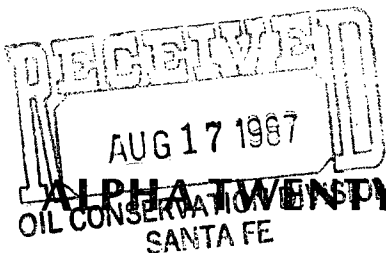


Release Date: Sep 7, 1987



ALPHA TWENTY-ONE PRODUCTION COMPANY

POST OFFICE BOX 1206
JAL, NEW MEXICO 88252

August 14, 1987

505/395-3056

State of New Mexico
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

ATTN: William J. Lemay Director

RE: Alpha Twenty-One Production Company
Blakemore Federal No. 1 D Sec. 20, T-9-S, R-26-E
Chaves County, New Mexico

Gentlemen:

Alpha Twenty-One Production Company requests administrative approval to downhole commingle the Abo and Wolfcamp zones in the above referenced well. Enclosed you will find a copy of form C-102, Form C-116, ownership map, and production history for the last twelve months.

Both zones are presently flowing dry gas, with no water or oil. The Abo is producing from perforations at 4198 to 4344 and has a calculated bottomhole pressure of 390 p.s.i. There is a production packer set at 5218 ft. The Wolfcamp is producing from perforations of 5334 to 5380 ft., with a bottomhole pressure of 395 p.s.i.

The daily average production from the Abo is 90MCFD after it is stabilized. The daily average production from the Wolfcamp is 16 MCFD after stabilized. The price we are receiving for both zones is the same. The gas is presently under contract with Transwestern Pipeline. We propose to use the following formula to allocate our production from each zone.

- a) Wolfcamp daily production divided by the total daily gas production equals the percent to be allocated to the Wolfcamp.

Example: 16MCFD divided by 106MCFD equals 15 % of the total volume to be allocated to the Wolfcamp.

- b) Abo daily production divided by the total daily gas production equals the percent to be allocated to the Abo.

Example: 90MCFD divided by 106MCFD equals 85 % of the total volume to be allocated to the Abo.

*Ownership Common
as per Mike Copeland
8-14-87*

Continued on page 2

Application for downhole commingling

The United States Geological Survey was notified in writing of this application on August 10, 1987. The following offset operators were also notified in writing.

Pennzoil Company

Margene Blakemore Estate Trust

The following is a production history for each zone the last twelve months.

<u>MONTH</u>	<u>ABO</u>	<u>WOLFCAMP</u>	<u>NUMBER OF DAYS PRODUCED</u>
August 1986	337 MCF ^{67.4}	65 MCF ^{13.0}	5
September	392 MCF ^{78.4}	53 MCF ^{10.6}	5
October	276 MCF ^{69.0}	47 MCF ^{11.75}	4
November	538 MCF ^{76.8}	111 MCF ^{15.8}	7
December	455 MCF ^{65.0}	65 MCF ^{9.28}	7
January 1987	529 MCF ^{88.0}	85 MCF ^{14.0}	6
February	1207 MCF ^{100.0}	215 MCF ^{17.9}	12
March	1120 MCF ^{93.0}	142 MCF ^{11.8}	12
April	784 MCF ^{52.2}	97 MCF ^{6.46}	15
May	325 MCF ^{65.0}	42 MCF ^{8.4}	5
June	695 MCF ^{57.9}	110 MCF ^{9.1}	12
July	904 MCF ^{69.5}	135 MCF ^{10.38}	13
	<i>Ave - 73.5</i>	<i>Ave - 11.53</i>	

The specific gravity of the Abo gas is .644, and the mixture heating value is 1047. The specific gravity of the Wolfcamp gas is .624, and the mixture heating value is 1041.

If you desire anything further regarding this matter, please contact the undersigned. Thanks for your kind consideration in this matter.

