

4/7/06

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

WVS
State of New Mexico
Energy, Minerals and Natural Resources Department

PWTJ0610050712

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

2006 APR 7 PM 12 53 APPLICATION FOR DOWNHOLE COMMINGLING

DHC-3688

Range Operating New Mexico, Inc. 777 Main St., Ste. 800, Fort Worth, TX 76102
Operator Address

Elliott B Federal 16 H-7-22S-37E Lea
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 227588 Property Code 301545 API No. 30-025-37675 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Penrose-Skelly Grayburg		Eunice; San Andres, Southwest
Pool Code	50350		24180
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	3720-3809		3886-3809
Method of Production (Flowing or 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)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)	36.0		36.0
Producing, Shut-In or New Zone	Producing		Producing
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: 3-16-06 Rates: .9/5/591	Date: Rates:	Date: 3-16-06 Rates: .1/5/66
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 90 % 50 %	Oil Gas % %	Oil Gas 10 % 50 %

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: DHC-3633

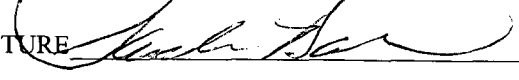
- Attachments:
- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
 - Production curve for each zone for at least one year. (If not available, attach explanation.)
 - For zones with no production history, estimated production rates and supporting data.
 - Data to support 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  TITLE Sr. Reg. Sp. DATE 4-06-06

TYPE OR PRINT NAME Paula Hale TELEPHONE NO. (817) 810-1916

E-MAIL ADDRESS phale@rangeresources.com

Jones, William V., EMNRD

From: Paula Hale [PHale@rangeresources.com]
Sent: Monday, April 10, 2006 10:53 AM
To: Jones, William V., EMNRD
Subject: RE: DHC applications

The perms for the Elliott B Federal #16 are as follows:

Penrose-Skelly Grayburg	3720 – 3809
San Andres	3886 – 3809

Cole State #7 – Yes, I intend to send the allocation percentages are the well is completed on a form C-103.

I am citing DHC-3633 as a reference case because I thought we were supposed to cite a case that had already been approved for the same zones. Neither of these are amendments to existing DHC permits.

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]
Sent: Monday, April 10, 2006 11:41 AM
To: Paula Hale
Cc: Duran-Saenz, Theresa, EMNRD; Ezeanyim, Richard, EMNRD
Subject: DHC applications

Hello Paula Hale:

We received your DHC applications for the Elliot B Federal #17 and for the Cole State #7.

Would you please:

- 1) Send the perforation depths for the Elliot well.
- 2) For the Cole State well, let me know if you intend to send the allocation percentages after completion of the new zone?
- 3) Why are you citing the DHC-3633 as the reference case for both of these? are either of these amendments to existing DHC permits?

Regards,

William V. Jones PE

Engineering Bureau

Oil Conservation Division

Santa Fe

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4/10/2006