

DHC 5/19/97
1564

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

811 South First St., Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd, Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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

APR 28 1997

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

APPROVAL PROCESS:

☒ Administrative ☐ Hearing

APPLICATION FOR DOWNHOLE COMMINGLING

EXISTING WELLBORE

☒ YES ☐ NO

Santa Fe Energy Resources, Inc. 550 W. Texas, Suite 1330, Midland, TX 79701

Operator Address
Mesa Verde "6" Federal #7 (B), Sec. 6, T-24S, R-32E Lea Co.

Lease Well No. Unit Ltr. - Sec - Twp - Rge County

Spacing Unit Lease Types: (check 1 or more)
OGRID NO. 020305 Property Code 017129 API NO. 30-025-32613 Federal ☒ State ☐ Land/ro Fee ☐

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zones	Lower Zone
1. Pool Name and Pool Code	Mesa Verde (Delaware) 96191		Mesa Verde (Bone Spring) 96229
2. Top and Bottom of Pay Section (Perforations)	7209'-7231'		8579'-8608'
3. Type of production (Oil or Gas)	Oil		Oil
4. Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a. (Current) 2000 b. (Original)	a. b.	a. 1540 b.
6. Oil Gravity (° API) or Gas BTU Content	40°		42°
7. Producing or Shut-in?	Producing		Shut-in
Production Marginal? (yes or no)	No		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	Date: Rates:	Date: Rates:	Date: 5/1/96 Rates: 30 BO, 200 MCFG, 1 BW
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: 4/8/97 Rates: 20 BO, 109 MCFG, 60 BW	Date: Rates:	Date: Rates:
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 40 % Gas: 35 %	Oil: % Gas: %	Oil: 60 % Gas: 65 %

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. NMOC Reference Cases for Rule 303(C) Exceptions: ORDER NO(S) _____

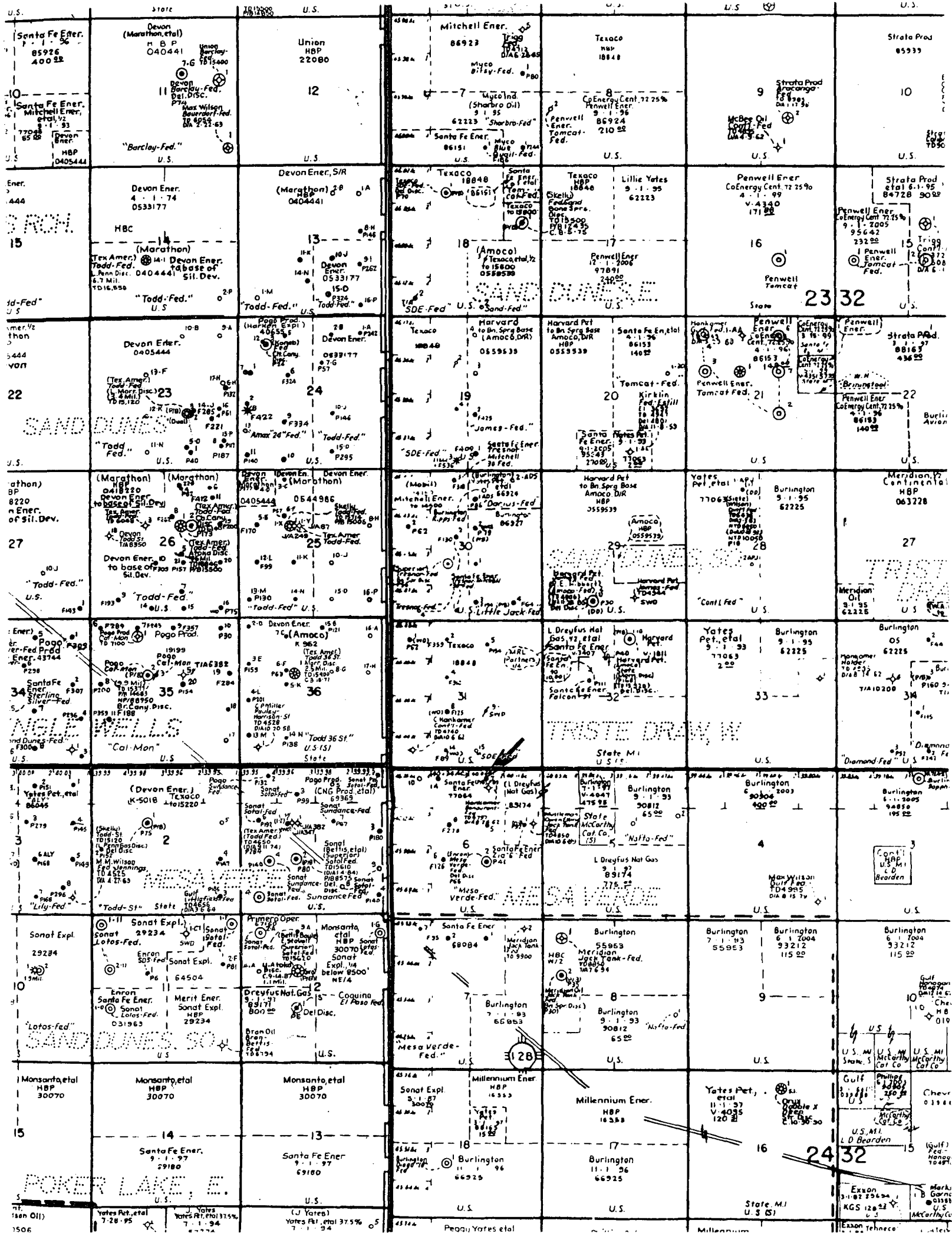
16. ATTACHMENTS:

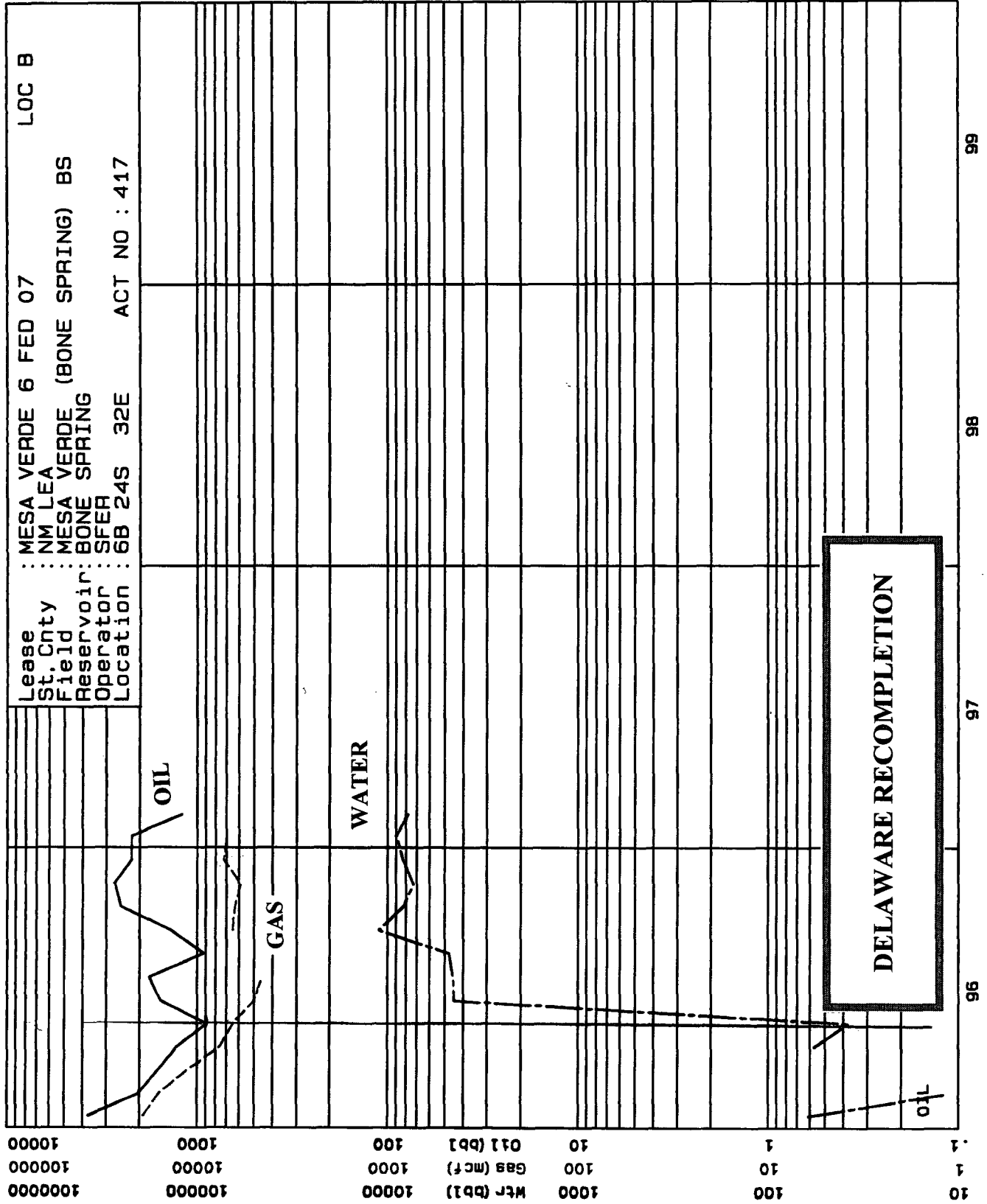
- * C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- * Production curve for each zone for at least one year. (If not available, attach explanation.)
- * For zones with no production history, estimated production rates and supporting data.
- * Data to support allocation 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 Gary L. Travis Sr. Reservoir/Evaluations
TITLE Engineer DATE April 18, 1997

