

DHC 9/9/99

DISTRICT I

1625 N. French Dr., Hobbs, NM 88240

DISTRICT II

811 South First St., Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd, Aztec, NM 87410

DISTRICT IV

2040 S. Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department
OIL CONSERVATION DIVISION
2040 S. Pacheco
Santa Fe, New Mexico 87505-6429
APPLICATION FOR DOWNHOLE COMMINGLING

Form C-107-A
Revised March 17, 1999

APPROVAL PROCESS:

Administrative ☐ Hearing ☐

EXISTING WELLBORE

☒ YES ☐ NO

Mewbourne Oil Company

Operator Haldeman Well No. 1 Address E-14-17S-26E County Eddy
Lease 1 Unit Ltr. - Sec - Twp - Rge

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 14744 Property Code 7900 API NO. 30-0-15-26628 Federal ☐ 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	Cisco - Wildcat	Canyon-Wildcat	Strawn-Wildcat
2. Top and Bottom of Pay Section (Perforations)	6713' - 6721'	7730' - 7736' 7852' - 7857'	8072' 8081'
3. Type of production (Oil or Gas)	Gas	Gas	Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing	Flowing	Flowing
5. Bottomhole Pressure	a. (Current) 1500 (est)	a. 1500 (est)	a. 2280 psig
Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	b. (Original) 2292 psig	b. 2856 psig	b. 2280 psig
6. Oil Gravity (°API) or Gas BTU Content	_____	_____	_____
7. Producing or Shut-In?	Shut in	Shut in	Producing
Production Marginal? (yes or no)	Yes	Yes	Yes
* If Shut-In, give date and oil/gas/ water rates of last production	Date: Rates: N/A	Date: Rates: N/A	Date: Rates:
Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data	Date: Rates:	Date: Rates:	Date: 8/13/99 Rates: 50 MCF/D
* If Producing, give date and oil/gas/ water rates of recent test (within 60 days)	Date: Rates:	Date: Rates:	0, Wtr, 0, Cond.
8. Fixed Percentage Allocation Formula - % for each zone (total of %s to equal 100%)	Oil: % Gas: % 25 %	Oil: % Gas: % 25 %	Oil: % Gas: % 50 %

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 communized 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. NMOCD Reference Cases for Rule 303(D) Exceptions ORDER NO(S). None

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 K. M. Calvert TITLE Eng. Mgr. DATE 8/16/99

TYPE OR PRINT NAME K. M. Calvert TELEPHONE NO. 903) 561-2900

Attachments
Mewbourne Oil Company
Haldeman #1
Section 14, T17S, R26E
Eddy Co., NM

General: The Haldeman #1 was originally completed in the Morrow Formation. The well has depleted to approximately 20 MCF/D and is uneconomic to operate. The three zones for which commingling is applied, Strawn, Canyon and Cisco, are thought to be marginal at best. Mewbourne has completed and stimulated the Strawn and it is producing 50 MCF/D. Both the Canyon and Cisco have been drill stem tested on Section 14 and neither were adequate to support a completion and the two wells were dry and abandoned. The attempt to recomplete the Haldeman in all the zones is a salvage operation. It is anticipated that the three zones will produce a combined 100 MCF/D. This will allow a marginally economic completion that will allow the economic recovery of hydrocarbons that otherwise will be impossible if the three zones were not commingled.

1. C-102 for the original Morrow completion is attached. C-102 for the Strawn, Canyon, and Cisco for which this commingling is applied.
2. Production curves are not available. The Strawn was perforated on August 12, 1999.
3. Zones with no production history:

Canyon - See Scout Ticket
 Coquina Oil Corp - 1 Blaine
 7/14/74

No recovery on DST indicates zone is tight with little productive capability.

EDDY COUNTY	NEW MEXICO	UNDESIGNATED FLD
Well: COQUINA OIL CORP. 1 Blaine		Result: <u>DCA</u> D
Locn: Sec <u>14-17S-26E</u> ; 660' FNL 1980' FEL Sec;		
Spud: 4-9-74; Comp: 5-14-74; Elev: 3311' Grd: TD: 8803' Ches;		
Casing: 12-3/4" 500'/350 ex; 8-5/8" 1419'/450 ex;		
Comp Info: DST 7780-7810', op 1 hr, 10 mins, rec 248' DM w/no shows, ISIP 2628#/1 hr, FP 629#, FSIP 2856#/2 hrs, HP 3449-3459#; DST 8200-8370', Mis-Rum; DST 8190-8370', Mis-Rum; DST 8353-8471', op 1 hr 20 mins, GTS/63 mins @ 23,000 CFPD, rec 458' GCM (Sampler rec 8.4 CFG @ 350#), ISIP 538#/1 hr, FP 237-253#, FSIP 1877#/4 hrs, HP 3903-3861#;		
Tops: (EL) San And 1015', Glor 2370', Tubb 3730', Abo 4442', Wolfc 5653', Perm 6784', Canyon 7450', Strawn 7785', Atoka 7945', Morrow 8195', Chester 8771'		
API No: 30-015-21164		

Cisco -

See Scout Ticket

Yates Petroleum Corp - 1 Haldeman "OU" Com

3/4/81

Gas recovery on DST reported TSTM (too small to measure). Production indicates zone is tight with little production capability.

