

DISTRICT I

P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II

811 South First St., Artesia, NM 88210-2836

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410-1693

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-6429Form C-107-A
New 3-12-96

APPROVAL PROCESS:

☒ Administrative ☐ Hearing

EXISTING WELLBORE

☒ YES ☐ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Merrion Oil & Gas Corporation 610 Reilly Avenue, Farmington, NM 87401-2634
Operator AddressCanada Mesa Com 4 A 10-24N-06W Rio Arriba
Lease Well No. Unit Ltr. - Sec - Twp - Rge County.GRID NO. 014634 Property Code 007749 API NO. 30-039-23183
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	Devils Fork Gallup 17610		Basin Dakota 71599
2. Top and Bottom of Pay Section (Perforations)	5352'-5579'		6474'-6525'
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: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) 790 psig b. (Original) 1362 psig	a. b.	a. 925 psig b. 2800 psig (ISIP)
6. Oil Gravity (° API) or Gas BTU Content	44° API 1338 BTU		62° API 1153 BTU
7. Producing or Shut-In?	Producing		Producing
Production Marginal? (yes or no)	Yes		Yes
* 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)	Date: Rates: Date: 8/97 Rates: 2.0 BOPD 67 MCFD; 0 BWD	Date: Rates: Date: Rates: Date: 8/97 Rates: 0.1 BOPD 50 MCFD; 0 BWD	Date: Rates: Date: Rates: Date: 8/97 Rates: 0.1 BOPD 50 MCFD; 0 BWD
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 95 % Gas: 57 %	Oil: % Gas: %	Oil: 5 % Gas: 43 %

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?
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). R-10786
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.

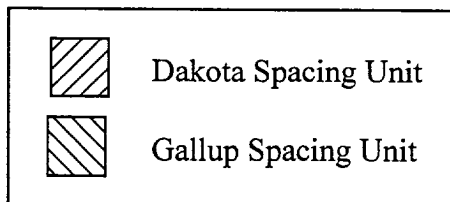
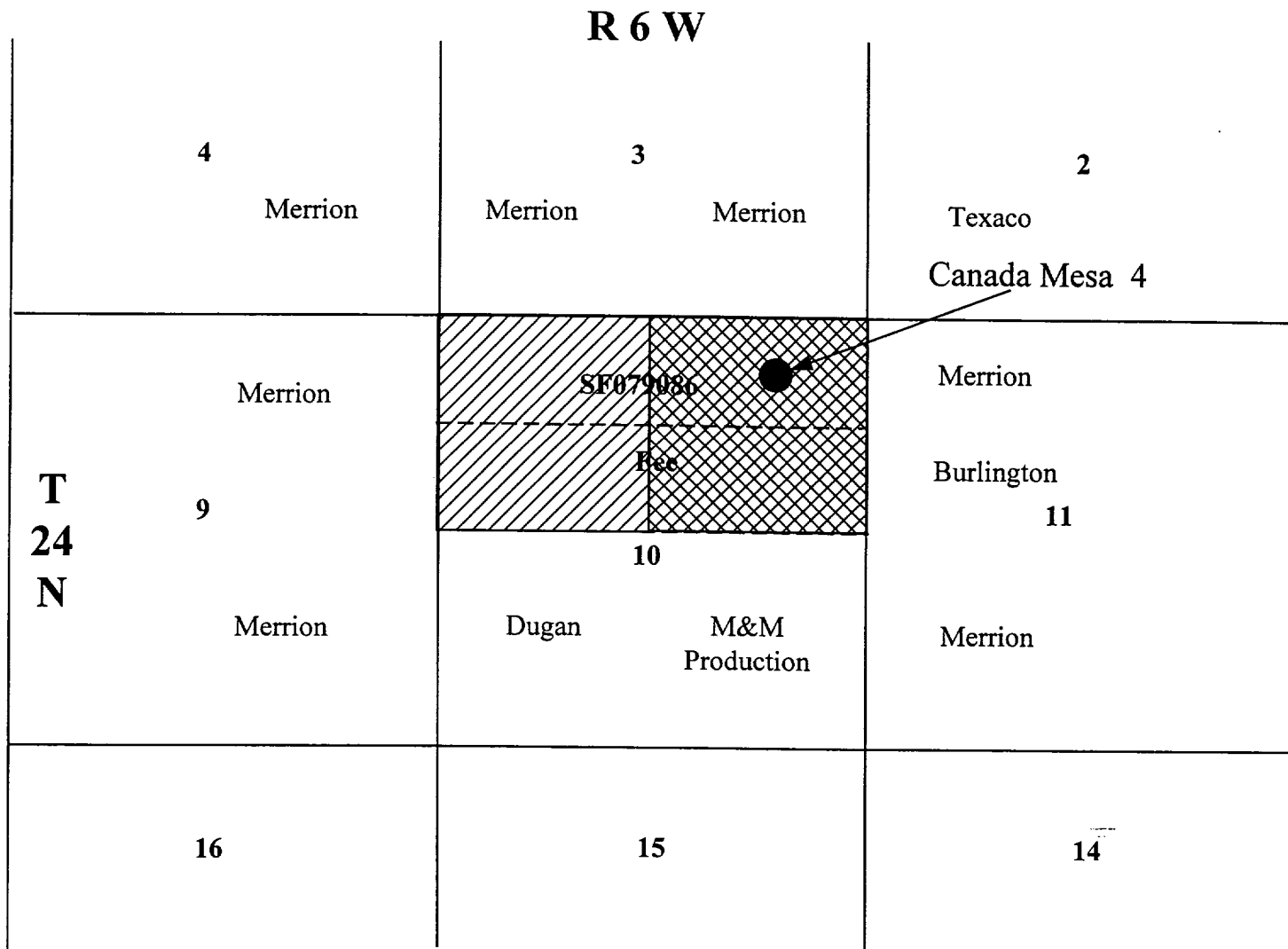
SIGNATURE George Sharpe TITLE Pet. Engineer DATE 11/6/97TYPE OR PRINT NAME George F. Sharpe TELEPHONE NO. 505) 327-9801

