

4/30/2016 MAM 6/29/2016 DHC DmAm 1618256025

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION  
- Engineering Bureau -  
1220 South St. Francis Drive, Santa Fe, NM 87505



### ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

#### Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]  
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]  
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]  
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

#### [1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication  
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement  
☒ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify \_\_\_\_\_

#### [2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☒ Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

#### [3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

William J. Savage  
Print or Type Name

*William J. Savage*  
Signature

President  
Title

6/29/16  
Date

bsavage@amtenergy.com  
e-mail Address

RECEIVED OOD

2016 JUN 30 P 3:47

-DHC 4794

- Amtex Energy Inc

785  
Well

-Daggers State #1

30-025-27222

Pool

-WL-025 G 075243302  
Bunc Spring  
97927

-WL-025 G-10  
52133280, WULF Camp  
98033

District I  
1625 N. 1st Street Drive, 16400, N.M. 87020

District II  
8715 First St., Artesia, N.M. 85210

District III  
168100 Bureau Road, Aves, N.M. 87110

District IV  
1220 S. St. Francis Dr., Santa Fe, NM. 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

Form C-107A  
Revised August 1, 2011

APPLICATION TYPE  
☒ Single Well  
☐ Establish Pre-Approved Pools  
EXISTING WELLBORE  
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

Amtec Energy, Inc.

P.O. Box 3418, Midland, TX 79702

Operator Address  
Daguer State Unit I F 30 T21S R33E Lea

Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 785 Property Code 38799 API No. 30-025-27222 Lease Type: ☐ Federal ☒ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name		WC-025 G-07 S213330F, Rome Spring	WC-025 G-07 S213330; Wolfcamp
Pool Code		97927	98033
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)		11,250' - 11,290' & 11,920' - 11,950'	12,280' - 12,460'
Method of Production (Flowing or Artificial Lift)		Artificial Lift	Artificial Lift
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)		N/A	N/A
Oil Gravity or Gas BTU (Degree API or Gas BTU)		41	48
Producing, Shut-In or New Zone		Deepening Sidetrack	New Zone
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant must be required to attach production estimation and supporting data.)	Date: Rates:	Date: 3/31/2015 Rates: 6 bbls/day	Date: N/A Rates: N/A
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or agreement will be required.)	Oil Gas %	Oil Gas TBD by future production log	Oil Gas TBD by future production log

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ No ☐  
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes ☐ No ☐

Are all produced fluids from all commingled zones compatible with each other? Yes ☒ No ☐

Will commingling decrease the value of production? Yes ☐ No ☒

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands  
or the United States Bureau of Land Management been notified in writing of this application? Yes ☒ No ☐

NMOCD Reference Case No. applicable to this well: \_\_\_\_\_

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 working, royalty and overriding royalty interests for uncommon interest cases.  
Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools  
List of all operators within the proposed Pre-Approved Pools  
Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.  
Bottomhole pressure data.

