

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

2011

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
[DD-Directional Drilling] [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 - Directional Drilling

☐ NSL ☐ NSP ☐ DD ☐ SD

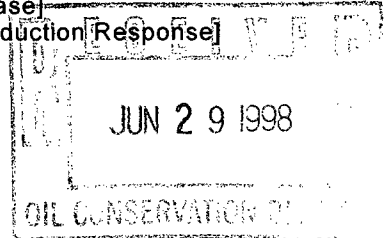
Check One Only for [B] and [C]

[B] Commingling - Storage - Measurement

☒ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR



[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] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Kay Maddox
Print or Type Name

Kay Maddox
Signature

Regulatory Agent
Title

June 25, 1998
Date

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

State of New Mexico
Energy, Minerals and Natural Resources Department

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

DISTRICT II
811 South First St. Artesia NM 88210 2835

OIL CONSERVATION DIVISION

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

APPROVAL PROCESS:

☒ Administrative ☐ Hearing

DISTRICT III
1000 Rio Brazos Rd. Aztec, NM 87410 1693

EXISTING WELLBORE

☒ YES ☐ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Operator Conoco Inc. Address 10 Desta Dr. Ste 100W, Midland, Tx. 79705-4500

Lease Meyer B 4 Well No #32 Unit Ltr Sec Twp Rge Section 4, T-21-S, R-36-E, P County Lea

OGRID NO. 005073 Property Code API NO. 30-025-34270 Spacing Unit Lease Types: (check 1 or more)
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 | Oil Center; Blinbry 47960 | | Hardy Tubb Drinkard 29760 |
| 2. TOP and Bottom of Pay Section (Perforations) | 5898-6243' | | 6620-6744' |
| 3. Type of production (Oil or Gas) | Oil | | Oil |
| 4. Method of Production (Flowing or Artificial Lift) | Artificial Lift | | Artificial Lift |
| 5. Bottomhole Pressure | a (Current) | a. | a. |
| Oil Zones - Artificial Lift: Estimated Current | 450 | | 1200 |
| Gas & Oil - Flowing: Measured Current | b(Original) | b. | b. |
| All Gas Zones: Estimated Or Measured Original | 2300 | | 2500 |
| 6. Oil Gravity (°API) or Gas BT Content | 44 | | |
| 7. Producing or Shut-In? | To Be Completed | | Producing |
| Production Marginal? (yes or no) | Yes (Expected) | | Yes |
| • If Shut-In give date and oil/gas/water rates of last production | Date Rates | Date Rates | Date Rates |
| Note For new zones with no production history applicant shall be required to attach production estimates and supporting data | | | |
| • If Producing, date and oil/gas/water rates of recent test (within 60 days) | To be allocated by Subtraction Method - See Attached table | Date Rates | 5/4/98 52 BOPD, 107 BWPD, 107 MCFD |
| 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? X 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? X Yes No

11. Will cross-flow occur? Yes X 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 others X 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. X Yes No

15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S).

