

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 87440

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-6429

DHC 3/30/99
Form C-107-A
New 3-12-96

APPROVAL PROCESS:

X Administrative Hearing

EXISTING WELLBORE

X YES NO

MAR 10 1999

APPLICATION FOR DOWNHOLE COMMINGLING

FOUR STAR OIL AND GAS COMPANY

3300 N. Butler Ave, Ste100

Farmington

NM

87401

Operator

JOHN CHARLES

7

N

Address

13

T27N

R09W

SAN JUAN

Lease

Well No.

Unit Ltr. - Sec - Twp - Rge

County

Spacing Unit Lease Types: (check 1 or more)

OGRID No.

131994

Property Code

API No.

3004506445

Federal X

State

(and/or) Fee

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	CHACRA		MESA VERDE
2. Top and Bottom of Pay Section (Perforations)	2933-3225 (PROPOSED)		4290-4385
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) OFFSET PRODUCER 255# SHUT IN SURFACE b. (Original)	a. b.	a. 449# SHUT IN SURFACE b.
6. Oil Gravity (*API) or Gas BTU Content	1158 BTU (OFFSET PD)		1324 BTU
7. Producing or Shut-in ?	NOT OPEN CURRENTLY		PRODUCING
Production Marginal? (yes or no)			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	Date: Rates:	Date: Rates:	Date: Rates:
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: Rates: O/G/W	Date: Rates:	Date: 1/20/99 Rates: 0/102/0 O/G/W
8. Fixed Percentage Allocation Formula - % for each zone *	Oil: % Gas: % 50 %	Oil: % Gas: % % %	Oil: % Gas: % % 50 %

* ALLOCATION PERCENTAGE WILL BE BASED ON PRODUCTION TEST DURING WORKOVER.

9. If allocation formula is based upon something other than current or past production, or is based on 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? 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 compayable, will formations not be damaged, will any cros 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 all working, overriding, and royalty interest 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

Rached Hindi

Title

Senior Engineer

Date

3/10/99

TYPE OR PRINT NAME Rached Hindi

Telephone

325-4397

DISTRICT I

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

DISTRICT II

P.O. Box Drawer DD, Artesia, NM 88211-0719

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

P.O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

Form C-102

Revised February 10, 1999

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copie

Fee Lease - 3 Copie

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 3004506445	² Pool Code 72319	³ Pool Name BLANCO MESA VERDE
⁴ Property Code	⁵ Property Name JOHN CHARLES	⁶ Well No. 7
⁷ OGRID Number 131994	⁸ Operator Name FOUR STAR OIL AND GAS COMPANY	⁹ Elevation GL 6006

¹⁰ Surface Location

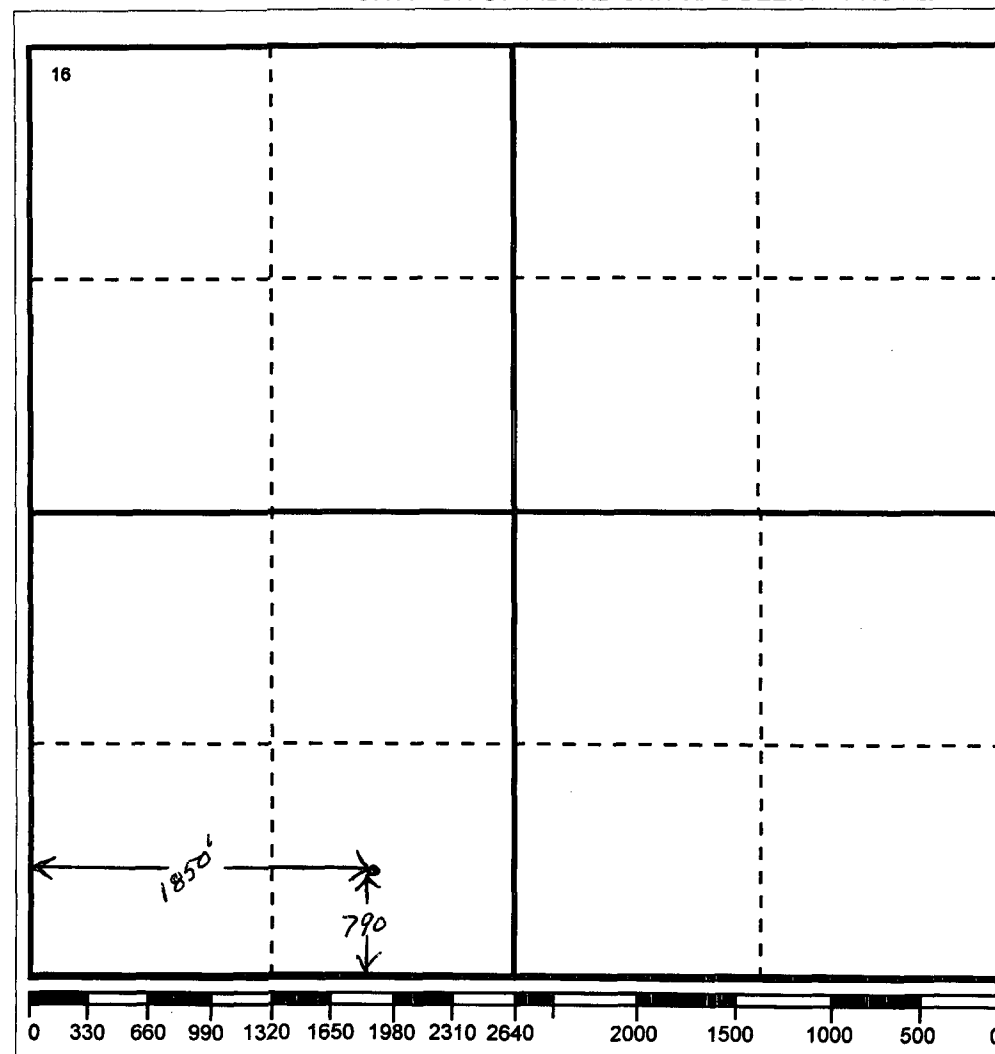
UI or lot no N	Section 13	Township T27N	Range R09W	Lot.Idn	Feet From The 790	North/South Line SOUTH	Feet From The 1850	East/West Line WEST	County SAN JUAN
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¹¹ Bottom Hole Location If Different From Surface

UI 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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¹² Dedicated Acre 320	¹³ Joint or Infill No	¹⁴ Consolidation Code	¹⁵ Order No.
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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



17 OPERATOR CERTIFICATION

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

Signature

Rached Hindi

Printed Name

Rached Hindi

Positio

Senior Engineer

Date

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 knowledge and belief.

