

PNRM 0224656092

C-103 10-5-01

DHC No. Assigned 12-5-01

Order Number

DI 0042

API Number

30-025-35614

Operator

Capataz Operating Inc.

County

Lea

Order Date

9-6-01

Well Name

Dukes

Number

001

Location

K

UL

11

Sec

20S

T (+Dir)

38E

R (+Dir)

Oil %

35%

Gas %

38%

Pool 1

78760

House Tubb

Pool 2

33250

House Drinkard

Pool 3

Pool 4

Comments:

Work completed effective
Work cancelled
Supplement

9-6-01

1396N

1-18-02

9-3-02
Posted to
RBO-M
B

Posted
B

OIL CONSERVATION DIVISION
Hobbs, New Mexico 88241

DISTRICT OFFICE

July Thru
December, 2001

No. 1396N

SUPPLEMENT TO THE OIL PRORATION SCHEDULE

DATE: 01/18/2002

PURPOSE: ALLOWABLE ASSIGNMENT (NEW WELL) (A-M)

Effective 09/06/2001, the marginal allowables of the

CAPATAZ OPERATING INC,
DUKES, 1 - K, 11-20-38,

well for the period covering September through December, 2001,
are hereby assigned in the various pools as follows:

HOUSE;TUBB----- #M77
HOUSE;DRINKARD----- #M142
(P-P)
DI-0042

OIL CONSERVATION DIVISION

Chris Williams

DISTRICT SUPERVISOR

CW:nm

CAPATAZ OPERATING INC

PSP 17407

SRG 20809

Submit 3 Copies To Appropriate District Office
District I
1625 N French Dr., Hobbs, NM 88240
District II
1301 W Grand Ave., 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 and Natural Resources

Form C-103
Revised March 25, 1999

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-025-35614
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: Dukes
8. Well No. 1
9. Pool name or Wildcat HouseTubb/HouseDrinkard
#78760 / #33250
Unit Letter <u>K</u> : <u>1980</u> feet from the <u>South</u> line and <u>2105</u> feet from the <u>West</u> line
Section <u>11</u> Township <u>28S</u> Range <u>38E</u> NMPM <u>Lea</u> County
10. Elevation (Show whether DR, RKB, RT, GR, etc)

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)

1. Type of Well.
Oil Well ☒ Gas Well ☐ Other ☐

2 Name of Operator
Capataz OPerating, Inc

3 Address of Operator
PO Box 10549, Midland, TX 79702

4 Well Location

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐

OTHER: ☐

OTHER: Completion & Commingle ☒

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

As per Rule 11363 Capataz requests permission to downhole commingle the Dukes #1. The commingling of these two Leonard intervals will not reduce or diminish the reserves or value of this well. No State or Federal mineral ownership is involved in this well. Perforated 6986-7026 10 holes .42" on 7/26/01. Acidized w/ 4000 gals 20% Nefe. Swabbed back load and tested. 43 BOPD by swab. Re-acidized w/ 6000 gals 28% SXE. Swabbed back load and test 3 days producing 97 BOPD, 100 BWPD and 75 MCDF. Set RBP @ 6921'. Perforated 6740-85' 22 holes .42" on 8/6/01. Acidized w/ 5000 gals 20% Nefe Swabbed back load & test 15 BOPD by swab. Frac'd w/ 177,775 lbs 20/40 sand & 77,506 gals gel. Swabbed back load. Swab test 53 BOPD X 73 BWPD X 45 MCDF. Circulated sand off RBP & POOH w/ tbg & RBP. Ran 2-7/8" tbg, pump & rod to 6692' and began prodction test.

DI DHC Order No. 0042

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE H Scott Davis TITLE Agent DATE 10-05/01

Type or print name

Telephone No.

(This space for State use)

APPROVED BY Paul J. Ruddy TITLE PETROLEUM ENGINEER DATE DEC 4 2001
Conditions of approval, if any:

District I
1625 N French Drive Hobbs NM 88240
District II
1301 W Grand Avenue Angola NM 88310
District III
1000 Rio Blondo Road Arco NM 87410
District IV
1703 St Francis Dr Santa Fe NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised May 15, 2000

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

Capataz Operating Inc. PO Box 10549, Midland, TX 79702
Operator Address
Lease Dukes 1 Well No K-11-20S-38E Unit Letter-Section-Township-Range Lea County
OGRID No 3659 Property Code 28291 API No. 30-025-35614 Lease Type. ☐ Federal ☒ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	House Tubb		House Drinkard
Pool Code	78760		33250
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	6740-85		6986-7026
Method of Production (Flowing or 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)			
Producing, Shut-In or New Zone	Producing		Producing
Date and Oil/Gas/Water Rates of Last Production (Note: For new zones with no production history applicants shall be required to attach production estimates and supporting data.)	Date: 08/21/01 Rates: 53 BO 45 MCF	Date: Rates	Date 08/03/01 Rates 97 BO 75 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 Gas 35 % 37.5 %	Oil Gas % %	Oil Gas 65 % 62.5 %

1832

ADDITIONAL DATA

1727#

Are all working, royalty and overriding royalty interests identical in all commingled zones?
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?

Yes ☒ No ☐
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 NA

Attachments

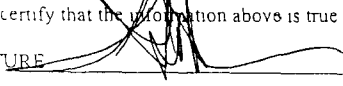
- C-102 for each zone to be commingled showing its spacing unit and acreage dedication
- Production curve for each zone for at least one year (If not available, attach explanation)
- For zones with no production history, estimated production rates and supporting data
- Data to support allocation method 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  TITLE Agent DATE 09/18/01
TYPE OR PRINT NAME H Scott Davis TELEPHONE NO (915) 620-8820

DOWNHOLE COMMINGLE CALCULATIONS: 30-025-35614

OPERATOR: Capataz Operating Inc. DI-0042

PROPERTY NAME: Dukes

WNULSTR: 1-K, 11-20-38

	SECTION I:	ALLOWABLE AMOUNT
78960	POOL NO. 1 <u>House Tubb</u>	<u>142</u> <u>284</u> MCF 2000
33250	POOL NO. 2 <u>House Drinkard</u>	<u>142</u> <u>284</u> MCF 2000
	POOL NO. 3 _____	_____ MCF
	POOL NO. 4 _____	_____ MCF
	POOL TOTALS	<u>284</u> <u>568</u>

	SECTION II:		
AH0450000	POOL NO. 1 <u>House Tubb</u>	35%	38%
AH0430000	POOL NO. 2 <u>House Drinkard</u>	$65\% \times 284 = 184.60$	62%
	POOL NO. 3 _____		
	POOL NO. 4 _____		

	<u>OIL</u>	<u>GAS</u>
SECTION III:	<u>$142 \div 65\% = 218.47 (219)$</u>	_____
SECTION IV:	<u>$219 \times 35\% = 76.65 (77)$</u>	_____
	<u>$219 \times 65\% = 142.35 (142)$</u>	_____
	_____	_____
	_____	_____