

8/7/06 DATE IN	SUSPENSE	W. J. C. JONES ENGINEER	8/9/06 LOGGED IN	DHC TYPE	APP NO. PTDSD/0622134379
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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. Franch 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

Form C-107A  
Revised June 10, 2003

**Oil Conservation Division**  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

**RECEIVED**

APPLICATION TYPE  
Single Well  
Establish Pre-Approved Pools  
EXISTING WELLBORE  
Yes  No

AUG 07 2006

**APPLICATION FOR DOWNHOLE COMMINGLING**

Oil Conservation Division

Capataz Operating Inc

PO Box 10549, Santa Fe, NM 87505  
1220 S. St. Francis Drive, Santa Fe, NM 87505

Operator: Viceroy  
Lease: 1  
Well No.: 1  
Unit Letter-Section-Township-Range: E-13-T20S-R38E  
Address: 1220 S. St. Francis Drive, Santa Fe, NM 87505  
OGRID No.: 3659  
Property Code: 24623  
API No.: 30-025-34625  
Lease Type: Federal  State  Fee  Fee

DHC-3764  
Lea-

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	House; Blinebry S <sub>1</sub>	House; Tubb	House; Abo
Pool Code	33225	78760	33210
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5944-6104	6660-6788	7330-7417
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)	36.7	36.7	36.7
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: 1 BO 102 MCF	Date: 7/15/06 Rates: 2 BO 44 MCF	Date: 7/15/05 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 36 % Gas 62 %	Oil 64 % Gas 27 %	Oil 0 % Gas 0 %

**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: \_\_\_\_\_

**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.

SEE ATTACHED PAGES FOR DRINKARD

**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  
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

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

APPLICATION FOR DOWNHOLE COMMINGLING

Operator Capataz Operating Inc PO Box 10549 Midland, TX 79702  
Address  
Operator Viceroy 1 E-13-T20S-R38E Lea  
Lease Well No. Unit Letter-Section-Township-Range County  
OGRID No. 3659 Property Code 24623 API No. 30-025-34625 Lease Type:  Federal  State  Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name		House; Drinkard	
Pool Code		33250	
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)		7008-7039	
Method of Production (Flowing or 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)		36.7	
Producing, Shut-In or New Zone		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: Rates:	Date: 7/15/05 Rates: 0 BO, 18 MCF	Date: Rates:
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 % 0 % 11 %	Oil % Gas % 0 % 11 %	Oil % Gas % % %

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  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  NA  
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

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

Form C-102  
Revised 02-10-94  
Instructions on back

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

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

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

DISTRICT III  
1000 Rio Brazos Rd.  
Aztec, NM 87410

AMENDED REPORT

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number <b>30-025-34625</b>		2 Pool Code <b>78760</b>		3 Pool Name <b>House; Tubb</b>	
4 Property Code <b>24623</b>		5 Property Name <b>VICEROY</b>			6 Well Number <b>1</b>
7 OGRID No. <b>3659</b>		8 Operator Name <b>CAPATAZ OPERATING, INC.</b>			9 Elevation <b>3570'</b>

