

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
DISTRICT II
811 South First St., Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd. Aztec, NM 87410
DISTRICT IV
2040 S. Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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

Form C-107-A
Revised August 1999

APPROVAL PROCESS:

☒ Administrative ☐ Hearing

EXISTING WELLBORE

☒ YES ☐ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Greystone Energy, Inc.

Operator

5802 Highway 64, Farmington, NM 87401

Address

Freeman

1R

A - 11- 31N - 13W

San Juan

Lease

Well No.

Unit Ltr. - Sec - Twp - Rge

County

OGRID NO. 173252

Property Code 24032

API NO. 30-045-2611300

Federal ☒ State ☒ (and/or) Fee ☒

Spacing Unit Lease Types: (check 1 or more)

The following facts are submitted in support of downhole commingling: 1. Pool Name and Pool Code	Upper Zone Blanco Mesaverde / 72319	Intermediate Zone	Lower Zone Basin Dakota / 71599
2. Top and Bottom of Pay Section (Perforations)	4,408' - 4,682'		6,572' - 6,711'
3. Type of production (Oil or Gas)	GAS		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) 600 PSI b. (Original) 950 psi		a. 700 psi b. 1700 psi
6. Oil Gravity (EAPI) or Gas BTU Content	1211		1163
7. Producing or Shut-In?	PRODUCING		SHUT-IN
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 Date: Rates: Date: 12 / 31 / 99 Rates: 122 MCFD / 0.16 BOIPD		YES Date: 4/99 Rates: 3 MCFD / 0.09 BOIPD Date: Rates:
8. Fixed Percentage Allocation Formula - % for each zone (total of %'s to equal 100%)	Oil: 43% Gas: 62 %	Oil: % Gas: %	Oil: 57% Gas: 38%

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

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 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 Brian H. Ary TITLE Vice President DATE 1-29-00

TYPE OR PRINT NAME BRIAN H. ARY TELEPHONE NO. (505) 632 - 8056

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Superintendent
Effective 1-1-81

