

JUL 18 1996

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

811 South First St., Artesia, NM 88210

DISTRICT III

1000 Rue Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-6429Form C-107-A
New 3-12-96

APPROVAL PROCESS:

☒ Administrative ☐ Hearing

EXISTING WELLBORE

☒ YES ☐ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Operator Meridian Oil Inc. Address P.O. Box 51810 Midland, Texas 79710-1810
Checkerboard '23' Federal # 2 0, Sec. 23, T22S, R32E Lea
Well No. Unit Ltr. - Sec. - Twp. - Rge. County
OGRID NO. 26485 Property Code 013136 API NO. 30-025-31907 Spacing Unit Leases Types: (check 1 or more)
Federal ☒ State ☐ (and/or) Fee ☐

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zones	Lower Zone
1. Pool Name and Pool Code	West Red Tank Delaware 51689		Red Tank Bone Springs 51683
2. Top and Bottom of Pay Section (Perforations)	4902'-4916'		9752'-9836'
3. Type of production (Oil or Gas)	Oil		Oil
4. Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: Estimated Current All Gas Zones: Measured Current Estimated Or Measured Original	a. (Current) 740 b. (Original) 1475	a. b.	a. 1475 b. 2950
6. Oil Gravity ($^{\circ}$ API) or Gas BTU Content	42.0107		42.4730
7. Producing or Shut-In?	Producing		CR @ 9717'
Production Marginal? (yes or no)	Yes		Yes
* If Shut-In, give 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 * If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: 5/6/96 Rates: 88 oil, 100 mcf, 91 water	Date: Rates:	Date: 10/16/94 Rates: 26 oil, 57 mcf, 77 water
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 70 % Gas: 40 %	Oil: % Gas: %	Oil: 30 % Gas: 60 %

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? ☒ Yes ☐ No
If not, have all working, overriding, and royalty interests been notified by certified mail? ☒ Yes ☐ No
Have all offset operators been given written notice of the proposed downhole commingling? ☒ Yes ☐ No
11. Will cross-flow occur? ☒ 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. ☐ Yes ☐ No (If No, attach explanation)
12. Are all produced fluids from all commingled zones compatible with each other? ☒ Yes ☐ No
13. Will the value of production be decreased by commingling? ☐ Yes ☒ 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. ☒ Yes ☐ No
15. NMOC Reference Cases for Rule 303(C) 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 all offset operators.
 - * 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 Donna Williams TITLE Regulatory DATE 7/10/96TYPE OR PRINT NAME Donna Williams TELEPHONE NO. (915) 688-6943

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

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-31907	² Pool Code 51689	³ Pool Name West Red Tank Delaware
⁴ Property Code 13136	⁵ Property Name Checkerboard '23' Federal	⁶ Well Number No. 2
⁷ OGRID No. 26485	⁸ Operator Name Meridian Oil Inc.	⁹ Elevation 3729'


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
	23	22S	32E		330'	South	1650'	East	Lea