EXHIBIT 1

CANADA MESA #4 LEASE PLAT

OFFSET OWNERSHIP PLAT

T24N, R6W
Rio Arriba County, NM



All distances must be from the outer boundaries of the Section.

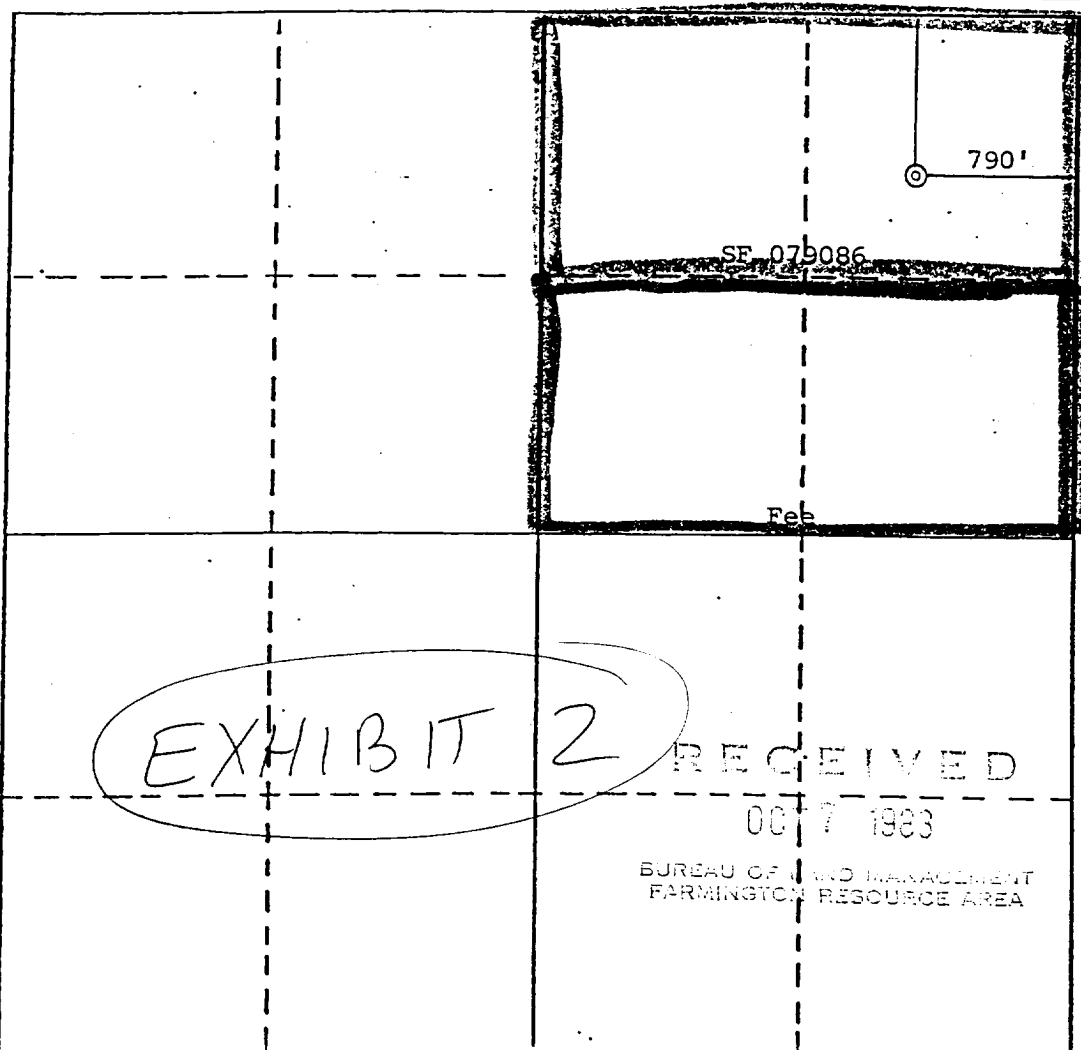
Merrion Oil & Gas Corporation			Lease Canada Mesa Com		Well No. 4
Section A	Section 10	Township 24N	Range 6W	County Rio Arriba	
Actual Footage Location of Well: 790 feet from the North line and 790 feet from the East line					
Ground Level Elev. 6409'	Producing Formation Gallup	Pool Devils Fork Gallup		Dedicated Acreage: 160 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation Communitization