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

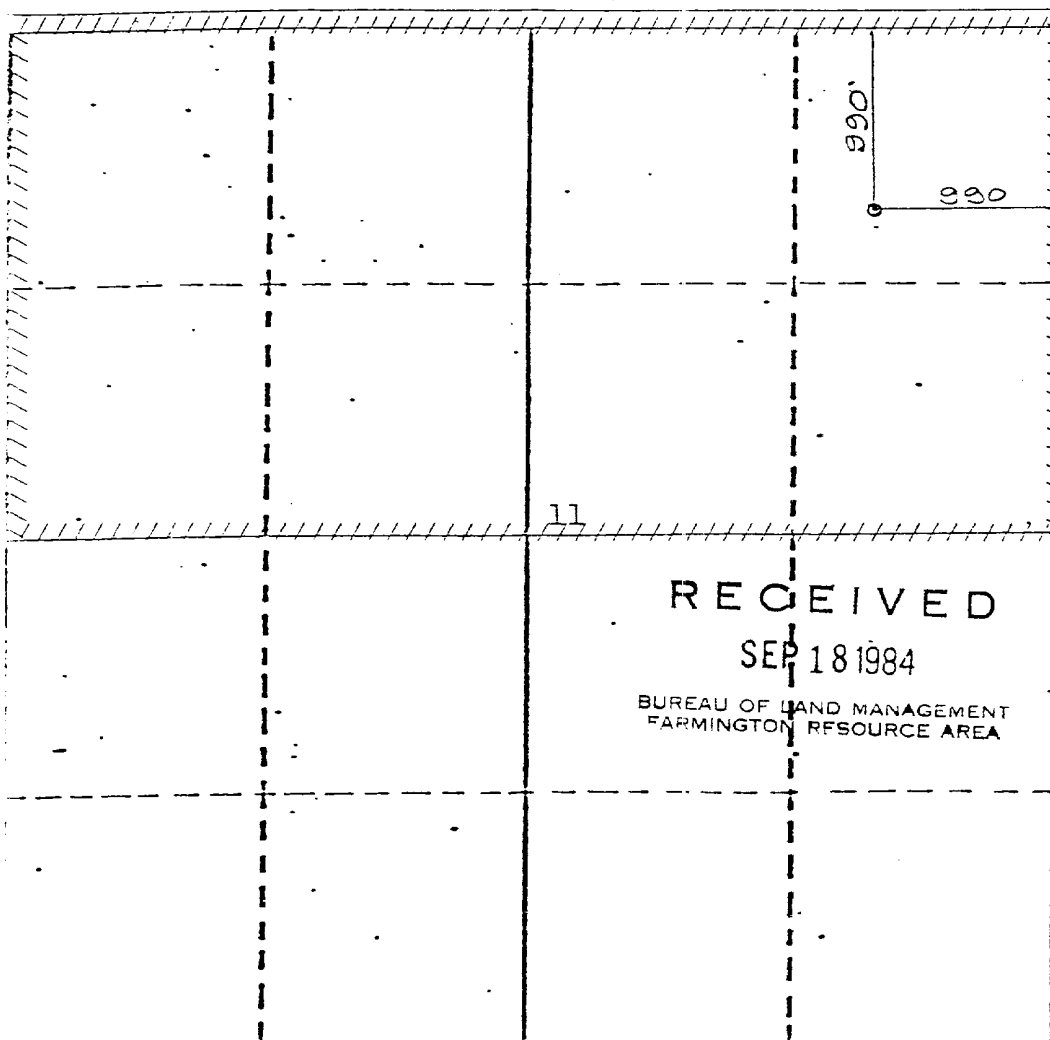
Operator CONSOLIDATED OIL & GAS, INC.			Lease FREEMAN		Well No. 1R
Well Letter A	Section 11	Township 31 NORTH	Range 13 WEST	County SAN JUAN	
Actual Footage Location of Wells 990 feet from the NORTH line and 990 feet from the EAST line					
Ground Level Elev. 5752	Producing Formation Dakota	Pool Basin Dakota		Dedicated Acreages 320	Acre

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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 _____

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.



RECEIVED
SEP 18 1984
BUREAU OF LAND MANAGEMENT
FARMINGTON RESOURCE AREA

CERTIFICATION

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

Name Barbara Rex
 Position Prod. & Drilg. Technician
 Company Consolidated Oil & Gas, Inc.
 Date 9-15-84

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 September 3, 1984
 Registered Professional Engineer and/or Land Surveyor
George R. Tompkins
 Certificate No. .7259

Certificate No. .7259

FREEMAN 1R MV / DK

Fixed Percentage Allocation Formula

	Oil (Barrels)		Gas (MCF)	
		%		%
Mesaverde Formation	1,580	43%	526,403	62%
Dakota Formation	2,095	57%	321,866	38%
	3,675	100%	848,269	100%

