

DATE IN 16 April 07	SUSPENSE	ENGINEER W. Jones	LOGGED IN 17 April 07	TYPE DHC	APP NO. PCLD 0710 728408
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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

RECEIVED

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

APR 16 2007

#### 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  
6, N. French Drive, Hobbs, NM 88240

District II  
101 W. Grand Avenue, Artesa, NM 88218

District III  
600 Rio Hondo Road, Aztec, NM 87410

District IV  
120 S. St. Francis Drive, 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

DHC-3880

EOG Resources, Inc. P.O. Box 2267 Midland, TX 79702  
Operator Address  
Uncle Federal 1 C 28-18S-33E Lea  
Lease Well No. Unit Letter-Section-Township-Range County  
OGRID No. 7377 Property Code 25583 API No. 30-025-21246 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)	9944' - 10095'		11130' - 11420'
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)	35.4		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: 2/2007 o/g/w Rates: 8/15/8	Date: Rates:	Date: 6/2003 o/g/w Rates: 6/50/5
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 57 % 23 %	Oil Gas % %	Oil Gas 43 % 77 %

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 4/11/07  
TYPE OR PRINT NAME Stan Wagner TELEPHONE NO. ( 432 ) 686-3689  
E-MAIL ADDRESS \_\_\_\_\_

DATA SHEET FOR NMOCD DOWNHOLE COMMINGLING

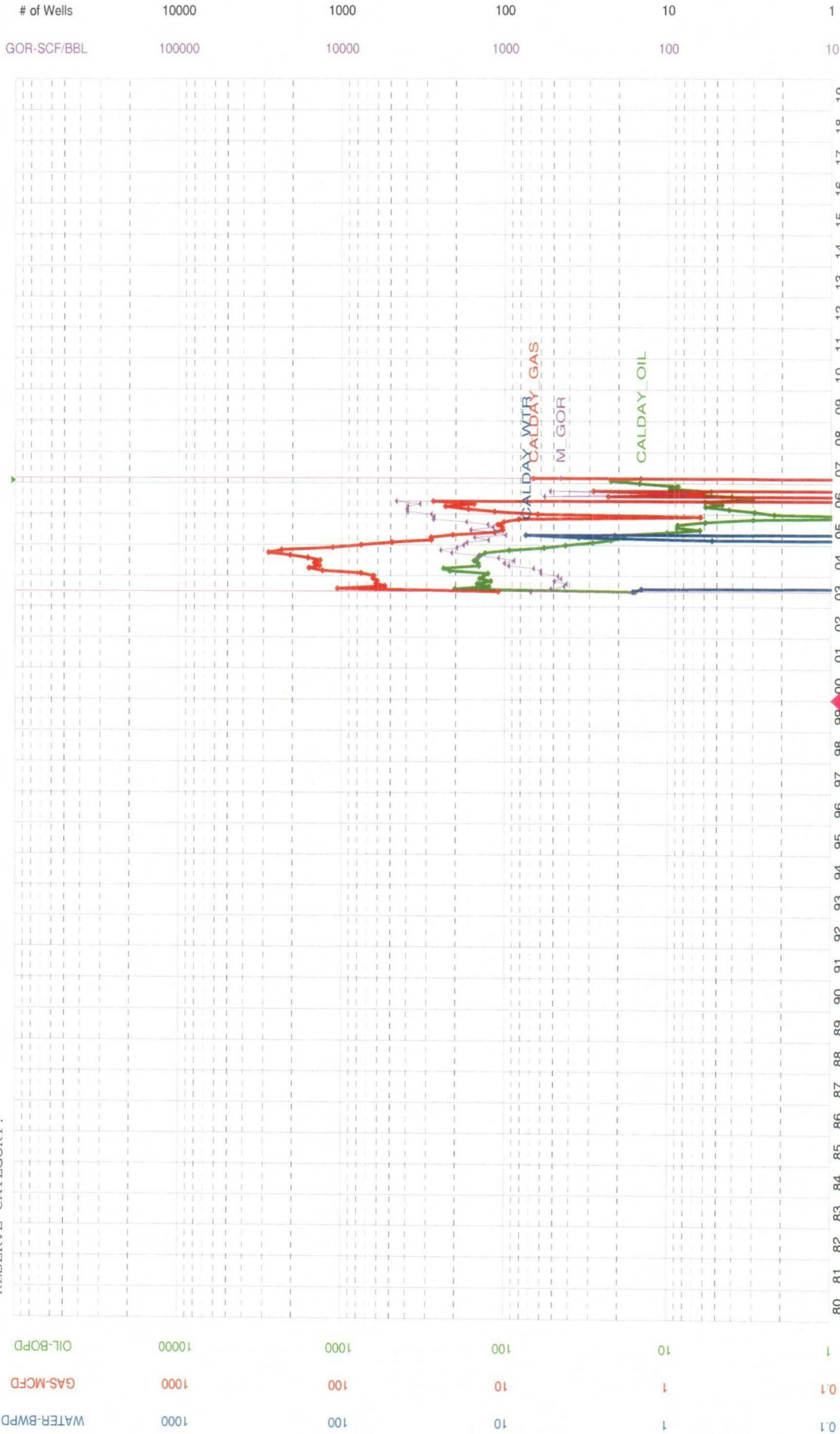
Operator: EOG Resources, Inc. 7377  
Attn: Stan Wagner  
P.O. Box 2267  
Midland, TX 79702  
432 686 3689

