

DISTRICT I

P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II

811 South First St., Artesia, NM 88210-2835

DISTRICT III

1000 Rio Brazos Rd, Aztec, NM 87410-1693

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 Dugan Production Corp. Address P.O. Box 420, Farmington, NM 87499Lease KR No. 6 Well No. N-19-T27N-R13W Unit Ltr. - Sec - Twp - Rge San Juan CountyOGRID NO. 006515 Property Code 003736 API NO. 30 045 22691 Spacing Unit Lease Types: (check 1 or more)
Federal X State ___ Land/for Fee ___

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Basin Fruitland Coal - 71629		WAW FR Sand PC 87190
2. Top and Bottom of Pay Section (Perforations)	1314-25'		1339-46'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a. (Current) b. (Original) 200 Est.	a. b.	a. 121 b. 251
6. Oil Gravity (°API) or Gas BTU Content			
7. Producing or Shut-In?	Not yet completed		Producing
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: Rates: Date: Rates: 0/1/0 Est.	Date: Rates: Date: Rates:	Date: Rates: Date: 8/96 Rates: 0/3/0
8. Fixed Percentage Allocation Formula - % for each zone	Oil: % Gas: 25 %	Oil: % Gas: %	Oil: % Gas: 75 %

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? X Yes ___ No
If not, have all working, overriding, and royalty interests been notified by certified mail? X Yes ___ No
Have all offset operators been given written notice of the proposed downhole commingling? X Yes ___ No
11. Will cross-flow occur? ___ Yes X 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? X Yes ___ No
13. Will the value of production be decreased by commingling? ___ Yes X 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. X Yes ___ No
15. NMOCD Reference Cases for Rule 303(D) 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.

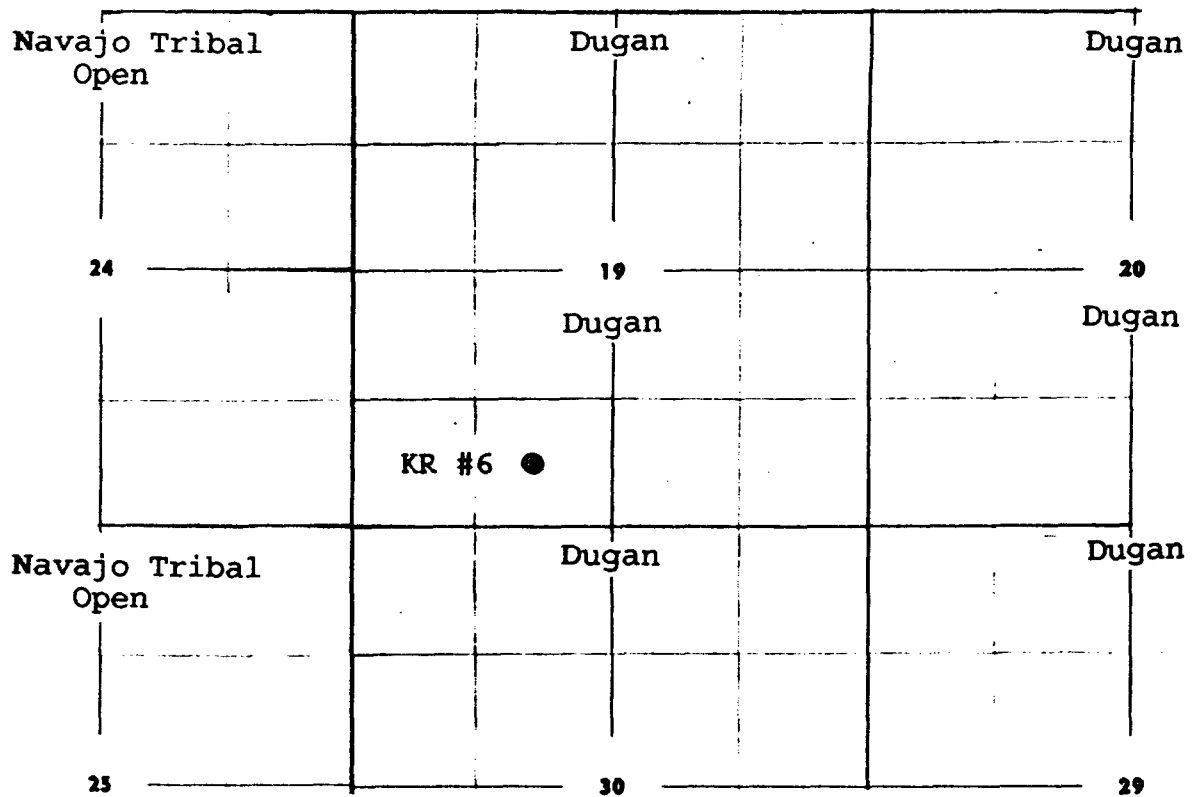
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE [Signature] TITLE Operations Manager/
Petroleum Engineer DATE 10/24/96TYPE OR PRINT NAME Gary Brink TELEPHONE NO. (505) 325-1821

Application For Downhole Commingling
Offsetting Operators
Basin Fruitland Coal-WAW Fruitland Sand PC
Dugan Production Corp.