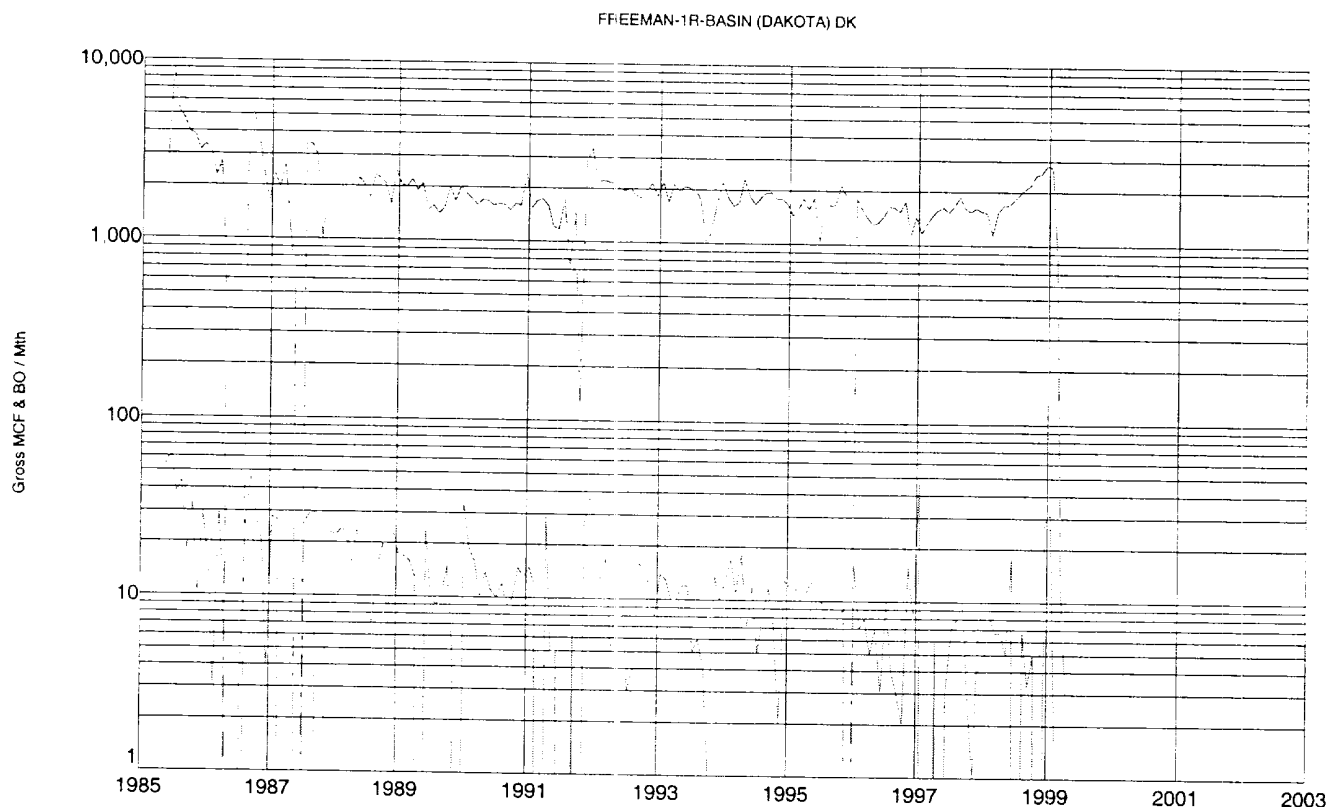
Based on production through December - 1999

Last Twelve Months Historic Production Report

Project: C:\WINDOWS\Desktop\Greystone\GREYSTON\Economic Runs Ptools\Janpdpbase.MDB

Lease Name: FREEMAN (1R)
 County, ST: SAN JUAN, NM
 Location: 31N-13W-11

Field Name: BASIN (DAKOTA) DK
 Operator: GREYSTONE ENERGY INC



Date	Well Count	Oil (bbl)	Gas (mcf)	Water (bbl)	Injection (bbl)
Previous		1,995	300,680	2,376	0
05/1998	1	5	1,683	0	0
06/1998	1	18	1,792	0	0
07/1998	1	0	1,949	0	0
08/1998	1	7	2,068	0	0
09/1998	1	3	2,183	0	0
10/1998	1	5	2,494	0	0
11/1998	1	0	2,557	0	0
12/1998	1	29	2,830	0	0
01/1999	1	32	2,766	0	0
02/1999	1	2	850	0	0
03/1999	1	0	11	0	0
04/1999	1	0	3	0	0
Total:		2,095	321,866	2,376	0