Lease Name and Well Number Uncle Federal 1

- (1) Names and codes of Pools to be commingled:  
**Corbin; Bone Spring, South (13160)**  
**Corbin; Wolfcamp, South (13320)**
- (2) Perforated Pay Intervals:  
**3rd Bone Spring 9944' - 10095'**  
**Wolfcamp 11130' - 11420'**
- (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 35.4**  
**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: UNCLE FEDERAL

WELL: 1 (BS)  
 FIELD: SOUTH CORBIN  
 OPERATOR: EOG RESOURCES  
 COUNTY, STATE: LEA, NM  
 RESERVE CATEGORY:

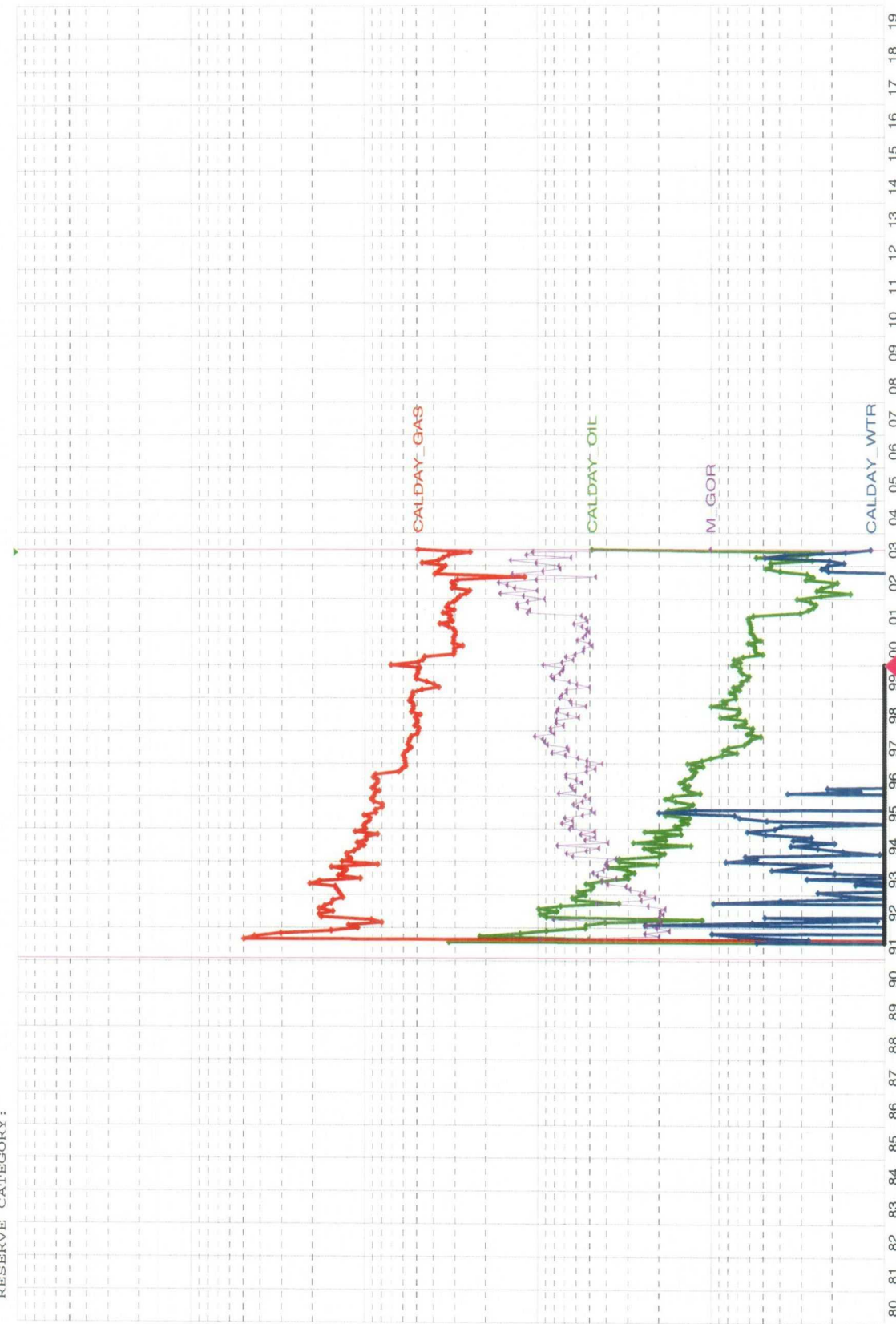


OIL-BOPD 2/2007 84766 Cum= 84766  
 GAS-MCFD 2/2007 78601 Cum= 78601  
 WATER-BWPD 2/2007 441 Cum= 441  
 GOR-SCF/BBL 2/2007 0 Cum= 0  
 # of Wells 2/2007 0 Cum= 0

# LEASE: UNCLE FEDERAL

WELL: 1 (WC)  
 FIELD: CORBIN SOUTH  
 OPERATOR: EOG RESOURCES  
 COUNTY, STATE: LEA, NM  
 RESERVE CATEGORY:

