

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240
DISTRICT II
811 South First St., Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd, Azusa, NM 87410

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
New 3-12-96

APPROVAL PROCESS:
 Administrative Hearing
EXISTING WELLBORE
 YES NO

APPLICATION FOR DOWNHOLE COMMINGLING

Burlington Resources Oil & Gas Company P.O. Box 51810 Midland, Texas 79710-1810
Jackalope '24' Federal Well No. 1 G, Sec. 24, T22S, R32E Lea
OGRID NO. 26485 Property Code 19964 API NO. 30-025-32878 Spacing Unit Lease Type(s) (check 1 or more)
Federal State (and/or) Fee

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zones	Lower Zone
1. Pool Name and Pool Code	West Red Tank Delaware 51689		Red Tank Bone Spring 51683
2. Top and Bottom of Pay Section (Perforations)	8501'-8531'		8832'-8884'
3. Type of production (Oil or Gas)	Oil		Oil
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) See attached	a.	a. See Attached
	b. (Original)	b.	b.
6. Oil Gravity (° API) or Gas BTU Content	42.3		40
7. Producing or Shut-in?	Well is currently being completed		
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 90 days)	Date: Rates: See Attached Information regarding Production	Date: Rates:	Date: Rates:
	Date: Rates:	Date: Rates:	Date: Rates:
8. Fixed Percentage Allocation Formula - % for each zone	Oil: % Gas: %	Oil: % Gas: %	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?
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?
 Yes No
 Yes No
 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(C) 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 Donna Williams TITLE Regulatory Compliance DATE 3/12/97
TYPE OR PRINT NAME Donna Williams TELEPHONE NO. (915) 688-6943

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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		² Pool Code 51689		³ Pool Name West Red Tank Delaware	
⁴ Property Code 19964		⁵ Property Name Jackalope '24' Federal			⁶ Well Number
⁷ OGRID No. 26485		⁸ Operator Name Burlington Resources Oil & Gas Company			⁹ Elevation

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
	24	22S	32E	G	1980'	North	1980'	East	Lea

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

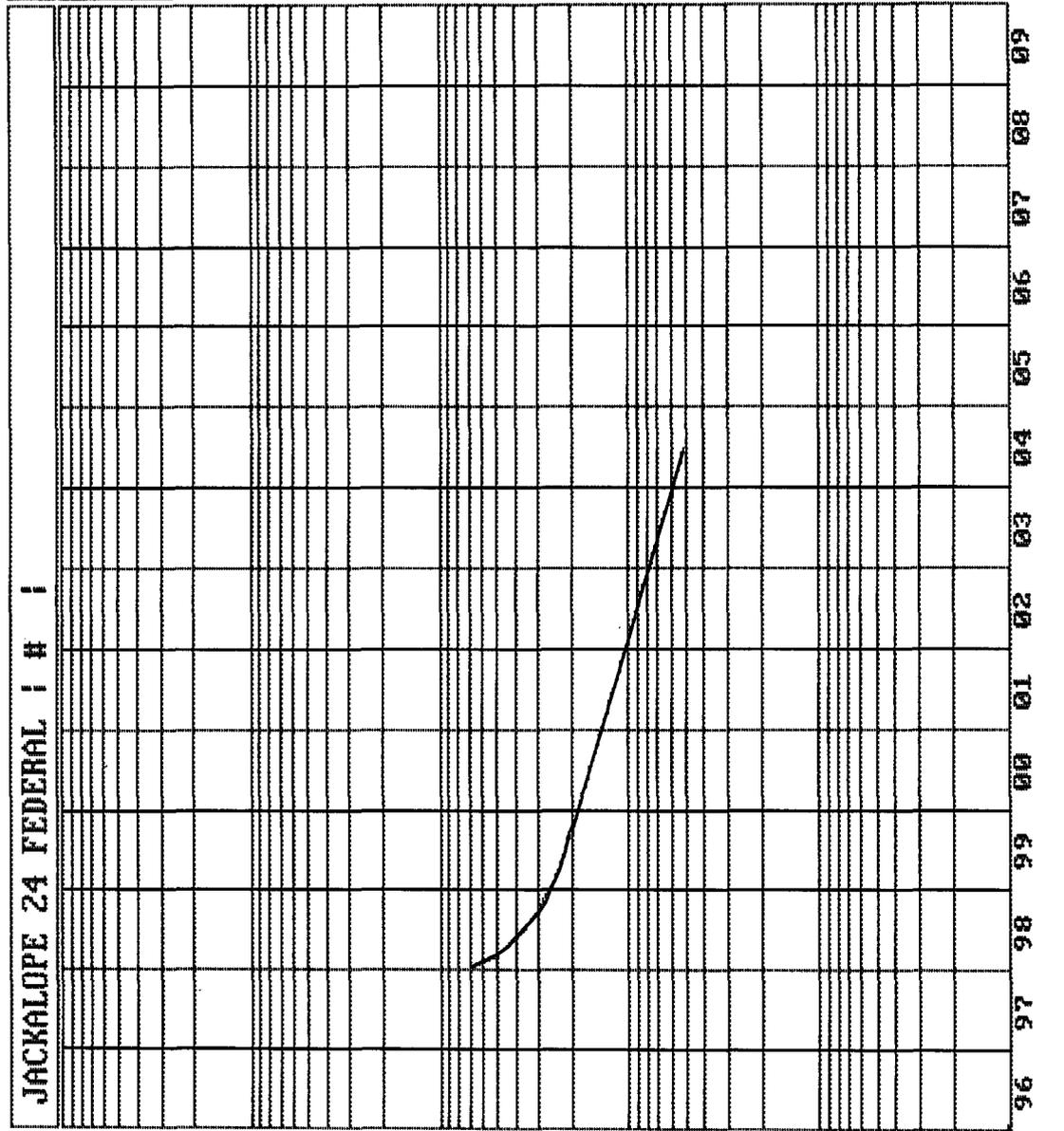
¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON--STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>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></p> <p>Signature  Printed Name Donna Williams Title Regulatory Compliance Date 3/12/97</p>
	<p>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></p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyer:</p>
	<p>Certificate Number</p>

