DISTRICT I

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

P.O. Box 1980, HODD\$, 14th 6624141301

DISTRICT II

811 South First St., Artesia, NM 88210-2835

DISTRICT III

SIGNATURE_

1000 Rio Brazos Rd, Aztec, NM 87410-1693

State of New Mexico Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

APPLICATION FOR DOWNHOLE COMMINGLING

2040 S. Pacheco Santa Fe, New Mexico 87505-6429

APPROVAL PROCESS :

APPROVALPROCESS

X Administrative ___Hearing

12-07-98

EXISTING WELLBORE

X_YES __NO

Form C-107-A New 3-12-96

| San Juan 30-6 Unit 31 & NP 31 | | N-33-30N-6W | | Rio Arriba | |
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| aso (| Well No. | Unit i.tr Sec - Twp - Rge | Spa | County acing Unit Lease Types: (check 1 or more) | |
| GRID NO. 14538 Property Code | 7469 | API NO. 30-039-07712 | Federal | _X, State, FeeX | |
| The following facts are submitted in support of downhole commingling: | Uppe Zone | | Intermediate Zone | Lower Zone | |
| 1. Pool Name and Pool Code | Mesaverde - 72319 | | • | Dakota - 71599 | |
| 2. Top and Bottom of Pay Section (Perforations) | 5149'-5611' | | | 7635'-7763' | |
| 3. Type of production (Oil or Gas) | Gas | | | Gas | |
| Method of Production (Flowing or Artificial Lift) | Flowing | | | Flowing | |
| 5. Bottomhole Pressure Oil Zones - Artificial Lift: | (Current) a. 382 psi (see attachment) | | TAME I Z 1009 | a. 838 psi (see attachment) | |
| Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: | (()riginal) b. 1186 psi (see attachment) | | 1 <u>9 UATS 1926 VS</u> 17 USAS 3 | b. 2880 psi (see attachment) | |
| Estimated or Measured Original 6. Oil Gravity (°API) or Gas BTÚ Content | BTU 1161 | | | BTU 1040 | |
| 7. Producing or Shut-In? | Producing | | | Shut-In | |
| Production Marginal? (yes or no) | No | | | Yes | |
| * If Shut-In and oil/gas/water rates of last production | Date: N/A Rates: | | | Date: 8/25/98 Rates: 13 mcfd | |
| Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data | | | | 0 bopd | |
| * If Producing, give data and oil/gas/water water of recent test (within 60 days) | Date: 10/1/98 Rates: 136 mcfd 0 bopd | | | Date: Rates: | |
| 8. Fixed Percentage Allocation Formula -% for each zone (total of %'s to equal 100%) | Will be supplied upon o | compietion. | | Will be supplied upon completion. | |
| attachments with supporting data 10. Are all working, overriding, and rought not, have all working, overriding have all offset operators been given and the production be recovered, and with the value of production be defined. 12. Are all produced fluids from all control of the production be defined. 13. Will the value of production be defined. If this well is on or communitize Land Management has been notiful. 15. NMOCD Reference Cases for Rule of the production of the pr | pyalty interests identify, and royalty interests identify, and royalty interests identify. And royalty interests identified in the allocation for excreased by commingled zones controlled in writing of this each zone for at least and controlled in the second in the sec | ntical in all commingled ests been notified by confithe proposed downham are fluids compatible mula be reliableX ompatible with each of ngling? Yes _X_ deral lands, either the sapplicationX_Yes applicationX_Yes | d zones? ertified mail? ole commingling? ele, will the formations of the commingling? No (If No, attach expense) Commissioner of PublicsNo | Yes _X_No X_Yes No X_Yes No _x_Yes No not be damaged, will any cross-flow tach explanation) No planation) c Lands or the United States Bureau | |

TYPE OR PRINT NAME Mike Haddenham TELEPHONE NO. (505)326-9700

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

TITLE Production Engineer DATE___