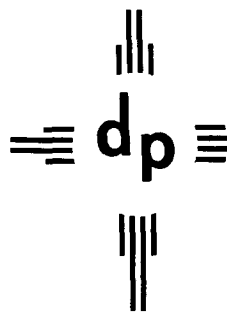
KR #6

Unit N, Sec. 19, T 27 N, R 13 W
San Juan Co. N.M.

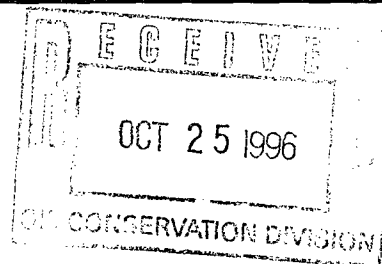


DHC 11/14/96

1402



dugan production corp.



October 24, 1996

Mr. Bill LeMay, Director
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

**Re: Application for Administrative Approval to Downhole Commingle
Dugan Production Corp's KR #6
Unit N, Section 19, T-27N, R-13W
Basin Fruitland Coal and WAW Fruitland Sand PC
San Juan County, NM**

Dear Mr. LeMay,

Attached please find our application for administrative approval to complete the Basin Fruitland Coal, fracture stimulate it along with the Pictured Cliffs and downhole commingle the production within the existing WAW Fruitland Sand PC wellbore in our KR #6 well.

Production decline curves and C-102s for each zone, Form C-107A and a map showing all offsetting operators are attached.

A copy of the application is being submitted to all offset operators by certified mail.

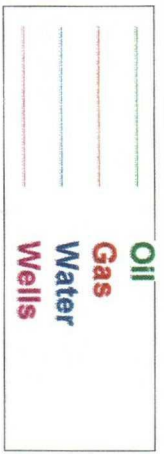
Sincerely,

Gary Brink
Operations Manager

GWB/cg

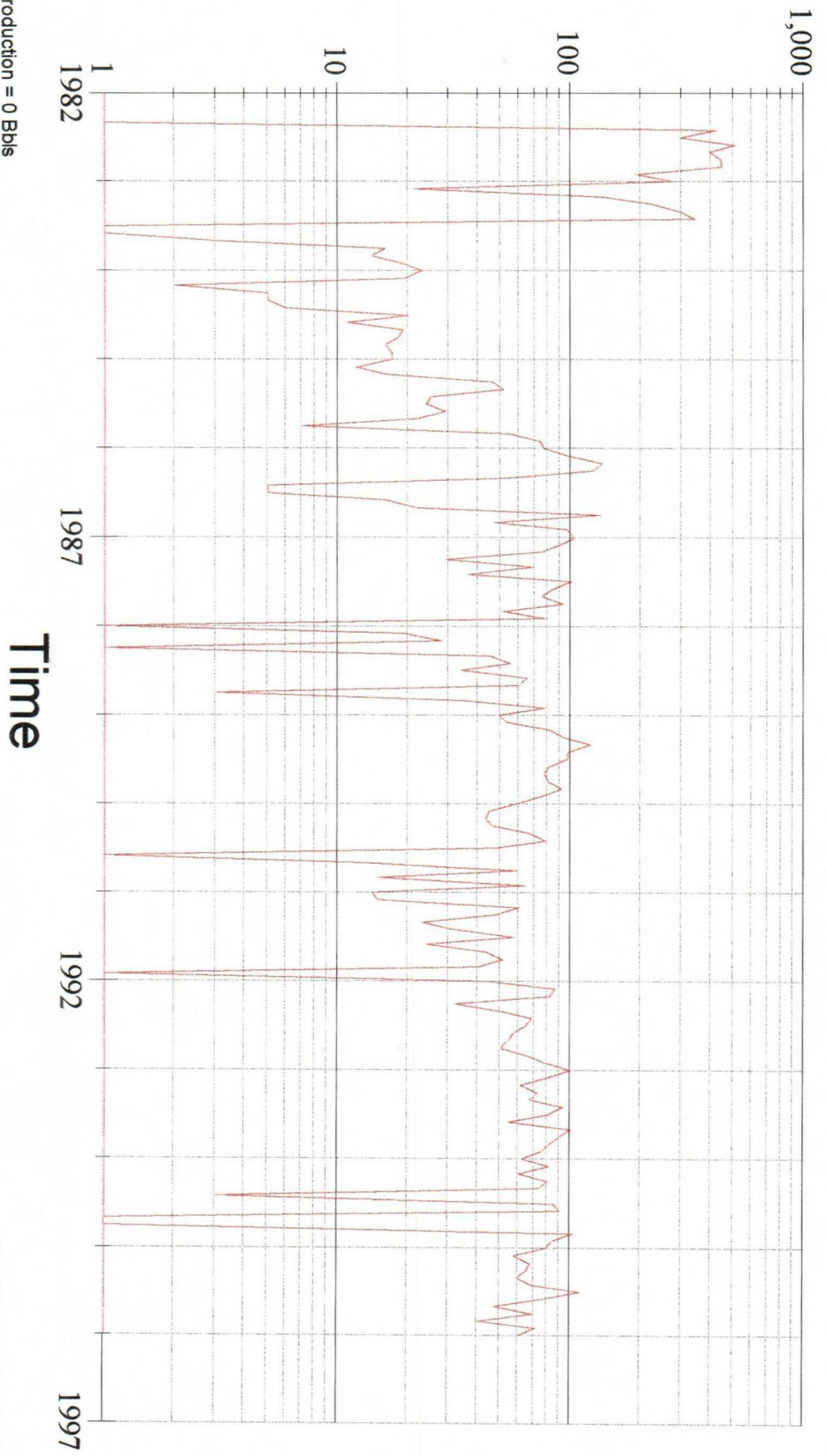
encs.