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.



CERTIFICATION

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

Steve S. Dunn
Name
Steve S. Dunn
Position
Operations Manager
Company
Merrion Oil & Gas Corporation
Date
10/5/83

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 knowledge and belief.

Date Surveyed
August 1, 1983
Registered Professional Engineer
and/or Land Surveyor
Fred B. Kerr Jr.
Fred B. Kerr Jr.
Certificate No.

All distances must be from the outer boundaries of the Section.

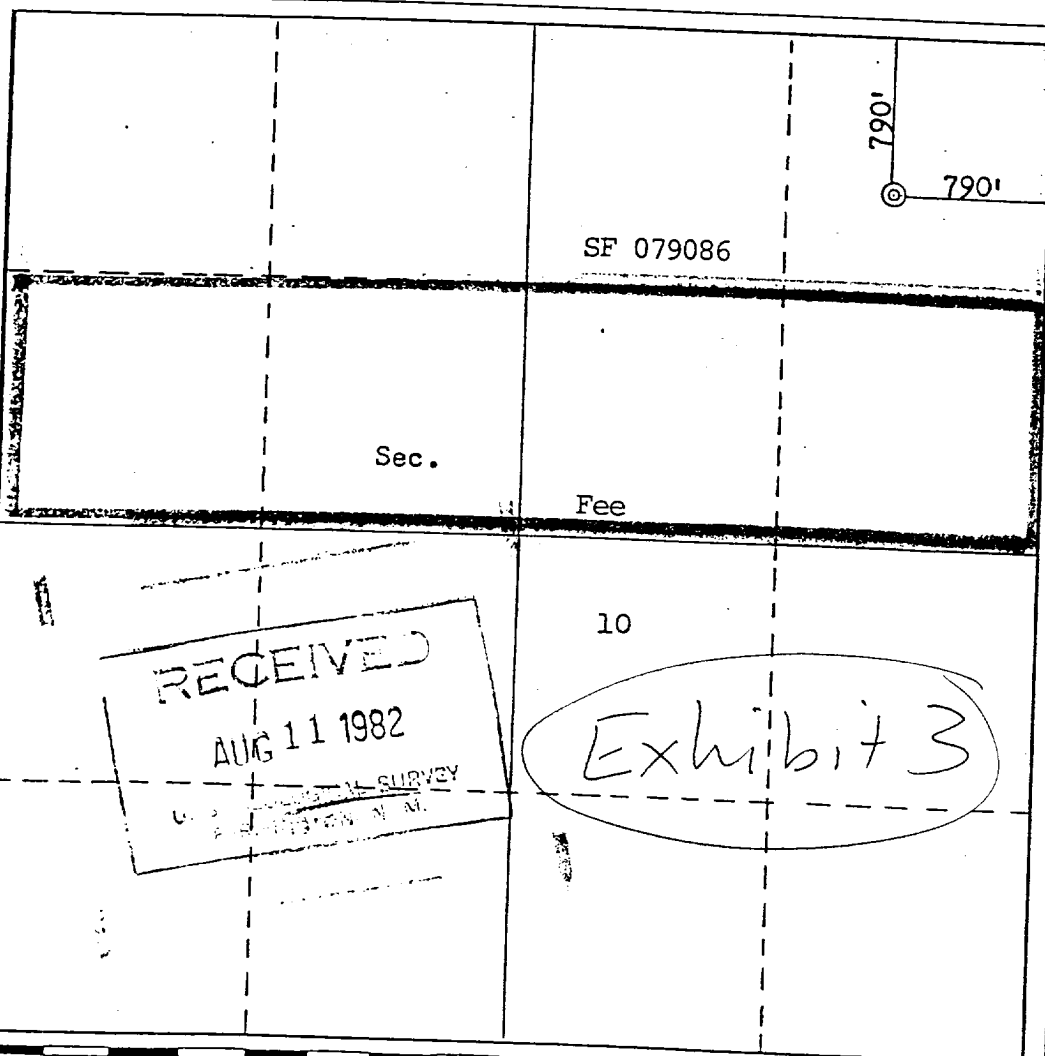
Operator MERRION OIL & GAS CORPORATION			Lease CANADA MESA COM		Well No. 4
Unit Letter A	Section 10	Township 24N	Range 6W	County Rio Arriba	
Actual Footage Location of Well: 790 feet from the North line and 790 feet from the East line					
Ground Level Elev. 6409	Producing Formation Dakota		Pool Basin Dakota	Dedicated Acreage: 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
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3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation Communitization

