

McELVAIN OIL & GAS PROPERTIES, INC.

409 ST. MICHAELS DRIVE
P.O. BOX 2148
SANTA FE, NEW MEXICO 87504-2148

ANNA M. GRIEGO
EXPLORATION & PRODUCTION ADMINISTRATOR

TELEPHONE 505/982-1935 EXT. 113
FAX 505/984-3027

September 18, 1996

New Mexico Oil Conservation Division
Attention: Mr. Ben Stone
2040 South Pacheco Street
Santa Fe, NM 87505

*RE: Application for Downhole Commingling - Miller A Well No. 1
Section 13, Township 24 North, Range 7 West,
Rio Arriba County, New Mexico*

Dear Mr. Stone:

Enclosed is our request for administrative approval of the subject downhole commingling application. It is our intention to commingle the Devils Fork Gallup Associated Pool and the Basin Dakota Pool in the subject well. The well is currently dually completed in both zones and the Devils Fork Gallup interval is currently shut-in.

In accordance with New Mexico Oil Conservation Division rules, we are submitting the following information for your review.

- ▶ Form C-107A - Application for Downhole Commingling;
- ▶ Form C-102 plat for each zone to be commingled;
- ▶ Production curve for each zone covering at least one year;
- ▶ Map showing offsetting Gallup and Dakota wells;
- ▶ Plat and notification list of offset operators/owners; and
- ▶ Notification list of working, royalty, and overriding royalty interest owners.

Allocation of production will be based on Dakota production. Any production over the Dakota's predicted volumes will be allocated to the Gallup.

If you require additional information, please contact me.

Sincerely,

Anna M. Griego

Anna M. Griego
Exploration & Production Administrator

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980
DISTRICT II
811 South First St., Artesia, NM 88210-2835
DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410-1693

State of New Mexico
Energy, Minerals and Natural Resources Department

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

OIL CONSERVATION DIVISION

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

APPROVAL PROCESS:

☒ Administrative ☐ Hearing

EXISTING WELLBORE

☒ YES ☐ NO

APPLICATION FOR DOWNHOLE COMMINGLING

McElvain Oil & Gas Properties, Inc. P.O. Box 2148 Santa Fe, NM 87504-2148
Operator Address

Miller A 001 A-13-24N-7W Rio Arriba
Lease Well No. Unit Ltr. - Sec - Twp - Rge County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 22044 Property Code 6665 API NO. 30-039-05502 Federal ☒ State ☐ (and/or) Fee ☐

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Devils Fork Gallup 17610		Basin Dakota 71599
2. Top and Bottom of Pay Section (Perforations)	5674' - 5870'		6740' - 6840'
3. Type of production (Oil or Gas)	Oil		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) 368 PSIG b. (Original) 1862 PSIG	a. b.	a. 948 PSIG b. 2791 PSIG
6. Oil Gravity (°API) or Gas BTU Content	48°		1180 BTU/48°
7. Producing or Shut-In?	Shut-In		Producing
Production Marginal? (yes or no)	Yes		Yes
* 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	Date: 6/93 Rates: 7 BOPD/0 MCFD/ 0 BWPD	Date: Rates:	Date: Rates:
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: Rates:	Date: Rates:	Date: 7/96 Rates: 3 BOPD/1795 MCFD/ 6 BWPD
8. Fixed Percentage Allocation Formula - % for each zone	Oil: % Gas: % Allocation to be based upon	Oil: % Gas: % Dakota Production	Oil: % Gas: % %

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
Have all offset operators been given written notice of the proposed downhole commingling? ☒ 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 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.