Sincerely,

Mike Copeland

Mike Copeland

Production Superintendent

Alpha Twenty-One Production Company

cc: Alpha Twenty-One Production Company
ATTN: Mr. Tom Phipps

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENTP. O. BOX 2088
SANTA FE, NEW MEXICO 87501Form C-102
Revised 10-1-

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

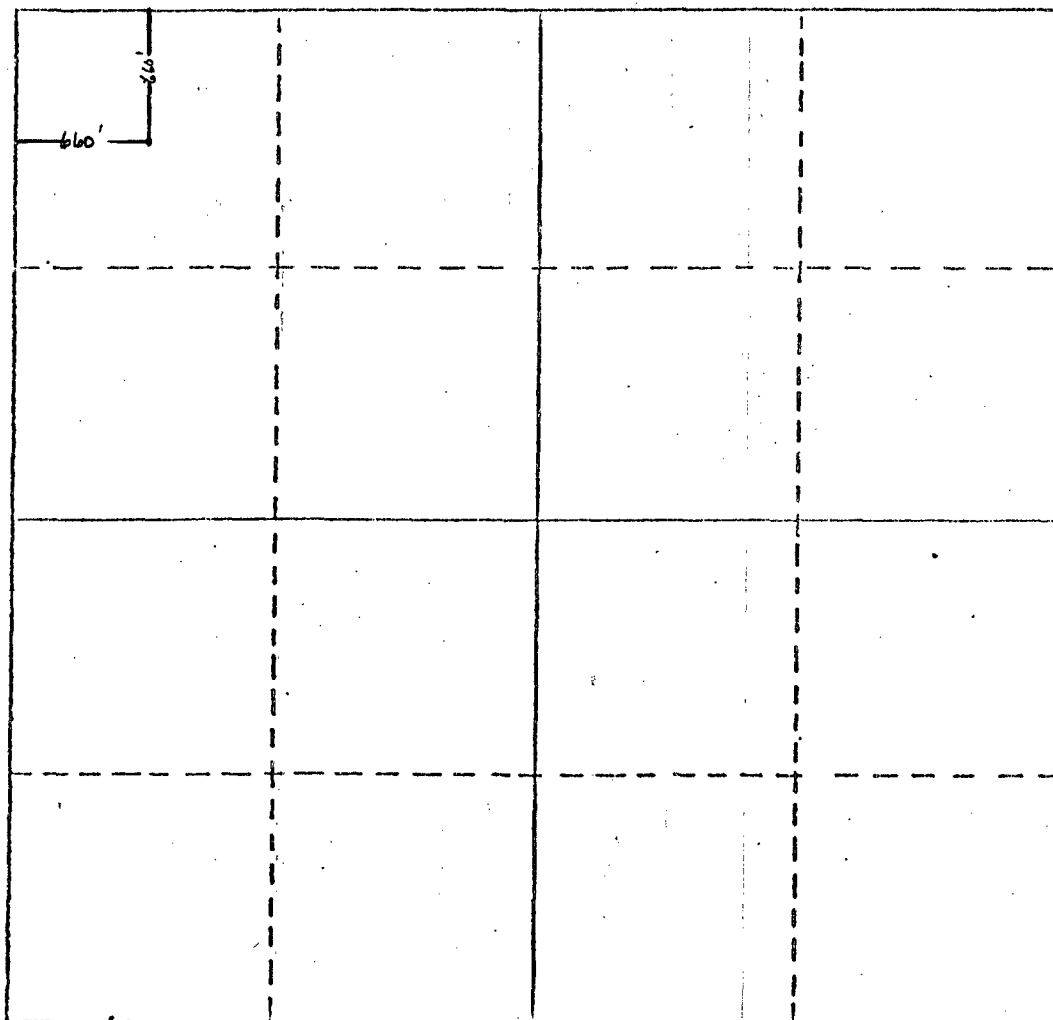
Operator Alpha Twenty-One Production Company			Lease Blakemore Federal		Well No. 1
Unit Letter D	Section 20	Township 9 South	Range 26 East	County Chaves	
Actual Footage Location of Well:					
660 feet from the NORTH line and		660 feet from the WEST line			
Ground Level Elev. 3743.6	Producing Formation ABO	Pool SOUTH PECOS SLOPE	Dedicated Acreage: 160 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 Division.



