

APPLICATION FOR DOWNHOLE COMMINGLING

Elm Ridge Resources, Inc. 312 W. La Plata St. Farmington, NM 87401

Operator Jicarilla Address IE A Sec. 4, T24N, R5W Rio Arriba

Lease Well No. Unit Ltr. - Sec - Twp - Rge County

OGRID NO. 149052 Property Code 22558 API NO. 30-039-25800 Spacing Unit Lease Types: (check 1 or more)
Federal State (and/or) Fee

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Otero Gallup 48450		Basin Dakota 71599
2. Top and Bottom of Pay Section (Perforations)	5984'-6224'		6982'-7040'
3. Type of Production (Oil or Gas)	Oil		Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a. (Current) 650 psi	a.	a. 800 psi
	b. (Original) 1100 (est.)	b.	b. 1700 (est.)
6. Oil Gravity (° API) or Gas BTU Content	40°, 1200 (est.)		1200 (est.)
7. Producing or Shut-In?	SI-pending approval		SI-pending approval
Production Marginal? (yes or no) • If Shut-In, give 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 • If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Yes		Yes
	Date: 6/1/99 Rates: 8 BOPD 185 MCFD	Date: Rates:	Date: 11/30/98 Rates: 0.4 BOPD 169 MCFD
	Date: Rates:	Date: Rates:	Date: Rates:
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 95.2 % Gas 52.3 %	Oil: % Gas %	Oil: 4.8 % Gas 47.7 %

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.
10. Are all working, overriding, and royalty interests identical in all commingled zones? Yes No
If not, have all working, overriding, and royalty interests been notified by certified mail? Yes No
Have all offset operators been given written notice of the proposed downhole commingling? Yes No
11. Will cross-flow occur? Yes No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. Yes No (If No, attach explanation)
12. Are all produced fluids from all commingled zones compatible with each other? Yes No
13. Will the value of production be decreased by commingling? Yes No (If Yes, attach explanation)
14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. Yes No
15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S) _____
16. 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 all offset operators.
 - * Notification list of working, overriding, and royalty interests for uncommon interest cases.
 - * Any additional statements, data, or documents required to support commingling.

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

SIGNATURE Dana L. Delventhal TITLE Agent DATE 6/8/99

TYPE OR PRINT NAME Dana L. Delventhal TELEPHONE NO. (505) 326-4125

OIL CONS. DIV DIST. 3
APR 11 2017