Date Surveyed

Signature & Seal of
Professional Surveyor

Certificate No.

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Form C-102

Revised February 10, 1999

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Fee Lease - 3 Copies

☐ AMENDED REPORT**WELL LOCATION AND ACREAGE DEDICATION PLAT**

¹ API Number 3004506445	² Pool Code 72319	³ Pool Name OTERO CHACRA
⁴ Property Code	⁵ Property Name JOHN CHARLES	⁶ Well No. 7
⁷ OGRID Number 131994	⁸ Operator Name FOUR STAR OIL AND GAS COMPANY	⁹ Elevation GL 6006

¹⁰ Surface Location

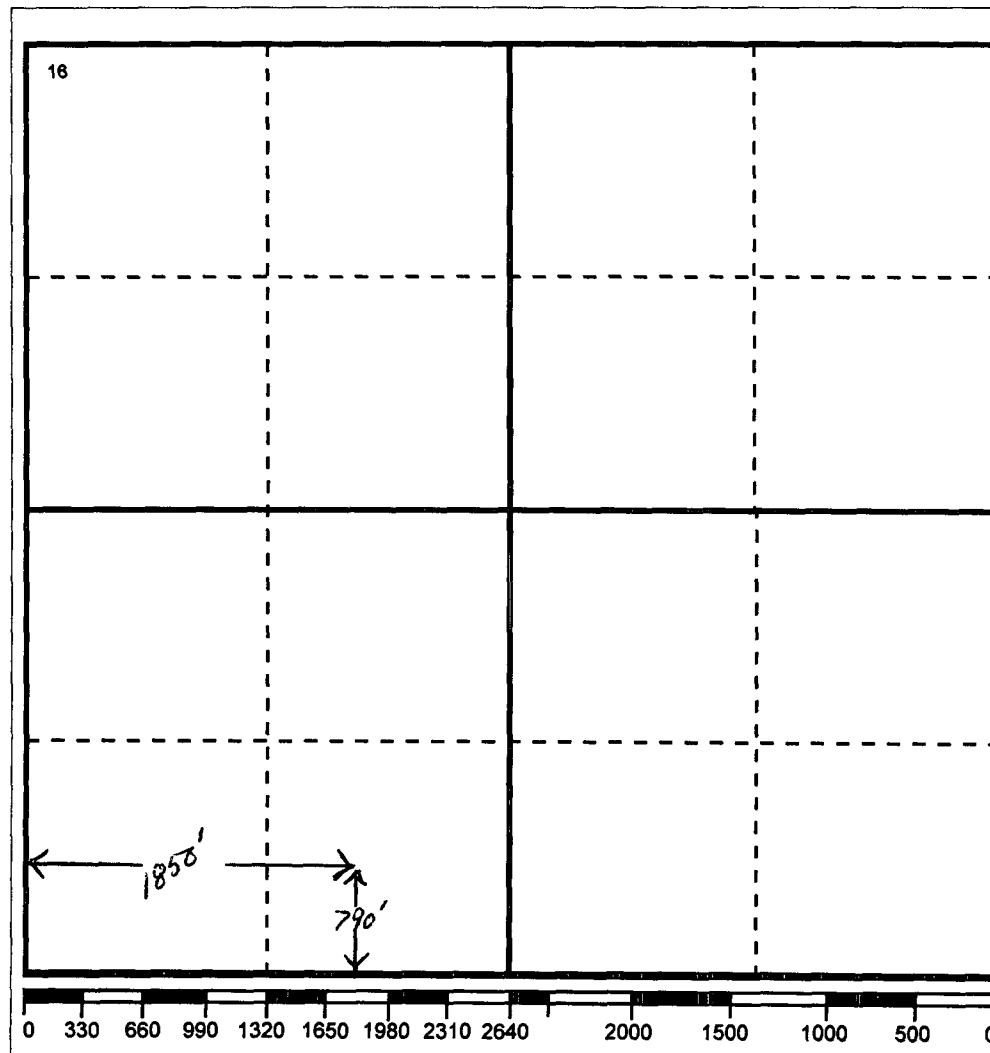
Ul or lot no N	Section 13	Township T27N	Range R09W	Lot.Idn	Feet From The 790	North/South Line SOUTH	Feet From The 1850	East/West Line WEST	County SAN JUAN
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¹¹ Bottom Hole Location If Different From Surface

Ul or lot no	Section	Township	Range	Lot.Idn	Feet From The	North/South Line	Feet From The	East/West Line	County
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¹² Dedicated Acre 160	¹³ Joint or Infill No	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**

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Signature

Rached Hindi

Printed Name

Rached Hindi

Positio

Senior Engineer

Date

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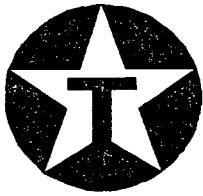
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

Signature & Seal of

Professional Surveyor

Certificate No.



