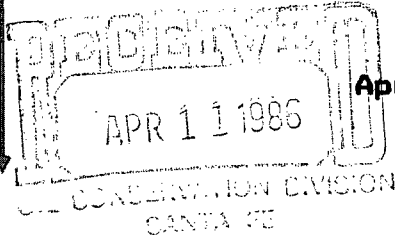




Columbus Energy Corp.

P. O. BOX 2038
FARMINGTON, NEW MEXICO 87499
(505) 632-8056



April 3, 1986

Richard L. Stamets
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Administrative Approval of Downhole
Commingle for Columbus Energy Corporation
NCRA 1E, Basin Dakota/Blanco Mesaverde Dual
1550' FNL & 1850' FEL
Sec 22, T26N, R7W, Rio Arriba Co., New Mexico

Dear Mr. Stamets:

Columbus Energy Corporation hereby requests authorization to downhole commingle the Basin Dakota and Blanco Mesaverde formations within the above referenced well. The gas streams are already commingled (Admin. Order # R-6426).

We would like to allocate 91.5% gas and 77% oil to the Dakota; 8.5% gas and 23% oil to the Mesaverde, based on cumulative production history. From 1980 to present the Dakota produced approximately .742 BCF and 6,020 BO. The Mesaverde produced approximately 68 MMCF and 1,800 BO, using the subtraction method.

The ownership, working interest, royalty and overriding royalty are common for both zones.

A hole in the 1-1/2" Dakota string will require the pulling and replacement of sections of this string. Both zones will be produced through this single string of tubing.

Enclosed please find requested information.

Yours very truly,

COLUMBUS ENERGY CORPORATION

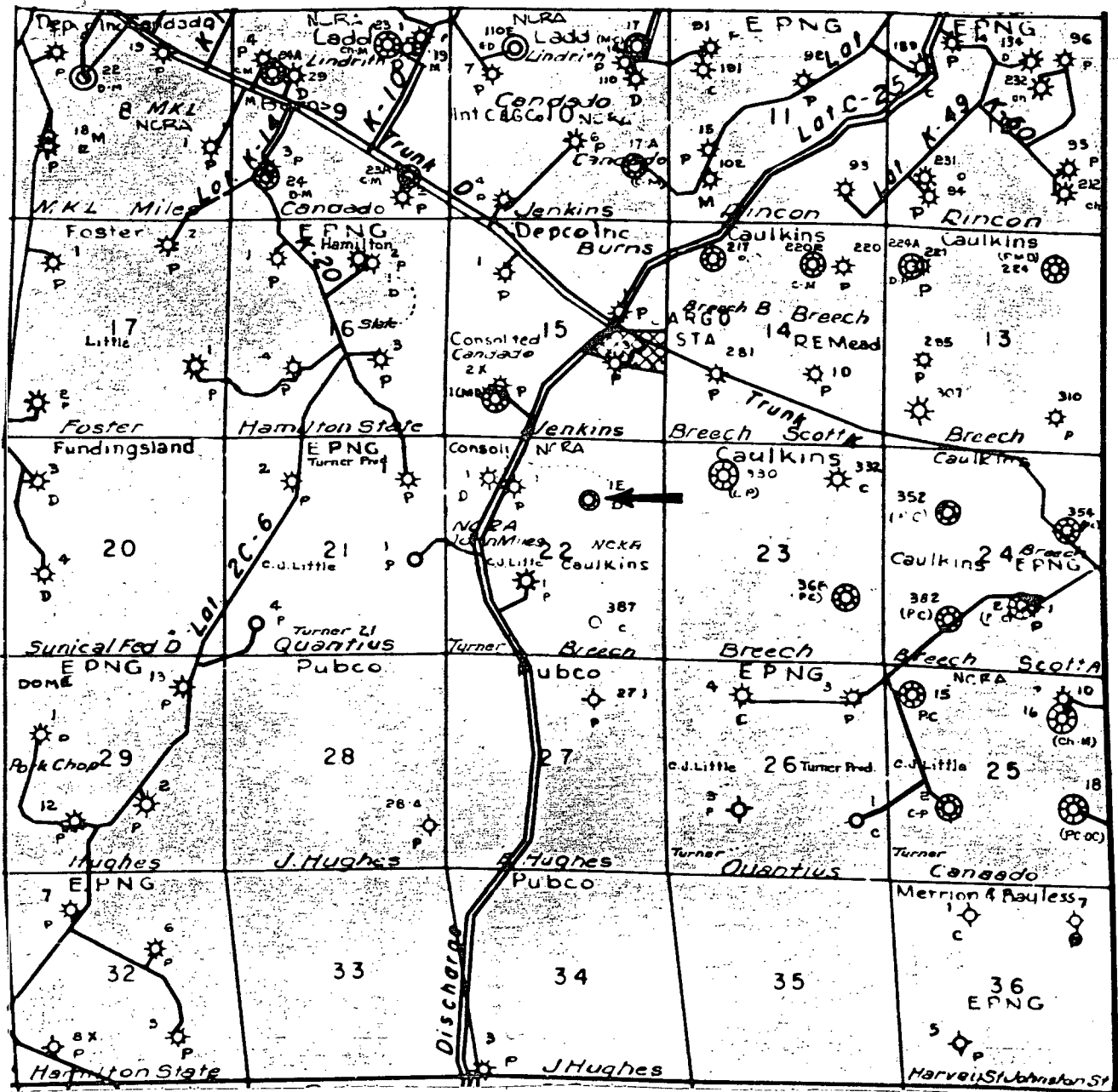
Wayne L. Converse

Wayne L. Converse
District Engineer

WLC/dc

Enclosures

cc: N. M. Oil Conservation Division, Aztec
BLM, Farmington



Location Plat to Accompany Application
for Administrative Commingling of the

NCRA 1E
1550' FNL & 1850' FEL
Sec 22, T26N, R7W
Rio Arriba Co., New Mexico

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-1,
Effective 1-1-55

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

Operator CONSOLIDATED OIL AND GAS, INC.			Lease NCRA		Well No. 1-E
Unit Letter G	Section 22	Township 26 NORTH	Range 7 WEST	County RIO ARriba	
Actual Footage Location of Well: 1550 feet from the NORTH line and 1850 feet from the EAST line					
Ground Level Elev: 6928	Producing Formation Dakota		Pool Basin Dakota		Dedicated Acreage: 320.00 Acres

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 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.