cc: NMOCD, Aztec
BLM, Farmington
Navajo Nation, Window Rock

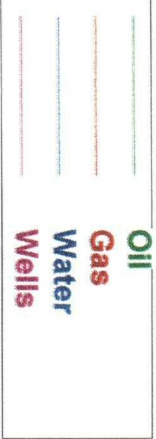


Field: WAW
 Lease: K R | Well #6
 Operator: DUGAN PRODUCTION CORPORATION
 Production Rate vs Time
 For the Period 06/1982 to 01/1996 | API: 30045226910000

BBI/Mo or Mcf/Mo

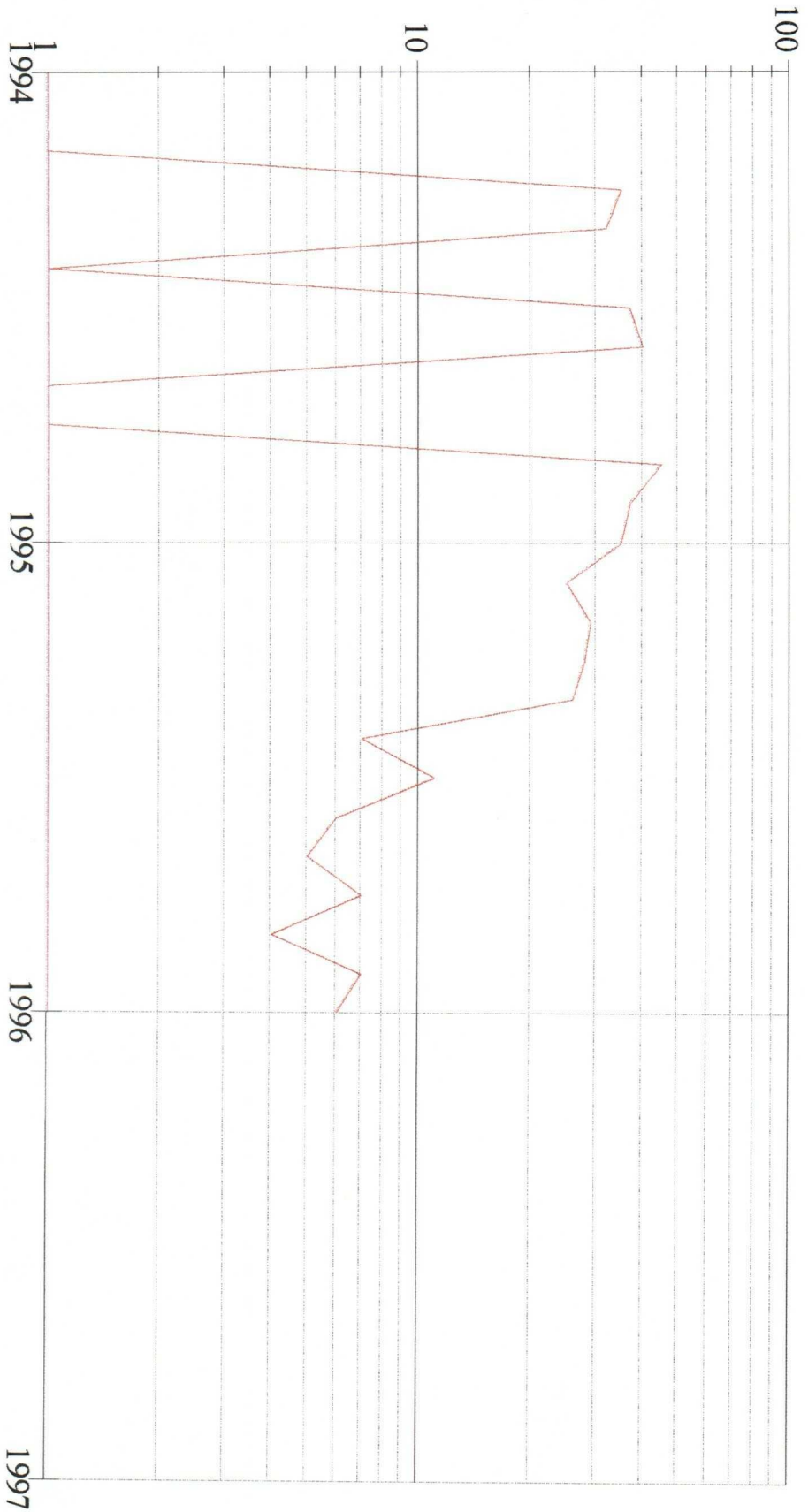


Reported Oil Production = 0 Bbls
 Reported Gas Production = 11,883 Mcf
 Reported Water Production = 0 Bbls



Field: BASIN
 Lease: K R | Well #4
 Operator: DUGAN PRODUCTION CORPORATION
 Production Rate vs Time
 For the Period 04/1994 to 01/1996 | API: 30045226940000

BBI/Mo or Mcf/Mo



Reported Oil Production = 0 Bbls
 Reported Gas Production = 423 Mcf
 Reported Water Production = 0 Bbls

District I
PO Box 1988, Hobbs, NM 88241-1988
District II
PO Drawer DD, Artesia, NM 88211-4719
District III
1600 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 1994
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 30 045 22691		2 Pool Code 71629		3 Pool Name Basin Fruitland Coal	
4 Property Code 003736		5 Property Name KR			6 Well Number 6
7 OGRID No. 006515		8 Operator Name Dugan Production Corp.			9 Elevation 6137' GL

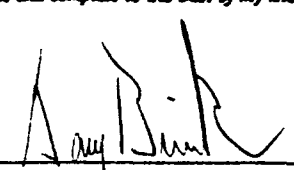
10 Surface Location

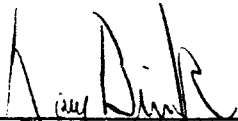