7/21/98

JOHN CHARLES No. 7 CURRENT COMPLETION

LOCATION:

790' FSL & 1850' FWL
SE/SW, Sec. 13, T27N, R9W
San Juan County

SPUD DATE: 5/06/60

ELEVATION: KB - 6018'
GL - 6006'

FORMATION TOPS:

Mesa Verde 3583'
Pt. Lookout 4238'
M. Gallup 5578'
L. Gallup 5740'
Sanostee 5923'
Greenhorn 6273'
Graneros 6332'
I Dakota 6373'
II Dakota 6411'
III Dakota 6500'
IV Dakota 6627'

Pt. LOOKOUT (MV) PERFS:

4290'-4334' (44') 176 Holes
4340'-54' (14') 56 Holes
4360'-72' (12') 48 Holes
4375'-85' (10') 40 Holes

6-15-60 Frac w/ 60,000# 20-40 Sand
& 51,293 gals water. AVG IR 71.4 bpm
BDP 1700#, MAX 1850#

6-29-60 Tested (3 hrs) MV (4290'-4386')
3140 MCFD, CAOF 4000 MCFD

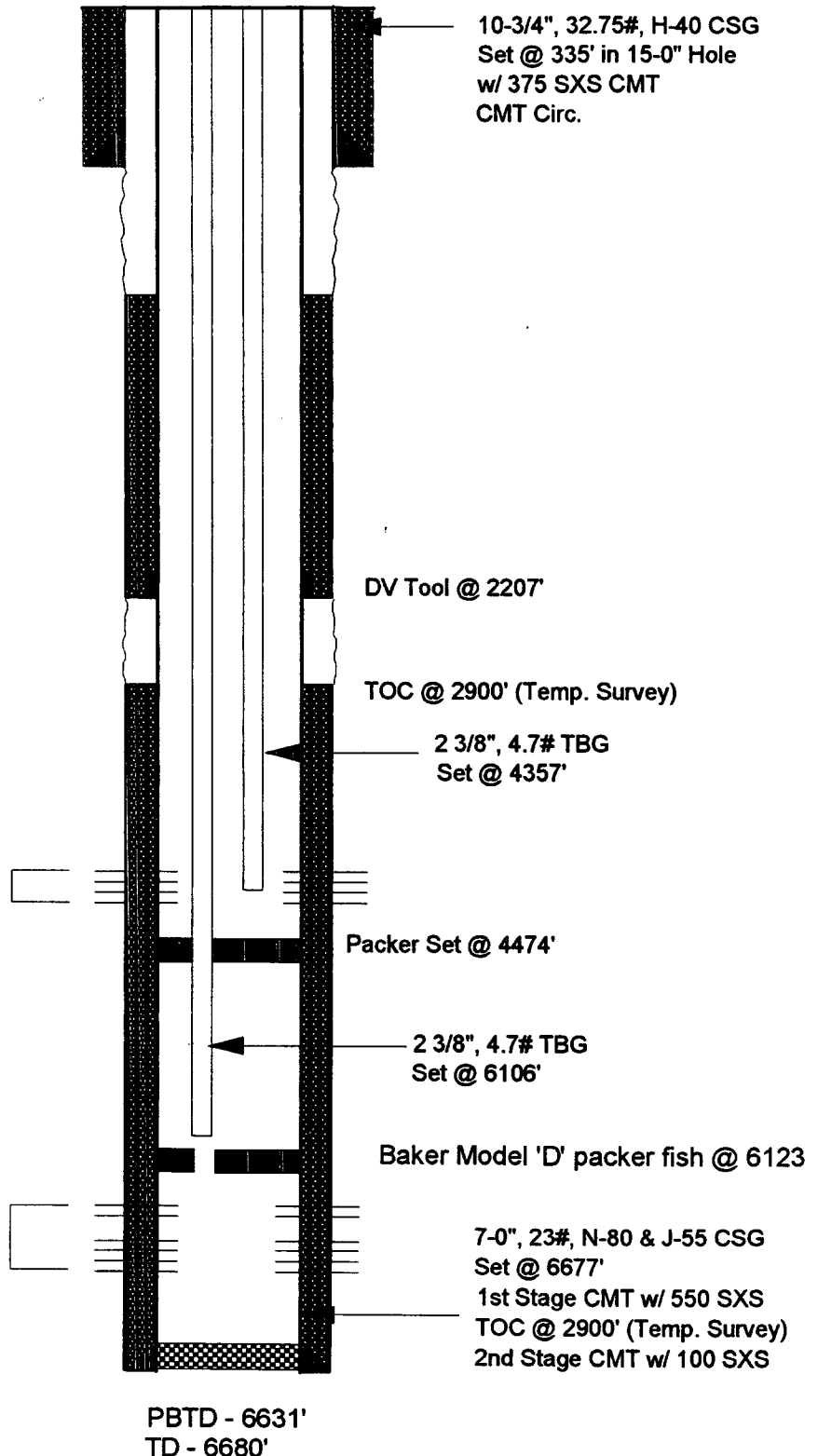
DAKOTA PERFS:

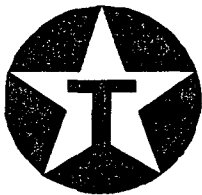
Dakota I 6374'-90' (16') 64 Holes
Dakota II 6450'-56' (6') 24 Holes
Dakota II 6464'-80' (16') 64 Holes

6-09-60 Frac Dakota II (6450'-80')
w/ 20,000# 40-60 Sand & 27,105 gals Crude Oil
BDP 4000#-2800#, AVG IR 8.2
bpm

6-11-60 Frac Dakota I (6374'-90')
w/ 20,000# 40-60 Sand & 26,100 gals Crude Oil
BDP 3700#, AVG IR 8 bpm

7-01-60 Tested (3 hrs) Dakota (6374'-6480')
950 MCFD, CAOF 985 MCFD





7/21/98

JOHN CHARLES No. 7 PROPOSED CHACRA COMPLETION

LOCATION:

790' FSL & 1850' FWL
SE/SW, Sec. 13, T27N, R9W
San Juan County

SPUD DATE: 5/06/60

ELEVATION: KB - 6018'
GL - 6006'

FORMATION TOPS:

Mesa Verde 3583'
Pt. Lookout 4238'
M. Gallup 5578'
L. Gallup 5740'
Sanostee 5923'
Greenhorn 6273'
Graneros 6332'
I Dakota 6373'
II Dakota 6411'
III Dakota 6500'
IV Dakota 6627'

PROPOSED CHACRA INTERVAL:

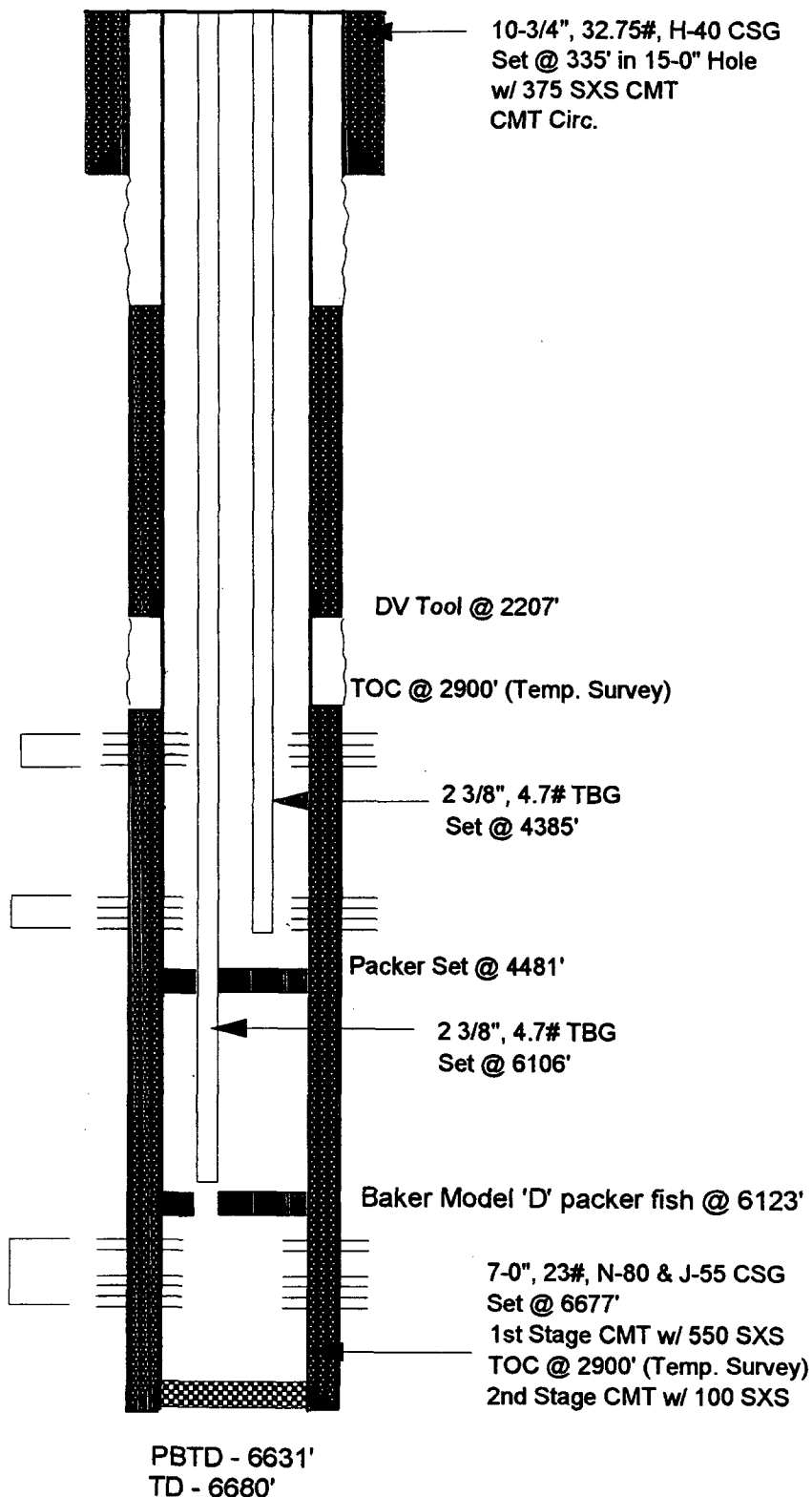
2933' - 43, 2952' - 60
2982' - 92, 3102' - 10
3115' - 25

PT. LOOKOUT (MV) PERFS:

4290'-4334' (44') 176 Holes
4340'-54' (14') 56 Holes
4360'-72' (12') 48 Holes
4375'-85' (10') 40 Holes

DAKOTA PERFS:

Dakota I 6374'-90' (16') 64 Holes
Dakota II 6450'-56' (6') 24 Holes
Dakota II 6464'-80' (16') 64 Holes