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Name
Steve S. Dunn
Position
Operations Manager
Company
Merrion Oil & Gas Corporation
Date
8/6/82

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 knowledge and belief.

Date Surveyed

August 11 1982
Registered Professional Engineer
and/or Land Surveyor

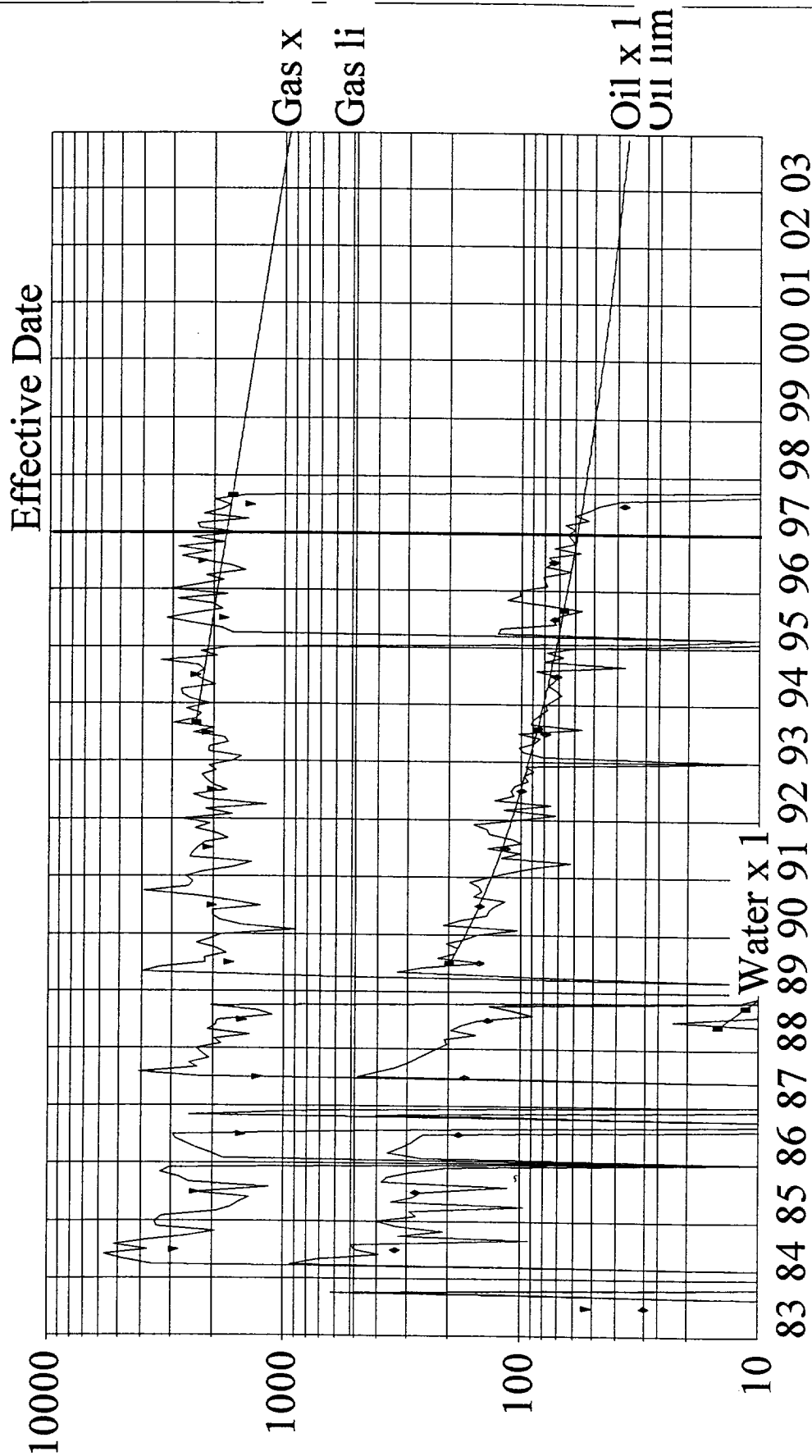
Fred B. Kerr Jr.