TYPE OR PRINT NAME Gary L. Travis TELEPHONE NO. (915) 686-6613





DISTRICT I
P. O. Box 1980
Hoobs, NM 88241-1980

State of New Mexico
Energy, Minerals, and Natural Resources Department

Form C-102
Revised 02-10-94

Instructions on back

DISTRICT II
P. O. Drawer DD
Artesia, NM 88211-0719

Submit to the Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

OIL CONSERVATION DIVISION

P. O. Box 2088
Santa Fe, New Mexico 87504-2088

☒ AMENDED REPORT

DISTRICT III
1000 Rio Brazos Rd.
Aztec, NM 87410

DISTRICT IV
P. O. Box 2088
Santa Fe, NM 87507-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-32613	² Pool Code 96191	³ Pool Name Mesa Verde Delaware
⁴ Property Code 017129	⁵ Property Name MESA VERDE '6' FEDERAL	⁶ Well Number 7
⁷ QGRID No. 020305	⁸ Operator Name SANTA FE ENERGY RESOURCES, INC.	⁹ Elevation 3568'

¹⁰ SURFACE LOCATION

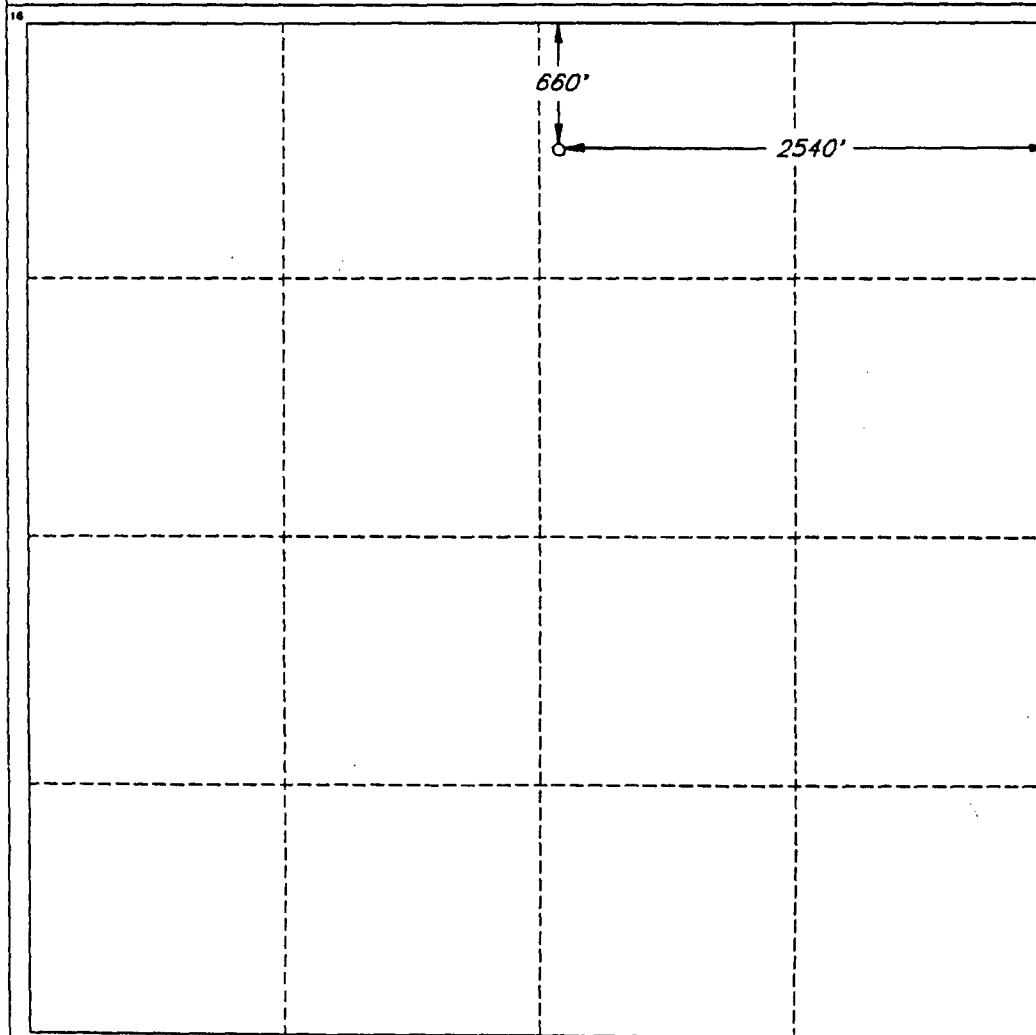
UL or lot no. B	Section 6	Township 24 SOUTH	Range 32 EAST, N.M.P.M.	Lot Ida	Feet from the 660'	North/South line NORTH	Feet from the 2540'	East/West line EAST	County LEA
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"BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
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¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN
CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