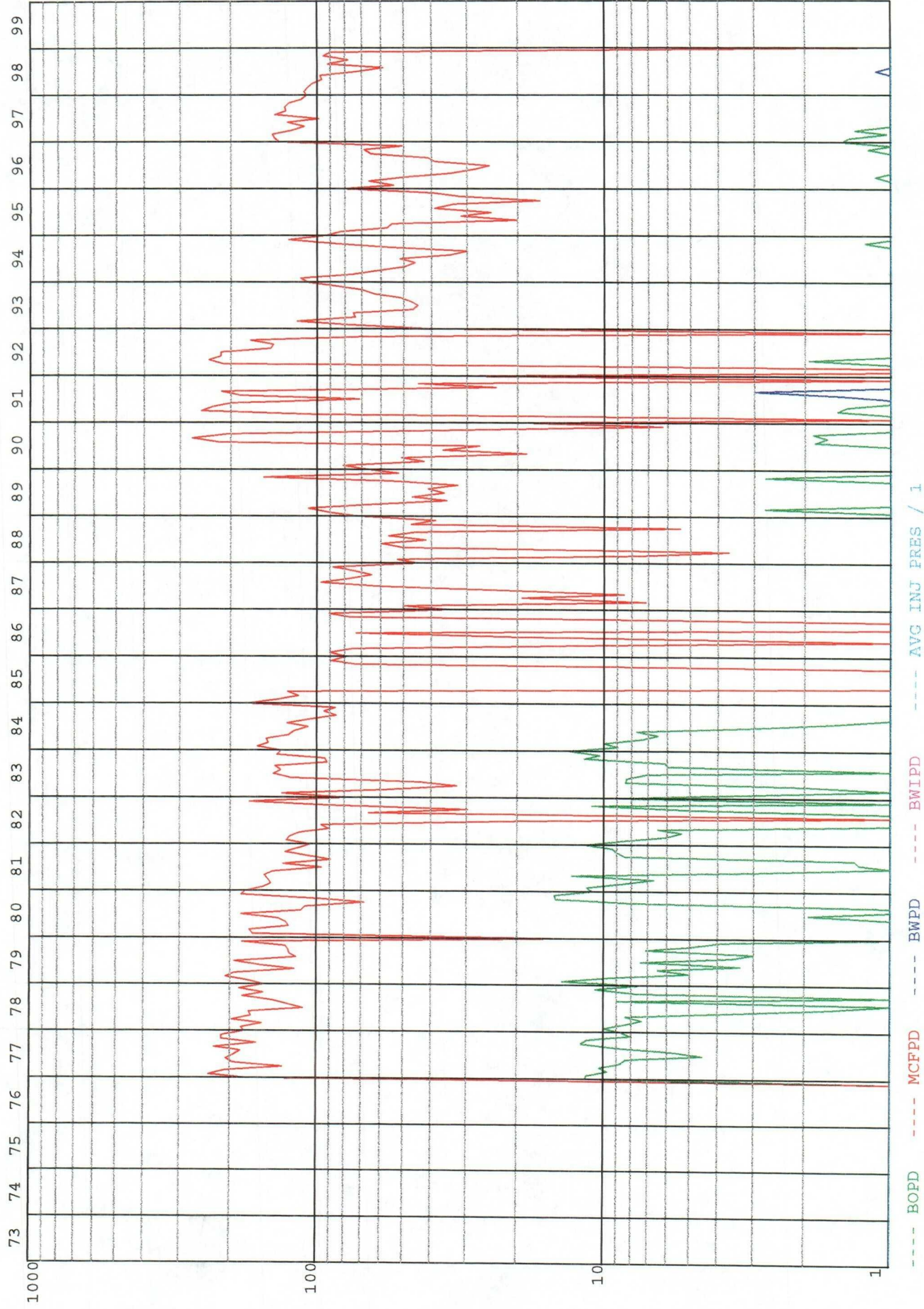
John Charles #7
SE/SW, Sec. 13, T27N, R9W
San Juan County, New Mexico

The subject well has marginal economics due to the low gas production. The Mesa Verde and Dakota formations are currently producing. It has been identified that the Chacra formation is a potential producing horizon in the subject well and will improve the economics.

Commingling the Mesa Verde and the Chacra after the Chacra formation is opened will allow both formations to produce resulting in longer life of the well and increased potential reserve recovery.

