

DATE IN 8/15/03	SUSPENSE 9/5/03	ENGINEER WVJ	LOGGED IN LSR	TYPE DHC	APP NO. DLR0322755100
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

AUG 15 2003 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.

Stan Wagner

Print or Type Name

Stan Wagner
Signature

Regulatory Analyst

Title

8/11/03

Date

stan_wagner@eogresurces.com
 e-mail Address

STATE 16-7 COMMINGLING APPLICATION

- 1) Pool Codes: Corbin South Wolfcamp - 13320
Corbin South Bone Spring - 13160
- 2) Pay Intervals: Wolfcamp 10890 to 11264
Bone Spring 8545 to 9530
- 3) Type of Production: Wolfcamp – oil
Bone Spring - oil
- 4) Each zone was / is being rod pumped.
- 5) Estimated BHP: a) Wolfcamp - 1200 psi
Bone Spring- 1000 psi
b) oil zones
- 6) API Gr.: Wolfcamp - 40
Bone Spring - 38
- 7) a)
The Wolfcamp was TA'ed via CIBP @ 10840' on 6/01/03.

The Bone Spring was put on production 6/11/03.
b)
In an effort to take advantage of the Bone Spring flush production with current oil and gas prices, EOG made the decision to TA the commercial Wolfcamp production. We believe we can now produce both commercial zones effectively via rod pumping below the perforations.
c)
Wolfcamp Production: SI – 6/01/03
26 BOPD / 102 MCFPD / 15 BWPD
d)
The Bone Spring was put on production 6/11/03.
(6/18/03) IPP: 184 BOPD / 147 MCFPD / 153 BWPD
Current Production (8/05/03):
75 BOPD / 170 MCFPD / 53 BWPD
- 8) The Wolfcamp's production should be held constant from its rate at the time of shut-in as the Wolfcamp's late time production curve is essentially flat compared to the Bone Spring.
- 9) NA

- 10) a) The ownership is common as to the Wolfcamp and Bone Spring
b) NA
c) Offset Operators:
Harvey E. Yates Company (sec.15)
Brothers Production Company (sec.15)
Read & Stevens Inc. (sec.21)
Saga Petroleum Limited (sec.9)
Tipton Oil & Gas Acquisitions (sec.9)
- 11) a) Cross-flow will not occur as the well will be rod pumped below the lowest Wolfcamp perforation. The pumping equipment will be designed to keep the well at a pumped-off state.

b) Should cross-flow occur, the formation fluids of both zones are very similar and will not damage or adversely effect the ultimate recovery.
- 12) The East Corbin Delaware Unit utilizes the produced water from offset Bone Spring and Wolfcamp wells for secondary recovery with no unusual effects.
- 13) Production will be increased by adding both zones to the wellbore.
- 14) A copy of this application is being mailed to the Commissioner of Public Lands for the State of New Mexico.

Offset Operator Notification List

Harvey E. Yates Company
P.O. Box 1933
Roswell, NM 88201

Brothers Production Company
P.O. Box 7515
Midland, TX 79708

Read & Stevens Inc.
P.O. Box 1518
Roswell, NM 88201

Saga Petroleum Limited
415 W. Wall, Suite 1900
Midland, TX 79701

Tipton Oil and Gas Acquisitions
P.O. Box 1234
Lovington, NM 88260

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

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

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

APPLICATION FOR DOWNHOLE COMMINGLING

EOG Resources, Inc.		P.O. Box 2267 Midland, TX 79702	
Operator		Address	
State 16	7	P 16 - T18S - R33E	Lea
Lease	Well No.	Unit Letter-Section-Township-Range	County
OGRID No. 7377	Property Code	API No. 30-025-31044	Lease Type: Federal State X Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Corbin; Bone Spr, S		Corbin; Wolfcamp, S
Pool Code	13160		13320
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	8445 - 9530		11204 - 11264
Method of Production (Flowing or Artificial Lift)	Pumping		Pumping
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)	1000 psi		1200 psi
Oil Gravity or Gas BTU (Degree API or Gas BTU)	38.0		40.0
Producing, Shut-In or New Zone	Producing		Shut-In
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: 8/5/03 Rates: 75 BOPD/170 MCF	Date: Rates:	Date: 6/1/03 Rates: 26 BOPD/ 102 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 82 % Gas 62 %	Oil % Gas %	Oil 28 % Gas 38 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes X 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 X No

Will commingling decrease the value of production? Yes No X

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 X 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.