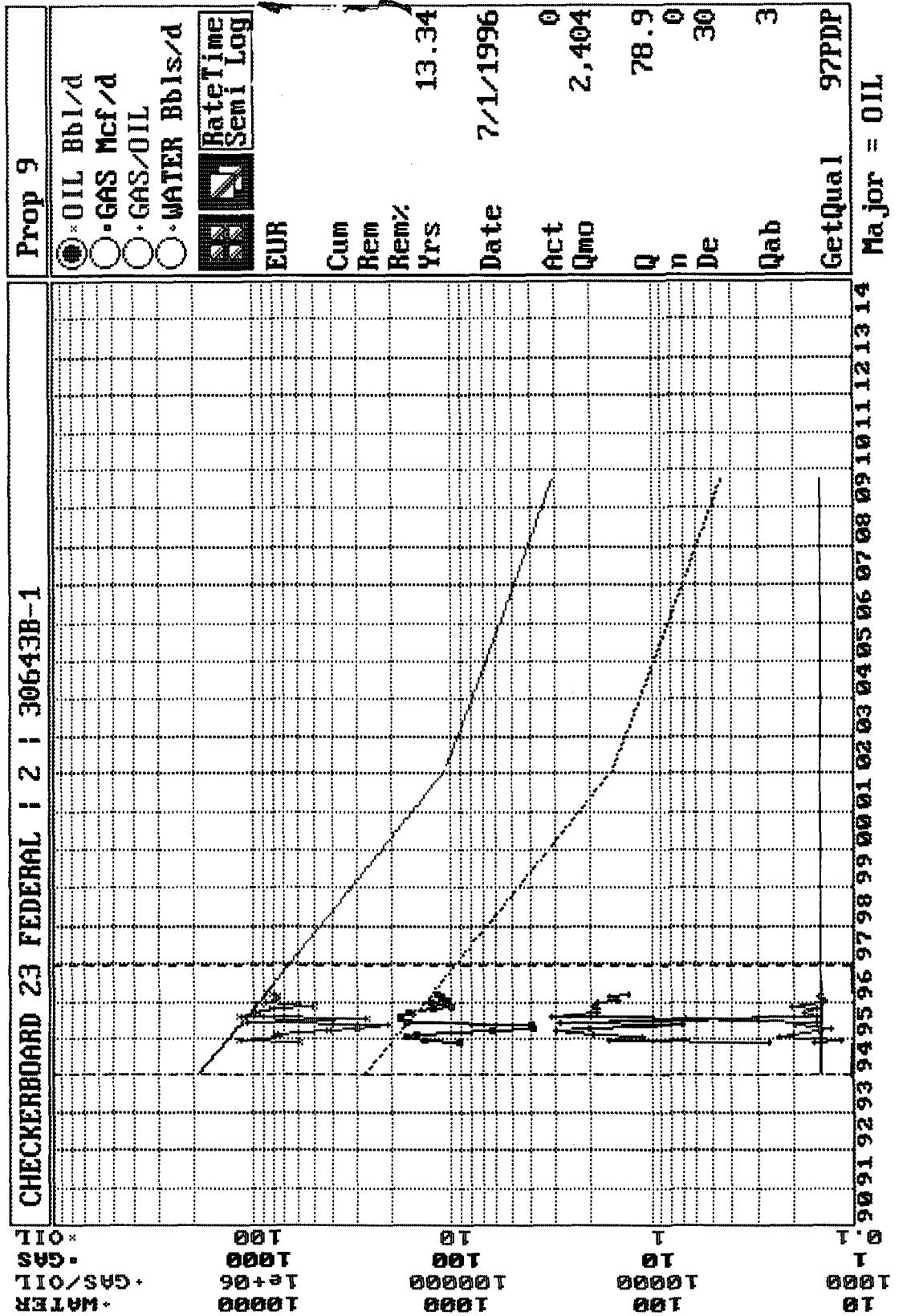
¹¹ Bottom Hole Location If Different From Surface

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.						

**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**

				¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature Donna Williams Printed Name Regulatory Compliance Title 7/10/96 Date
				¹⁸ 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 of Survey Signature and Seal of Professional Surveyer: Certificate Number

Delaware - Upper Zone



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⁴ Property Code 13136	⁵ Property Name Checkerboard '23' Federal	⁶ Well Number No. 2
⁷ OGRID No. 26485	⁸ Operator Name Meridian Oil Inc.	⁹ Elevation 3729'