Pressure/Time Graph

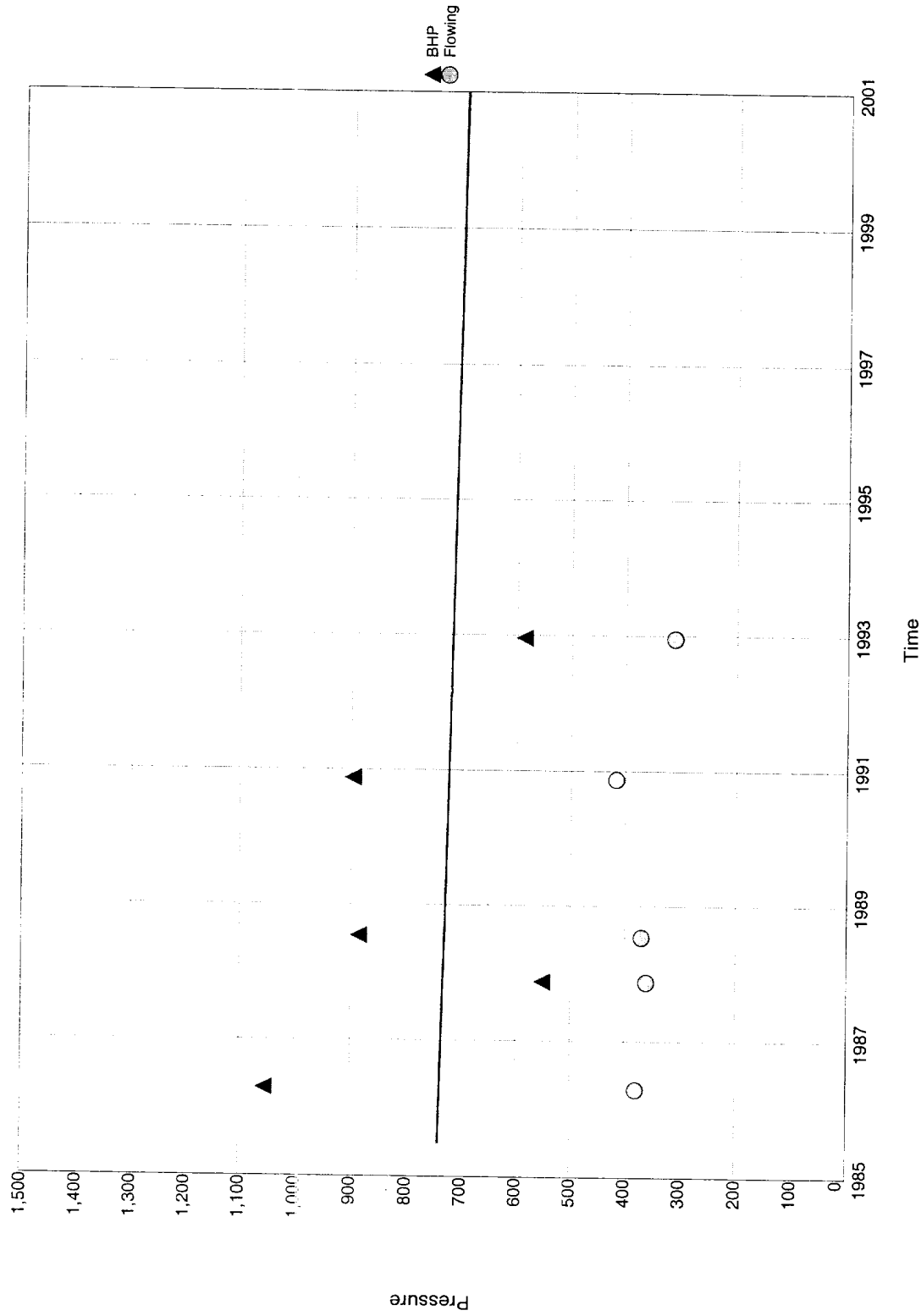
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Date: 8/28/1999
Time: 2:02 PM