CERTIFICATION

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

Mike Copeland

Name

Mike Copeland

Position

Production Superintendent

Company

Alpha Twenty-One Prod. Co.

Date

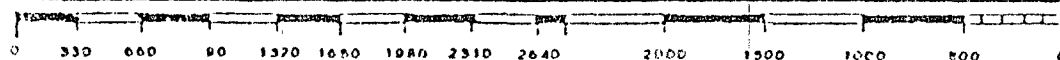
8/10/87

I hereby certify that the well location shown on this plot 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.

Original June 13, 1979
Date Surveyed

Registered Professional Engineer
and/or Land Surveyor

Certificate No.



OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENTP. O. BOX 2088
SANTA FE, NEW MEXICO 87501Form C-102
Revised 10-1-78

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

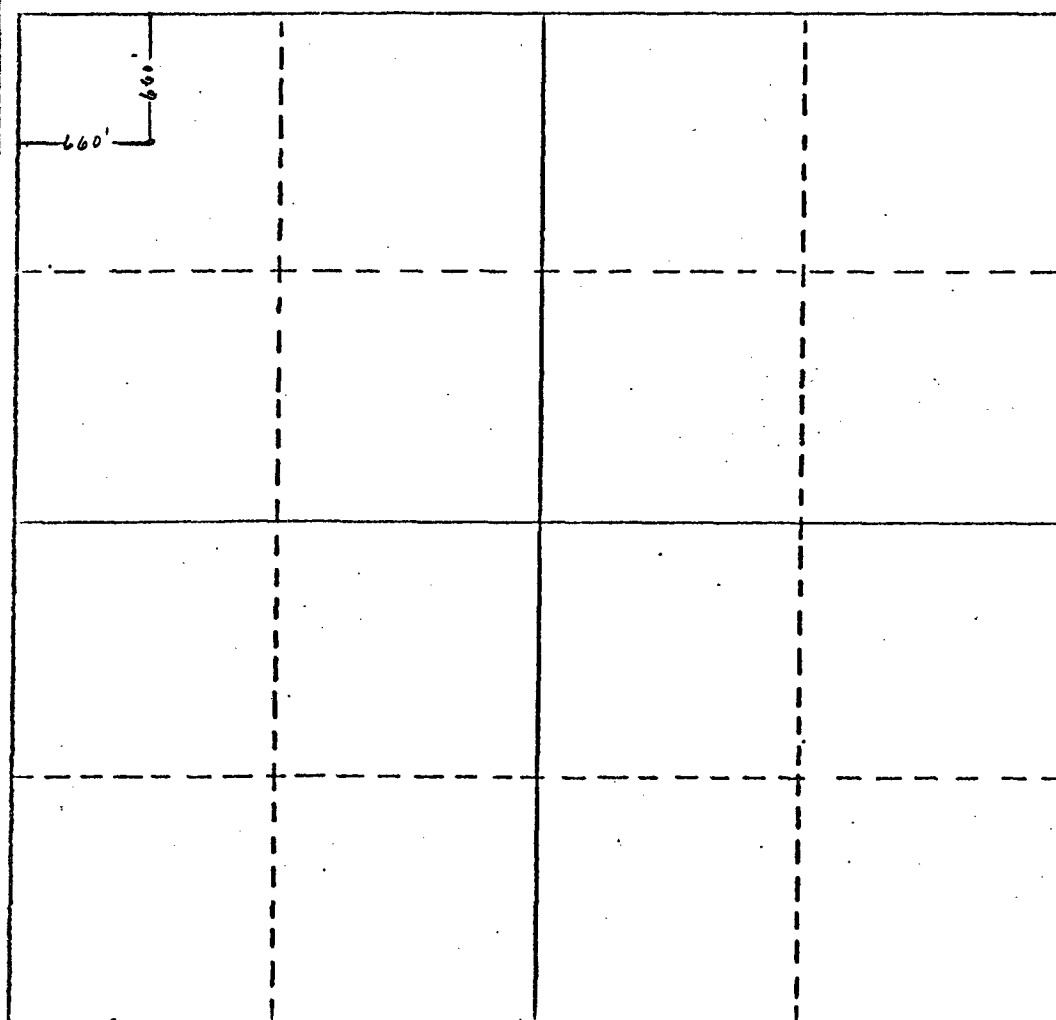
Operator Alpha Twenty-One Production Company			Lease Blakemore Federal		Well No. 1
Unit Letter D	Section 20	Township 9 South	Range 26 East	County Chaves	
Actual Footage Location of Well: 660 feet from the North line and 660 feet from the West line					
Ground Level Elev. 3743.6	Producing Formation WOLFCAMP		Pool BITTERLAKES	Dedicated Acreage: 320 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 _____

