

DATE IN 5.6.11	SUSPENSE	ENGINEER DB	LOGGED IN 5.6.11	TYPE DHC 4383	APP NO. 1112650061
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PTGW

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION  
 - Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



RECEIVED  
 14591  
 2011 MAY -6 P. 12:49  
 TRAVIS #2

**ADMINISTRATIVE APPLICATION CHECKLIST** 30-025-22311

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

Fee  
Lea

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.

<u>Matt Ogden</u> Print or Type Name	<u>Matt Ogden</u> Signature	<u>Regulatory Analyst</u> Title	<u>5/3/11</u> Date
		<u>Matt.ogden@meritenergy.com</u> e-mail Address	

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

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107A  
Revised June 10, 2003

District II  
1301 W. Grand Avenue, Artesia, NM 88210

**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

District III  
1000 Rio Brazos Road, Aztec, NM 87410

District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

**APPLICATION FOR DOWNHOLE COMMINGLING**

*DHC-4383*

Merit Energy Company 13727 Noel Rd Ste 500 Dallas, TX 75240

Operator Address

Travis 2 Unit J - Sect. 21 - T23S - R37E Lea

Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 14591 Property Code 17989 API No. 30-025-22311 Lease Type:  Federal  State  Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Teague - Paddock Blinebry		Imperial - Tubb Drinkard
Pool Code	58300		33600
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5183-5908		6129-6221
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)	NA		NA
Oil Gravity or Gas BTU (Degree API or Gas BTU)	35 API/1220 BTU		
Producing, Shut-In or New Zone	Producing		SI
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: Rates: 4bopd/57 mcf / 38 bwpd	Date: Rates:	Date: Rates: .5bopd/5mcf / 1 bwpd
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil 90 % Gas 90 %	Oil % Gas %	Oil 10 % Gas 10 %

**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 *Matt Ogden* TITLE Regulatory Analst DATE 05/03/2011

TYPE OR PRINT NAME Matt Ogden TELEPHONE NO. ( ) (972)628-1603

E-MAIL ADDRESS matt.ogden@meritenergy.com

District I  
 PO Box 1980, Hobbs, NM 88241-1980  
 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 87503

State of New Mexico  
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
 2040 South Pacheco  
 Santa Fe, NM 87505

Form C-102  
 Revised October 18, 1994  
 Instructions on back  
 Submit to Appropriate District Office  
 State Lease - 4 Copies  
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 20-025-22311		2 Pool Code 58300		3 Pool Name TOQUE Padlock - Blimby	
4 Property Code 17989		5 Property Name G. G. Travis			6 Well Number 2
7 OGRID No. 150065		8 Operator Name Mid-Continent Energy operating company			9 Elevation

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
J	21	23S	37E		1980	S	1980	E	LR

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

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>Stephanie Bates</i>
					Printed Name Stephanie Bates
					Title Production Technician
				Date 3-18-97	
				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  
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 July 16, 2010  
Submit one copy to appropriate  
District Office

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-025-22311		<sup>2</sup> Pool Code 33600		<sup>3</sup> Pool Name Imperial Tubb Drinkard	
<sup>4</sup> Property Code 17989		<sup>5</sup> Property Name G. G. Travis			<sup>6</sup> Well Number 2
<sup>7</sup> OGRID No. 14591		<sup>8</sup> Operator Name Merit Energy Company			<sup>9</sup> Elevation

<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
J	21	23S	37E		1980	S	1980	E	Lea

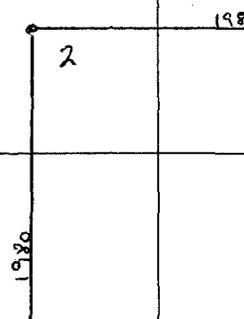
<sup>11</sup> Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

<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.

16					<p><b><sup>17</sup> OPERATOR CERTIFICATION</b></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> <p> 05/03/2011 Signature Date</p> <p>Matt Ogden Printed Name</p> <p>matt.ogden@merit E-mail Address</p>

					<p><b><sup>18</sup> SURVEYOR CERTIFICATION</b></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> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>Certificate Number</p>



Est Blinbery Production

Paddock Production

Water-bbl/m

1000

100

10

TRAVIS, G.G. 21-2 | TRAVIS, G.G. 21 | BLINBERY | Op | 2007 | S 23.0 E 37.0 SEC 21.0 | TEAGUE / IMPERIAL | NM | M52GT0R69V | MERIT ENERGY COMPANY

Results	
Qual	OUTLOOK
Ref	05/2011
Act	0.000
Est	37.992
Cref	38.100
Cap	1.000
"b"	0.000000
De	6.589570
Dimin	0.000
Yrs	65.668
Rem	15087
Cum	111865
EUR	126952

Oil-bbl/m

10000

1000

100

10

Month

Oil

Gas-mcf/m

Year

1975

1980

1985

1990

1995

2000

2005

2010

2015

2020

2025

2030

2035

2040

2045

2050

BLINBERY



PADDOCK



Allocation

PADDOCK 50%

BLINBERY 40%

TUBS-DRAINAGE 10%

GAS

OIL 90

PADDOCK 25%

BLINBERY 65%

TUBS-DRAINAGE 10%

Lease & Well No. **Travis # 2**  
 Field Name **Teague**  
 Location **Unit J, Sec. 21, T23S, R37E**

