

READ & STEVENS, INC.

Oil Producers

P. O. Box 1518

Roswell, New Mexico 88202

Phone: (505) 622-3770 Fax: (505) 622-8643

PLEASE DELIVER THE FOLLOWING PAGES TO:

NAME:

Richard

COMPANY:

OCD - Santa Fe

CITY & STATE:

FAX NUMBER:

505/476-3471

FROM:

JOHN MAXEY

RE:

Bandit #2 - COMMING LING

ADMINISTRATIVE APPLICATION CHECKLIST

PER YOUR REQUEST WE ARE FAXING
YOU THE ADMIN APPL CHECKLIST. BRIAN
AT THE OCD ARTESIA COULD NOT GIVE
US A POOL CODE YET.

Total number of pages 2. If you do not receive all pages please call.

Sent by:

Juni

Date:

12-17-01

505/622-3770 EXT 219

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
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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 XDoes 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.

John C. Maxey, Jr.

 Print or Type Name

[Signature]

 Signature

Operations Manager

 Title

12-17-01

 Date

 e-mail Address

DATE 11/29/01	SUSPENSE N/R	ENGINEER RE	LOGGED IN KW	TYPE DHC	APP NO. PKRV0133833495
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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 COVERSHEET

THIS COVERSHEET 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]
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 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
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[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

[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] INFORMATION / DATA SUBMITTED IS COMPLETE - Certification

I hereby certify that I, or personnel under my supervision, have reviewed the applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common.

I understand that any omission of data (including API numbers, pool codes, etc.), pertinent information and any required notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

John C. Maxey, Jr.

Print or Type Name

Signature

Operations Manager

Title

11-27-01

Date

e-mail Address

District I
1625 N. French Drive, Hobbs, NM 88240
District II
811 South First Street, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised May 15, 2000

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, New Mexico 87505
APPLICATION FOR DOWNHOLE COMMINGLING

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

Read & Stevens, Inc. P. O. Box 1518 Roswell, New Mexico 88202
Operator Address
Bandit State 2 L 10 23S 26E Eddy
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 018917 Property Code 019282 API No. 30-015-31149 Lease Type: Federal X State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Frontier Hills Canyon		Frontier Hills Strawn
Pool Code			77190
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	10,170'-10,175'		10,531'-10,589'
Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
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)	1100		1148
Producing, Shut-In or New Zone	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: New Zone Estimated Rates: 2 BOPD 764 MCFD 0 BOPD	Date: Rates:	Date: 11/20/01 Rates: 0 BOPD 80 MCFD 5 BOPD
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 100 % 91 %	Oil Gas % %	Oil Gas 0 % 9 %

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.
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 John C. Maxey, Jr. TITLE Operations Manager DATE 11-26-01
TYPE OR PRINT NAME John C. Maxey, Jr. TELEPHONE NO. (505) 622-3770

Attachment 1

Copyright 11:27:34 11/26/01, Lessor, Inc.
CD Data Thru Date: 2001/07

LFD Condensed Monthly Report

Field: FRONTIER HILLS (STRAWN (GAS)) 77190
Operator: READ & STEVENS INC 018917
Lease Name: BANDIT STATE 002
LPD ID: 300153114977190

County, State: EDDY, NM
Status and Date: ACT 0
District: , Phase: GAS

Gatherer Name	Code	Number	Cum Since	Cum	Gravity
Gas			2000/09	77273	0.000
Oil			2000/09	556	0.000

Location: 23826E10L

API: 3001531149 Completion Date: 2000/09/01 Depth: 0 Upper Perf: 10531 Lower Perf: 10589