10 SURFACE LOCATION

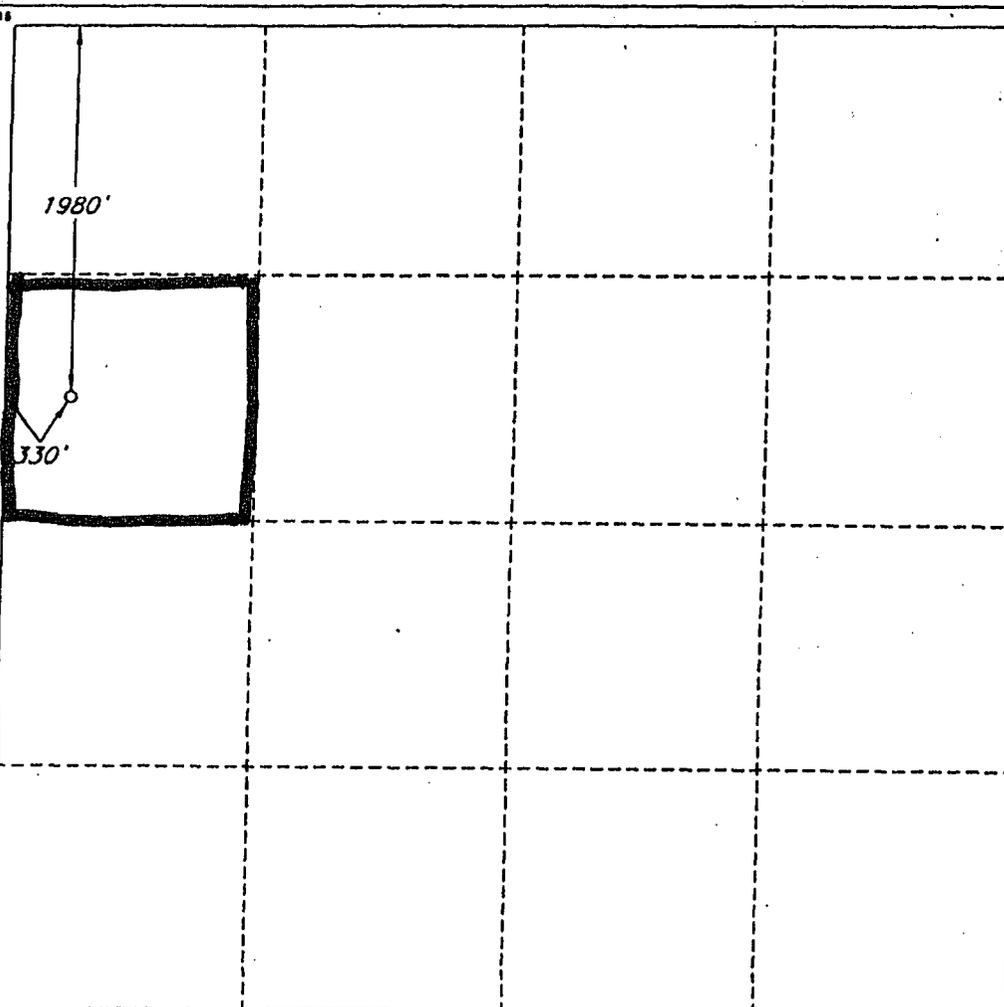
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
<b>E</b>	<b>13</b>	<b>20 SOUTH</b>	<b>38 EAST, N.M.P.M.</b>		<b>1980'</b>	<b>NORTH</b>	<b>330'</b>	<b>WEST</b>	<b>LEA</b>

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 <b>40</b>	13 Joint or Infill	14 Consolidation Code	15 Order No.
---------------------------------	--------------------	-----------------------	--------------

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  
*H. Scott Davis*

Printed Name  
**H. Scott Davis**

Title  
**Agent**

Date  
**5-13-99**

Date

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

Signature  
*Roger M. Robbins*



Certificate No. **12128**  
**ROGER M. ROBBINS**, P.S. #12128

JOB #63536 / 70 SE / JSJ

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

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

Form C-102  
 Revised 02-10-94

Instructions on back

**DISTRICT II**  
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 Artesia, NM 88211-0719

**OIL CONSERVATION DIVISION**  
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 1000 Rio Brazos Rd.  
 Aztec, NM 87410

AMENDED REPORT

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

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1 API Number <b>30-025-34625</b>		2 Pool Code <b>33225</b>		3 Pool Name <b>House, Blinebry South</b>	
4 Property Code <b>24623</b>		5 Property Name <b>VICEROY</b>			6 Well Number <b>1</b>
7 OGRID No. <b>3659</b>		8 Operator Name <b>CAPATAZ OPERATING, INC.</b>			9 Elevation <b>3570'</b>