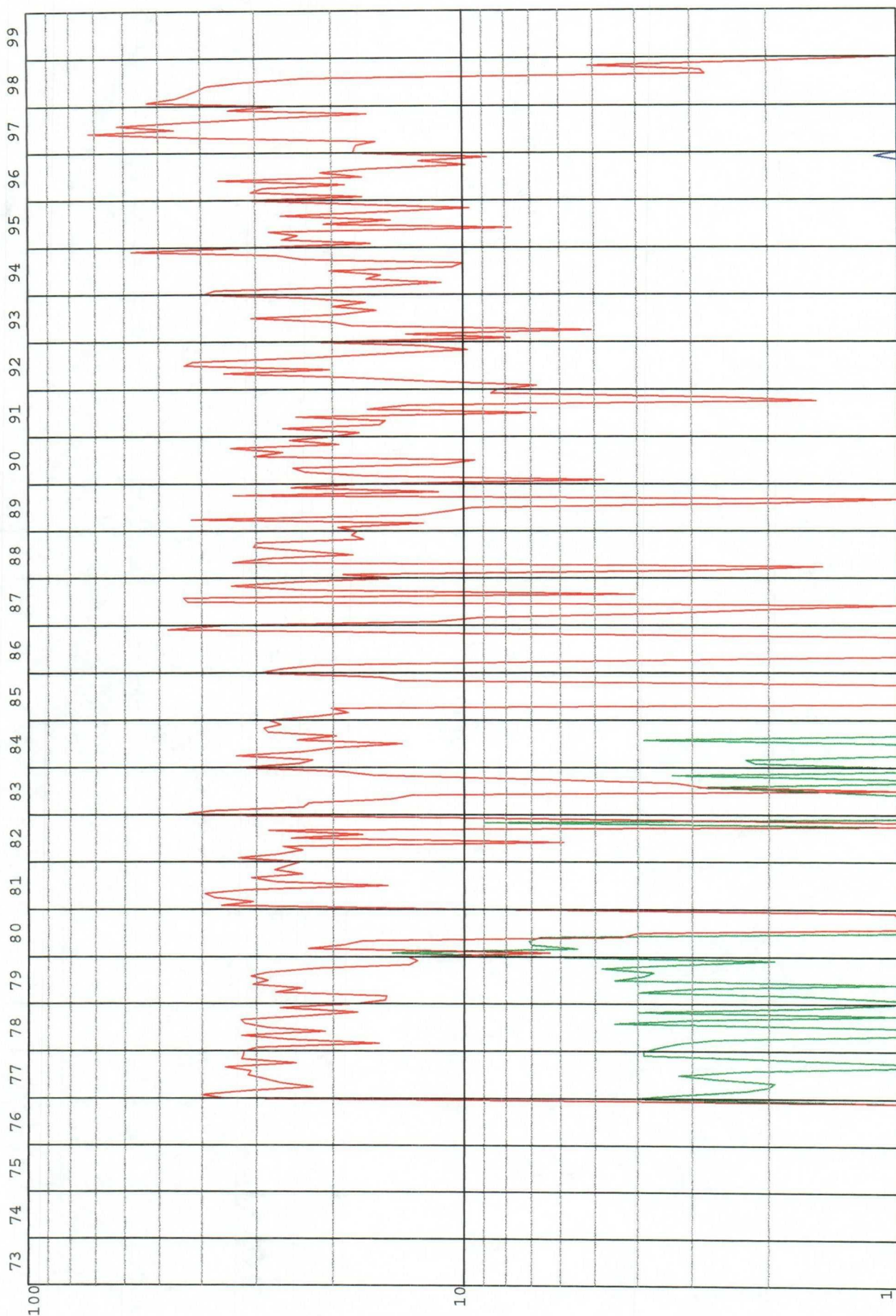
LEASE NAME: CHARLES, JOHN
TEX_WELL_NO: 7
CURR_LSE_NO: 017692

RSVR: MV
REG_FLD: 72319



CURRENT CUMS: OIL: 28,512 bbl GAS: 2,608,956 mcf WTR: 1,566 bbl WINJ: 0 bbl

LEASE_NAME: CHARLES, JOHN
 TEX_WELL_NO: 7
 CURR_LSE_NO: 017692
 RSVR: DAKOTA
 REG_FLD: 71599

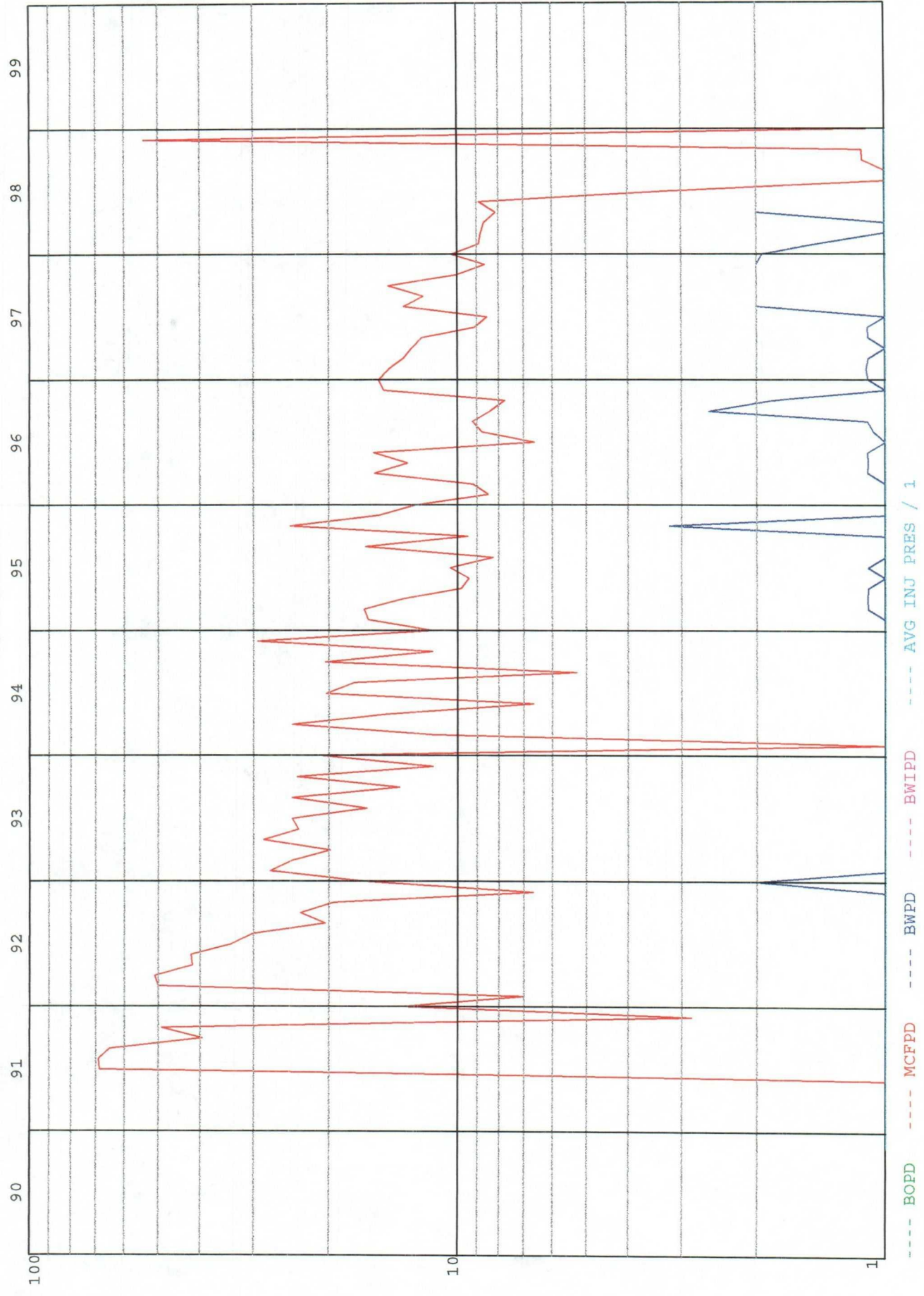


--- BOPD --- MCFPD --- BWPD --- AVG INJ PRES / 1
 CURRENT CUMS: OIL: 9,717 bbl GAS: 422,119 mcf WTR: 2,355 bbl WINJ: 0 bbl