<p>⊙ NCRA NO. 1</p>		1550'	
		1850'	
NCRA NO. 1-E		22	

CERTIFICATION

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

C. M. Parham

Name

C. M. Parham

Position

Senior Production Engineer

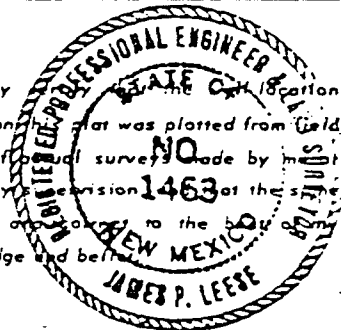
Company

Consolidated Oil & Gas, Inc.

Date

August 16, 1979

I hereby certify that the plat was plotted from field notes of actual surveys made by me under my commission 1463 at the time it is true and correct to the best of my knowledge and belief.



Date Surveyed

30 May 1979

Registered Professional Engineer and Land Surveyor

James P. Leese
James P. Leese

MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

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

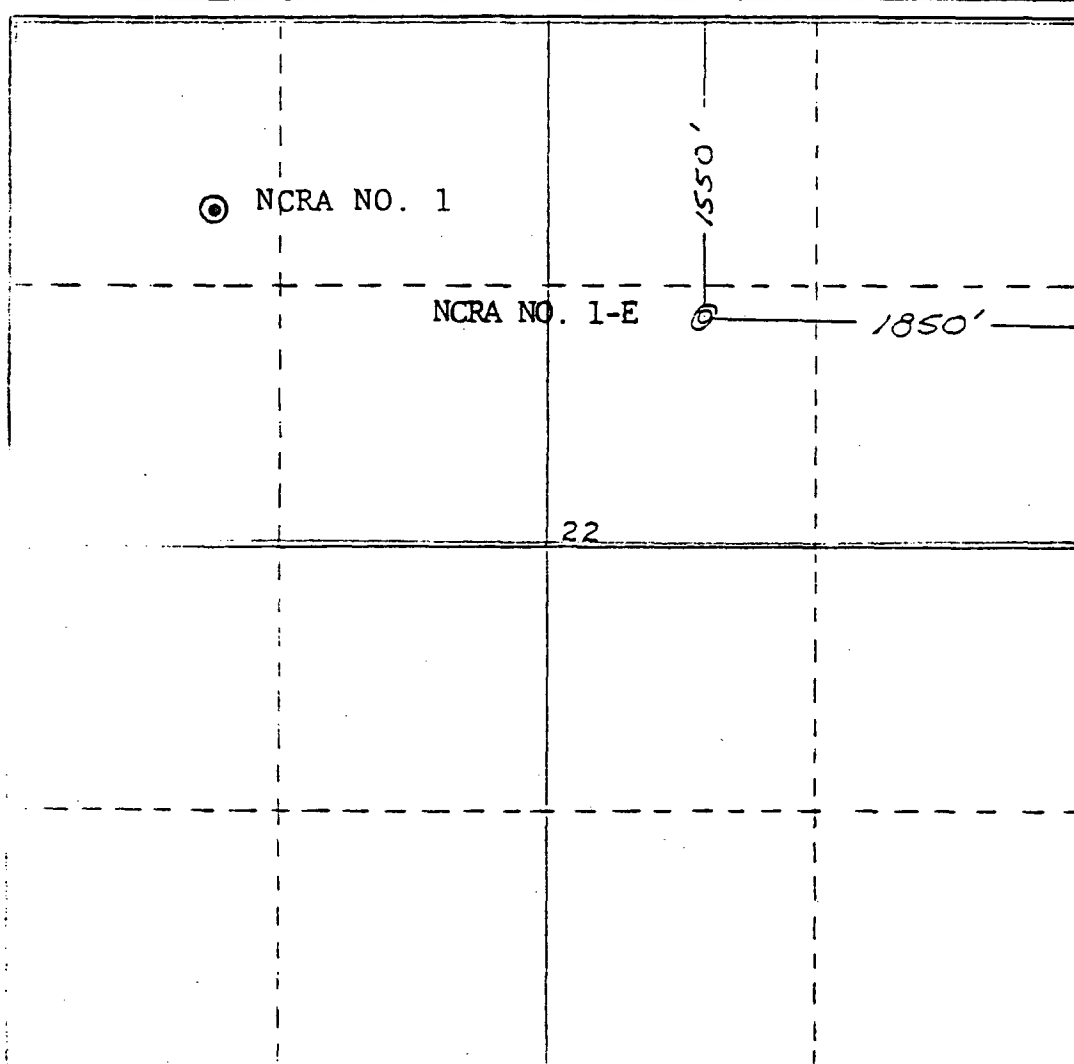
Operator CONSOLIDATED OIL AND GAS, INC.			Lease NCRA		Well No. 1-E
Well Letter G	Section 22	Township 26 NORTH	Range 7 WEST	County RIO ARriba	
Initial Footage Location of Well:					
1550 feet from the NORTH line and		1850 feet from the EAST line			
Ground Level Elev. 6928	Producing Formation Mesaverde	Pool Blanco Mesaverde	Dedicated Acreage: 320.00 Acres		

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 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.