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

SIGNATURE William J. Savage TITLE President DATE 6/29/15

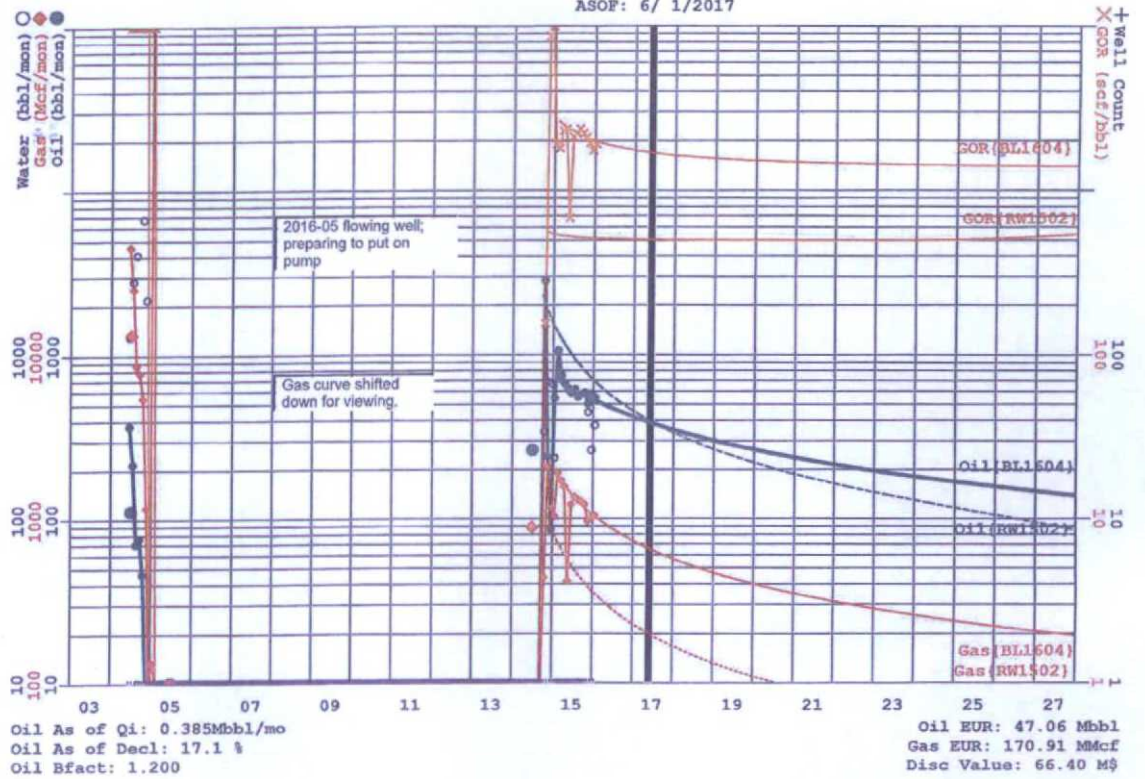
TYPE OR PRINT NAME William J. Savage TELEPHONE NO. (817) 421-2534

E-MAIL ADDRESS wsavage@amtexenergy.com

Case Name: DAGGER STATE UNIT # 3 (Early Top Hat #1)  
 County, State: LEA, NM  
 Archive Set: BL1604

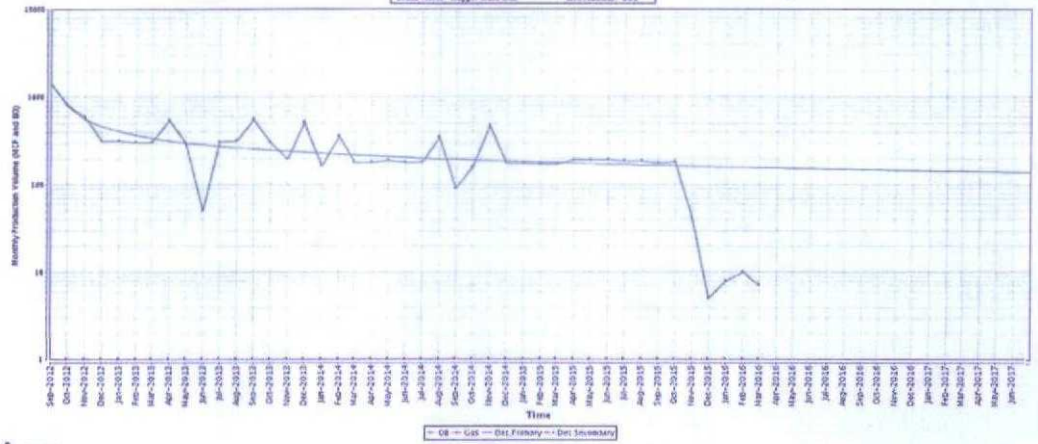
Oper: AMTEX ENERGY INC  
 Field: WC-025 G-07 S213330F  
 Reservoir: Wolfcamp

ASOF: 6/ 1/2017



Monthly Production Schedule vs Time for 22-025-272230003  
 County Name: USA Cum Gas Prod: 608  
 Operator Name: Amex Energy, Inc. Cum Oil Prod: 31608  
 Field Name: 22-025 G-07 521333001 Total Depth: 12214  
 Lease Name: Slaggen State Unit Well Number: 003

Bone Springs



drillinginfo

2014-01-01 10:00  
 2014-01-01 10:00

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Form C-102  
Revised October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies  
AMENDED REPORT

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.

