

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.

Shelly Doescher
Print or Type Name

Signature

Agent
Title

08/31/2015
Date

shelly_doescher@yahoo.com
e-mail Address

- DHC 4735-A
 - Breitburn operating, L
 370080
 - WCH
 - ENCONC in state of
 30-025-4232
 2015 AUG 31 P 1:15
 RECEIVED OGD
 ROW
 - Blinney Oil and
 Gas (oil)
 6660
 - Tubb Oil and Gas
 (oil) 60240
 - Drink and
 19150
 - Warrick 62700

July 28, 2015

Mr. Michael McMillan
New Mexico Oil Conservation Division
Engineering Bureau
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505

Re: Form C-107A: Application for Downhole Commingling
Breitburn Operating LP
Encore M State No. 18
API No. (30-025-42392)
870FSL & 2050 FEL
Section 20, T-22 South, R-37 East, NMPM
Lea County, New Mexico

Dear Mr. McMillan:

Attached is a C-107A application and attachments to downhole commingle the Blinebry Oil & Gas (Oil-6660), Drinkard (19190), Tubb Oil & Gas (Oil-60240), and Wantz-Abo (62700) Pools within Breitburn's Encore M State Well No. 18.

Please reference DHC-4703-A issued 07/31/2015, for the Encore M State No. 12 (API 30-025-41530) and DHC 4771 issued 07/31/2015, for the Encore M State No. 10 (API 30-025-41061). Given the close proximity of the Encore M State No. 18 to the Encore M State Nos. 12 and 10, supporting data for these wells will be used to establish an allocation of 25% for each zone as indicated on the attached C-107A.

Please note that the working, royalty and overriding royalty interest ownership in this well is common throughout. Consequently, notice of this application is not required to any interest owner. (See attached letter).

Approval of this application will afford Breitburn the opportunity to recover additional oil and gas reserves from the Blinebry Oil & Gas (Oil), Tubb Oil & Gas (Oil), Drinkard and Wantz;Abo Pools within the Encore M State No. 18 that may otherwise not be recovered, thereby preventing waste, and will not violate correlative rights.

If there should be any questions, please call me at 505-320-5682 or Jeannie McMillan, Regulatory Manager at 713-634-4696.

Sincerely,



Shelly Doescher

Agent

Breitburn Operating, LP



August 31, 2015

New Mexico Oil Conservation Division
Attn: Mr. Michael McMillan
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Re: DHC: Encore M State No. 18 & 19 wells
Ownership

Dear Mr. McMillan:

This letter is to clarify ownership in the referenced wells and should be included in the down hole commingle application for the above well.

The ownership is identical for all of the pools (zones) to be commingled: (Blinbry Oil & Gas (oil) (#6660); Drinkard (#19190); Wantz; Abo (#62700) and Tubb Oil and Gas Pool (#60240).

Thank you for your assistance in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Paul Aguirre', is written over a horizontal line.

Paul Aguirre
Landman
Breitburn Operating LP
5 Houston Center
1401 McKinney Street, Suite 2400
Houston, TX 77010

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

District II
811 S. First St., 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

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

Form C-107A
Revised August 1, 2011

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

APPLICATION FOR DOWNHOLE COMMINGLING

Breitbart Operating LP

1401 McKinney Street Houston, Texas 77002

Operator Address
Encore M State 018 Unit O, Section 20, T-22 South, R-37 East LEA

Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 370080 Property Code 314022 API No. 30-025-42392 Lease Type: ☐ Federal ☒ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE 1	INTERMEDIATE ZONE 2	LOWER ZONE
Pool Name	Blinebry Oil & Gas (Oil)	Tubb Oil & Gas (Oil)	Drinkard	Wantz-Abo
Pool Code	06660	60240	19190	62700
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5465' - 6079'	6079' - 6230	6230' - 6650'	6650' - 7100'
Method of Production (Flowing or Artificial Lift)	Artificial Lift	Artificial Lift	Artificial Lift	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)	Not Required	Not Required	Not Required	Not Required
Oil Gravity or Gas BTU (Degree API or Gas BTU)	38 Deg. API 1342 BTU	38 Deg. API 1342 BTU	38 Deg. API 1342 BTU	38 Deg. API 1342 BTU
Producing, Shut-In or New Zone	New Zone	New Zone	New Zone	New Zone
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.)	Estimated: 5 BOPD 16 MCFGD 10 BWPD	Estimated: 5 BOPD 16 MCFGD 10 BWPD	Estimated: 5 BOPD 16 MCFGD 10 BWPD	Estimated: 5 BOPD 16 MCFGD 10 BWPD 10 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 Gas Water 25% 25% 25%	Oil Gas Water 25% 25% 25%	Oil Gas Water 25% 25% 25%	Oil Gas Water 25% 25% 25%

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 ☐

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 the best of my knowledge and belief.