(Signature)

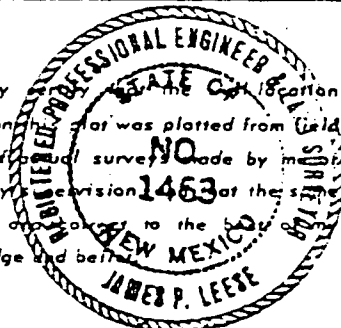
Name
C. M. Parham

Position
Senior Production Engineer

Company
Consolidated Oil & Gas, Inc.

Date
August 16, 1979

I hereby certify that the information shown on this plat was plotted from field notes of a survey made by me or under my supervision at the time and place shown on the plat and that the same is true and correct to the best of my knowledge and belief.



Date Surveyed
30 May 1979

Registered Professional Engineer
and Surveyor

(Signature)
James P. Leese

Certificate No.
1463

Columbus Energy Corporation
Dual Completion Schematic for
Commingling Application

Elevation: 6941'KB
6928'GL

NCRA 1E
Sec 22, T26N, R7W
Rio Arriba Co., NM
April 3, 1986

8-5/8", 24#, casing @ 370'
Cmt w/ 300 sx Cl "B" w/
2% CaCl₂, 1/4# cello-
flake/sx. Cmt top at
surface.

13-3/4" hole to 373'

Cmt stage collar @ 5605'
Cmt 2nd stage w/ 165 sx
65/35 pozmix w/ 12% gel.
Tail-in w/ 200 sx 50/50
pozmix w/ 4% gel and .6%
FLA. Cmt top at 4150'.

1-1/4" tbg @ 5382'

Mesaverde perf
interval: 5307-5512'
(20 holes)

5-1/2", 15.5# K-55 casing
@ 7500'. Cmt 1st stage
w/ 100 sx 65/35 pozmix
w/ 12% gel. Tail-in w/
165 sx 50/50 pozmix w/
4% gel and .6% FLA.
Cmt top at 6520'.

Baker Retrieval-a-D
pkr @ 7320'

1-1/2" tbg @ 7453'

Dakota perf interval:
7354-7493' (18 holes)

PBTD @ 7511'- FC
Clean out to 7513'

7-7/8" hole to 7560'
Drillers TD - 7560'
Loggers TD - 7541'

NOTE - Dakota gas is metered then placed back
in the casing to help lift produced fluids
from the Mesaverde zone.

NCRA 1E
Sec 22, T26N, R7W

RE: Rule 303C, Para. 2, Requirement (d)

We would like to request an exception to rule 303C, Para. 2, Requirement (d). A current (within 30 days) 24 hour productivity test of the Dakota and Mesaverde zones would not reflect accurate production potential due to the leak in the Dakota tubing string. Gas from the Dakota is metered and placed back in the casing to help lift produced fluids from the Mesaverde. The Mesaverde is currently incapable of producing gas on its own without assistance from the Dakota.

NCRA 1E
Sec 22, T26N, R7W

RE: Rule 303C, Para. 2, Requirement (e)

We are submitting production decline curves for the Basin Dakota and Blanco Mesaverde. Because of the sporadic nature of the gas takes, we do not believe these to be representative of the actual decline in each formation.

1633 FIRMAN RICHARDSON
214-71

NCRA 1E
Sec 22, T26N, R7W

RE: Rule 303C, Para. 2, Requirement (f)

Due to the economics involved in acquiring measured bottom-hole pressures with a hole in the production tubing, we are submitting the latest Packer Leakage Test which did not fail in 1985.

This form is not to
be used for reporting
packer leakage tests
in Southeast New Mexico

NORTHWEST NEW MEXICO PACKER-LEAKAGE TEST

Operator CONSOLIDATED OIL & GAS, INC. Lease N.C.R.A. Well No. 1-E
Location Well: Unit G Sec. 22 Twp. 26 Rge. 7 County RIO ARRIBA

	NAME OF RESERVOIR OR POOL	TYPE OF PROD. (Oil or Gas)	METHOD OF PROD. (Flow or Art. Lift)	PROD. MEDIUM (Tbg. or Csg.)
Upper completion	MESA VERDE	GAS	FLOW	TBG
Lower completion	DAKOTA	GAS	FLOW	TBG

PRE-FLOW SHUT-IN PRESSURE DATA

	Hour, date shut-in	Length of time shut-in	SI press. psig	Stabilized? (Yes or No)
Upper completion	9-20-85	3 Days	1142	Yes
Lower completion	9-20-85	3 Days	1301	Yes

FLOW TEST NO. 1

Commenced at (hour, date)* 9-23-85				Zone producing (Upper or Lower) Lower	
TIME (hour, date)	LAPSED TIME SINCE*	PRESSURE		PROD. ZONE TEMP.	REMARKS
		Upper Completion	Lower Completion		
9-21		1141	1300		Both Zones Shut-In
9-22		1141	1301		" "
9-23		1142	1301		" "
9-24	1 Day	1142	1042		Lower Zone Flowing
9-25	2 Days	1142	1168		" " (Well line freeze)

Production rate during test

Oil: _____ BOPD based on _____ Bbls. in _____ Hours.
Gas: _____ 588 _____ MCFPD; Tested thru (Orifice or Meter): _____ Meter _____