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

Signature: *James P. Stinson*
Printed Name: James P. "Phil" Stinson

Title: Agent for Santa Fe Energy

Date: 6-15-95 4/18/97

SURVEYOR CERTIFICATION

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.

Date of Survey: JUNE 12, 1995

Signature and Seal of Professional Surveyor

V. LYNN
BEZNER
No. 7920

Certified by V. L. BEZNER, LAND SURVEYOR, No. 7920

JOB #39987 / 47 SW / c/s

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

State of New Mexico
Energy, Minerals, and Natural Resources Department

Form C-102
Revised 02-10-94

Instructions on back

DISTRICT II
P. O. Drawer DD
Artesia, NM 88211-0719

OIL CONSERVATION DIVISION

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Santa Fe, New Mexico 87504-2088

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State Lease - 4 copies
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☒ AMENDED REPORT

DISTRICT III
1000 Rio Brazos Rd.
Aztec, NM 87410

DISTRICT IV
P. O. Box 2088
Santa Fe, NM 87507-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-32613	2 Pool Code 96229	3 Pool Name Mesa Verde Bone Spring
4 Property Code 017129	5 Property Name MESA VERDE '6' FEDERAL	6 Well Number 7
7 GRID No. 020305	8 Operator Name SANTA FE ENERGY RESOURCES, INC.	9 Elevation 3568'