EDDY COUNTY NEW MEXICO KENNEDY FARMS FLD.
Well: YATES PETROLEUM CORP. 1 Haldeman "OU" Com. Result: D&A D
Locn: 3 mi E/Artesia, 1980' FSL, 1980' FWL of Sec. 14-17S-26E
Spud: 12-13-80; Comp: 1-30-81; Elev: 3312' Grd; TD: 8734' Chester
Casing: 13-3/8" 400' / 400sx; 8-5/8" 1387' / 1110sx
Comp Info: DST (MRRW) 8438-70', op 1 hrs, GTS/20 mins on FFP, rec 349'
GCM (SPL rec .072 CFT GAS + 1350 cc mud @ 150), 1 hr ISIP 771, FP
176-176, 2 hr FSIP 1408, HP 4205-4128'; DST-SP (Cisco) 6790-6914',
mis run; DST-SP (Cisco) 6790-6914', op 2 hrs, GTS/17 mins @ TSTM on
IFP, GTS/30 mins w/3' flare on FFP, rec 470' VSGCM (SPL rec 200 cc
GCM @ 50), 1 hr 30 min ISIP 1197, FP 152-186, 2 hr 30 min FSIP
2292, HP 3340-3340, ran CNL, FDC, DILL logs, C/Capitan #14
Tops: (EL) San And 969', Glorieta 2383', Abo 4402', Wolfc 5634',
Cisco 6375', L/Canyon 7451', Strawn 7917', Atoka 8260', Morrow
8460', Chester 8659'
API No: 30-015-23567



Petroleum Information

The Subsurface Library
P. O. Box 2538
Midland, Texas

Date: 3-4-81 Card No: 6 gb

4. Data to support allocation formula.. See item #3 above.
5. List of offset operators - not required.
6. Notification list of non-common interests - not applicable.
7. The Haldeman #1 is completed with 2 3/8" tubing inside of 4 1/2" casing. A multiple completion would require special clearance, reduced sized tubulars. The expected recovery for this completion would not economically justify the expense to make a multiple completion. Commingling of the three zones will allow marginal economics at best, but at least an attempt will have been made to recover all hydrocarbons that would not have been recovered without commingling.

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator MEWBOURNE OIL COMPANY			Lease HALDEMAN		Well No. 1
Unit Letter E	Section 14	Township 17 SOUTH	Range 26 EAST	NMPM	County EDDY
Actual Footage Location of Well: 1980 feet from the NORTH line and 660 feet from the WEST line					
Ground level Elev. 3323.5	Producing Formation Morrow		Pool Kennedy Farms Morrow		Dedicated Acreage: 320 Acres
<p>1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.</p> <p>2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).</p> <p>3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.? <input type="checkbox"/> Yes <input type="checkbox"/> No If answer is "yes" type of consolidation _____</p> <p>If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____</p> <p>No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.</p>					
				OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
				Signature <i>W.H. Cravey</i> Printed Name W.H. Cravey Position District Supt. Company Mewbourne Oil Company Date September 26, 1990	
				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 9/18/90 Signature & Seal of Professional Surveyor <i>Herschel L. Jones</i> Certificate No. 3640	

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator MEWBOURNE OIL COMPANY			Lease HALDESMAN		Well No. 1
Unit Letter E	Section 14	Township 17 SOUTH	Range 26 EAST	NMPM	County EDDY
Actual Footage Location of Well: 1980 feet from the NORTH line and 660 feet from the WEST line					
Ground level Elev. 3323.5	Producing Formation Morrow		Pool Kennedy Farms Morrow		Dedicated Acreage: 320 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.

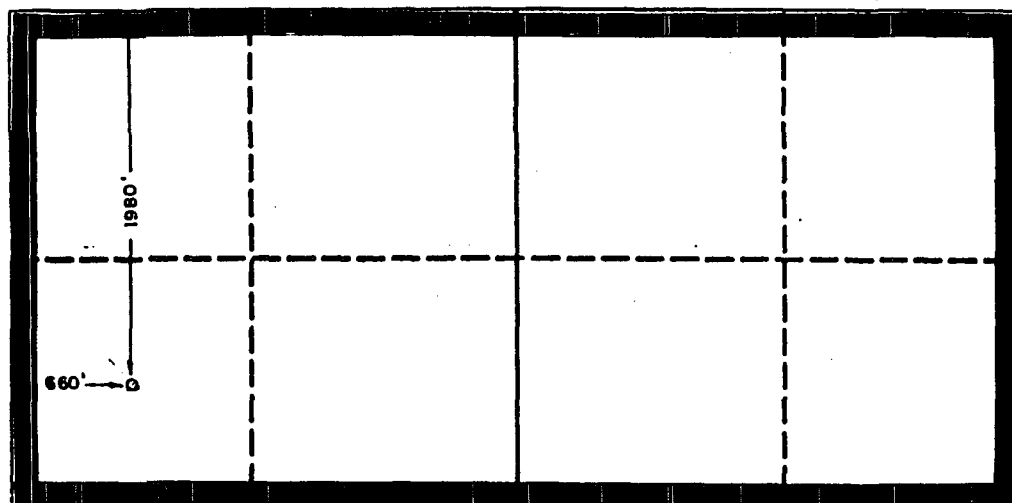
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

☐ Yes ☐ No If answer is "yes" type of consolidation _____

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



Cisco, Canyon, Strawn will each be on the 320-acre N/2 spacing unit.

0 300 600 900 1200 1500 1800 2100 2400 2700 3000 3300 3600

OPERATOR CERTIFICATION

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

Signature *W.H. Cravey*

Printed Name
W.H. Cravey

Position
District Supt.

Company
Newbourne Oil Company

Date
September 26, 1990

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
9/18/90

Signature & Seal of Professional Surveyor

Herschel L. Jones
HERSCHEL L. JONES
3640
Certificate No. **13640**