SIGNATURE Anna M. Griego TITLE Exp Administrator DATE 9/17/96

TYPE OR PRINT NAME Anna M. Griego TELEPHONE NO. (505) 982-1935 ☒ 113

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-05502	² Pool Code 17610 71599	³ Pool Name Devils Fork Gallup Associated Basin Dakota
⁴ Property Code 006665	⁵ Property Name Miller A	⁶ Well Number 1
⁷ OGRID No. 22044	⁸ Operator Name McElvain Oil & Gas Properties, Inc.	⁹ Elevation 6922 GL

¹⁰ Surface Location

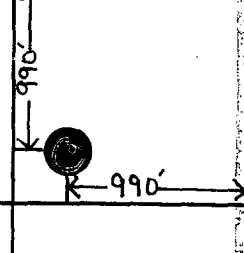
UL or lot no. A	Section 13	Township 24N	Range 7W	Lot Idn	Feet from the 990	North/South line North	Feet from the 990	East/West line East	County Rio Arriba
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¹¹ Bottom Hole Location If Different From Surface

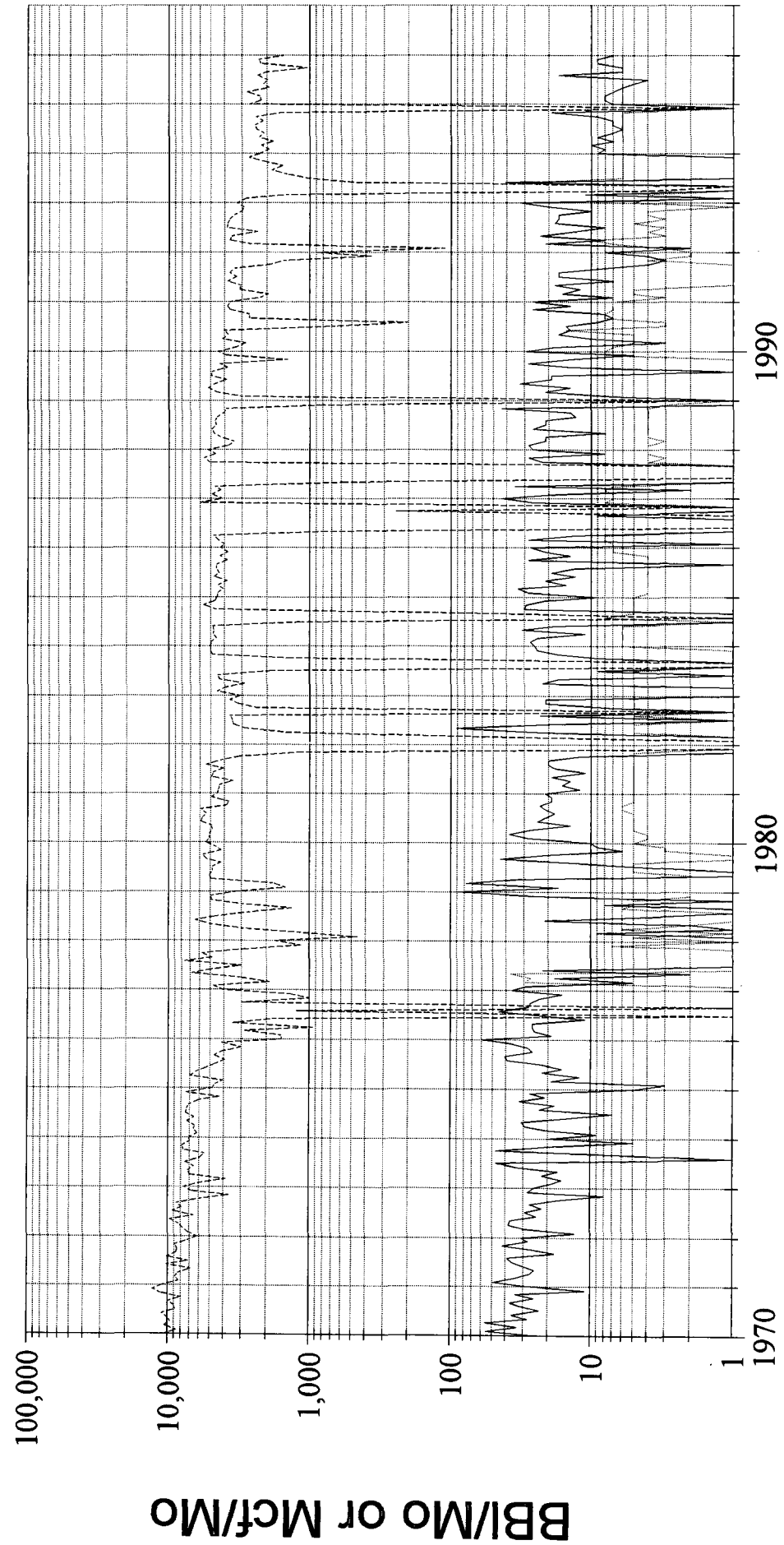
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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¹² Dedicated Acres 320 Dakota 160 Gallup	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16	Federal SF 078584					17 OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i> Signature <u>Anna M. Griego</u> Printed Name <u>Anna M. Griego</u> Title <u>Expl. & Prod. Administrator</u> Date <u>July 1, 1996</u>
						18 SURVEYOR CERTIFICATION <i>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 belief.</i> Date of Survey _____ Signature and Seal of Professional Surveyer: _____ Certificate Number _____

