

DATE IN 3/7/06	SUSPENSE	ENGINEER WILL JONES	LOGGED IN 8/9/06	TYPE DHC	APP NO. pTDS0622135681
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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.

Print or Type Name	Signature	Title	Date
e-mail Address			

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

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 June 10, 2003  
**RECEIVED**  
AUG 07 2006  
APPLICATION TYPE  
Single Well ☒  
Establish Pre-Approved Pools ☒  
EXISTING WELLBORE ☒  
Oil Conservation Division Yes ☒ No ☐  
1220 S. St. Francis Drive  
Santa Fe, NM 87505  
Midland, TX 79702

APPLICATION FOR DOWNHOLE COMMINGLING

Capataz Operating Inc

PO Box 10549

1220 S. St. Francis Drive  
Santa Fe, NM 87505  
Midland, TX 79702

Operator

Redtag

2

Address

K-T20S-R38E

Lea

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 3659 Property Code 27082 API No. 30-025-35630 Lease Type: Federal ☒ State ☐ Fee ☐

DATA ELEMENT	UPPER ZONE UNDES	INTERMEDIATE ZONE UNDES	LOWER ZONE ✓
Pool Name	House; Blinebry	House, Drinkard	House; Abo
Pool Code	033230 ✓	33250 ✓	33210 ✓
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5933-6035	6996-7011	7370-7522
Method of Production (Flowing or 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)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)	35.5	35.5	35.5
Producing, Shut-In or New Zone	Producing	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: 7/15/06 Rates: 3 BO 128 MCF	Date: 7/15/06 Rates: 1 BO 10 MCF	Date: 7/15/06 Rates: 0 BO 0 MCF
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 75 % 90 %	Oil Gas 25 % 710 %	Oil Gas 0 % 0 %

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 ☒ NA

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 [Signature] TITLE Agent DATE 8-4-06

TYPE OR PRINT NAME H Scott Davis TELEPHONE NO. (432) 620-8820

E-MAIL ADDRESS capataz1@sbcglobal.net

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

DISTRICT II  
P. O. Drawer DD  
Artesio, NM 88211-0719

DISTRICT III  
1000 Rio Brozos Rd.  
Aztec, NM 87410

DISTRICT IV  
P. O. Box 2088  
Santa Fe, NM 87507-2088

State of New Mexico  
Department of Minerals, and Natural Resources

Revised 02-10-94

Instructions on back

Submit to the Appropriate  
District Office  
State Lease - 4 copies  
Fee Lease - 3 copies

## OIL CONSERVATION DIVISION

P. O. Box 2088  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

### WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-35630	Pool Code 033230	Pool Name House: Blinbry
Property Code 27082	Property Name REDTAG	Well Number 2
GRID No. 3659	Operator Name CAPATAZ OPERATING INCORPORATED	Elevation 3570'

#### " SURFACE LOCATION

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
K	2	20 SOUTH	38 EAST, N.M.P.M.		2410'	SOUTH	2310'	WEST	LEA

#### " 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
K	2	20S	38E		2410	South	2310	West	Lea

Dedicated Acres 1.60	Joint or Infill	Consolidation Code	Order No. NSL-463D-A
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NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

#### OPERATOR CERTIFICATION

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

Signature

Printed Name

H. SCOTT DAVIS

Title

AGENT

Date

06/18/01

#### 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.

Date of Survey

MARCH 8, 2001

Signature and Seal of Professional Surveyor

Certificate No.

V. L. BEZNER R.P.S. #7920

JOB # 74933/.70 SE / J.C.P

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

State of New Mexico  
Ed. Minerals, and Natural Resources De. sent

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P. O. Box 2088  
Santa Fe, New Mexico 87504-2088

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DISTRICT III  
1000 Rio Brazos Rd.  
Aztec, NM 87410

DISTRICT IV  
P. O. Box 2088  
Santa Fe, NM 87507-2088

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number 30-025-35630	Pool Code 33210	Pool Name House ; Abo
Property Code 27082	Property Name REDTAG	Well Number 2
GRID No. 3659	Operator Name CAPATAZ OPERATING INCORPORATED	Elevation 3570'

**" SURFACE LOCATION**

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
K	2	20 SOUTH	38 EAST, N.M.P.M.		2410'	SOUTH	2310'	WEST	LEA

**" 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
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Dedicated Acres 1.60	Joint or Infill	Consolidation Code	Order No. NSL-463D-A
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Signature