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 Division.



CERTIFICATION

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

Mike Copeland

Name

Mike Copeland

Position

Production Superintendent

Company

Alpha Twenty-One Prod. Co.

Date

8/10/87

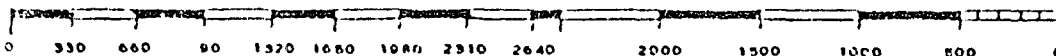
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

Original June 13, 1979

Registered Professional Engineer
and/or Land Surveyor

Certificate No.



Alpha Twenty-One Production Company
Blakemore Federal No. 1

[illegible]

Form C-116
Revised 10-1-78

(Date)

GAS-OIL RATIO TESTS

Operator Alpha Twenty-One Production Company		Pool South Pecos Slope Abo		County Chaves											
Address P.O. Box 1206 Jal, N.M. 88252		TYPE OF TEST - (X)		Scheduled <input type="checkbox"/> Special <input checked="" type="checkbox"/>											
LEASE NAME	WELL NO.	LOCATION				DATE OF TEST	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW-ABLE	LENGTH OF TEST HOURS	PRODUCTION DURING TEST				GAS - OIL RATIO CU.FT/BBL
		U	S	T	R						WATER BBLs.	GRAV. OIL BBLs.	GAS M.C.F.		
Blakemore Federal	1	D	20	9S	26E	7/18/87	F 8/64	195	----	24	---	--	--	90	---

No well will be assigned an allowable greater than the amount of oil produced on the official test.

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowable when authorized by the Division.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Division in accordance with Rule 301 and appropriate pool rules.

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

Mike Copeland
(Signature)

Production Superintendent

(Title)

August 10, 1987

(Date)