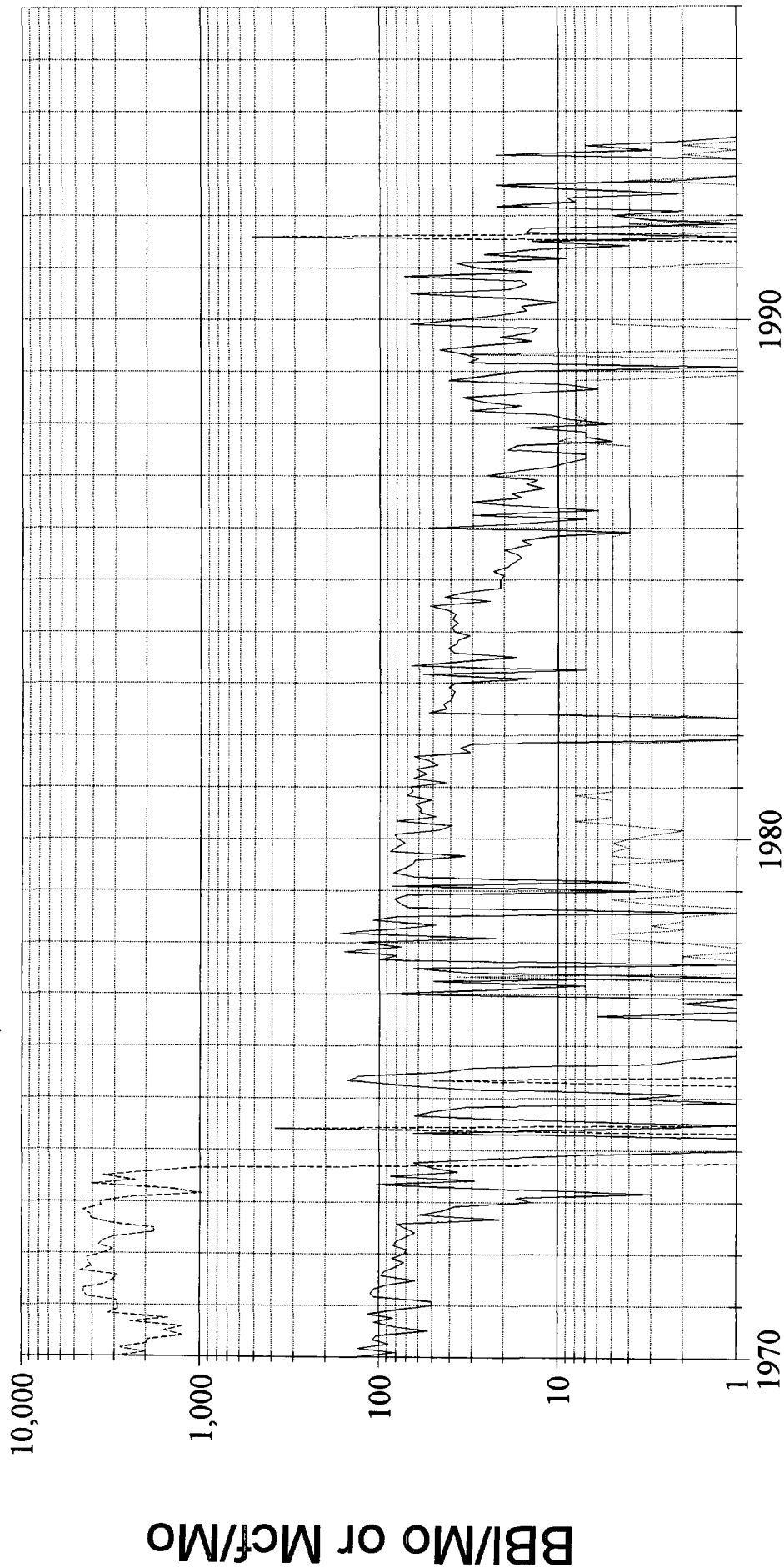
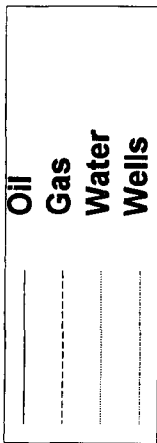
Field: BASIN Dakota
 Lease: MILLER A | Well #1
 Operator: MCELVAIN T H OIL & GAS PROPERTIES
 Production Rate vs Time
 For the Period 06/1960 to 01/1996 | API: 30039055020000