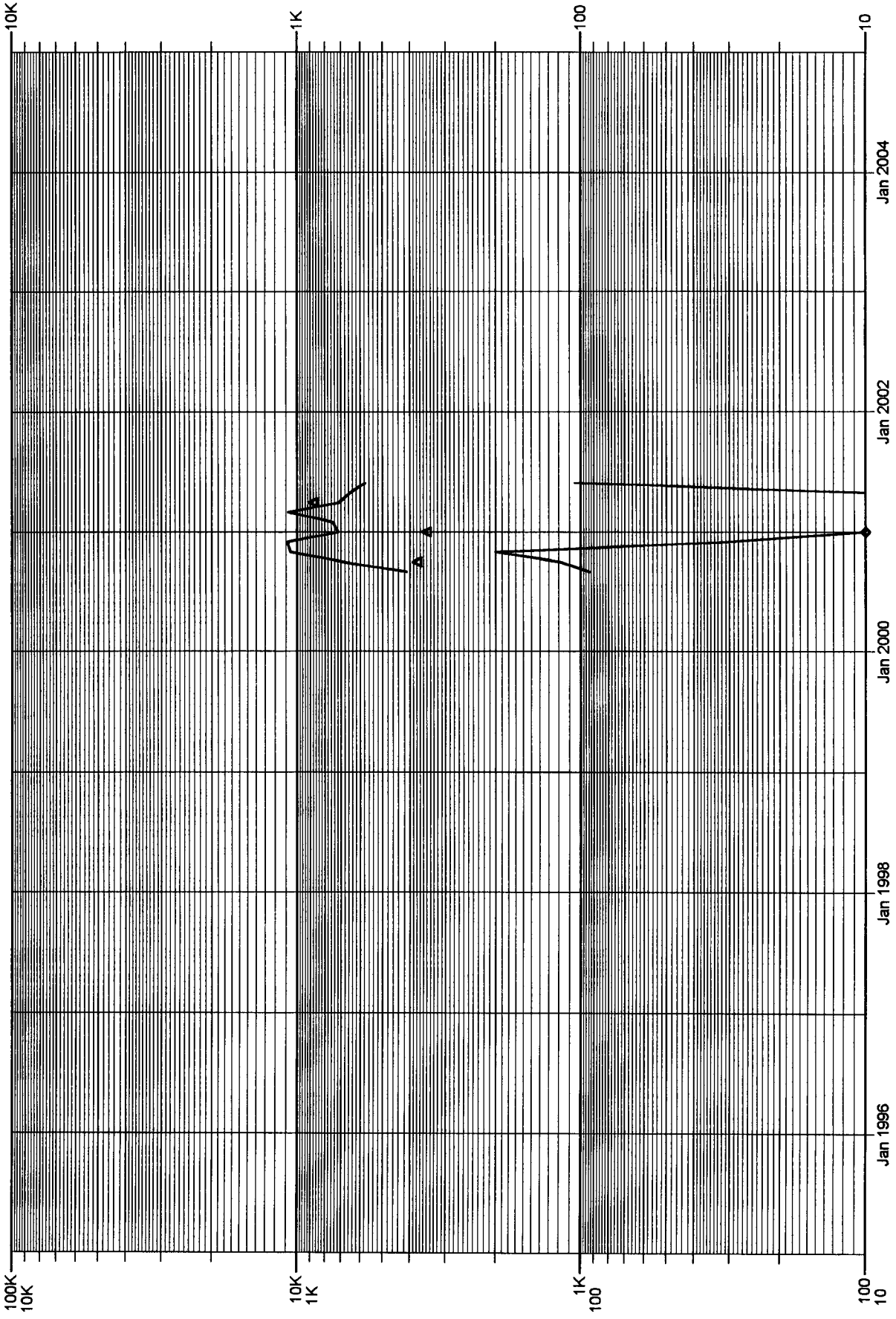
2000	GAS	MCF/DAY	Cond	2001	GAS	MCF/DAY	Cond
JAN	0	0	0	JAN	7188	232	2
FEB	0	0	0	FEB	7514	268	7
MAR	0	0	0	MAR	10760	347	0
APR	0	0	0	APR	7120	237	0
MAY	0	0	0	MAY	6526	211	0
JUN	0	0	0	JUN	5767	192	105
JUL	0	0	0	JUL	0	0	0
AUG	0	0	0	AUG	0	0	0
SEP	4114	137	93	SEP	0	0	0
OCT	6858	221	118	OCT	0	0	0
NOV	10574	352	200	NOV	0	0	0
DEC	10852	350	31	DEC	0	0	0
Annual	32398		442	Annual	44875		114
Totals	32398		442	Totals	77273		556

This production is for Strawn interval. No curve available for Canyon section. Not perfed yet. Current production for this well during November 2001 is 80 mctd, 0 BOPD and 5 BWPD.

Attachment 2

Field: FRONTIER HILLS (STRAWN (GAS)) 77190
Operator: READ & STEVENS INC 018917
Lease Name: BANDIT STATE 002
LPD ID: 300153114977190

County, State: EDDY, NM
Status and Date: ACT 0
District: , Phase: GAS
Gas Cum: 77273, Oil Cum: 556



—◆— Monthly Gas (Mcf)
—▲— Monthly Oil (Bbls)
Rate Vs Time Graph All Data- Gas, Oil, Water

Monthly Water (Bbls) ▲ ▲
Copyright 11:27:34 11/26/01, Lasser, Inc.

