

16 April 07 DATE IN	SUSPENSE	W. Jones ENGINEER	17 April 07 LOGGED IN	DHC TYPE	PELPO710729263 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



16 2007

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

Signature

Regulatory Analyst

Title

4/11/07

Date

e-mail Address

District I
2625 N. French Drive, Hobbs, NM 88240

District II
1401 W. Grand Avenue, Artesia, NM 87210

District III
1000 Rio Hondo Road, Artesia, NM 87210

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

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

APPLICATION FOR DOWNHOLE COMMINGLING

EOG resources, Inc. P.O. Box 2267 Midland, TX 79702
Operator Address
Lease Federal MA 8 H 21-18S-33E Lea
Well No. Unit Letter-Section-Township-Range County
OGRID No. 7377 Property Code 25561 API No. 30-025-31492 Lease Type: ☒ Federal ____ State ____ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Corbin; BS, South		Corbin; WC, South
Pool Code	13160		13320
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	8513' - 9364'		10858' - 11330'
Method of Production (Flowing or Artificial Lift)	rod pump		rod pump
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)	na		na
Oil Gravity or Gas BTU (Degree API or Gas BTU)	37.1		37.7
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: 4/10/07 o/g/w Rates: 2/3/13	Date: Rates:	Date: 11/2000 o/g/w Rates: 4/90/8
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 33 % 3 %	Oil Gas % %	Oil Gas 67 % 97 %

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.

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 Stan Wagner TITLE Regulatory Analyst DATE 4/12/07

TYPE OR PRINT NAME Stan Wagner TELEPHONE NO. (432) 686-3689

E-MAIL ADDRESS _____

DATA SHEET FOR NMOCD DOWNHOLE COMMINGLING

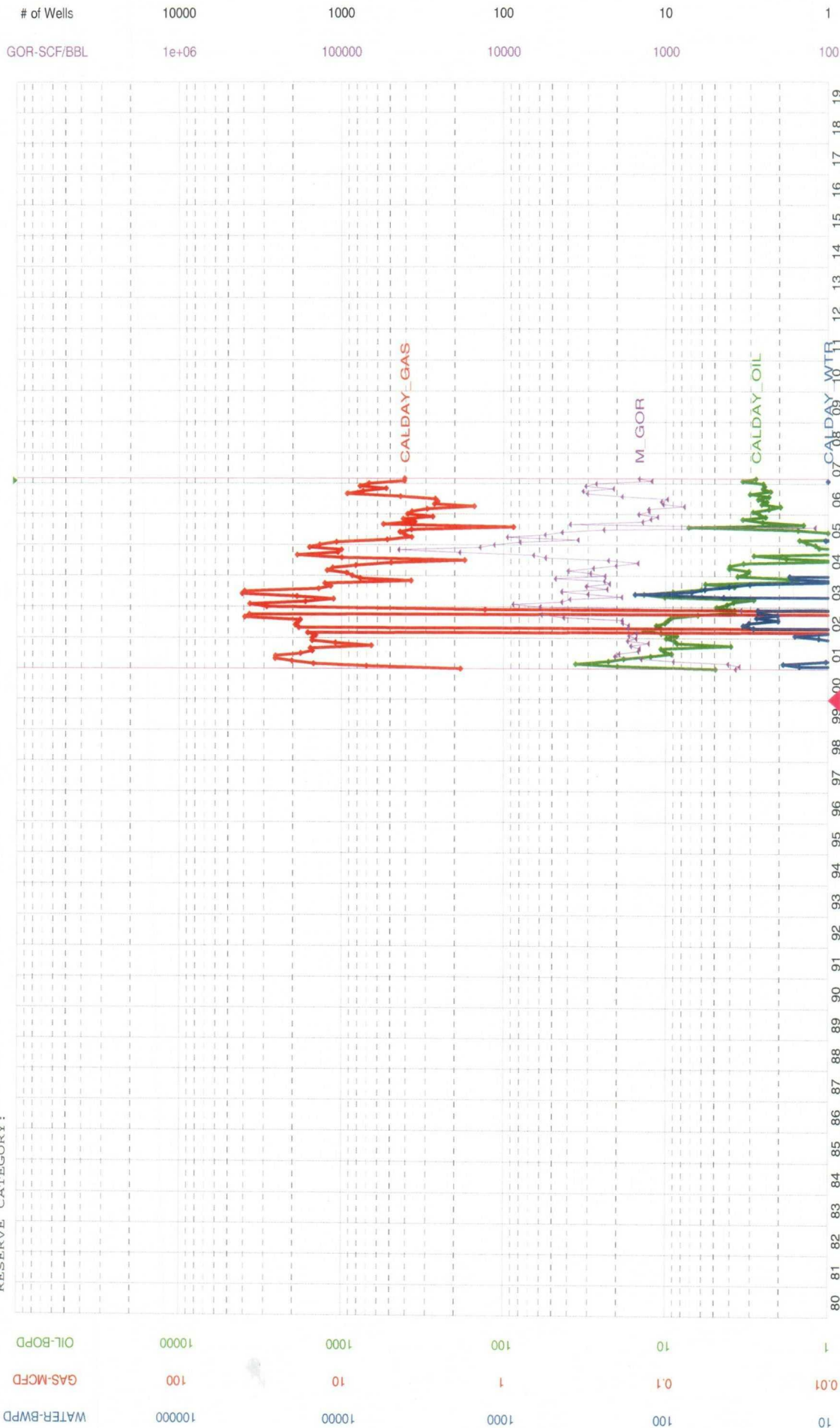
Operator: EOG Resources, Inc. 7377
Attn: Stan Wagner
P.O. Box 2267
Midland, TX 79702
432 686 3689

