINT NAME Carol J. Moore TELEPHONE NO. (432) 758-6738

E-MAIL ADDRESS cmoore@hess.com

ALLOCATION OF PRODUCTION FOR TURNER C #2 WELL
(Allocation by zone for Blinebry, Tubb, Drinkard and Abo zones)

BRIEF WELL HISTORY

THIS WELL WAS DRILLED IN 2005. IT WAS TESTED BRIEFLY IN THE ABO, AND THEN A CIBP SET ABOVE. THE LOWER DRINKARD WAS PERFORATED, ACIDIZED AND FRACTURE STIMULATED. THE LOWER DRINKARD IS CURRENTLY FLOWING.

PLANNED WORK TO FINAL COMPLETE WELL

A CIBP WILL BE SET ABOVE THE LOWER DRINKARD PERFS. PERFORATIONS WILL BE ADDED IN THE BLINEBRY, TUBB AND UPPER DRINKARD. THE PERFS WILL BE ACIDIZED AND THEN LIMITED-ENTRY FRACTURE STIMULATED. FOLLOWING FRACTURE STIMULATION, THE BRIDGE PLUGS ABOVE THE LOWER DRINKARD AND THE ABO ZONES WILL BE REMOVED AND THE WELL WILL BE COMMINGLED IN BLINEBRY, TUBB, DRINKARD AND ABO ZONES.

- A. LOWER DRINKARD PRODUCTION DETERMINED BY LAST PRODUCTION BEFORE WORKOVER**
LAST DRINKARD OIL PRODUCTION = PRIOR BOPD, LAST DRINKARD GAS = PRIOR MCFD (SEE CALC'S IN STEP D).
- B. ABO (WARREN ABO WEST - 62940) PRODUCTION DETERMINED BY LAST FLOW TEST RESULTS**
PRODUCTION TEST FROM ABO FLOWED 20 BOPD AND EST. 100 MCFD (06/09/05)
- C. NEW OIL AND GAS PRODUCTION DETERMINED BY SUBTRACTING LOWER DRINKARD AND ABO PRODUCTION FROM TOTAL TEST FOLLOWING WORKOVER TO FRAC BLINEBRY, TUBB AND UPPER DRINKARD WITH ONE FRACTURE STIMULATION TREATMENT. ALLOCATIONS TO BLINEBRY, TUBB AND UPPER DRINKARD ALLOCATED AS DESCRIBED BELOW:**

1. NEW OIL PRODUCTION ALLOCATION DETERMINED FROM NET PAY OFF LOGS
(Net pay calculated using 5% porosity and 50% water saturation cutoff)

ZONE	NET PAY (FT.)	NET PAY (%)
BLINEBRY NET PAY COMPLETED	41	47%
TUBB NET PAY COMPLETED	33	38%
UPPER DRINKARD NET PAY COMPLETED	13	15%
TOTAL NET PAY COMPLETED	87	100%

2. NEW GAS PRODUCTION ALLOCATION DETERMINED FROM OFFSET CUM GOR

WEST NADINE PADDOCK BLINEBRY (47400)			
WELL NAME	RESERVES		
	MBO	MMCF	GOR
TURNER C 1	28	130	4643
TURNER B 1	17	100	5882
TURNER B 2	60	92	1533
TURNER B 3	163	318	1951
TOTAL FOR ZONE	268	640	2388

WEST NADINE TUBB (47530)			
WELL NAME	RESERVES		
	MBO	MMCF	GOR
TURNER B 2	11	7	636
TURNER B 3	19	26	1368
TOTAL FOR ZONE	30	33	1100

SKAGGS DRINKARD (57000)			
TURNER C 2 LOWER DRINKARD GOR			3803

SUMMARY GAS ALLOCATION PERCENTAGES

WEST NADINE PADDOCK BLINEBRY (47400)	2388/7291	33%
WEST NADINE TUBB (47530)	1100/7291	15%
SKAGGS DRINKARD (57000)	3803/7291	52%

- D. TOTAL ALLOCATION PERCENTAGES DETERMINED BY ZONE USING SUBTRACTION AND GOR / NET PAY AS DESCRIBED ABOVE:**

	(1) BOPD	(2) MCFD
INCREMENTAL PRODUCTION FROM WORKOVER		
(a) TOTAL IP FOLLOWING WORKOVER AND COMMINGLING	TBD	TBD
(b) LESS LAST L. DRINKARD PRODUCTION	TBD	TBD
(c) LESS ABO TEST RATE	20	100
(d) =INCREMENTAL PRODUCTION FROM WORKOVER	(d1) =CALC'D	(d2)=CALC'D
INCREMENTAL ZONE PRODUCTION		
(e) WEST NADINE PADDOCK BLINEBRY (47400)	= (d1) * 47%	= (d2) * 33%
(f) WEST NADINE TUBB (47530)	= (d1) * 38%	= (d2) * 15%
(g) SKAGGS DRINKARD (57000) - UPPER DRINKARD	= (d1) * 15%	= (d2) * 52%
(h) TOTAL (UPPER AND LOWER) DRINKARD PROD.	= (g1) + prior bopd	= (g2) + prior mcf