Attachment 3

Copyright 11:32:59 11/26/01, Lasser, Inc.
CD Data Thru Date: 2001/07

LPD Condensed Monthly Report

Field: 89052
Operator: TEXAS INTERNATIONAL PETROLEUM CO
Lease Name: ALLIED STATE 001
LPD ID: 23S26E10I00CP

County, State: EDDY, NM
Status and Date: INA 0
District: 2, Phase: GAS

Gatherer Name	Code	Number	Cum Since	Cum	Gravity
EL PASO NATURAL GAS COMPANY	EPG		1974/01	375317	0.000
Oil			1974/01	1081	0.000

Location: 23S26E10I

1974	GAS	MCF/DAY	Cond	1975	GAS	MCF/DAY	Cond	1976	GAS	MCF/DAY	Cond
JAN	52093	1680	80	JAN	23203	748	49	JAN	2147	69	0
FEB	60049	2145	292	FEB	5222	187	17	FEB	0	0	0
MAR	26183	845	45	MAR	0	0	0	MAR	0	0	0
APR	59545	1985	160	APR	2912	97	0	APR	0	0	0
MAY	37536	1211	20	MAY	20321	656	45	MAY	0	0	0
JUN	24309	810	46	JUN	12072	402	27	JUN	0	0	0
JUL	8597	277	20	JUL	13319	430	105	JUL	0	0	0
AUG	0	0	0	AUG	7531	243	39	AUG	0	0	0
SEP	0	0	0	SEP	2745	92	27	SEP	0	0	0
OCT	0	0	0	OCT	1308	42	28	OCT	0	0	0
NOV	0	0	0	NOV	132	4	10	NOV	0	0	0
DEC	15895	513	59	DEC	198	6	12	DEC	0	0	0
Annual	284207		722	Annual	88963		359	Annual	2147		0
Totals	284207		722	Totals	373170		1081	Totals	375317		1081

allied St. #1 →
Same section - turn - rge as Bandit St #2
allied St #1, 22' of Canyon pay, 2.1 mmcf/d
initial deliverability.
Bandit St #2, 8' of Canyon pay, therefore,
 $8/22 \times 2.1 \text{ mmcf/d} = 764 \text{ mcf/d}$ estimated
initial deliverability.

allocation of production,

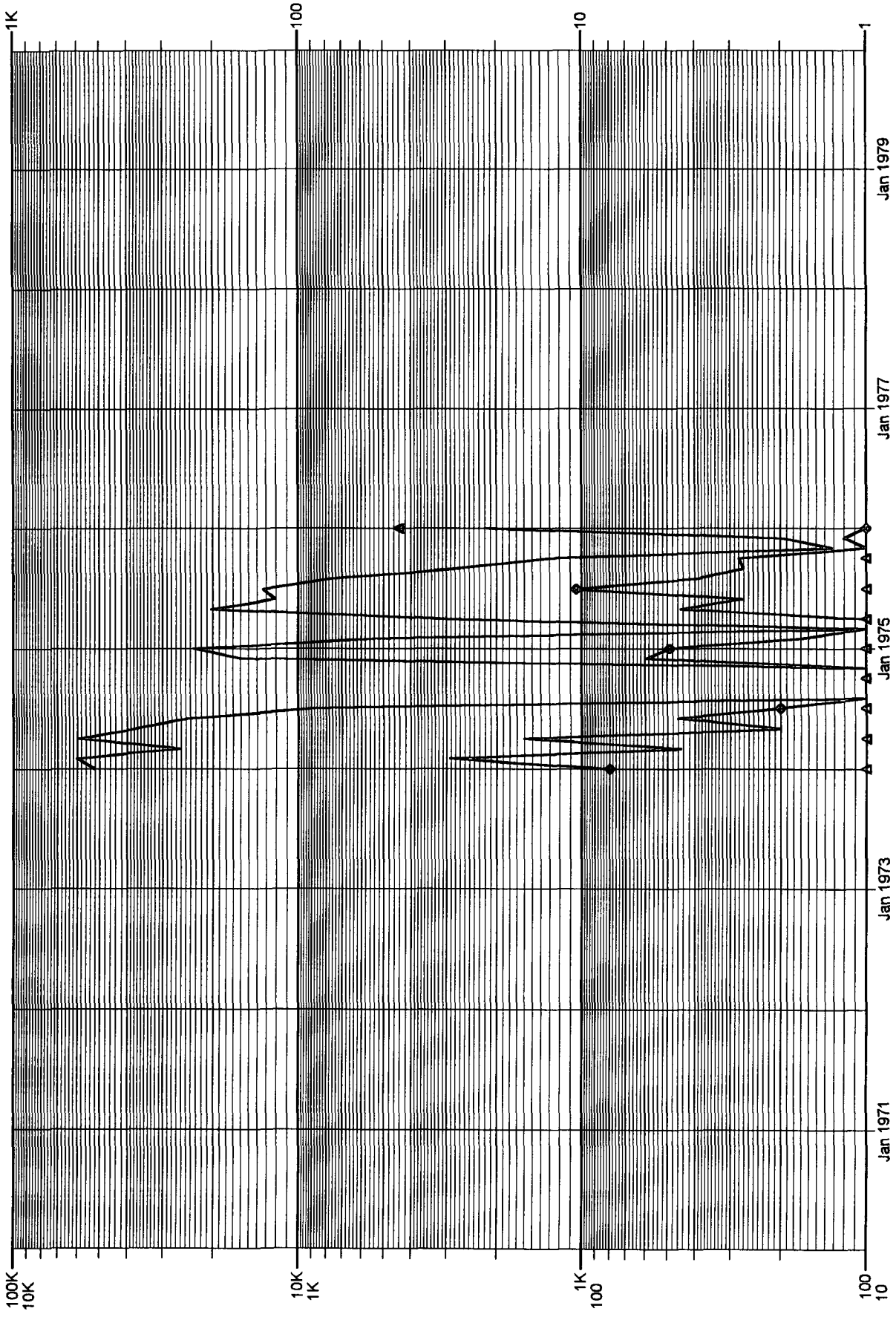
$764 \text{ mcf/d} + 80 \text{ mcf/d} = 844 \text{ mcf/d}$