Printed Name

H. SCOTT DAVIS

Title

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06/18/01

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MARCH 8, 2001

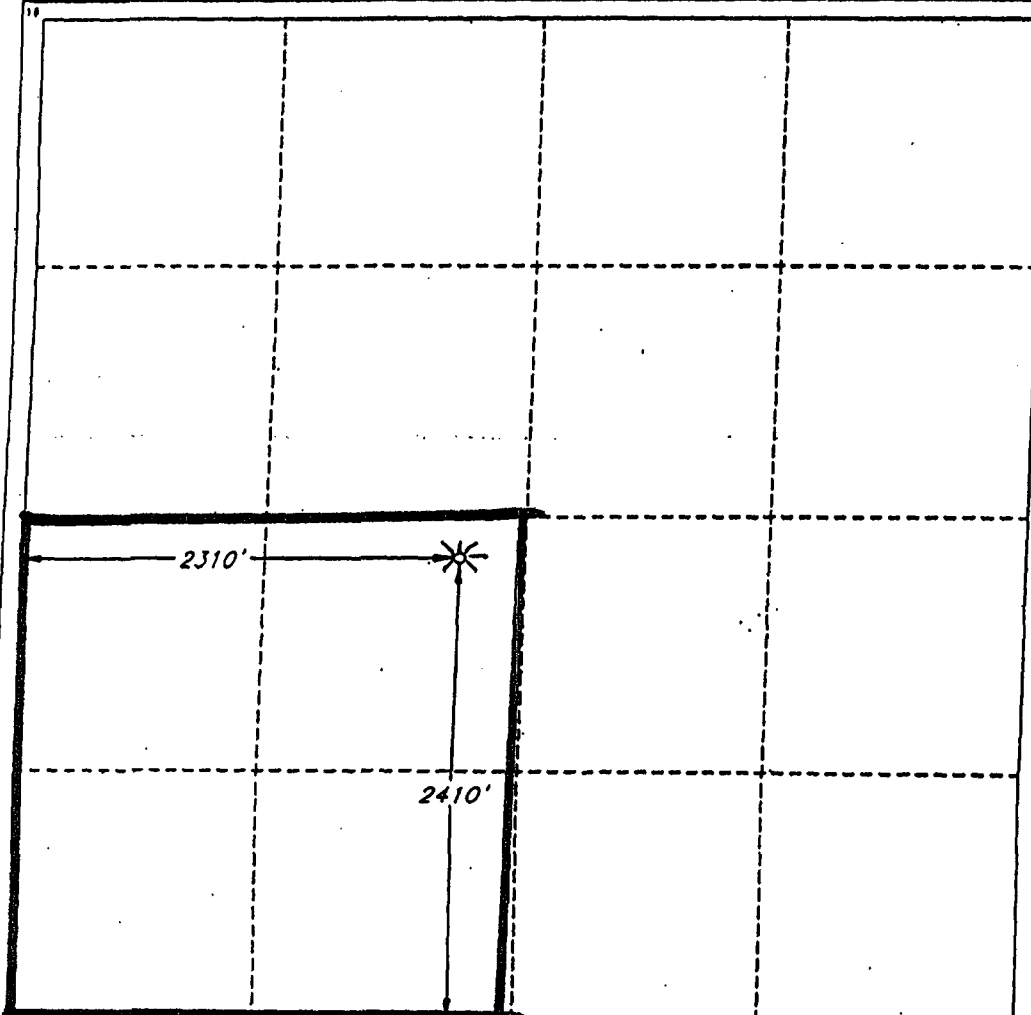
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OIL CONSERVATION DIVISION  
P. O. Box 2088  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

DISTRICT III  
1000 Rio Brazos Rd.  
Aztec, NM 87410

DISTRICT IV  
P. O. Box 2088  
Santa Fe, NM 87507-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-35630	Pool Code 33250	Pool Name House Drinkard
Property Code 27082	Property Name REDTAG	Well Number 2
OGRIID No. 3659	Operator Name CAPATAZ OPERATING INCORPORATED	Elevation 3570'

" SURFACE LOCATION

UL or lot no. K	Section 2	Township 20 SOUTH	Range 38 EAST, N.M.P.M.	Lot Ida	Feet from the 2410'	North/South line SOUTH	Feet from the 2310'	East/West line WEST	County LEA
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" BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE

UL or lot no. K	Section 2	Township 20S	Range 38E	Lot Ida	Feet from the 2410	North/South line South	Feet from the 2310	East/West line West	County Lea
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Dedicated Acres 160	Joint or Infill	Consolidation Code	Order No. NSL-463D-A
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