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-31044	² Pool Code 13160	³ Pool Name Corbin; Bone Spring, South
⁴ Property Code 25580	⁵ Property Name State 16	
⁷ OGRID No. 7377	⁸ Operator Name EOG Resources, Inc	⁶ Well Number 1 ⁹ Elevation 3878

¹⁰ **Surface Location**


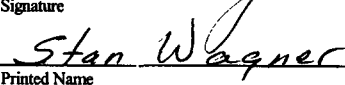
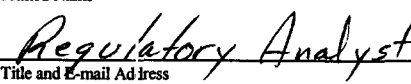
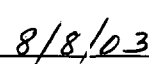
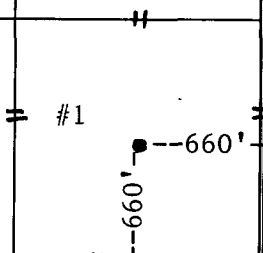
UL or lot no. P	Section 16	Township 18S	Range 33E	Lot Idn	Feet from the 510	North/South line South	Feet from the 660	East/West line East	County Lea
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¹¹ **Bottom Hole Location If Different From Surface**

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 Acres 40	¹³ Joint or Infill	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

16					¹⁷ 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  Title and E-mail Address  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 belief.
					Date of Survey Signature and Seal of Professional Surveyor:
					Certificate Number

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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WELL LOCATION AND ACREAGE DEDICATION PLAT

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⁴ Property Code 25580	⁵ Property Name State 16	⁶ Well Number 1
⁷ OGRID No. 7377	⁸ Operator Name EOG Resources, Inc	⁹ Elevation 3878


¹⁰ Surface Location

UL or lot no. P	Section 16	Township 18S	Range 33E	Lot Idn	Feet from the 510	North/South line South	Feet from the 660	East/West line East	County Lea
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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
¹² Dedicated Acres 80	¹³ Joint or Infill	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

16					¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature Stan Wagner Printed Name Regulatory Analyst Title and E-mail Address 8/8/03 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 belief.	
					Date of Survey Signature and Seal of Professional Surveyor:	
					Certificate Number	

#1
660' --660'--
660'

LEASE: STATE 16

WELL: 7 (BS)
 FIELD: CORBIN SOUTH
 OPERATOR: EOG RESOURCES
 COUNTY, STATE: LEA, NM
 RESERVE CATEGORY:



OIL-BOPD	MD03	GAS-MCFD	MD03	WTR-BWPD	MD03	GOR-SCF/BBL	MD03	FTP, psi	MD03
Qual=	MD03	Qual=	MD03	Ref=	MD03	Qual=	MD03	Ref=	MD03
Ref=	8/2003	Ref=	8/2003	Cum=	8/2003	Ref=	8/2003	Cum=	8/2003
Cum=	3162	Cum=	5154		1955	Cum=	0		3360
Rem=	3149	Rem=	3867			Rem=	0		
EUR=	6311	EUR=	9022			EUR=	0		
Yrs=	2.249	Yrs=	2.249			Yrs=	2.249		