Certificate No.

3950

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

Canada Mesa 4 GLP (000004 - 100%), Dev Fk GLP



Canada Mesa 4 GLP (000004 - 100%)
Dev Fk GLP
FH
Rio Arriba, NM

[3003923183]
10A 24N 6W

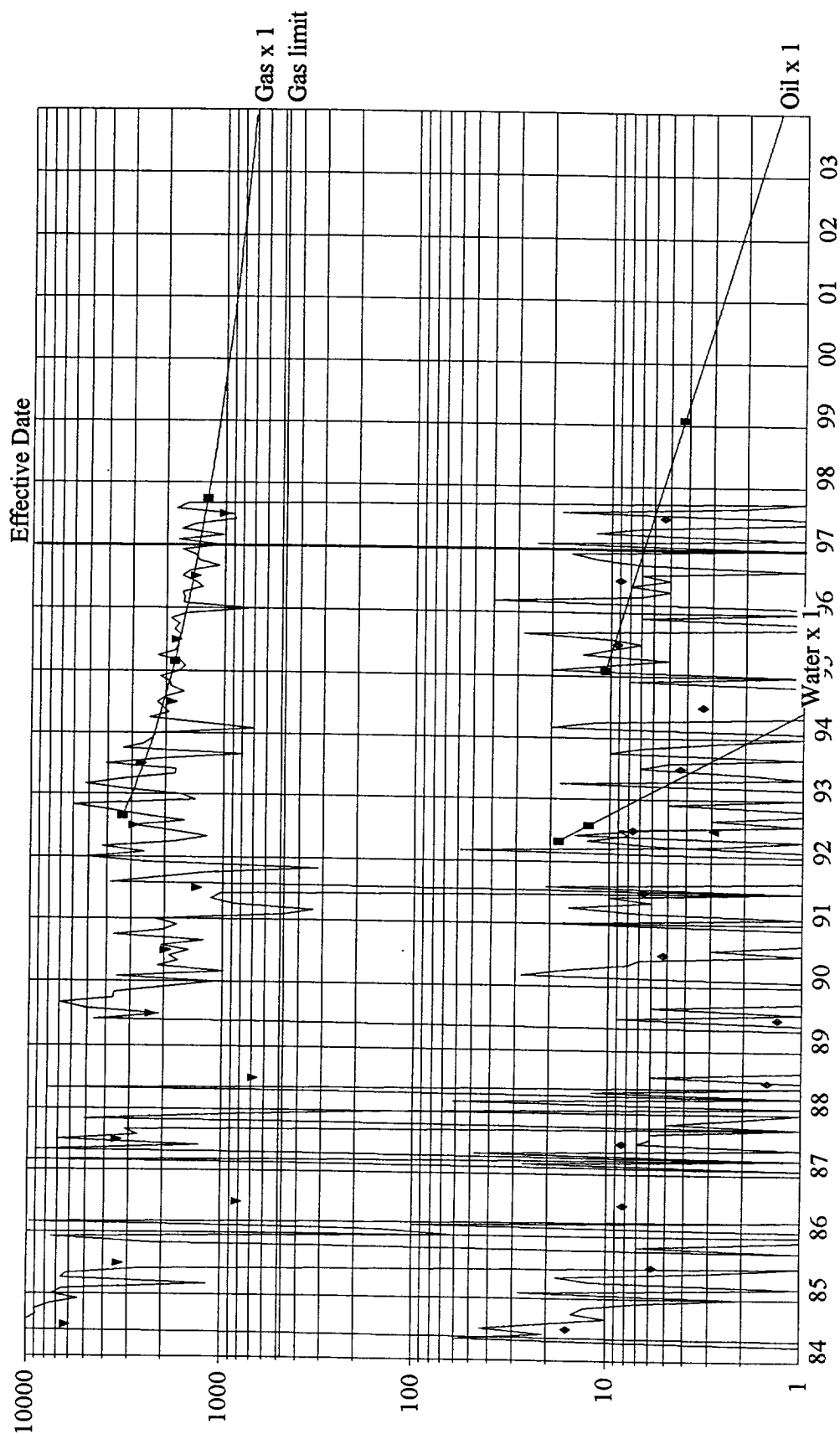
Cumulative:	Oil (bbl)	Gas (mcf)	Water (bbl)
Remaining:	23,760	330,082	23
Ultimate:	6,456	171,326	0
	30,216	501,408	23