15				<p align="center"><b>"B" OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this information either was written pursuant to or substantiated through review by the land including the proposed bottom lock location or has a right to do so without further burden purposes to a contract with an owner of such a material or working interest as to a voluntary pooling agreement or a secondary pooling order heretofore entered by the drilling.</p> <p><i>William J. Savage</i>          Signature Date 6/22/81  <i>William J. Savage</i>          Printed Name</p>
	1980' FNL			
	1980' FWL			
				<p align="center"><b>"C" SURVEYOR CERTIFICATION</b></p> <p>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 belief.</p> <p>Date of Survey _____          Signature and Seal of Professional Surveyor:          _____          Certificate Number _____</p>

District  
 1625 N French Dr., Hobbs, NM 88240  
 District  
 1301 W. Grand Avenue, Artesia, NM 88210  
 District  
 1800 Rio Grande Rd., Aztec, NM 87410  
 District  
 1120 E. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505

Form C-102  
 Revised October 12, 2005  
 Submit to Appropriate District Office  
 State Lease - 4 Copies  
 Fee Lease - 3 Copies  
**AMENDED REPORT**

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

* APT Number 30-025 27222		* Pool Code 98033		* Pool Name Wolfcamp; WC-025 G-07 S213330	
* Property Code 38799		* Property Name Dagger State Unit			* Well Number 001
* OGRID No. 000795		* Operator Name Amex Energy, Inc.			* Elevation 38064'
<b>10 Surface Location</b>					
UL or lot no. F	Section 30	Township 21S	Range 33E	Lat lon 1980	North/South line North
				Feet from the 1980	East/West line West
County Lea					
<b>11 Bottom Hole Location If Different From Surface</b>					
UL or lot no.	Section	Township	Range	Lat lon	North/South line
				Feet from the	East/West line
County					
* Deducted Acres 40					
* Joint or JOR Consolidation Code Order No.					

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		1980' FNL			<b>11 OPERATOR CERTIFICATION</b> I hereby certify that the information furnished herein is true and complete to the best of my knowledge and belief and that this organization shall own a working interest in the oil and natural gas in the land including the proposed bottom hole location or that to right to drill the well as the bottom hole location is a contract with the owner of such a mineral or working interest, or as a voluntary pooling agreement or a compulsory pooling order. Hereby signed in the drilling: Signature: <u>William J. Savage</u> Date: <u>6/12/10</u> Printed Name: <u>William J. Savage</u>
	1980' FWL	X			
					<b>12 SURVEYOR CERTIFICATION</b> 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: Signature and Seal of Professional Surveyor: Certificate Number:

NEW MEXICO STATE LAND OFFICE  
Commingle PRE-Application ONLINE Version

Please provide the following requested information so that the SLO staff can determine whether or not you qualify to submit a commingle application package.

Name: William J. Savage Company: Amtex Energy, Inc.  
Address: P.O. Box 3418 City: Midland  
Telephone: 817-421-2534 Fax: 817-421-2536 State: TX Zip: 79702

The State Land Office rule that applies to commingling oil and gas production from New Mexico State Trust Lands is Rule 100.53. The rule is attached to the bottom of this form. If you have any questions, please contact the Oil, Gas, and Minerals Division at 505-827-5791.

1. Briefly describe what you propose to do. Sidetrack and deepen the Dagger State Unit #1 in order to reach depths sufficient to adequately test the Wolfcamp formation and the Bone Springs Sand formation.

This is an application to downhole commingle.