SIGNATURE Shelly Doescher TITLE: Agent DATE: August 31, 2015
Shelly Doescher TELEPHONE NO: (505) 320-5682 E-MAIL ADDRESS: shelly_doescher@yahoo.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 30-025-42392		² Pool Code 6660		³ Pool Name Blinebry Oil and Gas (OIL)	
⁴ Property Code 314022		⁵ Property Name M State			⁶ Well Number 18
⁷ OGRID No. 370080		⁸ Operator Name Breitburn Operating LP			⁹ Elevation 3373'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	20	22 S	37 E		870'	South	2050'	East	Lea

¹¹Bottom 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 N		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.

	<p>¹⁷OPERATOR CERTIFICATION</p> <p>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><i>Jeanie McMillan</i> 2/3/15 Signature Date</p> <p>Jeanie McMillan Printed Name</p> <p>jeaniemcmillan@breitburn.com E-mail Address</p>
	<p>¹⁸SURVEYOR 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>12-17-2014 Date of Survey</p> <p><i>Michael L. Stanford</i> Signature and Seal of Professional Surveyor</p> <p>10324 Certificate Number</p>

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

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-42392	² Pool Code 60240	³ Pool Name TUBB OIL and GAS (Oil)
⁴ Property Code 314022	⁵ Property Name M State	⁶ Well Number 18
⁷ OGED No. 370080	⁸ Operator Name Breitburn Operating LP	⁹ Elevation 3373'

¹⁰Surface Location

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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	<p>¹⁸SURVEYOR 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>12-17-2014 Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p><i>Michael L. Stanford</i> 10324 Certificate Number</p>

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Santa Fe, NM 87505

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Revised August 1, 2011
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District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-42392		² Pool Code 19190	³ Pool Name Drinkard
⁴ Property Code 314022	⁵ Property Name M State		⁶ Well Number 18
⁷ GRID No. 370080	⁸ Operator Name Breitburn Operating LP		⁹ Elevation 3373'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	20	22 S	37 E		870'	South	2050'	East	Lea

¹¹Bottom 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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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>¹⁷OPERATOR CERTIFICATION</p> <p>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><i>Jeanie McMillan</i> 2/5/15 Signature Date</p> <p>Jeanie McMillan Printed Name</p> <p>jeaniemcmillan@breitburn.com E-mail Address</p>
	<p>¹⁸SURVEYOR 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>12-17-2014 Date of Survey</p> <p><i>Michael L. Stanford</i> Signature and Seal of Professional Surveyor</p> <p>10324 Certificate Number</p>

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1API Number 30-025-42392		2Pool Code 62700		3Pool Name WANTZ; ABO	
4Property Code 314022		5Property Name M State			6Well Number 18
7UGRID No. 370080		8Operator Name Breitburn Operating LP			9Elevation 3373'