10 SURFACE LOCATION

UL or lot no. B	Section 6	Township 24 SOUTH	Range 32 EAST, N.M.P.M.	Lot Ida	Feet from the 660'	North/South line NORTH	Feet from the 2540'	East/West line EAST	County LEA
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11 BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
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12 Dedicated Acres 40	13 Joint or Infill	14 Consolidation Code	15 Order No.
--------------------------	--------------------	-----------------------	--------------

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Signature: *James P. Stinson*

Printed Name
James P. "Phil" Stinson

Title
Agent for Santa Fe Energy

Date
6-15-95 4/18/97

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Signature and Seal of Surveyor

V. LYNN
BEZNER
NO. 7920

Certified and Sealed
V. L. BEZNER R.E.S. #7920

JOB #39987 / 47 SW / cls

NOTIFICATION LIST OF OFFSET OPERATORS

**Santa Fe Energy Resources
Application for Administrative Approval
Downhole Commingling
Mesa Verde "6" Federal #7
Sec. 6, T-24-S, R-32-E
Lea County, New Mexico**

1. Texaco Inc.
P.O. Box 3109
Midland, TX 79702
2. Burlington Resources
P.O. Box 51810
Midland, TX 79710-1810
3. Sonat Exploration Co.
110 W. Louisiana
Midland, TX 79701
4. Devon Energy Corporation
20 N. Broadway, Ste. 1500
Oklahoma City, OK 73102-8260

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT - " for such proposals

5. Lease Designation and Serial No.

NM-77064

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Mesa Verde "6"

Federal No. 7

9. API Well No.

30-025-32613

10. Field and Pool, or exploratory Area

Mesa Verde (Delaware)

Mesa Verde (Bone Spring)

11. County or Parish, State

Lea NM

SUBMIT IN TRIPLICATE

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Santa Fe Energy Resources, Inc.

3. Address and Telephone No.

550 W. Texas, Suite 1330, Midland, TX 79701 915/687-3551

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

(B) 660' FNL & 2540' FEL, Sec. 6, T24S, 32E

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

**SUBJECT TO
LIKE APPROVAL
BY STATE**

TYPE OF ACTION

☐ Abandonment

☐ Recompletion

☐ Plugging Back

☐ Casing Repair

☐ Altering Casing

☒ Other **Downhole Commingle**

☐ Change of Plans

☐ New Construction

☐ Non-Routine Fracturing

☐ Water Shut-Off

☐ Conversion to Injection

☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Attached please find our application to downhole commingle the Bone Spring and Delaware formations in the subject well. Currently the Delaware formation is producing and the Bone Spring perforations are plugged with a RBP set at 7501'. Upon approval, it is planned to pull the RBP and downhole commingle the two zones.

RECEIVED

APR 21 97

**BLM
ROSWELL, NM**

14. I hereby certify that the foregoing is true and correct

Signed

Alexis C. Swoboda Title **Sr. Production Clerk**

Date **04/18/97**

(This space for Federal or State office use)

Approved by **(ORIG. SGD.) ALEXIS C. SWOBODA**

Title

PETROLEUM ENGINEER

Date

APR 23 1997

Conditions of approval, if any:



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

4/24/97

GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

MC

DHC ☒

NSL

NSP

SWD

WFX

PMX

Gentlemen:

I have examined the application for the:

Santa Fe Energy Res Inc Mesa Verde b Federal
Operator Lease & Well No. Unit S-T-R

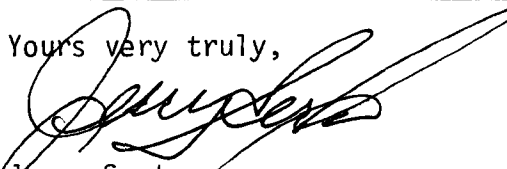
#14-C-b-24532e

#7-B-b-24532e

and my recommendations are as follows:

OK

Yours very truly,


Jerry Sexton
Supervisor, District 1

/ed