EXHIBIT 4

PRODUCTION GRAPH

8:07:36 p - 11/4/97

Canada Mesa 4 DK (000004 - 100%), Basin DK



Canada Mesa 4 DK (000004 - 100%)

Basin DK

FH

Rio Arriba, NM

[3003923183]

10A 24N 6W

Cumulative:
Remaining:
Ultimate:

Oil (bbl)
1,104
341
1,445

Gas (mcf)
383,188
131,833
515,021

Water (bbl)
35
0
35

EXHIBIT 5

Exhibit 6
Notification of Offset Operators

The following operators received copies of this application via certified mail:

Burlington Resources
P.O. Box 4289
Farmington, New Mexico 87499

M & M Production & Operation Inc.
P.O. Box 175
Counselor, New Mexico 87018

Dugan Production
P.O. Box 420
Farmington, New Mexico 87499

Exhibit 7
Notification of Interest Owners

The following interest owners received copies of this application via certified mail.

<u>Name</u>	<u>Address</u>
W R Beavers	3613 Cedar Springs, Dallas, TX 75219
Rubie Lee Bell	P.O. Box 2052, Longview, TX 75606
H S Bennett	P.O. Box 1401, Dallas, TX 75221
Frank Caraway	P.O. Box 982, San Angelo, TX 76902
Leo Otto Craft	184 N. Gordon Way, Los Altos, CA 94022
Debra Lee DuPray	12040 Jefsumark Circle, Tucson, AZ 85749
A S Genecov Estate	P.O. Box 132450, Tyler, TX 75713
Estate of Kathryn I. Gibson	P.O. Box 546, Tesuque, NM 87506
Mabel Glenn Ham Revocable Trust	P.O. Box 15040, Santa Fe, NM 87506
Gregory D. Harkins	2720 El Capitan Drive, Colorado Springs, CO 80918
Glenn D. Hughes	2321 Candelaria NW, Albuquerque, NM 87107
Minerals Management Service	P.O. Box 5810, TA, Denver, CO 80217
M & M Production & Operation	P.O. Box 175, Counselor, NM 87018
Ethel Parnell	503 W. Duarte, #5, Arcadia, CA 91006
Jane Pitkin	503 W. Duarte, #6, Arcadia, CA 91006
W A Pounds, Jr.	2888 Bluff Street, Boulder, CO 80301
Estate of Bennie Roosth	P.O. Box 2019, Tyler, TX 75701
M B Rudman	4700 First City Center, 1700 Pacific Ave, Dallas, TX 75201
The Rudman Partnership	4700 First City Center, 1700 Pacific Ave, Dallas, TX 75201
Alvrone Sater Trustee	P.O. Box 2509, Evansville, IN 47714
Alvrone Sater	P.O. Box 2509, Evansville, IN 47714
Ronald E. Sater	P.O. Box 2509, Evansville, IN 47714
Elizabeth White Family	P.O. Box 780099, Dallas, TX 75378