MID-TEST SHUT-IN PRESSURE DATA

	Hour, date shut-in	Length of time shut-in	SI press. psig	Stabilized? (Yes or No)
Upper completion				
Lower completion				

RECEIVED
OCT 07 1985
OIL CON. DIV.
DIST. 3

NCRA 1E
Sec 22, T26N, R7W

RE: Rule 303C, Para. 2, Requirement (g)

We would like to request an exception to Rule 303C, Para. 2, Requirement (g). Analysis of fluids taken from this well in both zones would not be representative of reservoir fluids in each zone due to the tubing leak. We have not observed any problems with emulsions or precipitates forming in the surface facilities. The gas from these two zones have been commingled since August of 1980. The following data is representative of the produced fluids in this well:

	GAS (s.g.)	OIL (API)	B.S. & W. (%)
DAKOTA	.624	53.2	0.4
MESAVERDE	.688	46.2	0.2

NOTE - Water analysis from the Candado 1E Basin Dakota/
Blanco Mesaverde well is submitted as a representative
water sample of these two formations. The Candado 1E
is located at 1993' FSL and 1600' FEL, Sec 15, R26N, R7W.

U N I C H E M I N T E R N A T I O N A L

1215 Basin Road

P.O. Box 421

FARMINGTON, N.M. 87401

COMPANY: COLUMBUS ENERGY

DATE: 4-9-86

FIELD, LEASE AND WELL: CANDADO 1E MESA VERDE

SAMPLING POINT: WELLHEAD

DATE SAMPLED: 3-27-86

SPECIFIC GRAVITY: 1.009

TOTAL DISSOLVED SOLIDS: 14,335

PH = 7.04

		ME/L	MG/L
CATIONS			
CALCIUM	(CA)+2	5.6	112.0
MAGNESIUM	(MG)+2	4.4	53.4
SODIUM	(NA), CALC.	221.0	5101.0

		ME/L	MG/L
ANIONS			
BICARBONATE	(C3)-1	13.4	817.0
CARBONATE	(CO3)-2		
HYDROXIDE	(OH)-1		
SULFATE	(SO4)-2	38.5	1850.0
CHLORIDES	(CL)-1	180.0	6400.0

DISSOLVED GASES			
CARBON DIOXIDE	(CO2)		
HYDROGEN SULFIDE	(H2S)		
OXYGEN	(O2)		
IRON	(FE)		61.0
BARIUM	(BA)+2		0.2
MANGANESE	(MN)		

IONIC STRENGTH = 0.26
SCALING INDEX

CARBONATE INDEX
CALCIUM CARBONATE SCALING

SULFATE INDEX
CALCIUM SULFATE SCALING

TEMP
86°F 30°C
-0.25
UNLIKELY
-27.0
UNLIKELY

120°F 48.8°C
0.142
LIKELY
-28.0
UNLIKELY

U N I C H E M I N T E R N A T I O N A L

1215 Basin Road

P.O. Box 421

FARMINGTON, N.M. 87401

COMPANY: COLUMBUS ENERGY

DATE: 4-9-86

FIELD, LEASE AND WELL: CANDADO 1E DAKOTA

SAMPLING POINT: WELLHEAD

DATE SAMPLED: 3-27-86

SPECIFIC GRAVITY: 1.009

TOTAL DISSOLVED SOLIDS: 15,092

PH = 7.95

		ME/L	MG/L
CATIONS			
CALCIUM	(CA)+2	1.6	32.0
MAGNESIUM	(MG)+2	2.4	29.1
SODIUM	(NA), CALC.	245.0	5632.0

ANIONS			
BICARBONATE	(C)3)-1	21.0	1281.0
CARBONATE	(CO3)-2		
HYDROXIDE	(OH)-1		
SULFATE	(SO4)-2	0	0
CHLORIDES	(CL)-1	228.0	8100.0

DISSOLVED GASES			
CARBON DIOXIDE	(CO2)		
HYDROGEN SULFIDE	(H2S)		
OXYGEN	(O2)		
IRON	(FE)		35.1
BARIUM	(BA)+2	0.25	17.3
MANGANESE	(MN)		
IONIC STRENGTH = 0.255			

	SCALING INDEX	TEMP.	
CARBONATE INDEX		86°F 30°C	120°F 48.8°C
CALCIUM CARBONATE SCALING		0.310	0.711
		LIKELY	LIKELY
SULFATE INDEX		-45.0	-46.0
CALCIUM SULFATE SCALING		UNLIKELY	UNLIKELY

U N I C H E M I N T E R N A T I O N A L

1215 Basin Road

P.O. Box 421

FARMINGTON, N.M. 87401

COMPANY: COLUMBUS ENERGY

DATE: 4-9-86

FIELD, LEASE AND WELL: 50% CANDADO 1E MESA VERDE/50% CANDADO 1E DAKOTA

SAMPLING POINT: WELLHEAD

DATE SAMPLED: 3-27-86

SPECIFIC GRAVITY: 1.009

TOTAL DISSOLVED SOLIDS: 14,764

PH = 7.495

		ME/L	MG/L
CATIONS			
CALCIUM	(CA)+2	3.6	72.1
MAGNESIUM	(MG)+2	3.4	41.4
SODIUM	(NA), CALC.	233.0	5367.0

ANIONS			
BICARBONATE	(C)3)-1	17.2	1049.0
CARBONATE	(CO3)-2		
HYDROXIDE	(OH)-1		
SULFATE	(SO4)-2	19.2	925.0
CHLORIDES	(CL)-1	204.0	7300.0