Lease Name and Well Number Federal MA 8

- (1) Names and codes of Pools to be commingled:
Corbin; Bone Spring, South (13160)
Corbin; Wolfcamp, South (13320)
- (2) Perforated Pay Intervals:
Bone Spring 8513' - 9364'
Wolfcamp 10858' - 11330'
- (3) Type of Production:
Oil
- (4) How is each zone being produced ?
Rod Pump
- (5) Estimated BHP:
NA
- (6) API Gravity of each zone:
Bone Spring 37.1
Wolfcamp 37.7
- (7) Production History (attach production curve for each zone):
Attached
- (8) Are Royalty and Working Interests identical with respect to all proposed combined zones in the well ?
Yes
- (9) Will commingling reduce the value of the total remaining production ?
No
- (10) Will cross flow exist ?
No
- (11) Are all produced fluids from all commingled zones compatible with each other ?
Yes. These pools have previously been downhole comingled in our West Corbin Federal No. 18.
- (12) Is a copy of this application being provided to either the United States Bureau of Land Management or New Mexico Commissioner of Public Lands ?
Yes - BLM

LEASE: FEDERAL MA 35

WELL: 08
 FIELD: CORBIN SOUTH
 OPERATOR: EOG RESOURCES
 COUNTY, STATE: LEA, NM
 RESERVE CATEGORY:



OIL-BOPD	GAS-MCFD	WATER-BWPD	# of Wells
2/2007	2/2007	2/2007	2/2007
Ref= 13097	Ref= 26454	Ref= 26788	Ref= 0
Cum=	Cum=	Cum=	Cum=