Lease Name: FREEMAN (1R)
County, ST: SAN JUAN, NM
Location: 31N-13W-11

Field Name: BASIN (DAKOTA) DK
Operator: GREYSTONE ENERGY INC

Freeman 1R Dakota - Bottom Hole Pressure

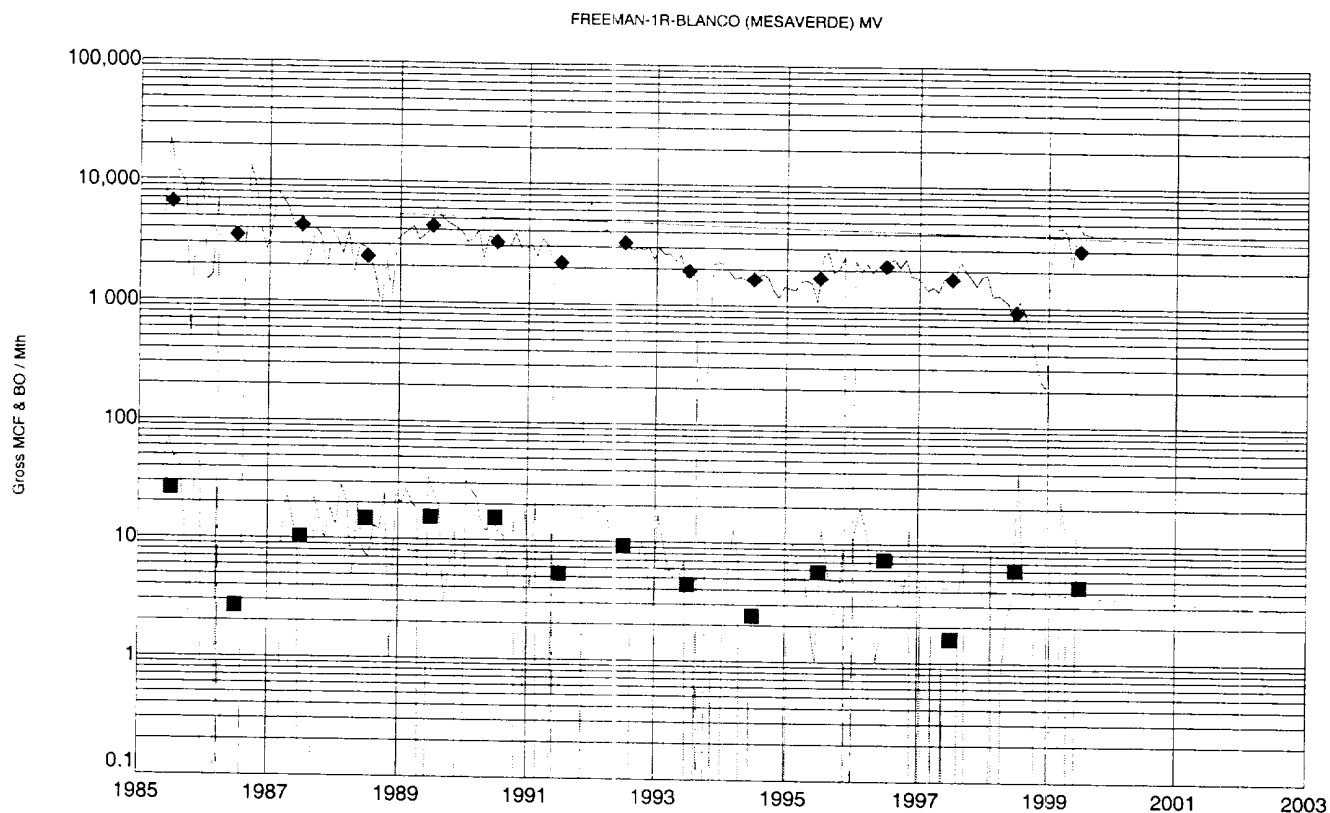


Last Twelve Months Historic Production Report

Project: C:\WINDOWS\Desktop\Greystone\GREYSTON\Economic Runs Pools\Janpdpbase.MDB

Lease Name: FREEMAN (1R)
 County, ST: SAN JUAN, NM
 Location: 31N-13W-11

Field Name: BLANCO (MESAVERDE) MV
 Operator: GREYSTONE ENERGY INC



Date	Well Count	Oil (bbl)	Gas (mcf)	Water (bbl)	Injection (bbl)
Previous		1,521	477,896	1,469	0
10/1998	1	5	410	0	0
11/1998	1	0	244	0	0
12/1998	1	0	213	0	0
01/1999	1	7	2,832	0	0
02/1999	1	0	4,593	0	0
03/1999	1	23	4,652	0	0
04/1999	1	12	4,169	0	0
05/1999	1	0	2,264	0	0
06/1999	1	12	5,163	0	0
07/1999	1	0	4,254	0	0
08/1999	1	0	4,179	0	0
09/1999	1	0	4,027	0	0
Total:		1,580	514,896	1,469	0

