4.30.96

DISTRICT I

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

DISTRICT II

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

DISTRICT III

SIGNATURE

TYPE OR PRINT NAME

State of New Mexico Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION OF SONSERVAL ON APPROVAL PROCESS:

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

RECEXED Administrative __Hearing

APPLICATION FOR DOWNHOLE COMMINGLING A RESISTING WELLBORE 1000 Rio Brazos Rd, Aztec, NM 87410-1693 10 Desta Dr. Ste 100W, Midland TX 79705 Conoco Inc. O, Sec. 2, T-25S, R-37E State A-2 Specing Unit Lease Types: (check 1 or more) OGRID NO. 005073 Property Code 003091 API NO. 30-025-32476 , State^X Federal The following facts are submitted in support of downhole commingling: Intermediate Zone Upper Lower Pool Name and Pool Code Justis Tubb-Drink Justis Blinebry 35280 34200 2. Top and Bottom of Pay Section (Perforations) 5765'-6141' 5053'-5684' 3. Type of production (Oil or Gas) 0ilDil 4. Method of Production (Flowing or Artificial Lift) Artificial Lift Artificial Lift a. (Current) 5. Bottomhole Pressure 897 psia Oll Zones - Artificial Lift: Estimated Current 1200 psia Gas & Oil - Flowing:
Measured Current b. (Original) All Gas Zones: Estimated Or Measured Original 2630 psia 2220 psia 6. Oil Gravity (*API) or Gas BTU Content 38.6 API 36 API shut-in 7. Producing or Shut-In? producing yes yes Production Marginal? (yes or no) July 1995 Date: Date: If Shut-In, give date and oil/gas/ water rates of last production _{Rates:} 22 bopd 375 mcfgpd 8 bwpd Rates Rates. ite: For new zones with no production history, plicant shall be required to attach production himates and supporting data Feb. 1996 If Producing, give date andoil/gas/ water rates of recent test (within 60 days) Date: Date: Date: 55 bopd Rates: Rates 375 mcfgd 65 bwpd 8. Fixed Percentage Allocation Formula -% for each zone <u>7</u>1 % 50 [%] 29 % 50 % 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? If not, have all working, overriding, and royalty interests been notified by certified mail? Have all offset operators been given written notice of the proposed downhole commingling? If yes, are fluids compatible, will the formations not be damaged, will any cross-No Yes 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? <u>X</u> Yes ___ No 13. Will the value of production be decreased by commingling? Yes X 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. XYes ___ 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 all offset operators.

* 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.

our

Jerry W. Hoover

Sr. Conservation

Coordinator

_ DATE _ 4/9/96

PO Drawer DD, Artesia, NM 88211-0719 District III

State of New Mexico Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION PO Box 2088

Form C-101 Revised February 21, 199-Instructions on back Submit to Appropriate District Office

State Lease - 4 Copies

1000 Rio Brazos F District IV	ld., Azec,	NM 87410	•		Santa F	Fe, NM	87504-2088			Fee	fee Lease - 3 Copie		
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Certificate Number

District 1
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazzos Rd., Aztec, NM 87410
District IV