TOTAL PRODUCTION % BY ZONE	% OIL	% GAS
% WEST NADINE PADDOCK BLINEBRY (47400)	= (e1)/Total IP	= (e2)/Total IP
% WEST NADINE TUBB (47530)	= (f1)/Total IP	= (f2)/Total IP
% SKAGGS DRINKARD (57000)	= (h1)/Total IP	= (h2)/Total IP
% WARREN ABO WEST (62940)	= 20 bopd / Total IP	= 100 mcf / Total IP

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

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-37059	Pool Code 47400	Pool Name Nadine Paddock Blinbry West
Property Code 25984	Property Name TURNER C	Well Number 2
OGRID No. 495	Operator Name AMERADA HESS CORPORATION	Elevation 3562'

Surface Location

UL or lot No. E	Section 17	Township 20 S	Range 38 E	Lot Idn	Feet from the 2280	North/South line NORTH	Feet from the 1250	East/West line WEST	County LEA
--------------------	---------------	------------------	---------------	---------	-----------------------	---------------------------	-----------------------	------------------------	---------------

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
Dedicated Acres		Joint or Infill		Consolidation Code		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

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Carol J. Moore</i> Signature</p> <p>Carol J. Moore Printed Name</p> <p>Senior Advisor/Regulatory Title</p> <p>7/8/2005 Date</p> <p>SURVEYOR CERTIFICATION</p> <p>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>DECEMBER 16, 2005 Date Surveyed</p> <p>GARY L. JONES Signature & Seal of Professional Surveyor</p> <p>W.O. No. 4945</p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>
--	--

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

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-37059	Pool Code 47530	Pool Name Nadine Tubb West
Property Code 25984	Property Name TURNER C	Well Number 2
OGRID No. 495	Operator Name AMERADA HESS CORPORATION	Elevation 3562'

Surface Location

UL or lot No. E	Section 17	Township 20 S	Range 38 E	Lot Idn	Feet from the 2280	North/South line NORTH	Feet from the 1250	East/West line WEST	County LEA
--------------------	---------------	------------------	---------------	---------	-----------------------	---------------------------	-----------------------	------------------------	---------------

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
Dedicated Acres		Joint or Infill		Consolidation Code		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

	OPERATOR CERTIFICATION <i>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i> Signature Carol J. Moore Printed Name Senior Advisor/Regulatory Title 7/8/2005 Date	
	SURVEYOR CERTIFICATION <i>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.</i> Date Surveyed Signature & Seal of Professional Surveyor W.O. No. 4945 Certificate No. Gary L. Jones 7977 BASIN SURVEYS	

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

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-37059	Pool Code 57000	Pool Name Skaggs Drinkard
Property Code 25984	Property Name TURNER C	Well Number 2
OGRID No. 495	Operator Name AMERADA HESS CORPORATION	Elevation 3562'

Surface Location

UL or lot No. E	Section 17	Township 20 S	Range 38 E	Lot Idn	Feet from the 2280	North/South line NORTH	Feet from the 1250	East/West line WEST	County LEA
--------------------	---------------	------------------	---------------	---------	-----------------------	---------------------------	-----------------------	------------------------	---------------

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
Dedicated Acres		Joint or Infill	Consolidation Code	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

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Carol J. Moore</i> Signature</p> <p>Carol J. Moore Printed Name</p> <p>Senior Advisor/Regulatory Title</p> <p>7/8/2005 Date</p>
	<p>SURVEYOR CERTIFICATION</p> <p>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>DECEMBER 16, 2005 Date Surveyed</p> <p><i>Gary L. Jones</i> Signature & Seal of Professional Surveyor</p> <p>W.O. No. 4945</p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>

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

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-37059	Pool Code 62940	Pool Name Warren Abo West
Property Code 25984	Property Name TURNER C	Well Number 2
OGRID No. 495	Operator Name AMERADA HESS CORPORATION	Elevation 3562'

Surface Location

UL or lot No. E	Section 17	Township 20 S	Range 38 E	Lot Idn	Feet from the 2280	North/South line NORTH	Feet from the 1250	East/West line WEST	County LEA
--------------------	---------------	------------------	---------------	---------	-----------------------	---------------------------	-----------------------	------------------------	---------------

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
---------------	---------	----------	-------	---------	---------------	------------------	---------------	----------------	--------

Dedicated Acres	Joint or Infill	Consolidation Code	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

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Carol J. Moore</i> Signature Carol J. Moore Printed Name Senior Advisor/Regulatory Title 7/8/2005 Date</p> <p>SURVEYOR CERTIFICATION</p> <p>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>DECEMBER 16, 2004 Date Surveyed GARY L. JONES Signature & Seal of Professional Surveyor W.O. No. 4945 Certificate No. Gary L. Jones 7977 BASIN SURVEYS</p>
--	---