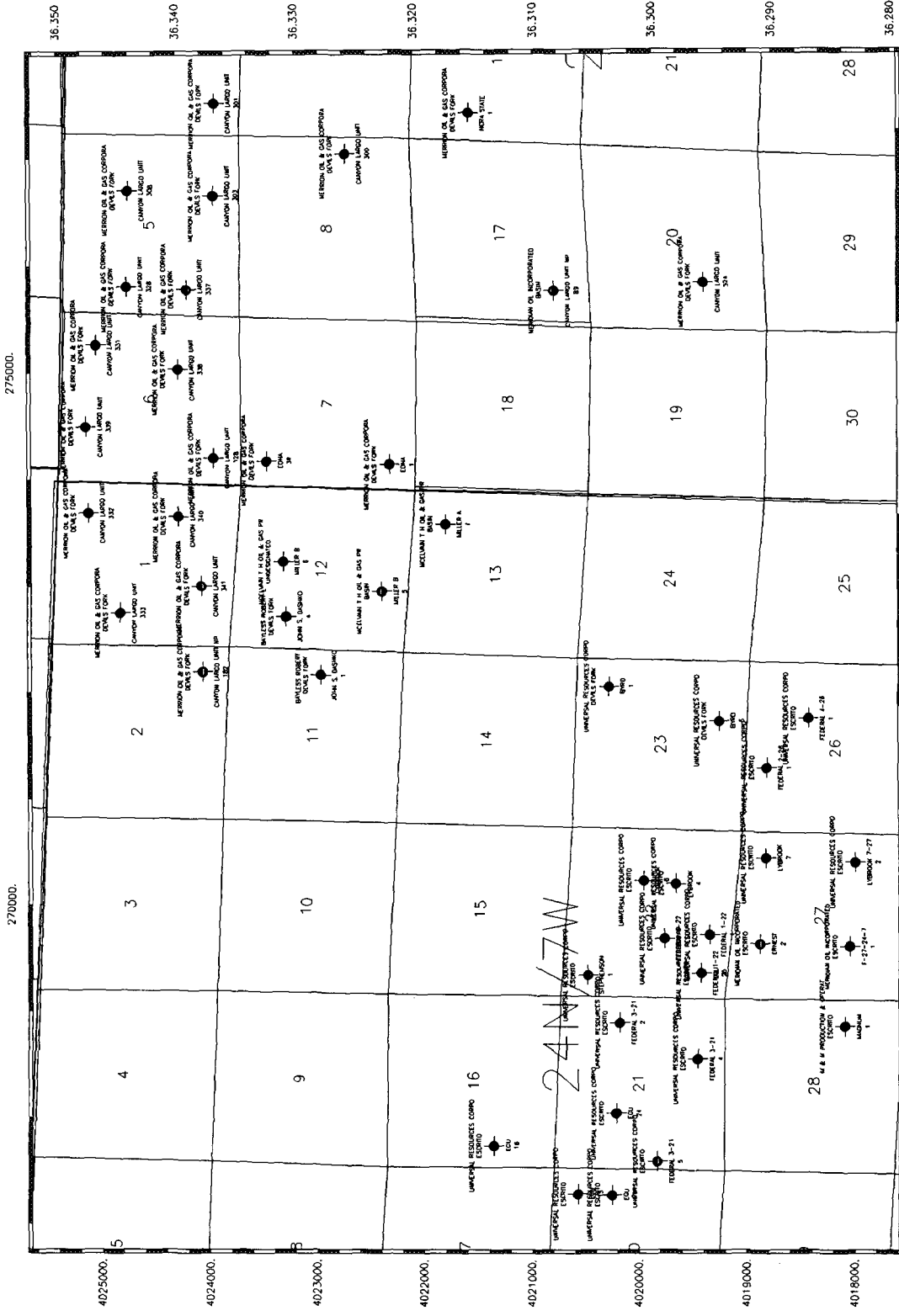
Time

Reported Oil Production = 10,982 Bbls
 Reported Gas Production = 2,487,631 Mcf
 Reported Water Production = 980 Bbls

Field: DEVILS FORK Gallup
 Lease: MILLER A | Well #1
 Operator: MCELVAIN T H OIL & GAS PROPERTIES
 Production Rate vs Time
 For the Period 06/1960 to 06/1993 | API: 30039055020000

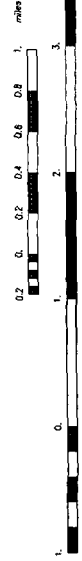


Reported Oil Production = 20,689 Bbls
 Reported Gas Production = 1,292,551 Mcf
 Reported Water Production = 1,421 Bbls



T.H. McElvain Oil & Gas Prop.	
RIO ARRIBA COUNTY	
MILLER A NO. 1	
Existing Gallup & Dakota Wells	
Area of Map	Scale 1:59828.11
7/17/96	

Scale 1:59828.11



PROPERTY MANAGEMENT & CONSULTING, INC.