LEASE: STATE 16

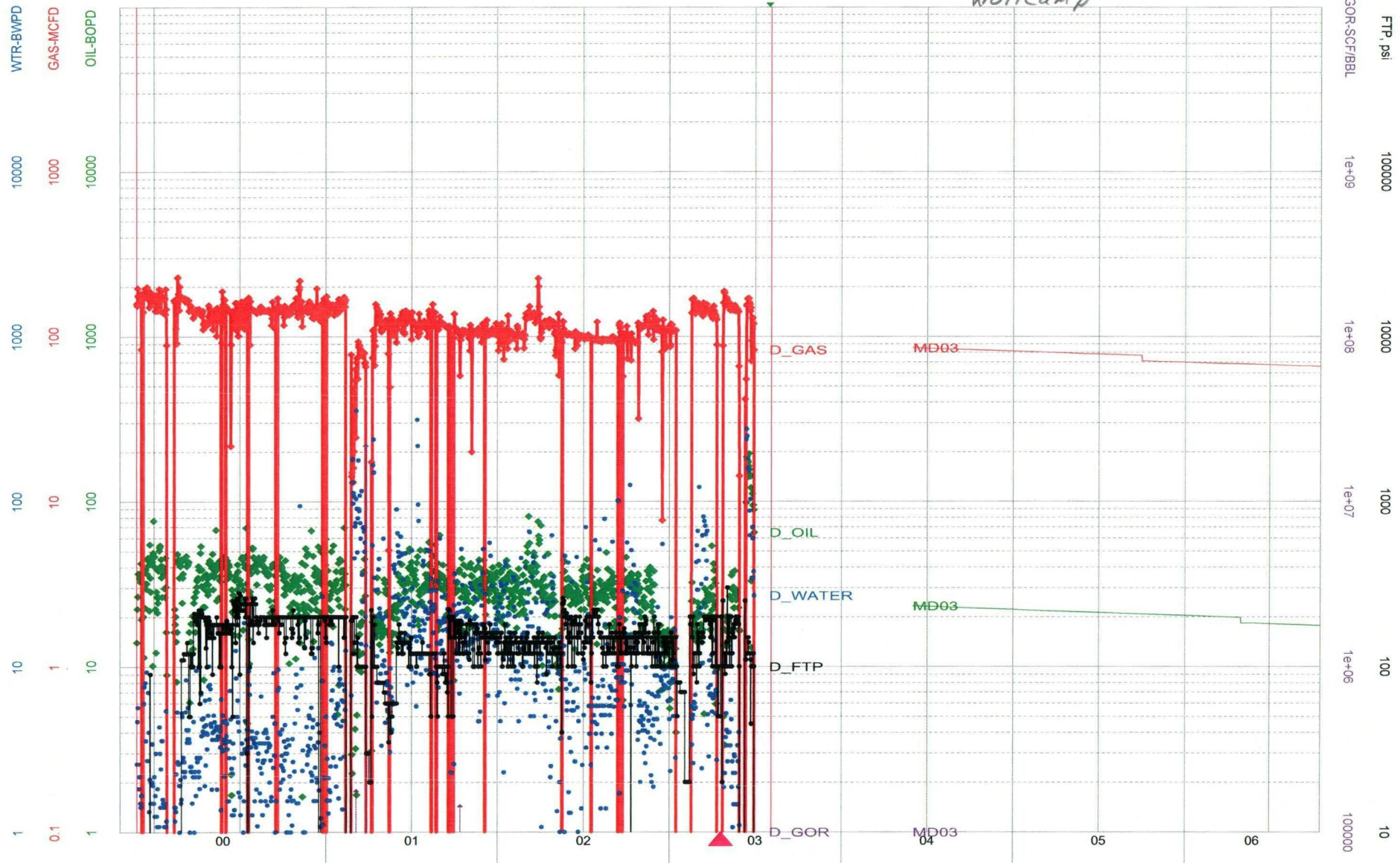
WELL: 7 (BP)

FIELD: CORBIN SOUTH (WOLFCAMP)

OPERATOR: EOG RESOURCES

COUNTY, STATE: LEA, NM

RESERVE CATEGORY:



OIL-BOPD	MD03	GAS-MCFD	MD03	WTR-BWPD	MD03	GOR-SCF/BBL	MD03	FTP, psi	MD03
Qual=	8/2003	Qual=	8/2003	Ref=	8/2003	Qual=	8/2003	Ref=	8/2003
Cum=	0	Cum=	0	Cum=	18758	Cum=	0	Cum=	173960
Rem=	0	Rem=	0			Rem=	0		
EUR=	0	EUR=	0			EUR=	0		
Yrs=	0.000	Yrs=	0.000			Yrs=	0.000		