

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 87210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.

5. Indicate Type of Lease *Federal*
STATE ☐ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name:

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:

Oil Well ☐ Gas Well ☒ Other

2. Name of Operator

KIMBELL OIL COMPANY OF TEXAS

3. Address of Operator

777 TAYLOR ST., P-11A FT. WORTH CLUB Tower; FT. WORTH, TX. 76102

4. Well Location

Unit Letter _____ : *1040* feet from the *SOUTH* line and *1470* feet from the *West* line

Section *5*

Township *25N* Range *7W* NMPM

County *Rio Arriba*

10. Elevation (Show whether DR, RKB, RT, GR, etc.)

8. Well No.

LIBERMAN # 4R

9. Pool name or Wildcat

BALLARD, P.C.; BASIN Fruitland Co.

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐ CHANGE PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐

OTHER: *Request To Downhole Commingle* ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

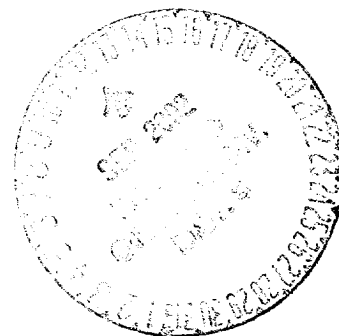
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER: ☐

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation. ** SEE ATTACHMENT for Request To downhole*

commingle Pools in Pre-Approved Geographical Area.



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

SIGNATURE *J. Redding Jr*

TITLE *VP*

DATE *9-5-02*

Type or print name

Jack Redding Jr

Telephone No.

(This space for State use)

APPROVED BY

Original Signature of STEVEN M. HAYDEN

DEPUTY

DATE

SEP 12 2002

Conditions of approval, if any:

Attachment to NMOCD Form C-103
for
Kimbell Oil Company of Texas'
Liberman No. 4R Well
"Notice of Intent to Downhole Commingle"
from
Ballard P.C. (Pool # 71439) and Basin Fruitland Coals (Pool # 71629) Perforations

Pursuant to NM Rule 19.15.5.303(b), Kimbell Oil Company of Texas herein requests administrative approval by the NMOCD District Supervisor to downhole commingle the Ballard P.C. Pool (71439) and Basin Fruitland Coals Pool (71629) in the Liberman #4R wellbore located 1040' FSL & 1470' FWL; Section 5, T25N, R7W; Rio Arriba County, New Mexico.

The following information and statements are submitted by Kimbell Oil Company of Texas, as required, to support this request for downhole commingling in the Liberman #4R wellbore:

- (i) Downhole comingling of these two pools has previously been approved by the NMOCD pursuant to **NM Rule 19.15.5.303(5) Pool Combination, San Juan Basin** in this Geographic Area.
- (ii) Pools to be comingled are the Ballard, P.C. (71439) and Basin Fruitland Coals (71629).
- (iii) Ballard, P.C. perforations are from 2198'-2218' (Perforations are below a Cast Iron Bridge Plug) and Basin Fruitland perforations are from 2167'-2189' _____ and are currently being produced to sales.
- (iv) Production from these two Pools will be allocated to the two respective pools based on a ratio of the current production volume from the Basin Fruitland Coals completion to the last known production volume from the Ballard, P.C. completion prior to it being temporarily abandoned below a cast iron bridge plug. This ratio will be 7.0 Mcf per day/34 total Mcf/d, or 20.6%, allocation to the Basin Fruitland Coals Pool and 27 Mcf per day/34 total Mcf/d, or 79.4%, allocation to the Ballard, P.C. Pool. This allocation ratio will be held constant for the remaining economic life of the well.
- (v) The downhole commingling of these two Pools in this wellbore will not reduce the value of the remaining recoverable reserves. In actuality, this proposal to downhole commingle these two Pools will actually increase the value as the Basin Fruitland Coals Pool completion is currently uneconomical at 7 Mcf/d gross production. The value of any Basin Fruitland Coals gas reserves will be permanently lost unless they are commingled downhole with the Ballard, P.C. Pool and produced simultaneously. Individual Pool surface shut in pressures indicate that bottom-hole

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NMOCD Form C-103 Attachment
KOC-Liberman #4R Well
Downhole Commingle Request

- (v) (continued.) pressures are compatible and within 5.0% of each other respectively.
No cross-flow between zones is anticipated or likely to occur.
- (vi) Ownership in the two Pools in the Liberman #4R well are exactly the same.
- (vii) Kimbell Oil Company of Texas is simultaneously submitting a copy of this exception application, NM Form C-103, along with all attachments to the Bureau of Land Management as 100% of the lands contained within this well's spacing unit are federal lands.