# of Wells	10000	1000	100	10	1
GOR-SCF/BBL	1e+06	100000	10000	1000	100

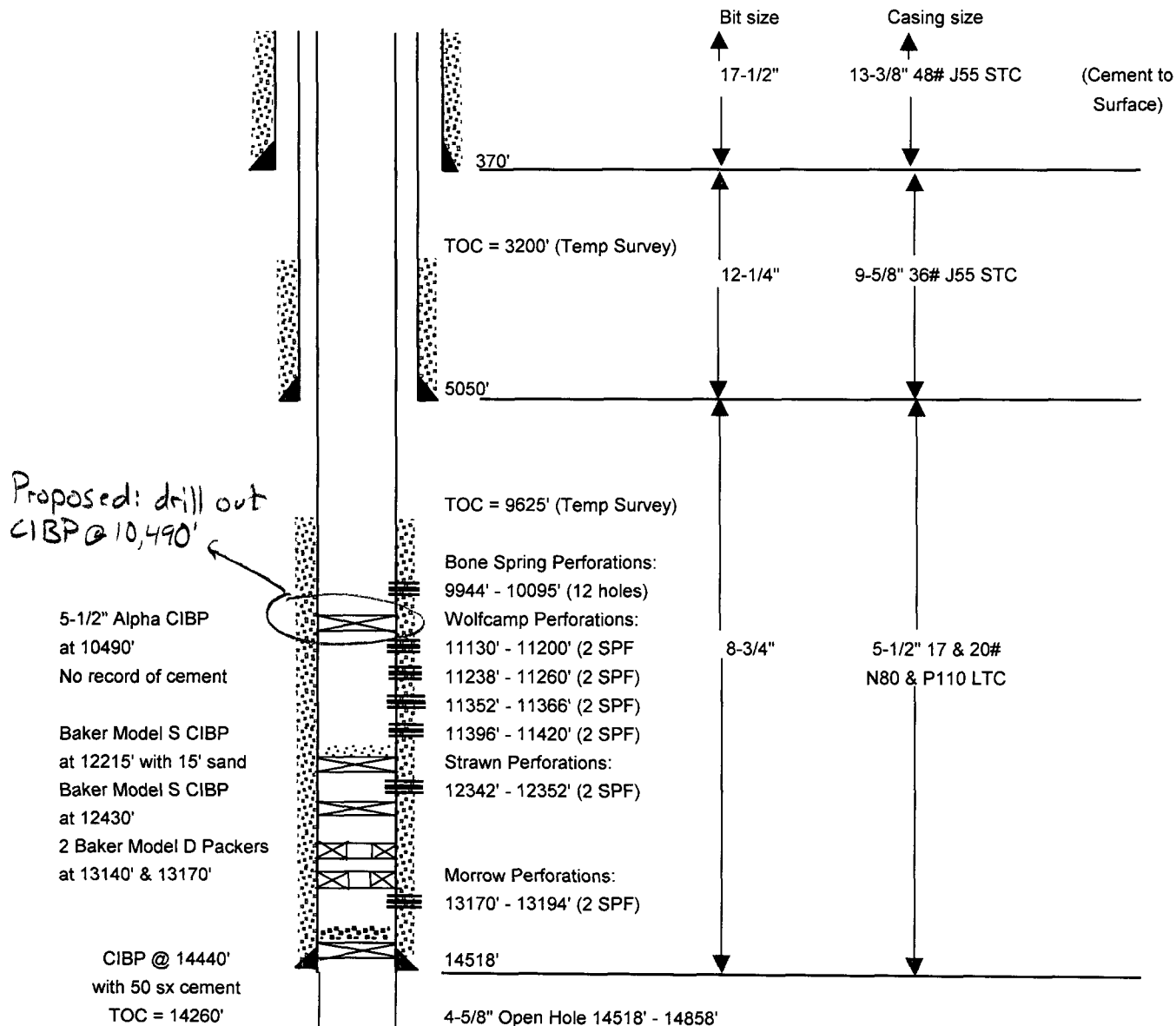


OIL-BOPD	GAS-MCFD	WATER-BWPD	GOR-SCF/BBL	# of Wells
Ref= 6/2003	Ref= 6/2003	Ref= 6/2003	Ref= 6/2003	Ref= 6/2003
Cum= 96430	Cum= 351703	Cum= 7188	Cum= 0	Cum= 102

EXISTING



**Uncle Federal #1**  
**660' FNL & 1650' FWL**  
 Sec 28, T18S, R33E  
 Lea County, New Mexico  
 API No: 30-025-21246



P. O. BOX 1468  
MONAHANS, 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

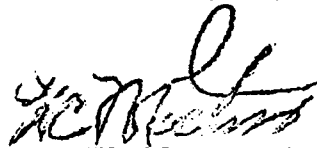
Subject: Compatibility between Bone Spring and Wolfcamp, West Corbin Federal lease.

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,



Waylän C. Martin

WCM/am



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**GARY E. JOHNSON**  
Governor  
**BETTY RIVERA**  
Cabinet Secretary

**Lori Wrotenbery**  
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*


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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

## 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 &amp; 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

<sup>1</sup> API Number 30-025-21246	<sup>2</sup> Pool Code 13160	<sup>3</sup> Pool Name Corbon; Bone Spring, South
<sup>4</sup> Property Code 25583	<sup>5</sup> Property Name Uncle Federal	<sup>6</sup> Well Number 1
<sup>7</sup> OGRID No. 7377	<sup>8</sup> Operator Name EOG Resources, Inc.	<sup>9</sup> Elevation 3798 GR

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	28	18S	33E		660	North	1650	West	Lea

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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

<sup>16</sup> 	<sup>17</sup> 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 8/5/03 Date		
	<sup>18</sup> 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  
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**

<sup>1</sup> API Number 30-025-21246	<sup>2</sup> Pool Code 13320	<sup>3</sup> Pool Name Corbin; Wolfcamp, South
<sup>4</sup> Property Code 25583	<sup>5</sup> Property Name Uncle Federal	<sup>6</sup> Well Number 1
<sup>7</sup> OGRID No. 7377	<sup>8</sup> Operator Name EOG Resources Inc.	<sup>9</sup> Elevation 3798' GR

<sup>10</sup> Surface Location

UL or lot no. C	Section 28	Township 18S	Range 33E	Lot Idn	Feet from the 660	North/South line North	Feet from the 1650	East/West line West	County Lea
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<sup>11</sup> 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
<sup>12</sup> Dedicated Acres 80	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.

<sup>16</sup> 	<sup>17</sup> <b>OPERATOR CERTIFICATION</b> 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.  Signature Date 4/12/07 Stan Wagner Printed Name	
	<sup>18</sup> <b>SURVEYOR CERTIFICATION</b> 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	