**10 SURFACE LOCATION**

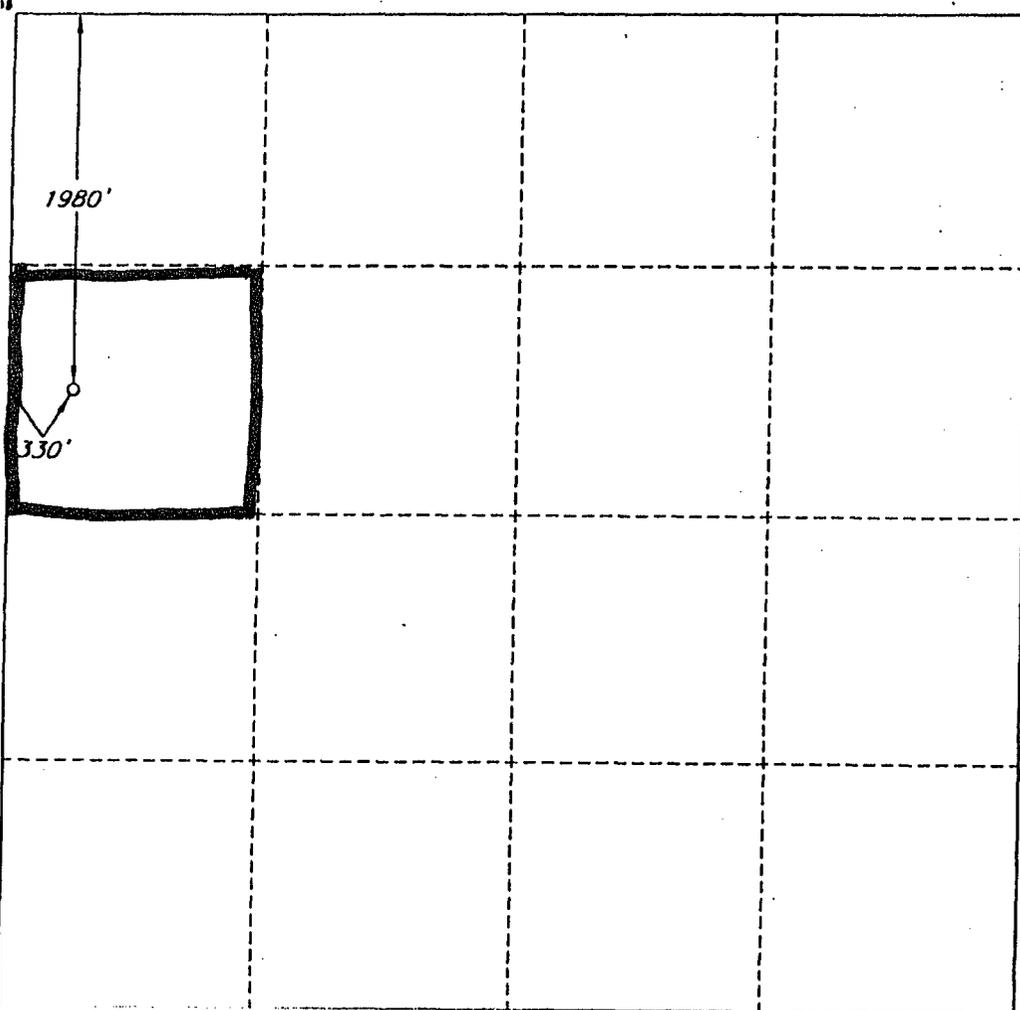
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
<b>E</b>	<b>13</b>	<b>20 SOUTH</b>	<b>38 EAST, N.M.P.M.</b>		<b>1980'</b>	<b>NORTH</b>	<b>330'</b>	<b>WEST</b>	<b>LEA</b>

**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 <b>40</b>	13 Joint or Infill	14 Consolidation Code	15 Order No.
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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: *H. Scott Davis*  
 Printed Name: **H. Scott Davis**  
 Title: **Agent**  
 Date: **5-13-99**

**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: \_\_\_\_\_  
 Signature: *Roger M. Robbins*  
 Professional Surveyor  
 State of New Mexico  
 Certificate No. **12128**  
**ROGER M. ROBBINS P.S. #12128**  
 JOB #63536 / 70 SE / JSJ

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

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

Form C-102  
 Revised 02-10-94

Instructions on back

**DISTRICT II**  
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 Artesia, NM 88211-0719

**OIL CONSERVATION DIVISION**  
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 Santa Fe, New Mexico 87504-2088

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**DISTRICT III**  
 1000 Rio Brazos Rd.  
 Aztec, NM 87410

AMENDED REPORT

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

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1 API Number <b>30-025-34625</b>		2 Pool Code <b>33250</b>		3 Pool Name <b>House, Drinkard</b>	
4 Property Code <b>24623</b>		5 Property Name <b>VICEROY</b>			6 Well Number <b>1</b>
7 OGRID No. <b>3659</b>		8 Operator Name <b>CAPATAZ OPERATING, INC.</b>			9 Elevation <b>3570'</b>