Status **Active**  
 County & State **Lea County, NM**  
 API No. **30-025-22311**  
 Pool Name **Teague Blinebry**

**Well Information**

Spud: **11/9/1967** Ground Elevation: \_\_\_\_\_ D.F. Elevation: **3,307'**  
 Completed: \_\_\_\_\_ KB Elevation: \_\_\_\_\_ Total Depth: \_\_\_\_\_

**Pipe Data**

Surface						
Hole size	Depth	Size (OD)	Weight	Grade	Sx. Cmt	Comments
	1023 ft	9-5/8"	32#		300 sks	Circ To Surface
Production						
Hole size	Depth	Size (OD)	Weight	Grade	Sx. Cmt	Comments
8.75"	6308 ft	7"	23# / 26#		500 sks	

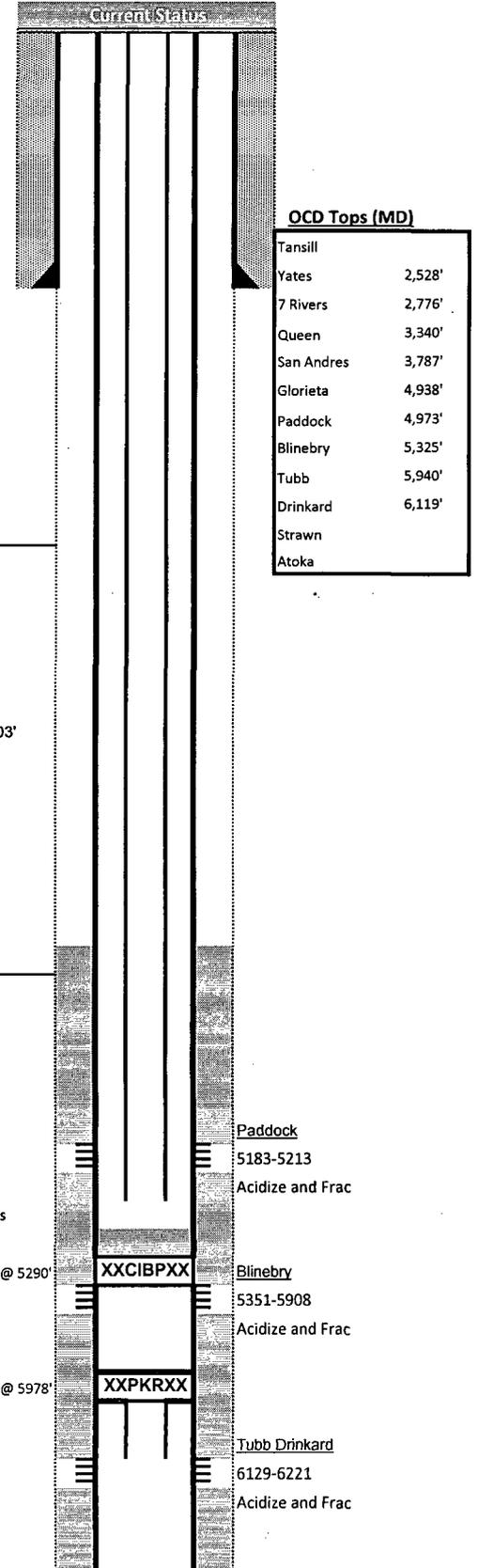
Downhole Tubulars (Top to Bttm):						

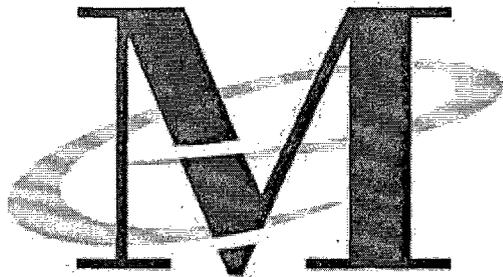
**Well History**

- 12/8/1967** Perforate Tubb-Drinkard: 6129,6137,50,65,75,84,87,96,6199,6203,09,21 (12 Holes) Acidize w/1500 gals 15% Frac (Brine Water) 18 bpm @ 4400# down 3 1/2" tbg
- 12/9/1967** Perf Blinebry: 5804,14,26,32,39,54,71,76,91,5908; Acidize with 1500 gals; Frac w/15000 gals Brine 17000# sand  
 Perf Blinebry: 5461,79,83,96,5500,13,18,38,47,70,73; Acidize, Frac with 20000gals Brine and 26000# 20/40  
 Perf Blinebry: 5351,65,74,79,90,94,5513,28; Acidize, Frac with 20,000 gals Brine and 26000# Sand
- 12/13/1967** Swab Tubb: 6 BO 76 BW in 10 hrs / 12/21/1967: Swab Blinebry: 96 BO, 290 BW in 22 hrs  
 RIH w/ BP 1jt 2 3/8", PS,SN,9jts 2 3/8", Otis Permatrieve Packer, and 70 jts 2 3/8", Set Pkr @ 5978 ft, RIH 2 3/8" to 5603'  
 Dual Complete: Blinebry: 165 BOPD 750# FTP Tubb: 14 BOPD
- 9/14/1870** Set Plug In Otis Permatrieve Packer @ 5978' and T/A Tubb-Drinkard formation; RIH with 1 String to 5861'
- 11/26/1985** Wtr Analysis: 84000 CL
- 8/17/1999** Set 7" CIBP @ 5290' / Dump 2 sks Cement  
 Perforate Paddock: 5183'-5213' / Acidize with 1500 gals / Swab - Strong Gas and 5% OC  
 Frac'd down 2-7/8" with 33000 gals KCL with 7000# 100 Mesh and 70,000# 16/30 22 bpm @ 4000 psig  
 POP: 14 BO, 117 BW, 50 MCF