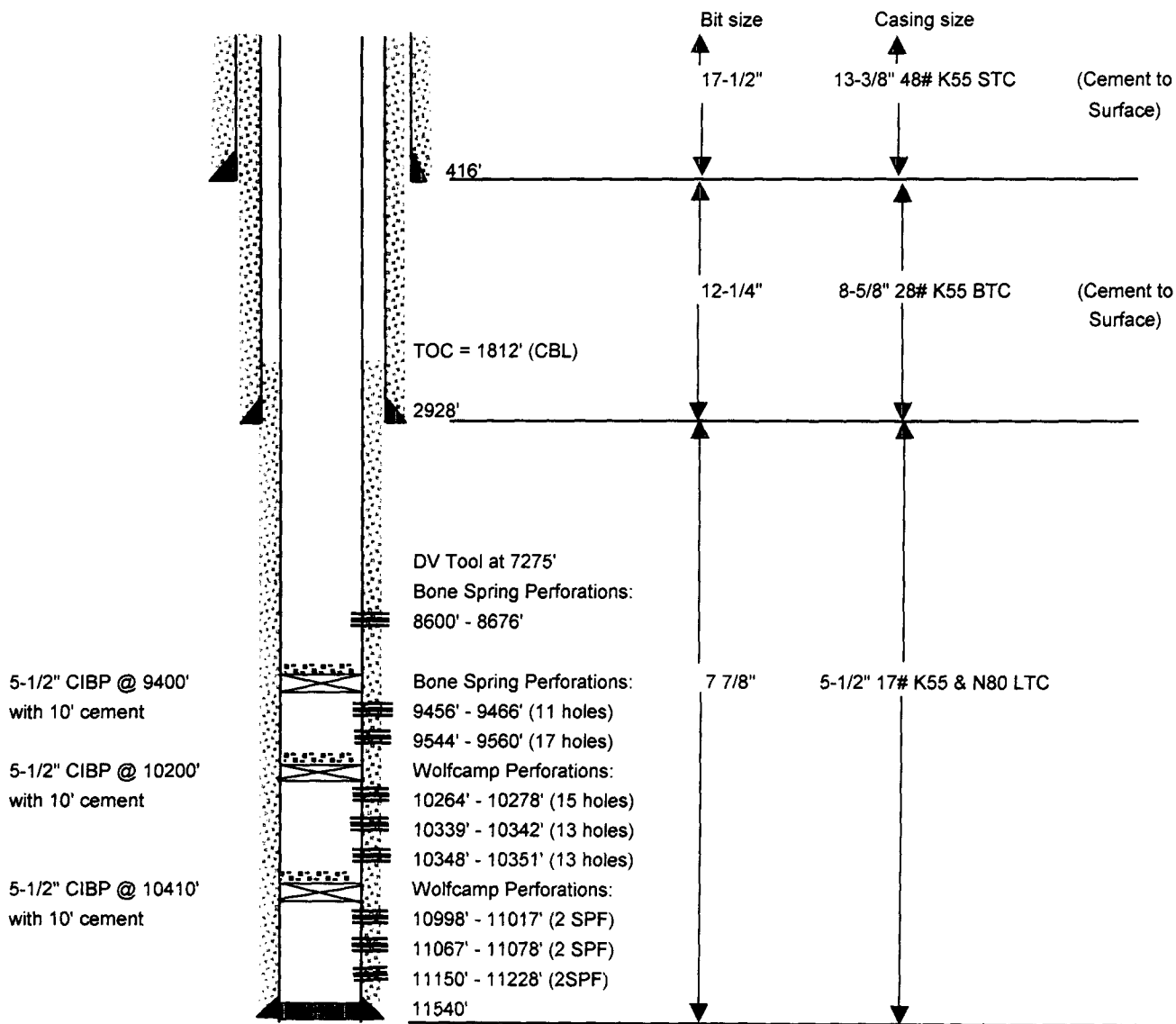
WELL: 08 (BP)
FIELD: CORBIN SOUTH
OPERATOR: EOG RESOURCES
COUNTY, STATE: LEA , NM
RESERVE CATEGORY:



EXISTING



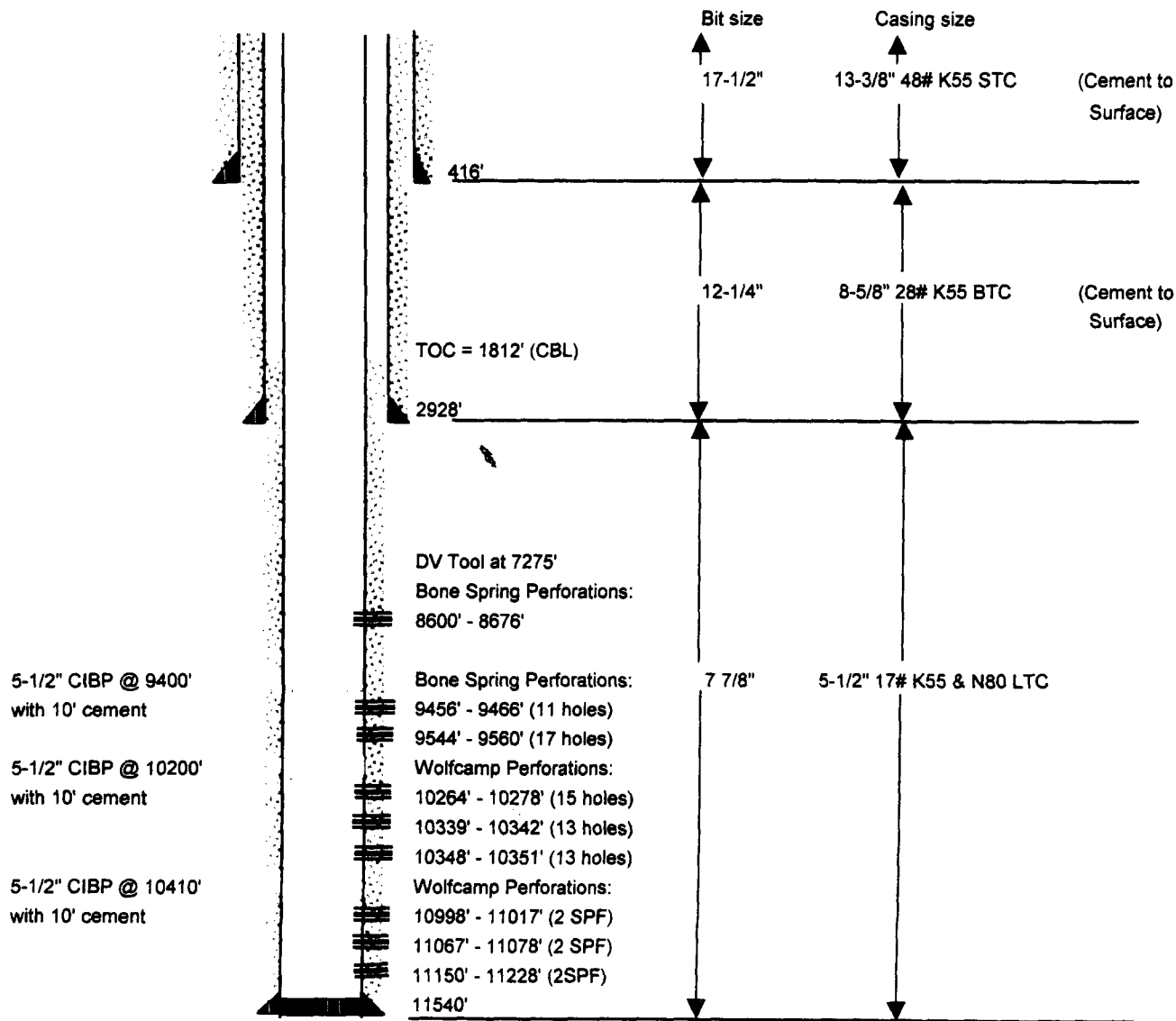
Federal MA #8
2062' FNL & 769' FEL
Sec 21, T18S, R33E
Lea County, New Mexico
API No: 30-025-31492



PROPOSED



Federal MA #8
2062' FNL & 769' FEL
Sec 21, T18S, R33E
Lea County, New Mexico
API No: 30-025-31492



P. O. BOX 1468
MONAHAN, TEXAS 79756
(915) 943-3234 or 563-1040

Martin Water Laboratories, Inc.
WATER CONSULTANTS SINCE 1953
BACTERIAL AND CHEMICAL ANALYSES

709 W. INDIANA
MIDLAND, TEXAS 79701
(915) 683-4521

February 1, 2002

Ms. Beverly Hatfield
EOG Resources, Inc.
P.O. Box 2267
Midland, TX 79702

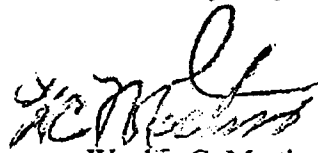
Subject: Compatibility between Bone Spring and Wolfcamp, West Corbin Federal lease.