P. O. BOX 2596
FARMINGTON, NEW MEXICO 87499-2596
(505) 325-5220

OK 9/3/96
Well File

August 29, 1996

McElvain Oil & Gas Properties, Inc.
P.O. Box 2148
Santa Fe, NM 87504

Attn: Mr. Larry Van Ryan

Dear Sir:

The calculated bottom hole pressures for the Miller A #1 (NE/NE
Section 13 T24N R7W) Gallup and Dakota intervals are as follows:

DAKOTA:

Datum: 6751'
SITP: 781 psig
Gas Gravity: 0.6577 from analysis
Calculated BHP: 948 psig

GALLUP:

Datum: 5772'
SICP: 320 psig
Gas Gravity: 0.650 estimated
Calculated BHP: 368 psig

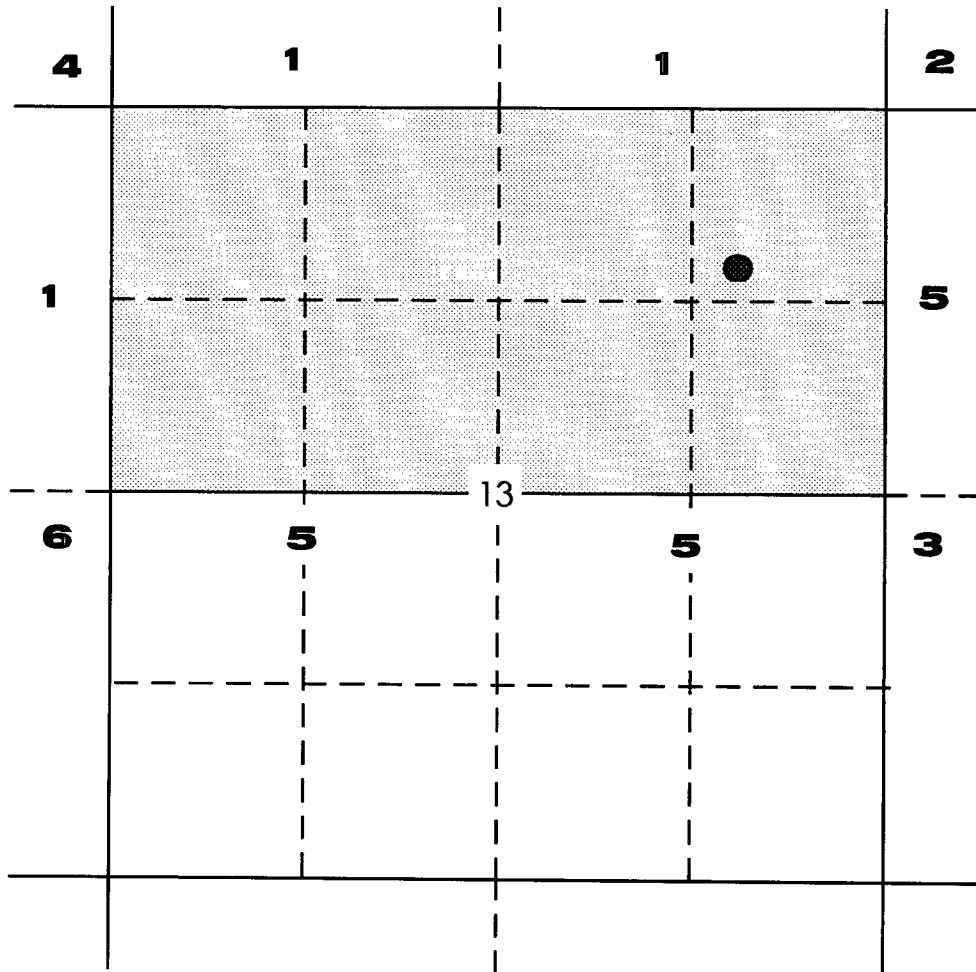
Should you have any questions concerning these calculations
please feel free to give me a call at (505) 325-5220.