DISSOLVED GASES			
CARBON DIOXIDE	(CO2)		
HYDROGEN SULFIDE	(H2S)		
OXYGEN	(O2)		
IRON	(FE)		48.0
BARIUM	(BA)+2	0.12	8.7
MANGANESE	(MN)		
IONIC STRENGTH 0.258			

	TEMP.	
SCALING INDEX	86°F 30°C	120°F 48.8°C
CARBONATE INDEX	0.115	0.517
CALCIUM CARBONATE SCALING	LIKELY	LIKELY
SULFATE INDEX	-36.0	-36.0
CALCIUM SULFATE SCALING	UNLIKELY	UNLIKELY

NCRA 1E
Sec 22, T26N, R7W

RE: Rule 303C, Para. 2, Requirement (h)

We believe production will not decrease by commingling the Dakota and Mesaverde formations. The well has continued to produce satisfactorily despite existing line pressures and periods of shut-in due to no demand. We do anticipate that production will remain the same or increase with additional gas volumes helping to lift produced liquids in the wellbore. Gas production from both zones is already commingled downhole (Admin. Order # R-6426). Specific gravity of the Dakota and Mesaverde gas stream is .624 with a heating value of 1084 BTU. The price of gas from both zones is currently \$2.75/MCF, so commingling has not reduced the sum of the values of the individual streams. Allocation of produced amounts is determined by the subtraction method.

NCRA 1E
Sec 22, T26N, R7W

RE: Rule 303C, Para. 2, Requirement (i)

We would like to allocate 91.5% gas and 77% oil to the Dakota and 8.5% gas and 23% oil to the Mesaverde formations, based on previous well production since 1980. Percent of allocation was arrived from the total production from each zone from 1980 to January 1986. Oil production from the Mesaverde has increased in the recent production history of this well. This is due primarily to the hole in the Dakota tubing string.

TOTAL PRODUCTION

	GAS (Mcf)	OIL (Bbls)	GOR
DAKOTA	742,138	6,019	123,300
* MESAVERDE	68,410	1,800	38,006

PERCENT ALLOCATION

	GAS (%)	OIL (%)
DAKOTA	91.5	77
MESAVERDE	8.5	23

- * Measurement of the Mesaverde stream is determined by the subtraction method after the Dakota stream has been metered.

NCRA 1E
Sec 22, T26N, R7W

RE: Rule 303C, Para. 2, Requirement (j)

Letters of intent to commingle this well were sent to the attached list of offset operators. The Bureau of Land Management also received a copy. Sample copies of the letter and waiver are included.

Columbus Energy Corporation
List of Offset Operators

NCRA 1E

Caulkins Oil Company
1600 Broadway, Suite 2100
Denver, Colorado 80202

Depco Incorporated
1000 Petroleum Bldg
Denver, Colorado 80202

El Paso Natural Gas Company
P. O. Box 990
Farmington, New Mexico 87499

W.B. Hamilton Estate
1220 Hamilton Bldg.
Wichita Falls, Texas 76301

Curtis J. Little
P. O. Box 1258
Farmington, New Mexico 87499

National Cooperative Refinery Associates
2215 Wilco Bldg.
Midland, Texas 79701

Turner Production Company
1 Energy Ste 852
4925 Grnvl Av
Dallas, Texas 75206

Bureau of Land Management
Caller Service 4104
Farmington, New Mexico 87499



Columbus Energy Corp.

P. O. BOX 2038
FARMINGTON, NEW MEXICO 87499
(505) 632-8056

April 3, 1986

Caulkins Oil Company
1600 Broadway, Suite 2100
Denver, Colorado 80202

Re: Waiver for Administrative Approval of Downhole Commingling
for Columbus Energy Corporation NCRA 1E, Basin Dakota &
Blanco Mesaverde Dual, 1550' FNL & 1850' FEL, Sec 22, T26N,
R7W, Rio Arriba Co., New Mexico

Gentlemen:

Columbus Energy Corporation is applying to the New Mexico Oil Conservation Division, as outlined in NMOCD Rule 303C, for administrative commingle of the Dakota and Mesaverde zones in the subject well. We are notifying your office of our intent, and would like you to sign and return one copy of the Waiver of Objection in each of the self addressed envelopes.

Please mail the waivers to Richard L. Stamets, New Mexico Oil Conservation Division, P. O. Box 2088, Santa Fe, New Mexico 87501 and Wayne L. Converse, Columbus Energy Corporation, P. O. Box 2038, Farmington, New Mexico 87499.

If you have any questions concerning this request, please contact Wayne L. Converse at 505-632-8056.

Yours very truly,

COLUMBUS ENERGY CORPORATION

Wayne L. Converse
District Engineer

WLC/dc
Enclosures

cc: N. M. Oil Conservation Division, Santa Fe
N. M. Oil Conservation Division, Aztec
BLM, Farmington



Columbus Energy Corp.

P. O. BOX 2038
FARMINGTON, NEW MEXICO 87499
(505) 632-8056

April 3, 1986

Depco Incorporated
1000 Petroleum Bldg
Denver, Colorado 80202

Re: Waiver for Administrative Approval of Downhole Commingling
for Columbus Energy Corporation NCRA 1E, Basin Dakota &
Blanco Mesaverde Dual, 1550' FNL & 1850' FEL, Sec 22, T26N,
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COLUMBUS ENERGY CORPORATION

Wayne L. Converse
District Engineer

WLC/dc

Enclosures

cc: N. M. Oil Conservation Division, Santa Fe
N. M. Oil Conservation Division, Aztec
BLM, Farmington



Columbus Energy Corp.

