

DISTRICT I

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

DISTRICT II

811 South First St., Artesia, NM 88210-2685

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410-1893

RECEIVED
MAY - 7 1997State 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

Elm Ridge Resources, Inc. 312 W. La Plata Farmington, New Mexico 87401
Operator AddressApache
Lease18-2
Well No.B-18-T24N-R5W
Unit Ltr. - Sec. - Twp. - RgeRio Arriba
County

Spacing Unit Lease Types: (check 1 or more)

Federal ☒ State ☐ (and/or) Fee ☐

OGRID NO. 149052 Property Code 17632 API NO. 8003925548

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	Basin Dakota	Basin Dakota
2. Top and Bottom of Pay Section (Perforations)	5455' - 5729'	6590' - 6600'	6618' - 6638'
3. Type of production (Oil or Gas)	Oil w/assoc. gas	Gas w/some cond.	Gas w/some cond.
4. Method of Production (Flowing or Artificial Lift)	PISTON	PISTON	PISTON
5. Bottomhole Pressure	a. (Current) 1250	a. 1337	a. 1337
Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	b. (Original) 1250	b. 1360	b. 1360
6. Oil Gravity (° API) or Gas BTU Content	42	53	53
7. Producing or Shut-In?	Shut in pending approval	Shut in pending approval	Shut in pending approval
Production Marginal? (yes or no)	no	no	no
* If Shut-In, give date and oil/gas/water rates of last production	Date: Rates:	Date: Rates:	Date: Rates:
Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data	Date: 5/2/97 Rates: 57 mcf/g 20 bo	Date: 5/2/97 Rates: 80 mcf/g 1bo	Date: 5/2/97 Rates: 140 mcf/g .5 bo
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)			
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 93 % Gas: 21 %	Oil: 5 % Gas: 29 %	Oil: 2 % Gas: 50 %

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 Doug Endsley TITLE Operations Manager DATE 5/7/97

TYPE OR PRINT NAME Doug Endsley TELEPHONE NO. (505) 326-7099