2. Fill in the following information for each well. *{Attach additional pages if needed.}*

Well name & number Dagger State Unit #1 Lease # VO-6981  
Lessee of Record Amtex Energy, Inc.  
Legal land description: Subdivisions SE/4 of the NW/4, Unit F  
Sect 30 T 21S R 33E NMPM Lea County NM  
Pool Bone Springs; WC-025 G-07 S21333DF

Well name & number Dagger State Unit #1 Lease # VO-6981  
Lessee of Record Amtex Energy, Inc.  
Legal land description: Subdivisions SE/4 of the NW/4, Unit F  
Sect 30 T 21S R 33E NMPM Lea County NM  
Pool Wolfcamp; WC-025 G-10 S2133280

Well name & number \_\_\_\_\_ Lease # \_\_\_\_\_  
Lessee of Record \_\_\_\_\_  
Legal land description: Subdivisions \_\_\_\_\_  
Sect \_\_\_\_\_ T \_\_\_\_\_ R \_\_\_\_\_ NMPM \_\_\_\_\_ County NM  
Pool \_\_\_\_\_

Note: When you provide a check as payment, you authorize the State of New Mexico to either use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction. Please be advised that payments will be drafted from your account immediately upon receipt.

**NEW MEXICO STATE LAND OFFICE**  
**Commingle PRE-Application      ONLINE Version**

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Sect 30 T 21S R 33E NMPM Lea County NM  
Pool Bone Springs; WC-025 G-07 S213330F

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Lessee of Record Amtex Energy, Inc.  
Legal land description: Subdivisions SE/4 of the NW/4, Unit F  
Sect 30 T 21S R 33E NMPM Lea County NM  
Pool Wolfcamp; WC-025 G-10 S2133280

**Well name & number** \_\_\_\_\_ Lease # \_\_\_\_\_  
Lessee of Record \_\_\_\_\_  
Legal land description: Subdivisions \_\_\_\_\_  
Sect \_\_\_\_\_ T \_\_\_\_\_ R \_\_\_\_\_ NMPM \_\_\_\_\_ County NM  
Pool \_\_\_\_\_

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P. O. Box 3418  
MIDLAND, TX 79702  
432/686-0847  
888/789-5245 FAX  
432/770-0913 CELL



## AMTEX ENERGY, INC.

July 6, 2016

Energy, Minerals and Natural Resources Department  
Attn: Michael McMillan  
1220 South St. Francis Drive  
Santa Fe, NM 87505

RE: MEMO: Dagger State Unit Well No. 1, Identical Ownership at All Depths  
Sec 30, T21S, R33E  
Lea County, New Mexico

Mr. McMillan:

The purpose of this letter is to attest and confirm to you that the depth ownership is identical at all depths in the Dagger State Unit Well No. 1 (API: 30-025-27222) and in the state lease number VO-6981, located in the W/2 of section 30, T21S R33E, Lea County, NM. The only well on this lease is the Dagger State Unit Well No. 1. Amtex is currently applying for a permit to commingle multiple zones in this well.

This lease was taken by Amtex Energy, Inc. ("Amtex") originally on January 1, 2004 from the state of New Mexico. All depths were included in the original lease and there has never been a depth severance of any type. Amtex was the original lessee and still is the only lessee on this lease. Therefore, Amtex has been the only party able to make a depth severance of any kind with this lease and none have been made. Additionally, the Dagger State Unit Well No. 1 was plugged and abandoned at the time Amtex originally took the lease. After Amtex re-entered this well and production was established, the interest in the well was determined by the current state lease VO-6981.

Due to the facts above, Amtex attests and confirms the depth ownership in state lease number VO-6981 and in the Dagger State Unit Well No. 1 is identical at all depths.

If you have any questions, please feel free to call me at (817) 706-5174 or email me at [Tate.Savage@AmtexEnergy.com](mailto:Tate.Savage@AmtexEnergy.com).

Regards,

Tate F. Savage, RPL  
Business Development/Land Manager