P. O. BOX 2038

FARMINGTON, NEW MEXICO 87499

(505) 632-8056

April 3, 1986

El Paso Natural Gas Company
P. O. Box 990
Farmington, New Mexico 87499

Re: Waiver for Administrative Approval of Downhole Commingling
for Columbus Energy Corporation NCRA 1E, Basin Dakota &
Blanco Mesaverde Dual, 1550' FNL & 1850' FEL, Sec 22, T26N,
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Conservation Division, P. O. Box 2088, Santa Fe, New Mexico
87501 and Wayne L. Converse, Columbus Energy Corporation, P. O.
Box 2038, Farmington, New Mexico 87499.

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Yours very truly,

COLUMBUS ENERGY CORPORATION

Wayne L. Converse
District Engineer

WLC/dc

Enclosures

cc: N. M. Oil Conservation Division, Santa Fe
N. M. Oil Conservation Division, Aztec
BLM, Farmington



Columbus Energy Corp.

P. O. BOX 2038
FARMINGTON, NEW MEXICO 87499
(505) 632-8056

April 3, 1986

W.B. Hamilton Estate
1220 Hamilton Bldg.
Wichita Falls, Texas 76301

Re: Waiver for Administrative Approval of Downhole Commingling
for Columbus Energy Corporation NCRA 1E, Basin Dakota &
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Yours very truly,

COLUMBUS ENERGY CORPORATION

Wayne L. Converse
District Engineer

WLC/dc

Enclosures

cc: N. M. Oil Conservation Division, Santa Fe
N. M. Oil Conservation Division, Aztec
BLM, Farmington



Columbus Energy Corp.

P. O. BOX 2038

FARMINGTON, NEW MEXICO 87499

(505) 632-8056

April 3, 1986

Curtis J. Little
P. O. Box 1258
Farmington, New Mexico 87499

Re: Waiver for Administrative Approval of Downhole Commingling
for Columbus Energy Corporation NCRA 1E, Basin Dakota &
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COLUMBUS ENERGY CORPORATION

Wayne L. Converse
District Engineer

WLC/dc

Enclosures

cc: N. M. Oil Conservation Division, Santa Fe
N. M. Oil Conservation Division, Aztec
BLM, Farmington



Columbus Energy Corp.

P. O. BOX 2038
FARMINGTON, NEW MEXICO 87499
(505) 632-8056

April 3, 1986

National Cooperative Refinery Associates
2215 Wilco Bldg.
Midland, Texas 79701

Re: Waiver for Administrative Approval of Downhole Commingling
for Columbus Energy Corporation NCRA 1E, Basin Dakota &
Blanco Mesaverde Dual, 1550' FNL & 1850' FEL, Sec 22, T26N,
R7W, Rio Arriba Co., New Mexico

Gentlemen:

Columbus Energy Corporation is applying to the New Mexico Oil Conservation Division, as outlined in NMOCDD Rule 303C, for administrative commingle of the Dakota and Mesaverde zones in the subject well. We are notifying your office of our intent, and would like you to sign and return one copy of the Waiver of Objection in each of the self addressed envelopes.

Please mail the waivers to Richard L. Stamets, New Mexico Oil Conservation Division, P. O. Box 2088, Santa Fe, New Mexico 87501 and Wayne L. Converse, Columbus Energy Corporation, P. O. Box 2038, Farmington, New Mexico 87499.

If you have any questions concerning this request, please contact Wayne L. Converse at 505-632-8056.

Yours very truly,

COLUMBUS ENERGY CORPORATION

Wayne L. Converse
District Engineer

WLC/dc

Enclosures

cc: N. M. Oil Conservation Division, Santa Fe
N. M. Oil Conservation Division, Aztec
BLM, Farmington



Columbus Energy Corp.

P. O. BOX 2038

FARMINGTON, NEW MEXICO 87499

(505) 632-8056

April 3, 1986

Turner Production Company
1 Energy Ste 852
4925 Grnvl Av
Dallas, Texas 75206

Re: Waiver for Administrative Approval of Downhole Commingling
for Columbus Energy Corporation NCRA 1E, Basin Dakota &
Blanco Mesaverde Dual, 1550' FNL & 1850' FEL, Sec 22, T26N,
R7W, Rio Arriba Co., New Mexico

Gentlemen:

Columbus Energy Corporation is applying to the New Mexico Oil Conservation Division, as outlined in NMOC Rule 303C, for administrative commingle of the Dakota and Mesaverde zones in the subject well. We are notifying your office of our intent, and would like you to sign and return one copy of the Waiver of Objection in each of the self addressed envelopes.

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Wayne L. Converse
District Engineer

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Enclosures

cc: N. M. Oil Conservation Division, Santa Fe
N. M. Oil Conservation Division, Aztec
BLM, Farmington

WAIVER OF OBJECTION AND
CONSENT TO COMMINGLE THE
DUAL COMPLETION

FOR COLUMBUS ENERGY CORPORATION

THE UNDERSIGNED, as an offset operator/lease holder of a lease

near NCRA 1E, DK/MV Dual
1550' FNL & 1850' FEL
Sec 22, T26N, R7W
Rio Arriba Co., New Mexico

Does hereby acknowledge receipt of the letter requesting approval
of commingling of the above captioned well.

The undersigned hereby waives any objection to this application
and voluntarily consents to the commingling of the above captioned
well.

SIGNED: _____

NAME: _____

TITLE: _____

FIRM: _____

DATE: _____

Please find enclosed self addressed envelopes. Mail one copy to
Richard L. Stamets, New Mexico Oil Conservation Division, P. O. Box
2088, Santa Fe, New Mexico 87501 and Wayne L. Converse, Columbus
Energy Corporation, P. O. Box 2038, Farmington, New Mexico 87499.