MEXICO OIL CONSERVATION COMM.
WELL LOCATION AND ACREAGE DEDICATION PLAT

COPY

Form O-102
Subs. Order C-128
Effective 1-1-65

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

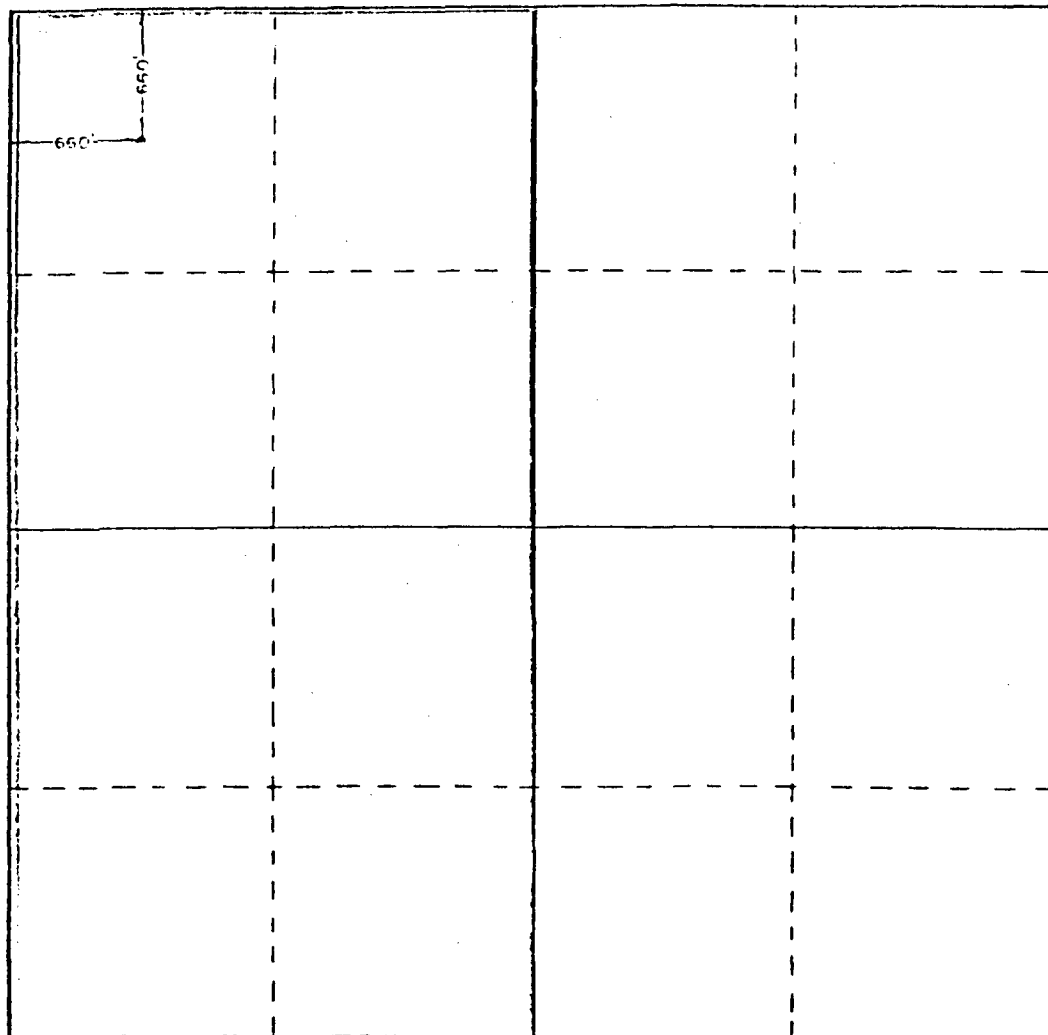
Operator Boyd Operating Company		Lease Blakemore Fed.		Well No. 1
Unit Letter D	Section 20	Township 9 South	Range 26 East	County Chaves
Actual Footage Location of Well:				
660 feet from the North line and		660 feet from the West line		
Ground Level Elev. 3743.6	Producing Formation WOLFCAMP	Pool UNDESIGNATED BITTER LAKES	Dedicated Acreage: 320 Acres	

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



CERTIFICATION

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

Name
T. M. BOYD

Position
President

Company
Boyd Operating Company

Date
2/25/80

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
June 13, 1979

Registered Professional Engineer and Oil and Surveyor

Ronald L. Eide

Certificate No. **John W. West** **676**

Ronald L. Eide **2220**

0 200 400 600 800 1000 1200 1400 1600 1800 2000 2200 2400 2600 2800 3000 3200 3400 3600 3800 4000 4200 4400 4600 4800 5000 5200 5400 5600 5800 6000 6200 6400 6600 6800 7000 7200 7400 7600 7800 8000 8200 8400 8600 8800 9000 9200 9400 9600 9800 10000

MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION

COPY

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

ALPHA-TWENTY-ONE

All distances must be from the outer boundaries of the Section

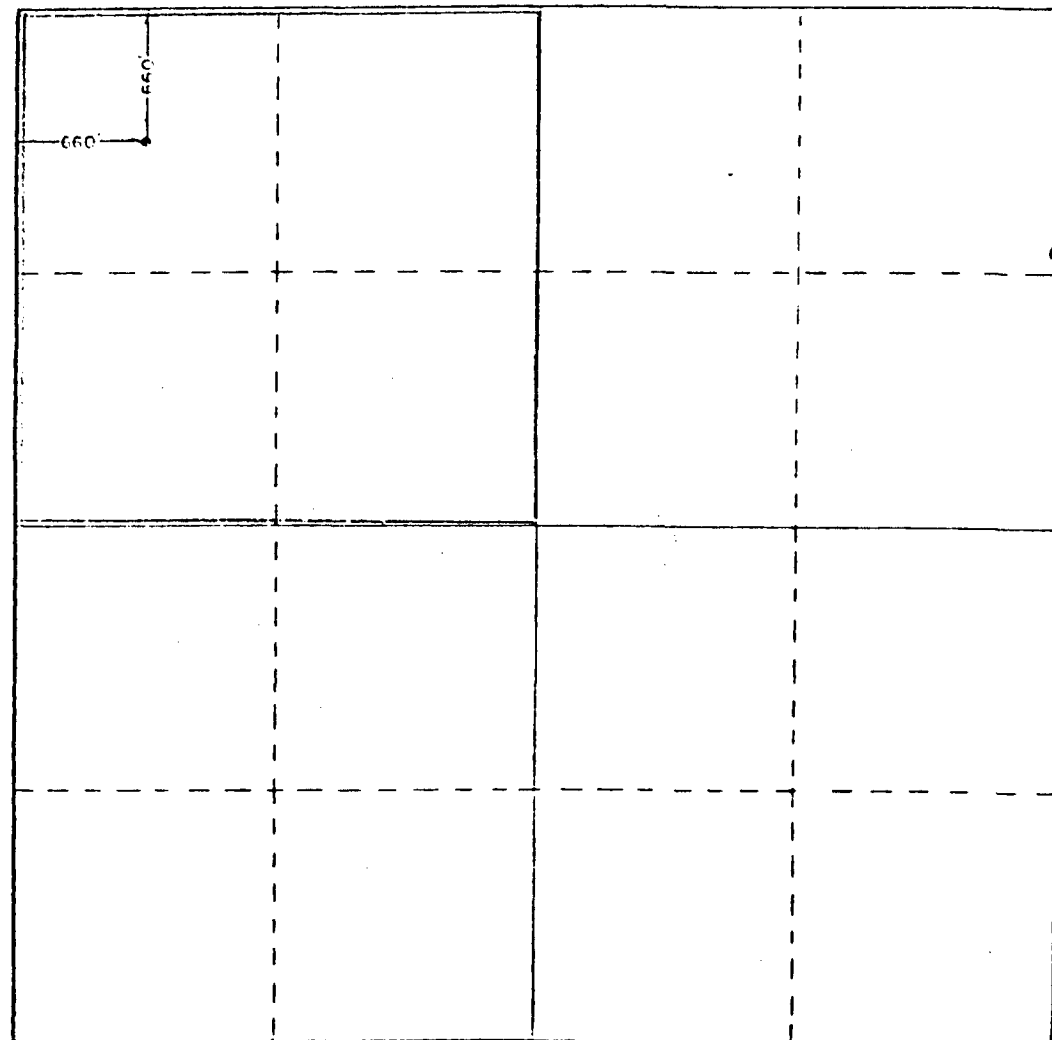
Operator Boyd Operating Company			Lease Blakemore Fed.			Well No. 1		
Grid Letter D	Section 20	Township 9 South		Range 26 East	County Chaves			
Actual Footage Location of Well: 660 feet from the North line and 660 feet from the West line								
Ground Level Elev. 3743.6	Producing Formation ABO			Pool SOUTH PECOS SCOPE UNDESIGNATED			Dedicated Acreage: 160 Acres	

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

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CERTIFICATION

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

T. M. Boyd

T. M. BOYD

President

BOYD OPERATING COMPANY

2/25/80

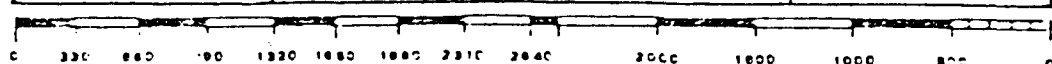
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
June 13, 1979