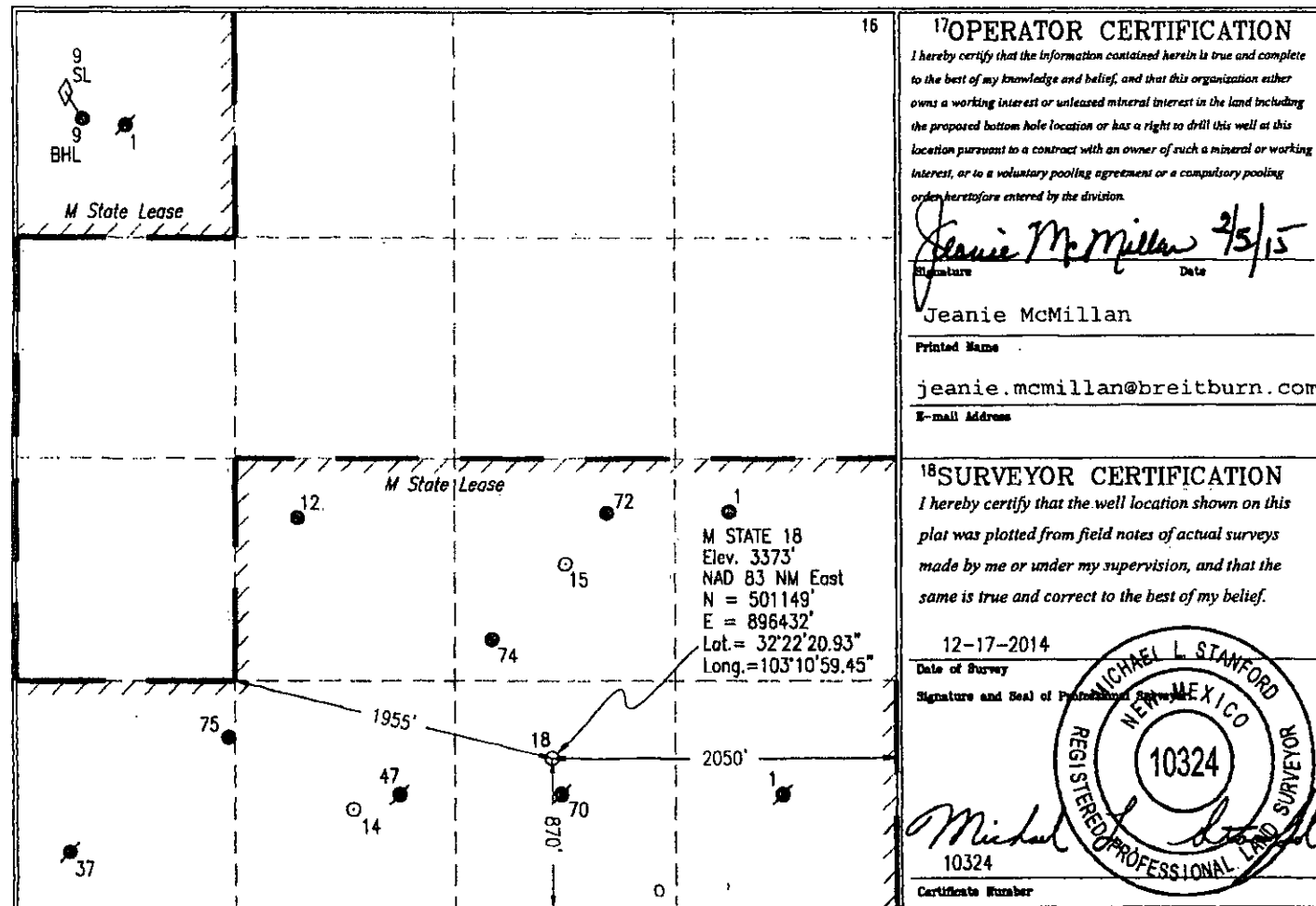
¹⁰Surface Location

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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11Bottom Hole Location If Different From Surface

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¹³ Dedicated Acres 40	¹⁴ Joint or Infill N	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.



State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



Administrative Order DHC-4735

Order Date: February 20, 2015

Application Reference Number: pMAM1504360295

Breitbart Operating LP
600 Travis Street, Suite 4800
Houston, Tx. 77002

Attention: Ms. Jeanie McMillan

Encore M State Well No. 18
API No. 30-025-42392
Unit O, Section 20, Township 22 South, Range 37 East NMPM
Lea County, New Mexico

Pool	BLINEBRY OIL AND GAS (OIL)	Oil (6660)
Names:	DRINKARD	Oil (19190)
	WANTZ;ABO	Oil (62700)

Reference is made to your recent application for an exception to Division Rule 19.15.12.9A. NMAC of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.

It appears that the subject well qualifies for approval for such exception pursuant to the provisions of Division Rule 19.15.12.11A. NMAC, and since reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with Division Rule 19.15.12.11A.(6) NMAC, the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

As per the application, the assignment of allowable and allocation of oil production from the subject well shall be based on the analysis of the historical production from surrounding wells in the same pools.

Assignment of allowable and allocation of production from the well shall be as follows:

BLINEBRY OIL AND GAS (OIL) POOL	Pct. Oil: 33 1/3	Pct. Gas: 33 1/3
DRINKARD POOL	Pct. Oil: 33 1/3	Pct. Gas: 33 1/3
WANTZ;ABO POOL	Pct. Oil: 33 1/3	Pct. Gas: 33 1/3

It is also understood that notice of this application, pursuant to Division Rule 19.15.4.12A.(6), is not required since the interest ownership between the zones to be commingled is common throughout.

REMARKS: The operator shall notify the Division's District I office upon implementation of commingling operations.

This Order is subject to like approval from the New Mexico State Land Office.

Pursuant to Division Rule 19.15.12.11B. NMAC, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.



David R. Catanach
Director

DRC/mam

cc: New Mexico Oil Conservation Division – Hobbs
New Mexico State Land Office – Oil, Gas, and Minerals