(328 GNM) DK/MV

Columbus NCRA

E16 Basin DK
Starts 9/85 9 MCF
Oct 9696
Nov 22987
Dec 6303
1986 Jan 1080
Feb -0-
Mar -0-

E16 Mesavende
1985 Jan 697 MCF
Feb 458

Mar -0-
April -0-
May -0-
June 19732
Sept 1097
Oct 3698
Nov 2127
Dec 14591

1986 Jan 15893 MCF
Feb 5110
March 1929

DK / MV
PK 246 / Sch 52
PK 551 / Sch 115/109

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6929
Order No. R-6426

APPLICATION OF CONSOLIDATED OIL &
GAS, INC. FOR DOWNHOLE COMMINGLING,
RIO ARriba COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on July 23, 1980,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 4th day of August, 1980, the Division
Director, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully
advised in the premises,

FINDS:

(1) That due public notice having been given as required
by law, the Division has jurisdiction of this cause and the
subject matter thereof.

(2) That the applicant, Consolidated Oil & Gas, Inc., is
the owner and operator of the NCRA Well No. 1-E, located in
Unit G of Section 22, Township 26 North, Range 7 West, NMPM,
Rio Arriba County, New Mexico.

(3) That the applicant seeks authority to commingle
Blanco-Mesaverde and Basin-Dakota production within the
wellbore of the above-described well by using the Dakota
gas lift of Mesaverde liquids after metering on the surface.

(4) That from the Blanco Mesaverde zone, the subject
well is capable of low marginal production only.

(5) That from the Basin-Dakota zone, the subject well
is capable of low marginal production only.

(6) That the proposed commingling may result in the recovery of additional hydrocarbons from each of the subject pools, thereby preventing waste, and will not violate correlative rights.

(7) That the reservoir characteristics of each of the subject zones are such that underground waste would not be caused by the proposed commingling provided that the well is not shut-in for an extended period.

(8) That to afford the Division the opportunity to assess the potential for waste and to expeditiously order appropriate remedial action, the operator should notify the Aztec district office of the Division any time the subject well is shut-in for 7 consecutive days.

(9) That the production from the Basin-Dakota zone is to be measured at the surface prior to commingling and that the production from the Blanco-Mesaverde Gas Pool should be determined by the subtraction method.

IT IS THEREFORE ORDERED:

(1) That the applicant, Consolidated Oil & Gas, Inc., is hereby authorized to commingle Blanco-Mesaverde and Basin-Dakota production within the wellbore of the NCRA Well No. 1-E, located in Unit G of Section 22, Township 26 North, Range 7 West, NMPM, Rio Arriba County, New Mexico, by using Dakota gas production to gas lift Mesaverde liquids.

(2) That production from the Basin-Dakota Gas Pool shall be measured at the surface prior to its use for gas lift purposes.

(3) That production from the Blanco-Mesaverde Gas Pool shall be determined by subtracting the measured gas lift volume from the total measured volume of production.

(4) That the operator of the subject well shall immediately notify the Division's Aztec district office any time the well has been shut-in for 7 consecutive days and shall concurrently present, to the Division, a plan for remedial action.

(5) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

-3-

Case No. 6929

Order No. R-6426

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY,
Director

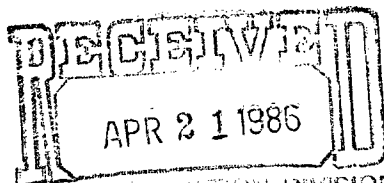
S E A L

dr/



National Cooperative Refinery Association

1775 SHERMAN STREET, SUITE 3000 • DENVER, COLORADO 80203 • 303/861-4883



OIL CONSERVATION DIVISION April 17, 1986
SANTA FE

*Crude Oil
Division
Office*

Richard L. Stamets
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Waiver for Administrative Approval
of Downhole Commingling for
Columbus Energy Corporation NCRA 1E,
Rio Arriba County, New Mexico

Gentlemen:

Enclosed, please find one fully executed copy of the above captioned
waiver, signifying our consent to the commingling of the NCRA 1E.

Very truly yours,

W. F. Griffith
Production Manager

/sm
enclosure

WAIVER OF OBJECTION AND
CONSENT TO COMMINGLE THE
DUAL COMPLETION

FOR COLUMBUS ENERGY CORPORATION

THE UNDERSIGNED, as an offset operator/lease holder of a lease

near NCRA 1E, DK/MV Dual
1550' FNL & 1850' FEL
Sec 22, T26N, R7W
Rio Arriba Co., New Mexico

Does hereby acknowledge receipt of the letter requesting approval
of commingling of the above captioned well.

The undersigned hereby waives any objection to this application
and voluntarily consents to the commingling of the above captioned
well.

SIGNED: W. F. Griffith

NAME: W. F. Griffith

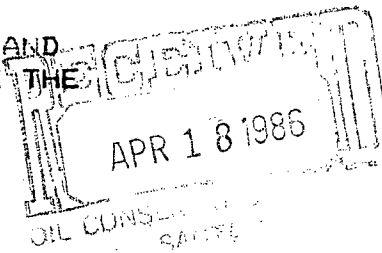
TITLE: Production Manager

FIRM: National Cooperative Refinery Association

DATE: April 17, 1986

Please find enclosed self addressed envelopes. Mail one copy to
Richard L. Stamets, New Mexico Oil Conservation Division, P. O. Box
2088, Santa Fe, New Mexico 87501 and Wayne L. Converse, Columbus
Energy Corporation, P. O. Box 2038, Farmington, New Mexico 87499.