Registered Professional Engineer
and or Land Surveyor

Ronald J. Eidsen

Certificate No. **John W. West 676**
Ronald J. Eidsen 3230

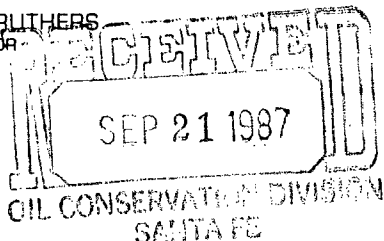




STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

GARREY CARRUTHERS
GOVERNOR



OIL CONSERVATION DIVISION
ARTESIA DISTRICT OFFICE

September 2, 1987

P.O. DRAWER DD
ARTESIA, NEW MEXICO 88210
(505) 748-1283

Alpha Twenty One Prod. Co.
P.O. Box 1206
Jal, New Mexico 88201

Re: Down-hole Commingling
Application
Blakemore Federal #1-D
Sec. 20 Twn.9S Rge.26E

Attn.: Mike Copeland

Gentlemen:

We are in receipt of your letter to the Bureau of Land Management dated August 10, 1987, requesting authority to down-hole commingle the above captioned well.

Prior to approval from the State of New Mexico, Division Rule 303 C must be satisfied.

You are requested to submit to the appropriate offices so consideration can be given to your request.

If we can be of further service, please do not hesitate to call on us.

Yours very truly,

Les A. Clements
Supervisor District II

LAC/rmm

cc David Catanach ✓
Bureau of Land Management



ALPHA TWENTY-ONE PRODUCTION COMPANY

POST OFFICE BOX 1206
JAL, NEW MEXICO 88252

SEP 21 1987

August 10, 1987

505/395-3056

United States Department of the Interior
Geological Survey
P.O. Box 1857
Roswell, New Mexico 88201

RECEIVED

RE: Alpha Twenty-One Production Company *NM - 26069*
Blakemore Federal No. 1, D Sec. 20, T-9-S, R-26-E
Chaves County, New Mexico

AUG 25 '87

C
ARTESIA, OFFICE

Gentlemen:

Enclosed for your review and approval is the original and one copy, of Alpha Twenty-One Production Company's intent to downhole commingle the Abo and Wolfcamp zones in the above referenced well.

Neither of the zones produce any water or oil at this time. The bottomhole pressure in the Wolfcamp zone is 395 p.s.i.g., and the calculated bottomhole pressure in the Abo zone is 390 p.s.i.g. We propose the following formula to calculate the allocation for each zone.

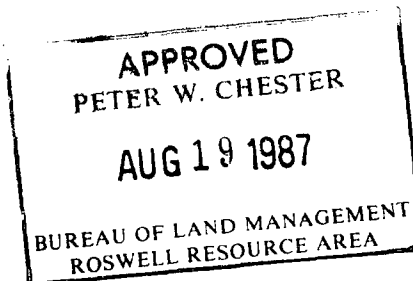
- a) Wolfcamp daily production divided by the total gas production equals % of gas per day allocated to the Wolfcamp Formation.
Example: 16MCFD divided by 106MCFD equals 15% of the total MCFD allocated to the Wolfcamp.
- b) Abo daily production divided by the total gas production equals % of gas per day allocated to the Abo Formation.
Example: 90MCFD divided by 106MCFD equals 85% of the total MCFD allocated to the Abo.

If you desire any further information please contact me.

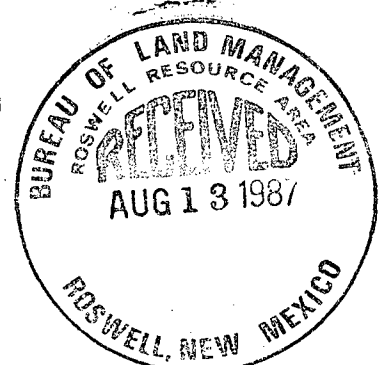
Sincerely,

Mike Copeland

Mike Copeland
Production Superintendent



SUBJECT TO LIKE
APPROVAL BY STATE



cc: Alpha Twenty-One Production Company
200 West Illinois, Suite 200
Midland, Texas 79701
ATTN: Mr. Tom Phipps