JACKALOPE 24 FEDERAL I # I		Prop 53	
<input type="checkbox"/> GAS Mcf/d	<input type="checkbox"/> OIL Bbl/d	<input type="checkbox"/> GAS/OIL Scf/H	<input type="checkbox"/> WATER Bbls/d
<input checked="" type="checkbox"/> Rate Time	<input checked="" type="checkbox"/> Semi Log	EUR	39,726
Cum	Rem	Cum	0
Rem%	Yrs	Rem	39,726
		Rem%	100.0%
		Yrs	6.58
		Date	1/1/1998
		Act	0
		Qmo	1,988
		Q	70
		n	1.6
		De	90
		Qab	5
		GetQual	DELP

Major = OIL



BASAL BRUSHY CANYON PROD.

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⁴ Property Code 19964		⁵ Property Name Jackalope '24' Federal			⁶ Well Number
⁷ OGRID No. 26485		⁸ Operator Name Burlington Resources Oil & Gas Company			⁹ Elevation

¹⁰ Surface Location

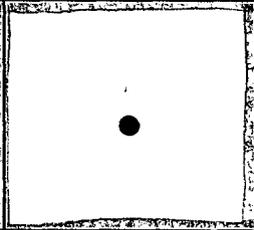
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 OR A NON--STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

				<p>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></p> <p style="text-align: right;"></p> <p>Signature Donna Williams Printed Name Regulatory Compliance Title 3/12/97 Date</p>	
				<p>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></p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyer:</p>	
				<p>Certificate Number</p>	

ADDITIONAL DATA FOR DOWNHOLE COMMINGLING
JACKALOPE '24' FEDERAL WELL NO. 1

Burlington Resources Oil & Gas Company respectfully submits the following information which is based on the Mule Deer 36 State well no. 2. This is due to 3-D and mapping which indicates a similarity in the sand structure of both the Delaware and Bone Spring.

**The estimated bottomhole pressures for the perforations in the Delaware for the above referenced well are based off the actual BHP for the Mule Deer '36' State well no. 2.. As indicated on the application for the # 2, the original BHP for the oil zone in the Delaware is an estimated 2550 and then tapers off to 1270. The Bone Spring, as indicated on downhole commingles of well nos. 1 thru 5, indicate original bottomhole pressure to be 2660 estimate, and then taper to 1330. Production should come in flowing but eventually be put on artificial lift. Production estimates are based off the Mule Deer 36 State # 2, which is to the south of this wellbore. Production model utilized is as follows:
Bone Spring: 105 BOPD, 130 MCF, 10 bbls water, with Delaware indicating 70 BOPD, 40 MCF, 150 bbls water. Allocation factors should be as follows:**

Delaware:	40% oil and 30% gas
Bone Spring:	60% oil and 70% gas

BURLINGTON RESOURCES OIL & GAS COMPANY
APPLICATION FOR ADMINISTRATIVE APPROVAL
DOWNHOLE COMMINGLING
JACKALOPE '24' FEDERAL WELL NO. 1
LEA COUNTY, NEW MEXICO

Penwell Energy Inc. *
600 N. Marienfeld, Ste. 1100
Midland, Texas 79701

Pogo Producing Company
Box 10340
Midland, Texas 79702

Bureau of Land Management- Mineral Interest
2909 West Second Street
Roswell, New Mexico 88201

*** - Map shows C.W. Trainer as operator of lease, however, Penwell Energy has since bought Mr. Trainer's interest.**