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CONSENT TO COMMINGLE THE
DUAL COMPLETION



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Rio Arriba Co., New Mexico

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The undersigned hereby waives any objection to this application
and voluntarily consents to the commingling of the above captioned
well.

SIGNED: John M. Hamilton
NAME: John M. Hamilton
TITLE: Co-Owner
FIRM: W. B. Hamilton Estate
DATE: 4/14/86

Please find enclosed self addressed envelopes. Mail one copy to
Richard L. Stamets, New Mexico Oil Conservation Division, P. O. Box
2088, Santa Fe, New Mexico 87501 and Wayne L. Converse, Columbus
Energy Corporation, P. O. Box 2038, Farmington, New Mexico 87499.

WAIVER OF OBJECTION AND
CONSENT TO COMMINGLE THE
DUAL COMPLETION



FOR COLUMBUS ENERGY CORPORATION

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well.

SIGNED: _____

NAME: _____ CURTIS J. LITTLE

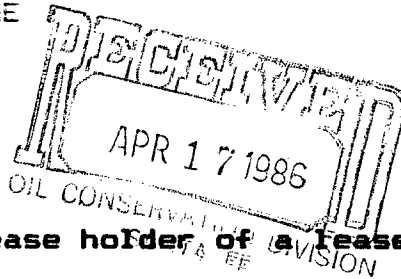
TITLE: _____ Operator

FIRM: _____ CURTIS J. LITTLE

DATE: _____ April 16, 1986

Please find enclosed self addressed envelopes. Mail one copy to
Richard L. Stamets, New Mexico Oil Conservation Division, P. O. Box
2088, Santa Fe, New Mexico 87501 and Wayne L. Converse, Columbus
Energy Corporation, P. O. Box 2038, Farmington, New Mexico 87499.

WAIVER OF OBJECTION AND
CONSENT TO COMMINGLE THE
DUAL COMPLETION



FOR COLUMBUS ENERGY CORPORATION

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Rio Arriba Co., New Mexico

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The undersigned hereby waives any objection to this application
and voluntarily consents to the commingling of the above captioned
well.

SIGNED: Fred Turner
NAME: FRED E. TURNER
TITLE: PRESIDENT
FIRM: TURNER PRODUCTION CO.
DATE: 4/14/86

Please find enclosed self addressed envelopes. Mail one copy to
Richard L. Stamets, New Mexico Oil Conservation Division, P. O. Box
2088, Santa Fe, New Mexico 87501 and Wayne L. Converse, Columbus
Energy Corporation, P. O. Box 2038, Farmington, New Mexico 87499.

WAIVER OF OBJECTION AND
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FOR COLUMBUS ENERGY CORPORATION

THE UNDERSIGNED, as an offset operator/lease holder of a lease

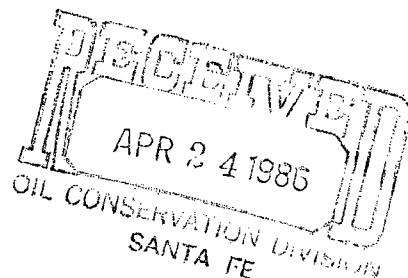
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Rio Arriba Co., New Mexico

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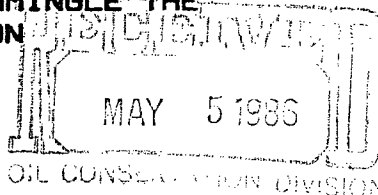
The undersigned hereby waives any objection to this application
and voluntarily consents to the commingling of the above captioned
well.

SIGNED: J. F. Reiger
NAME: _____
TITLE: Mgr Outside Opns.
FIRM: DEPCO, INC.
DATE: 4-21-86

Please find enclosed self addressed envelopes. Mail one copy to
Richard L. Stamets, New Mexico Oil Conservation Division, P. O. Box
2088, Santa Fe, New Mexico 87501 and Wayne L. Converse, Columbus
Energy Corporation, P. O. Box 2038, Farmington, New Mexico 87499.



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CONSENT TO COMMINGLE THE
DUAL COMPLETION



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The undersigned hereby waives any objection to this application
and voluntarily consents to the commingling of the above captioned
well.

SIGNED: Charles E. Vazquez
NAME: _____
TITLE: Supt.
FIRM: Caulkins Oil Co.
DATE: 5-1-86

Please find enclosed self addressed envelopes. Mail one copy to
Richard L. Stamets, New Mexico Oil Conservation Division, P. O. Box
2088, Santa Fe, New Mexico 87501 and Wayne L. Converse, Columbus
Energy Corporation, P. O. Box 2038, Farmington, New Mexico 87499.



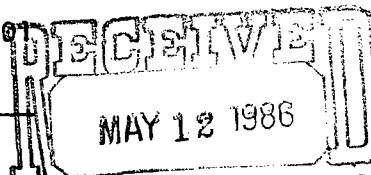
STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

DNC-610

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

OIL CONSERVATION DIVISION
BOX 2088
SANTA FE, NEW MEXICO 87501

DATE 5-8-86



RE: Proposed MC
Proposed DHC X
Proposed NSL
Proposed SWD
Proposed WFX
Proposed PMX

OIL CONSERVATION DIVISION
SANTA FE

Gentlemen:

I have examined the application dated 4-11-86
for the Columbus Energy Corp. NCRA #1E G-22-260-7W
Operator Lease and Well No. Unit, 8-1-1

and my recommendations are as follows:

Approve

Yours truly,

Ernest L. Bush