Sincerely,



John D. Steuble

Miller A No. 1
Offset Operator/Owner Plat
Gallup/Dakota Formations
Section 13, Township 24 North, Range 7 West
Rio Arriba County, New Mexico



- 1 McELVAIN OIL & GAS PROPERTIES, INC.
- 2 MERRION OIL & GAS
- 3 BANNON ENERGY
- 4 ROBERT L. BAYLESS
- 5 SEE ATTACHMENT
- 6 SEE ATTACHMENT

Attachment to Operator/Ownership Plat

5 H.S. Bennett
Lynn A. Dotson
Williams Prop, Inc.
W.A. Pounds Estate
Rudman I Trust
A. Sater Trust No. 3
W. R. Beavers
Rubie Lee Bell
A. S. Genecov Estate
Leo Otto Craft
Kaiser-Francis Oil
Jane Pitkin Manning
Bennie Roosth Estate
A. Sater, Individually
A. Sater Trust
M&M Prop Operating Inc.
Frank Caraway
Kathlyn I Gibson
Mabel G. Ham
Ethel Mannin Parnell
Ronald E Sater
L. A. Gilles Estate
Glenn D. Hughes
M.B. Rudman
Elizabeth H. White Trust
Merrion Oil & Gas Corporation
Jack A. Cole
Chevron USA, Inc.

6 Floyd Oil Company
W. R. Beavers
The Rudman Partnership
A.S. Genecov Trust
W.A. Pounds Trust
Rubie Lee
Lynn Dotson
Leo Craft
Bennie Roosth Trust
Soldman Roosth
Wiley Roosth
Hyman Roosth
Harold Roosth
Isadore Roosth
Jake Roosth Trust
Fluid Power Pump Company
Williams Properties, Inc.
Frank Caraway
Grace Petroleum Corporation
Mabel Ham Trust
Elizabeth White Family Trust
Kathryn Gibson
Glenn Hughes
Jane Pitkin
Ethel Parnell
Chevron USA, Inc.
Dugan Production Company
Kaiser Francis Oil Company

Miller A No. 1
Section 13, Township 24 North, Range 7 West
Rio Arriba County, New Mexico

Working Interest Ownership

Gallup and Dakota Formations

McElvain Oil & Gas Limited Partnership
James M. Raymond
McElvain Oil Company
Corinne Miller Gay Trust
Maydell Miller Mast Trust

Overriding Royalty Interest Ownership

Gallup and Dakota Formations

George Broome
Helen Harkins
Clifford Campbell
Jacquiline Campbell
Robert Ahern
Ila Nackley
Fay Dashko