**10 SURFACE LOCATION**

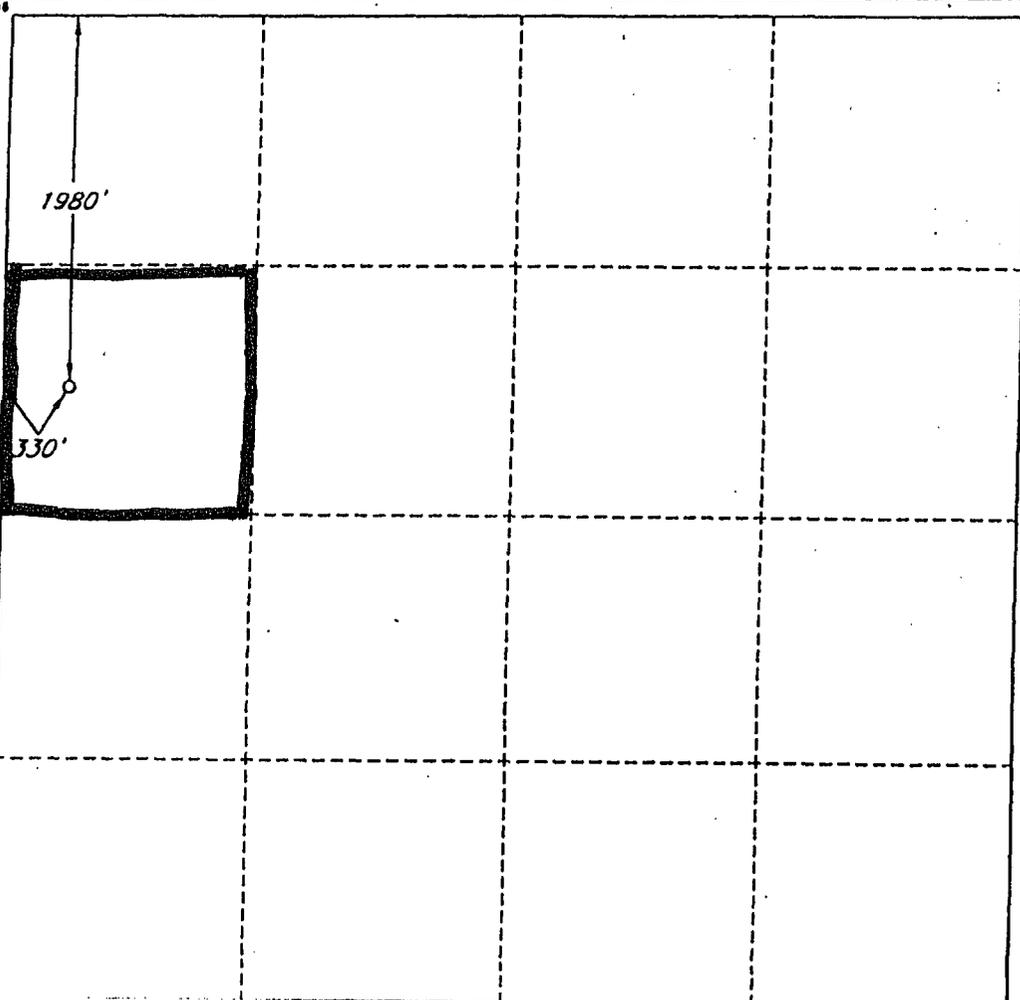
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
<b>E</b>	<b>13</b>	<b>20 SOUTH</b>	<b>38 EAST, N.M.P.M.</b>		<b>1980'</b>	<b>NORTH</b>	<b>330'</b>	<b>WEST</b>	<b>LEA</b>

**"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 <b>40</b>	13 Joint or Infill	14 Consolidation Code	15 Order No.
---------------------------------	--------------------	-----------------------	--------------

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: *[Handwritten Signature]*  
 Printed Name: **H Scott Davis**