Pressure/Time Graph

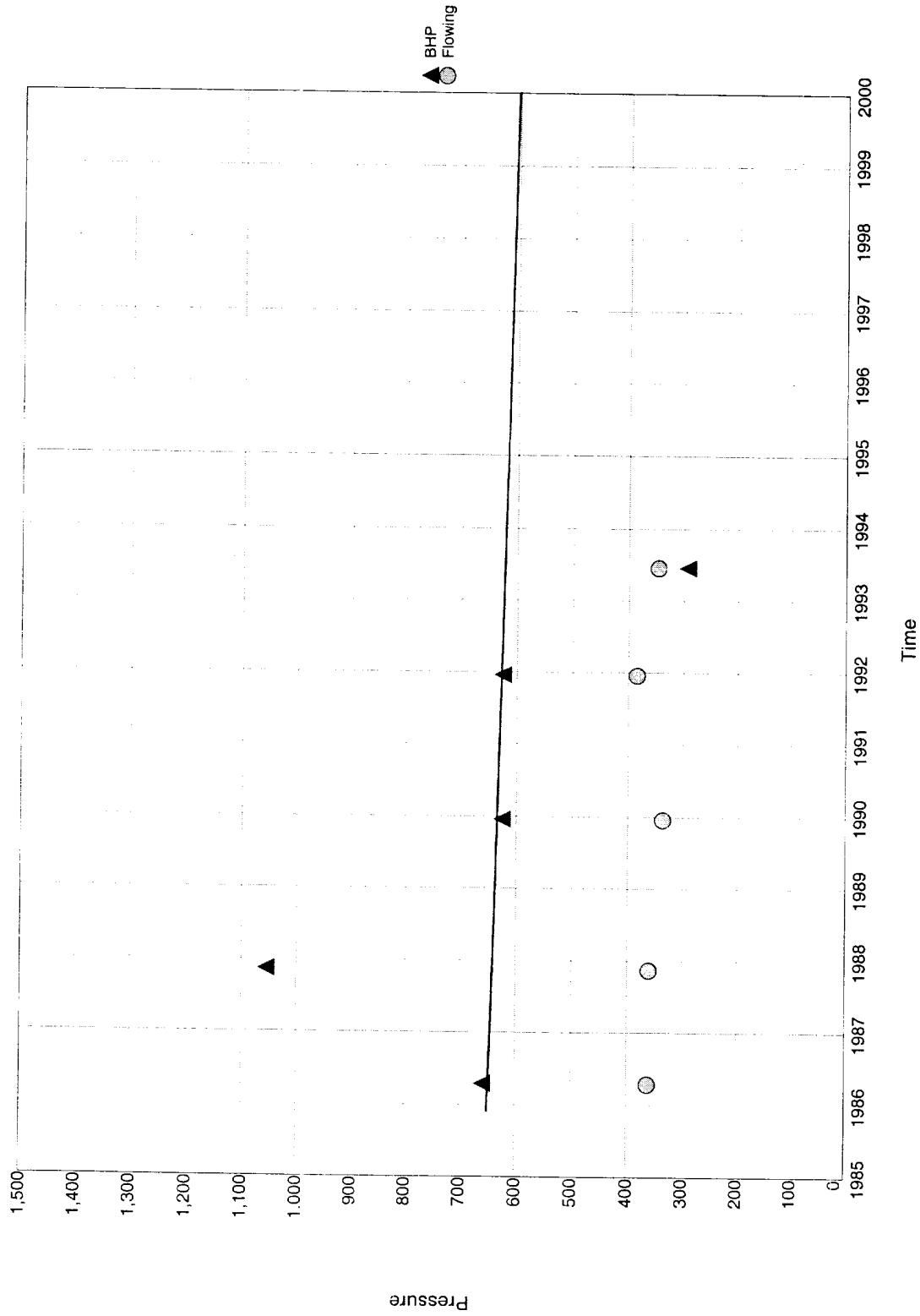
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Date: 8/28/1999
Time: 1:57 PM

