

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised May 15, 2000

District II
811 South First Street, Artesia, NM 88210

District III
1000 Rio Bravero Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87504

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87504

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

APPLICATION FOR DOWNHOLE COMMINGLING

Merit Energy Company 12222 Merit Dr. Suite 1500 Dallas, Texas 75251

Operator Henry #2 Address I-Sec. 22-T22S-R27E Eddy
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 014591 Property Code API No. 30-015-25253 Lease Type: ☐ Federal ☐ State ☒ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Strawn		Morrow
Pool Code			73960
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	10496' - 10568'		11623' - 11819'
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)	Shut-In		2000
Oil Gravity or Gas BTU (Degree API or Gas BTU)	57.5 deg.		1.01 BTU
Producing, Shut-In or New Zone	Shut-In		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: 05/1996 Rates: 1 BO, 89 MCF 7 BW	Date: Rates:	Date: 12/2000 Rates: 47 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 100 % 65 %	Oil Gas % %	Oil Gas 0 % 35 %

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 Lynne Moon TITLE Regulatory Analyst DATE 01/25/01
TYPE OR PRINT NAME Lynne Moon TELEPHONE NO. (972) 383-6569