**Procedures**

- 1 Collect Oil & Wtr Samples Submit to X-Chem / MIRU W/O Rig. RU H2S Equipment - Pre-job sfty mtg / Disc Pwr supply Lock/out Tag/out
- 2 ND HH; RU Rod Equipment; Unseat Pump and TOH with Rods / ND WH, NU BOPs and Test / Rack Back Tubing
- 3 NU 6 1/8" Varel Bit, 6 DCs, Tally Tbg in Hole, Tag CIBP or Fill / RU Air Foam Unit w/Mist Pump / Spot 500 bbl frac tank and fill w/2% KCL
- 4 RU Flowlines from each csg port to gas buster tank Eliminate excessive bends or 90's - sand will cut out valves and flowlines
- 5 Circ well w/Air & Mist Pump / Tag Cmmt / DO CIBP / Collect samples (sand, paraffin, scale) CK returns for O&G Kill tbg w/2% KCL
- 6 Work thru to ensure no burrs; TIH to 5978 ft; Dress Top of Pkr; TOH / RIH with 5 15/16 Impression block via Sandline
- 7 NU 6 1/8" Shoe, Wash Pipe, DCs and TIH; Burn Over packer; TIH to 6300' / CO out fill if necessary / Circ well with Air for 2 hrs / TOH / LD DCs
- 8 NU Gas Geenie, SN, RIH w/Tbg and Set TAC above Perfs; Land tubing @ 6250





*Merit Energy Company  
13727 Noel Road, Suite 500  
Dallas, TX 75240*

Date: May 3, 2011  
To: New Mexico Oil Conservation Division  
Attention: William V Jones P.E.  
**RE. Commingling Application  
Lea County, New Mexico**

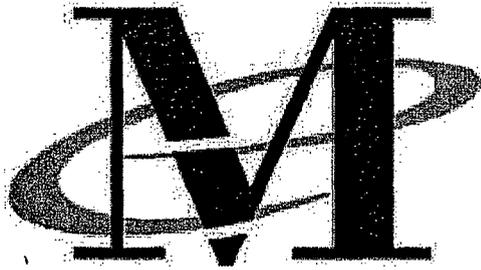
Merit Energy Company has requested approval to commingle the Paddock-Blinebry formation (Teague Pool) with the Tubb Drinkard formation (Imperial Pool).

Commingling the Teague Pool with the Imperial Pool in J Sect. 21 T22S R37E in Lea County is in the interest of both royalty owners and the conservation. Commingling will extend the life of each well and optimize recovery from Both Pools. The well's commercial value will be extended 30 years based on estimated reserves from the Paddock-Blinebry formation, and will ultimately allow uncommercial Imperial Pool reserves to be recovered via production from the Teague Pool. The Paddock-Blinebry Completions are uneconomic if it is required by the NMOCD to seal off the Teague Pool from the Imperial Pool. Operationally, fluid samples will be collected before and after commingling. Scale inhibitors will be continuously pumped during operations. The fluid level will be maintained below the Jalmat pool both to optimize production and reduce any scaling tendencies.

Please let me know if you have any questions

Sincerely,

Brett Keener  
Operations Engineer  
[brett.keener@meritenergy.com](mailto:brett.keener@meritenergy.com)  
Phone: 972-628-1592  
Fax: 972-682-1892



*Merit Energy Company  
13727 Noel Road, Suite 500  
Dallas, TX 75240*

Date: March 22, 2011  
To: New Mexico Oil Conservation Division  
Attention: William V Jones P.E.  
**RE. Jalmat Field: Travis Lease Well#2 Paddock- Tubb Drinkard Commingling  
Lea County, New Mexico**

Merit Energy Company has requested approval to commingle the Teague-Paddock Blinebry with the Imperial-Tubb Drinkard formation .

This well that we are asking to commingle does have "identically owned" (working/royalty/orri) interest from the surface to the base of the queen formation.

Please let me know if you have any questions

Sincerely,

Matt Van Eaton  
Associate Landman  
[matt.vaneaton@meritenergy.com](mailto:matt.vaneaton@meritenergy.com)  
Phone: 972-628-1557  
Fax: 972-682-1857