$764/844 = 91\%$ of daily production to Canyon
9% " " " to Stewen

Attachment 4

Field: 89052
Operator: TEXAS INTERNATIONAL PETROLEUM CO
Lease Name: ALLIED STATE 001
LPD ID: 23S26E10100CP

County, State: EDDY, NM
Status and Date: INA 0
District: 2, Phase: GAS
Gas Cum: 375317, Oil Cum: 1081



—◆— Monthly Gas (McF)
—▲— Monthly Oil (Bbls)
Rate Vs Time Graph All Data- Gas, Oil, Water

Monthly Water (Bbls) ▲
Copyright 11:32:59 11/26/01, Lasser, Inc.

CD Date: 200107

Attachment 5

District I
1625 N. French Dr., Hobbs, NM 88240

District II
811 South First, Artesia, NM 88210

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised March 17, 1999

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name Frontier Hills Strawn
⁴ Property Code	⁵ Property Name BANDIT STATE	⁶ Well Number 2
⁷ OGRID No. 018917	⁸ Operator Name READ & STEVENS, INC.	⁹ Elevation 3322.

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	10	23-S	26-E		1980	SOUTH	660	WEST	EDDY

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 320	¹³ Joint or Infill N	¹⁴ Consolidation Code	¹⁵ Order No.						

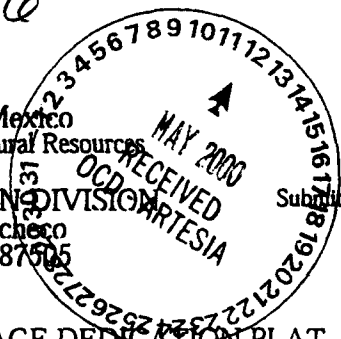
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

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 <i>John C. Maxey, Jr.</i> Printed Name John C. Maxey, Jr. Title Operations Manager Date May 9, 2000	
	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.	
	MAY 10 2000 NEW MEXICO 5412 REGISTERED LAND SURVEYOR PROFESSIONAL ENGINEER NM REGS NO. 3412	

Attachment 6

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
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State of New Mexico
Energy, Minerals & Natural Resources
OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505



Form C-102
Revised March 17, 1999
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name Frontier Hills Canyon	
4 Property Code		5 Property Name BANDIT STATE			6 Well Number 2
7 OGRID No. 018917		8 Operator Name READ & STEVENS, INC.			9 Elevation 3322.

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	10	23-S	26-E		1980	SOUTH	660	WEST	EDDY

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 320		13 Joint or Infill N		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 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 John C. Maxey, Jr.	
	Title Operations Manager	
	Date May 9, 2000	
	17 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 MAY 9, 2000	
	Signature and Seal of Professional Engineer 	
	Certified by 5412	