¹⁰ Surface Location

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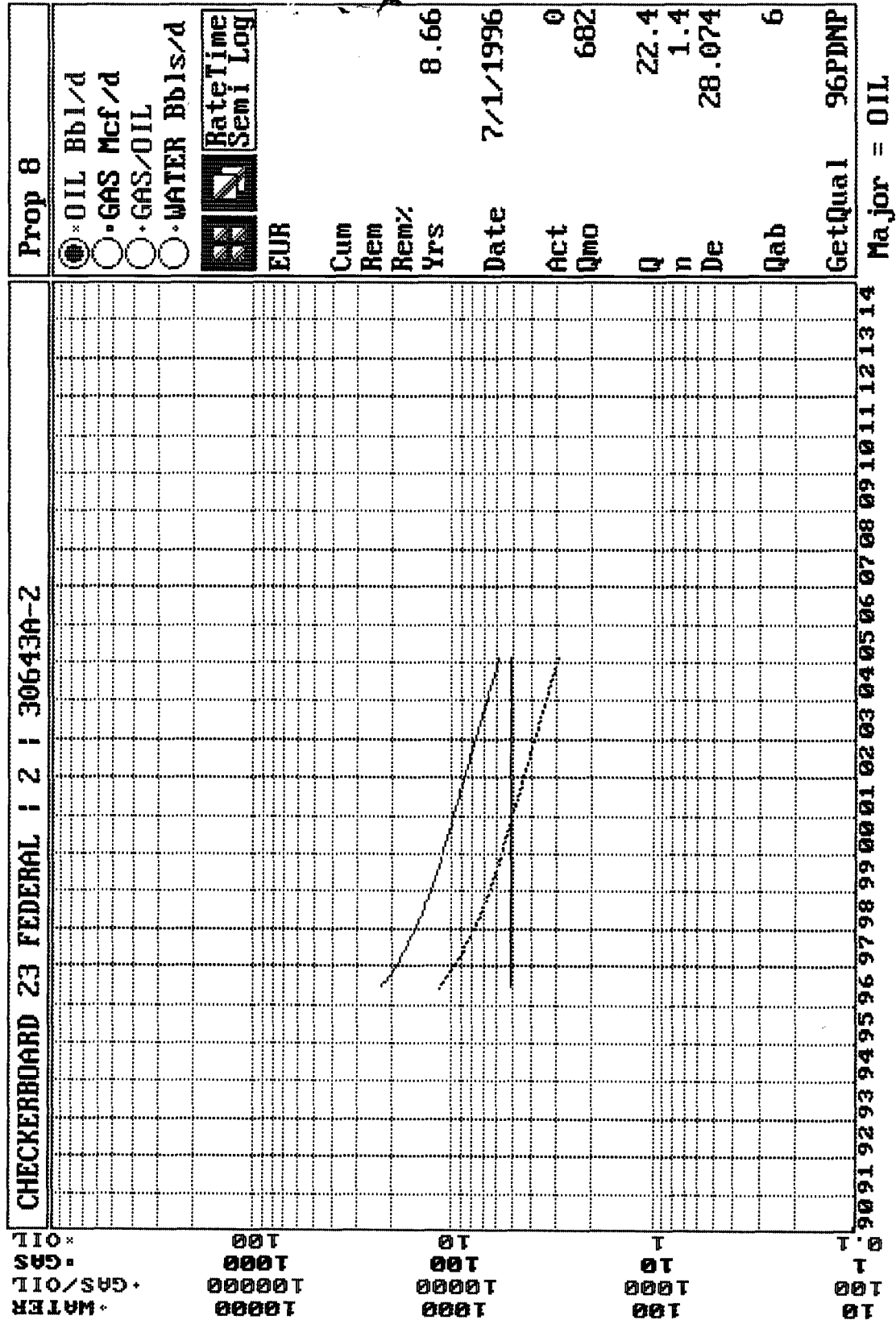
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Bone Spring - Lower Zone



MERIDIAN OIL INC.
APPLICATION FOR ADMINISTRATIVE APPROVAL
DOWNHOLE COMMINGLING
CHECKERBOARD '23' FEDERAL WELL NO. 2
LEA COUNTY, NEW MEXICO

Mobil Exploration & Production
Box 633
Midland, Texas 79702

Exxon Company, U.S. A.
Box 1600
Midland, Texas 79702

Pogo Producing Company
Box 10340
Midland, Texas 79702

C.W. Trainer
2972 Valley View Lane
Farmers Branch, Texas 75234