Dear Ms. Hatfield:

This letter is to provide an evaluation between the above listed waters in Lea county, New Mexico. We have utilized our records of Bone Spring in the S. Corbin field, but the closest records we have of Wolfcamp are about 10-12 miles to the north.

We have studied these records and find no evidence of any incompatibility. This is to say that based on the evidence we have available, we would not expect any precipitation or scaling potential to result from combining Bone Spring and Wolfcamp based on our records in this area.

Yours very truly,



Waylan C. Martin

WCM/am



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

BETTY RIVERA

Cabinet Secretary

Lori Wrotenberg

Director

Oil Conservation Division

ADMINISTRATIVE ORDER DHC-2989

EOG Resources, Inc.
P.O. Box 2267
Midland, Texas 79702

Attention: Ms. Bev Hatfield

*West Corbin Federal No. 18
API No. 30-025-30726
Unit F, Section 18, Township 18 South, Range 33 East, NMPM,
Lea County, New Mexico.
South Corbin-Bone Spring (Oil – 13160) and
South Corbin-Wolfcamp (Oil – 13320) Pools*

Dear Ms. Hatfield:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303.C.(1), each of the commingled pools shall be allowed to produce up to the top oil allowable and top casinghead gas allowable applicable for that pool.

Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

South Corbin-Bone Spring Pool	Oil-52%	Gas-52%
South Corbin-Wolfcamp Pool	Oil-48%	Gas-48%

Administrative Order DHC-2989

EOG Resources, Inc.

February 14, 2002

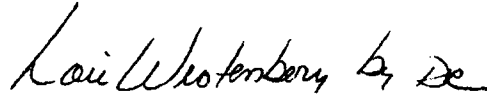
Page 2

REMARKS: The operator shall notify the Hobbs District Office of the Division upon implementation of commingling operations.

Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 14th day of February, 2002.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION




LORI WROTENBERY
Director

S E A L

LW/DRC

cc: Oil Conservation Division - Hobbs
Bureau of Land Management-Carlsbad

16				<div data-bbox="1052 982 1523 1228"><p>17</p><p>OPERATOR CERTIFICATION</p><p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p><div data-bbox="1052 1228 1523 1276"><div data-bbox="1052 1228 1318 1276"></div><div data-bbox="1318 1228 1523 1276">4/12/07</div></div><div data-bbox="1052 1276 1523 1297">Signature Date</div><div data-bbox="1052 1297 1523 1316">Stan Wagner</div><div data-bbox="1052 1316 1523 1337">Printed Name</div></div>
			<div data-bbox="808 1228 1052 1463"><p>2062'</p><p>769'</p></div>	<div data-bbox="1052 1228 1523 1463"><p>18</p><p>SURVEYOR CERTIFICATION</p><p><i>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.</i></p><div data-bbox="1052 1463 1523 1484">Date of Survey</div><div data-bbox="1052 1484 1523 1503">Signature and Seal of Professional Surveyor:</div><div data-bbox="1052 1503 1523 1522">Certificate Number</div></div>

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 October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-31492	² Pool Code 13160	³ Pool Name Corbin; Bone Spring, South
⁴ Property Code 25561	⁵ Property Name Federal MA	⁶ Well Number 8
⁷ OGRID No. 7377	⁸ Operator Name EOG Resources, Inc.	⁹ Elevation 3857' KB

¹⁰ Surface Location

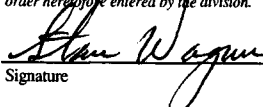
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	21	18S	33E		2062	North	769	East	Lea

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 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.

<div style="position: relative; height: 400px;"> <div style="position: absolute; left: 50%; top: 50%; transform: translate(-50%, -50%);"> <div style="border-left: 1px dashed black; height: 100px; width: 10px;"></div> <div style="position: absolute; top: 0; left: -10px;">2062'</div> <div style="position: absolute; bottom: 0; left: -10px;">-769'</div> </div> </div>	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. <div style="display: flex; justify-content: space-between;"> <div>  Signature </div> <div> 4/12/07 Date </div> </div> <div> Stan Wagner Printed Name </div>	
	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	