Title: **Agent**

Date: **5-13-99**

Date

**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

Signature of Professional Surveyor



Certificate No. **ROGER M. ROBBINS P.S. #12128**

JOB #63536 / 70 SE / JSJ

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

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

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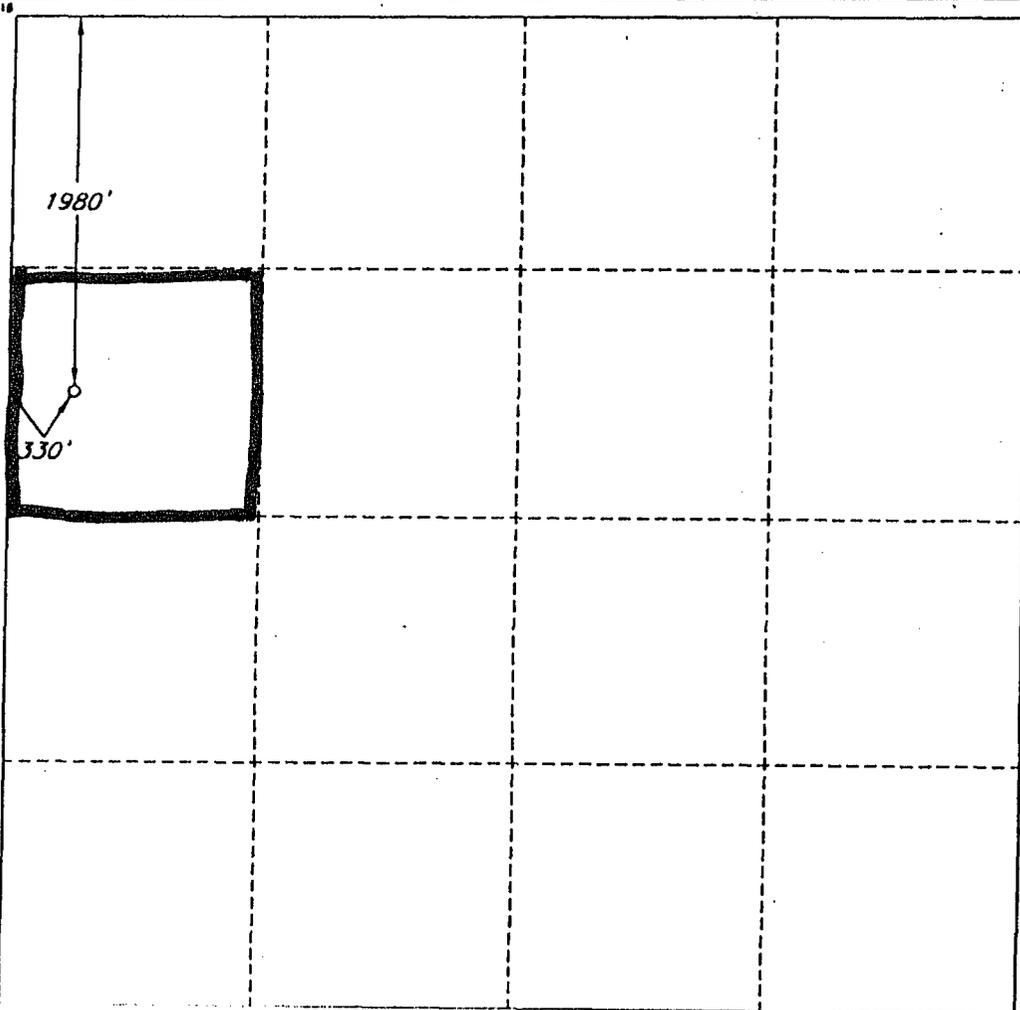
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AMENDED REPORT

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-34625		2 Pool Code 33210		3 Pool Name House; Abo					
4 Property Code 24623		5 Property Name VICEROY						6 Well Number 1	
7 OGRID No. 3659		8 Operator Name CAPATAZ OPERATING, INC.						9 Elevation 3570'	
10 SURFACE LOCATION									
UL or lot no. E	Section 13	Township 20 SOUTH	Range 3B EAST, N.M.P.M.	Lot Ida	Feet from the 1980'	North/South line NORTH	Feet from the 330'	East/West line WEST	County LEA
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 40		13 Joint or Infill		14 Consolidation Code		15 Order No.			
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: *[Signature]*  
 Printed Name: H Scott Davis  
 Title: Agent  
 Date: 5-13-99

**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: \_\_\_\_\_  
 Signature: *[Signature]*  
 Professional Seal of Surveyor  
 ROGER M. ROBBINS  
 12128  
 REGISTERED PROFESSIONAL SURVEYOR  
 STATE OF NEW MEXICO

Certificate No. \_\_\_\_\_ P.S. #12128  
 JOB #63536 / 70 SE / JSJ