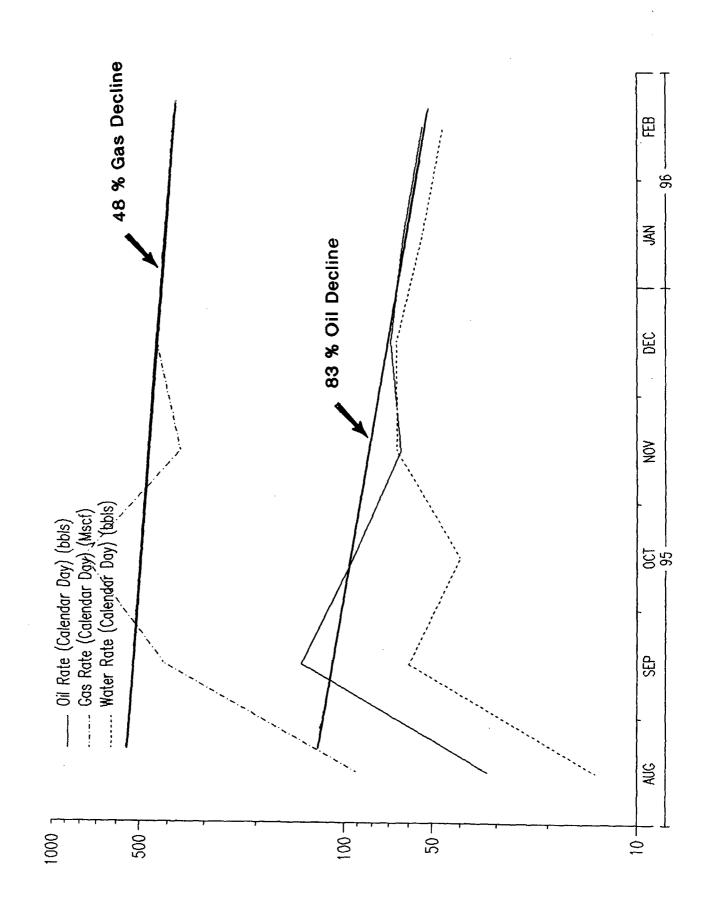
PO Suz 2088, Santa Fc, NM 87504-2088

State of New Mexico Energy, Minerals & Natural Resources Department

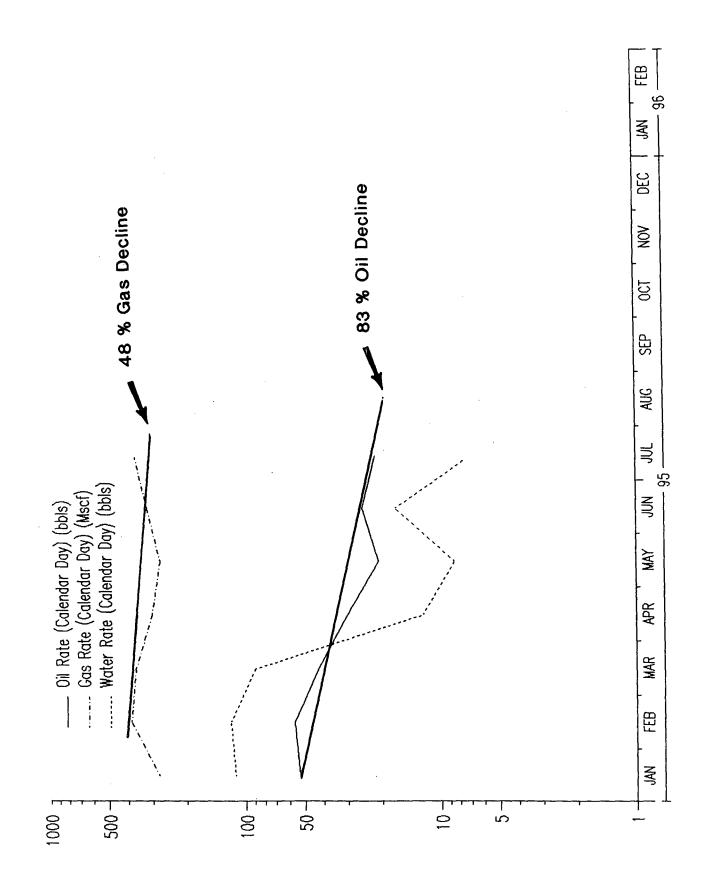
OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088 Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

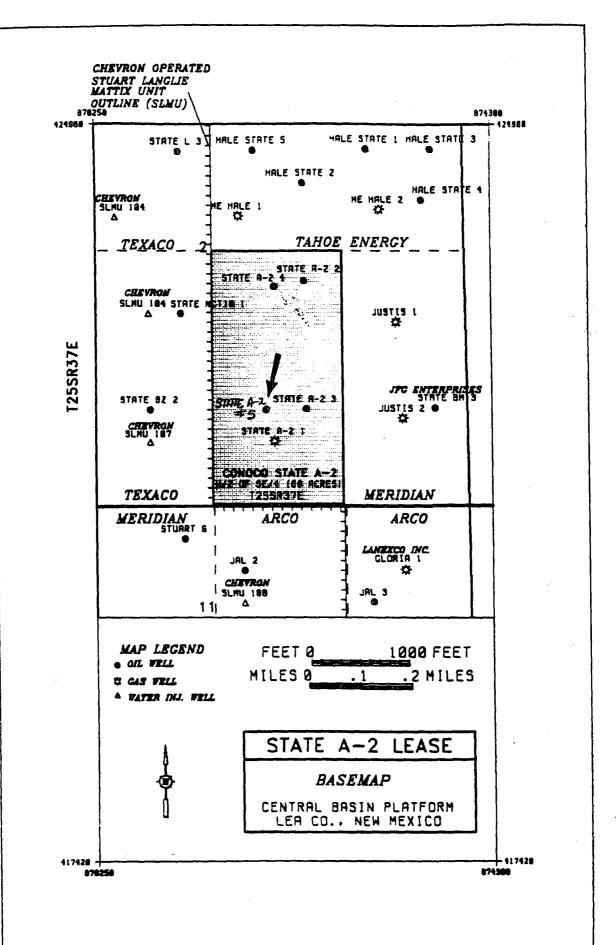
AMENDED REPORT

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State A-2 No. 5 Tubb/Drinkard





OFFSET OPERATORS

STATE A-2 LEASE

Arco Permian P.O. Box 1610 Midland, Tx. 79701 Meridian Oil Inc. 21 Desta Dr. Midland, Tx. 79701

Texaco Producing Co. P.O. Box 3109 Midland, Tx. 79702 Tahoe Energy 3909 W. Industrial Midland, Tx. 79703