D A I L Y R A T E

OFFSET WELL

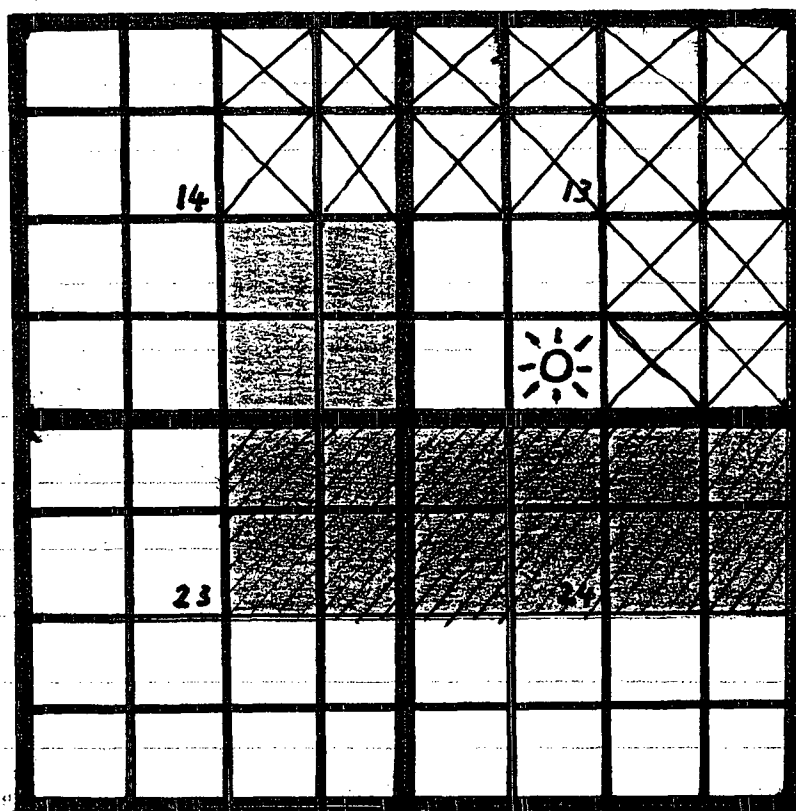
LEASE_NAME: CHARLES, JOHN RSVR: CHACRA
TEX_WELL_NO: 6A REG_FLD: 82329
CURR_LSE_NO: 017692



CURRENT CUMS: OIL: 0 bbl GAS: 49,394 mcf WTR: 1,885 bbl WINJ: 0 bbl

D A I L Y R A T E

T-27N, R-9W, SAN JUAN COUNTY, NEW MEXICO



JOHN CHARLES #7

CHACRA FORMATION OFFSET OPERATORS:



FOUR STAR OIL & GAS COMPANY
P.O. BOX 2100
DENVER, CO 80201

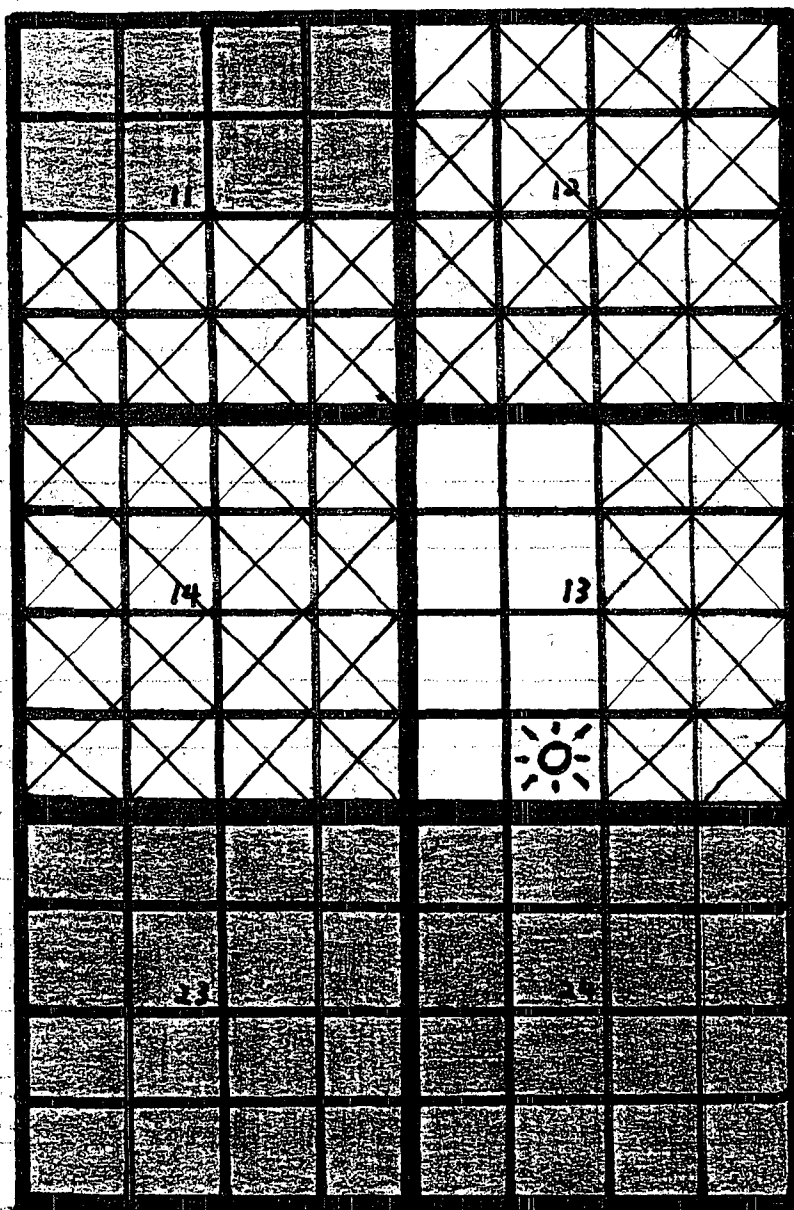


BURLINGTON RESOURCES OIL & GAS COMPANY
P.O. BOX 4289
FARMINGTON, NM 87499-4289



IBEX PARTNERSHIP
P.O. BOX 911
BRECKENRIDGE, TX 76024

T-27N, R-9W, SAN JUAN COUNTY, NEW MEXICO



JOHN CHARLES #7

MESAVERDE FORMATION OFFSET OPERATORS:

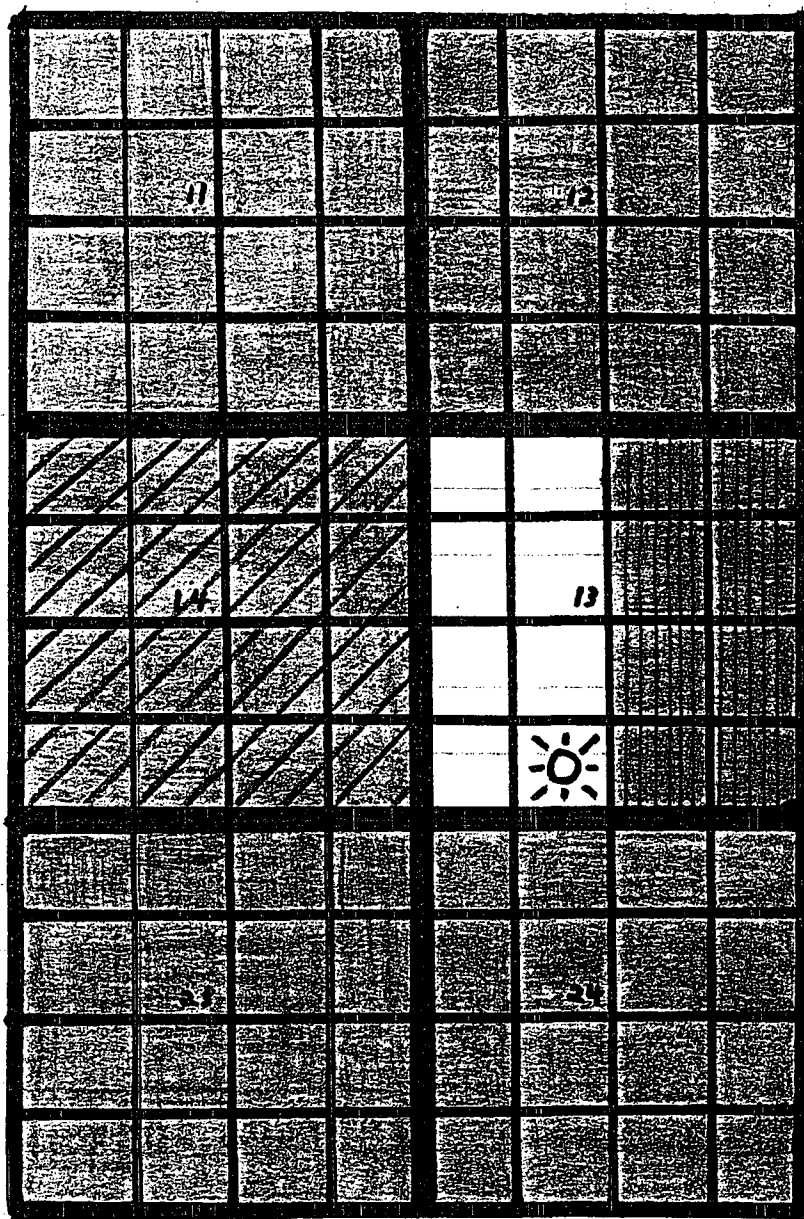


FOUR STAR OIL & GAS COMPANY
P.O. BOX 2100
DENVER, CO 80201



BURLINGTON RESOURCES OIL & GAS COMPANY
P.O. BOX 4289
FARMINGTON, NM 87499-4289

T-27N, R-9W, SAN JUAN COUNTY, NEW MEXICO



JOHN CHARLES #7

DAKOTA FORMATION OFFSET OPERATORS:



BURLINGTON RESOURCES OIL & GAS COMPANY
P.O. BOX 4289
FARMINGTON, NM 87499-4289



TAURUS EXPLORATION U.S.A., INC.
2198 BLOOMFIELD HIGHWAY
FARMINGTON, NM 87401



BURLINGTON RESOURCES OIL & GAS COMPANY
AND
TAURUS EXPLORATION U.S.A., INC.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT --" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well: ☐ OIL WELL ☒ GAS WELL ☐ OTHER

2. Name of Operator
FOUR STAR OIL AND GAS COMPANY

3. Address and Telephone No.
3300 N. Butler Ave, Ste100 Farmington NM 87401 325-4397

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Unit Letter N : 790 Feet From The SOUTH Line and 1850 Feet From The
WEST Line Section 13 Township T27N Range R09W

5. Lease Designation and Serial No.

I-149-IND-8466

6. If Indian, Alottee or Tribe Name

NAVAJO

7. If Unit or CA, Agreement Designation

8. Well Name and Number

JOHN CHARLES

7

9. API Well No.

3004506445

10. Field and Pool, Exploratory Area
OTERO CHACRA

11. County or Parish, State

SAN JUAN, NM

12. Check Appropriate Box(s) To Indicate Nature of Notice, Report, or Other Data

TYPE OF SUBMISSION

TYPE OF ACTION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ OTHER: COMMINGLE

- ☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log Form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work,)*.

FOUR STAR OIL & GAS CO. RECEIVED APPROVAL TO OPEN THE CHACRA FORMATION AND PROPOSES THE FOLLOWING ON THE SUBJECT WELL:

FOUR STAR REQUESTS APPROVAL TO COMMINGLE THE CHACRA AND MESA VERDE IN CONJUNCTION WITH RECOMPLETING THE WELL IN THE CHARCA FORMATION. THE WELL WILL ULTIMATELY BE DUALY COMPLETED AS A CHACRA - MESA VERDE COMMINGLE AND DAKOTA. PLEASE REFER TO THE ATTACHED WELLBORE DIAGRAM FOR WELLBORE DETAILS.

CHACRA (PROPOSED)
2917-3121' PERFS. (PROPOSED)
GAS PRODUCTION

MESA VERDE
3700-4426' PERFS
GAS PRODUCTION

DAKOTA
6374-6480' PERFS
GAS PRODUCTION

THE WELL IS CURRENTLY DUALY COMPLETED AS A MESA VERDE / DAKOTA. TO RECOVER THE REMAINING RESERVES THE WELL REQUIRES OPENING THE CHACRA FORMATION AND COMMINGLING WITH THE MESA VERDE, DUALY COMPLETING THE WELLBORE WITH THE DAKOTA AND ARTIFICIALLY PUMPING TO REMOVE FLUIDS.

FOR INFORMATION ONLY

14. I hereby certify that the foregoing is true and correct

SIGNATURE Rached Hindi TITLE Senior Engineer

DATE 3/10/99

TYPE OR PRINT NAME Rached Hindi

(This space for Federal or State office use)

APPROVED

CONDITIONS OF APPROVAL, IF ANY:

TITLE

DATE

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.