UL or lot no. N	Section 19	Township 27N	Range 13W	Lot Ida	Feet from the 990	North/South line South	Feet from the 1850	East/West line West	County San Juan
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11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
12 Dedicated Acres 344.64		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 Gary Brink Printed Name Operations Manager Title 10/24/96 Date	
Sec. 19 (688.64 AC.)				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. August 7, 1977 Date of Survey Signature and Seal of Professional Surveyer: Original plat signed by EV Echohawk, L.S. 3602 Certificate Number	
1850' Dugan Prod. NM 11580 1584'				990'	

16				<p>17 OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p><u></u></p> <p>Signature _____</p> <p><u>Gary Brink</u></p> <p>Printed Name _____</p> <p><u>Operations Manager</u></p> <p>Title _____</p> <p><u>10/24/96</u></p> <p>Date _____</p>
				<p>18 SURVEYOR CERTIFICATION</p> <p><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></p> <p><u>August 7, 1977</u></p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor: _____</p> <p><u>Original plat signed by</u></p> <p><u>EV Echohawk, L.S.</u></p> <p><u>3602</u></p> <p>Certificate Number _____</p>
<p>Dugan Prod. NM 11580 1850'</p> <p></p> <p>990'</p> <p>1584'</p>	<p>Sec. 19 (688.6 AC.)</p>			