Lease Name: FREEMAN (1R)
County, ST: SAN JUAN, NM
Location: 31N-13W-11

Field Name: BLANCO (MESAVERDE) MV
Operator: GREYSTONE ENERGY INC

Freeman 1R Mesaverde - Bottom Hole Pressure



Owner notification list:

SANTA FE ENERGY PO BOX 911701 DALLAS	TX	75391-1701	LEONARD STEEL 52-12 CONCORD STREET LITTLE NECK	NY	11362-1833
CALICO INVESTMENTS INC 4429 N CENTRAL EXP DALLAS	TX	75205	JOHN T LAVERTY 14421 OVERVIEW DRIVE DALLAS	TX	75240
JOHN B ALLINSON JR 444 MISSION VALLEY CORRALES	NM	87048	THOMAS R LAVERTY 14421 OVERVIEW DRIVE DALLAS	TX	75240
MARGARET ALLINSON LAYCOCK PO BOX 790 DRIPPING SPRINGS	TX	78620	KERRY C LAVERTY 14421 OVERVIEW DRIVE DALLAS	TX	75240
KELLEY A MURRELL 3512 CORNELL DALLAS	TX	75205	VIVIAN D LAVERTY 14421 OVERVIEW DRIVE DALLAS	TX	75240
ESTATE OF MARIE F LAVERTY 13131 HUGHES LANE DALLAS	TX	75240	ROBERT A LEACH 3905 OAKMONT DR THE COLONY	TX	75056
PRO MANAGEMENT INC 9400 N C EXPWY, 1313 NCX BDG, LB-158 DALLAS	TX	75231	ELL MCCOMB 2321 CHIMNEY HILL DRIVE ARLINGTON	TX	76012
SEGAL OIL & GAS INC 6 PETER COOPER ROAD #11E NEW YORK	NY	10010	JOE M MCGEATH 222 CREEKWOOD LANCASTER	TX	75146
PAUL D BOE 7104 WONDERERRY ST LAS VEGAS	NV	89131	RALEIGH USRY 15221 PRESTON ROAD DALLAS	TX	75248
IVA E FOBIAN, TRUSTEE 971-57 BORDEN ROAD SAN MARCOS	CA	92069	VINCE GAS UNIT #1 PO BOX 544 DESOTO	TX	75123
EDWIN A AND LILY J HAMBLIN 104 WEST NAMBE FARMINGTON	NM	87401	ENRON OIL & GAS COMPANY PO BOX 840321 DALLAS	TX	75284-0321
MARGARET HICKS 7500 MESQUITE WOOD DR NW ALBUQUERQUE	NM	87120-4047	SELENA HAMBLIN 1376 N.M. HWY 170 LA PLATA	NM	87418
JEROLD T NELSON PO BOX 21 CONTINENTAL DIV	NM	87312	BOWEN FAMILY REV, LIVING TRUST 333 THORCKMORTON, SUITE 712 FT WORTH	TX	76102
MAY AGNES NICKLES, DEC LA PLATA	NM	87418	CROSS TIMBERS OIL COMPANY P O BOX 840287 DALLAS	TX	75284-0287
RICHARD SHIERSHKE 505 VAQUERO ROAD ARCADIA	CA	91006	MARCIA FULLER FRENCH P O BOX 11327 MIDLAND	TX	79702
BARBARA TALENTO 3785 MAUNA LOA STREET BREA	CA	92621	ENERGEN RESOURCES CORPORATION 2198 BLOOMFIELD HWY FARMINGTON	NM	87401
TRUEBLOOD RESOURCES INC 1720 SOUTH BELAIRE, SUITE 908 DENVER	CO	80222	NEIL F TOLER 1600 DELTA ARLINGTON	TX	76012