16. ATTACHMENTS

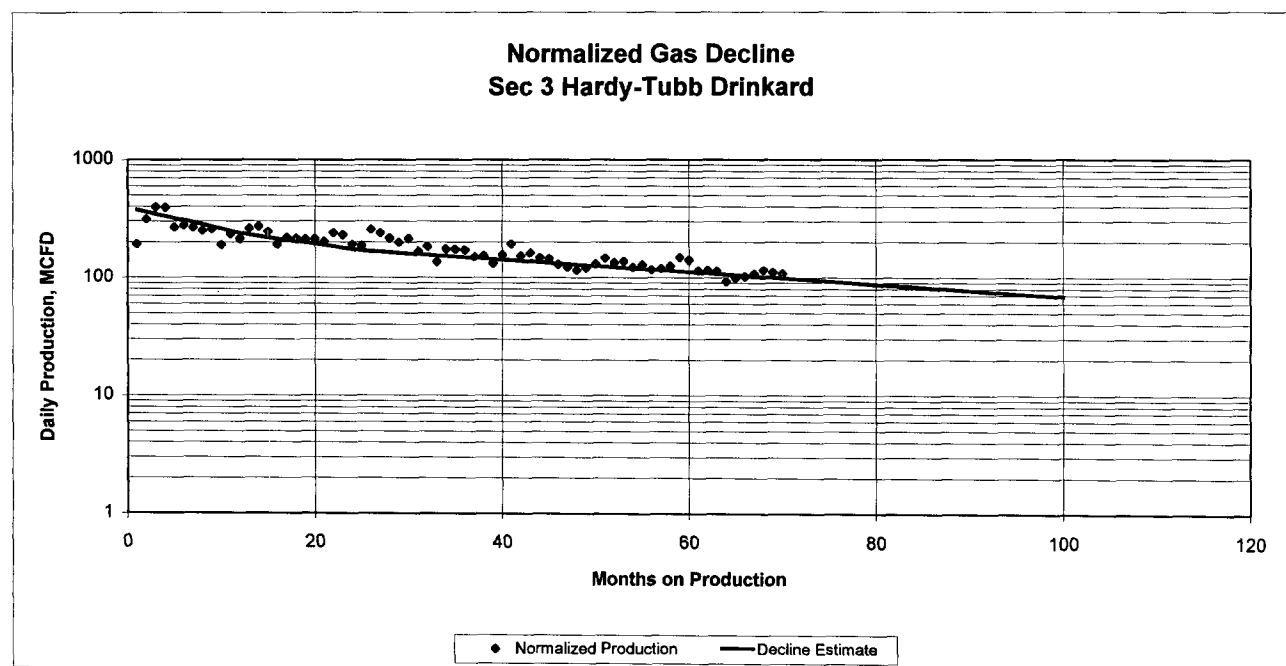
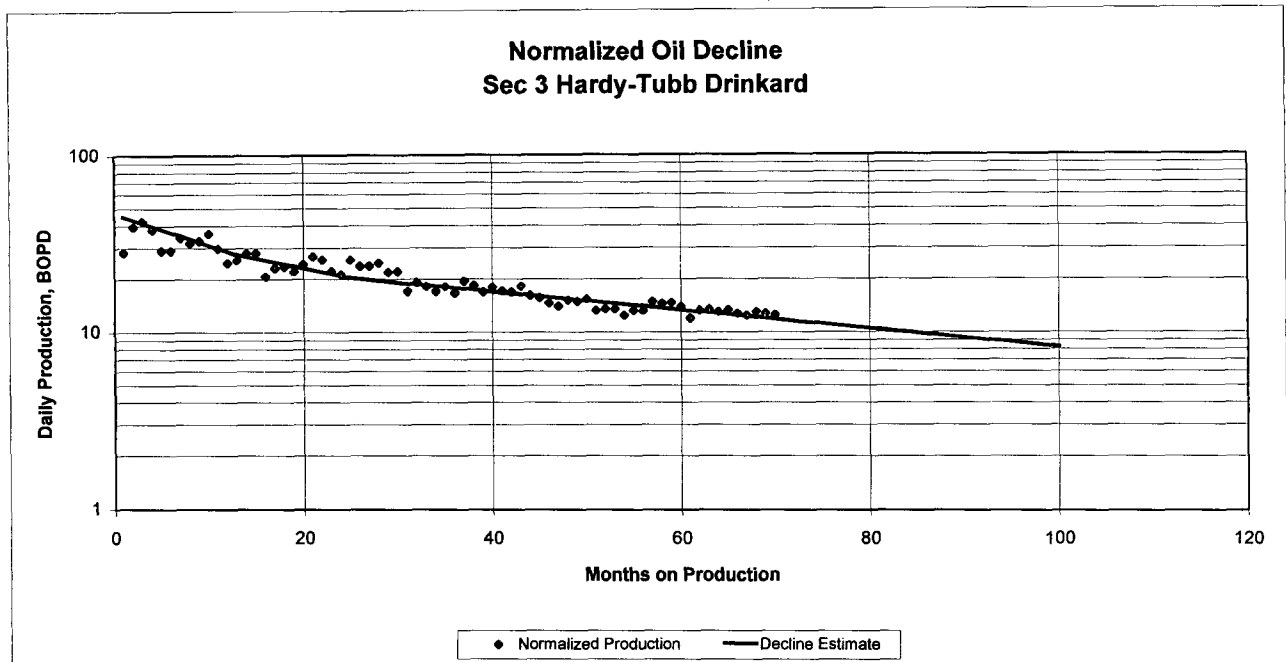
- * C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- * Production curve for each zone for at least one year. (If not available, attach explanation.)
- * For zones with no production history, estimated production rates and supporting data.
- * Data to support allocation 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.

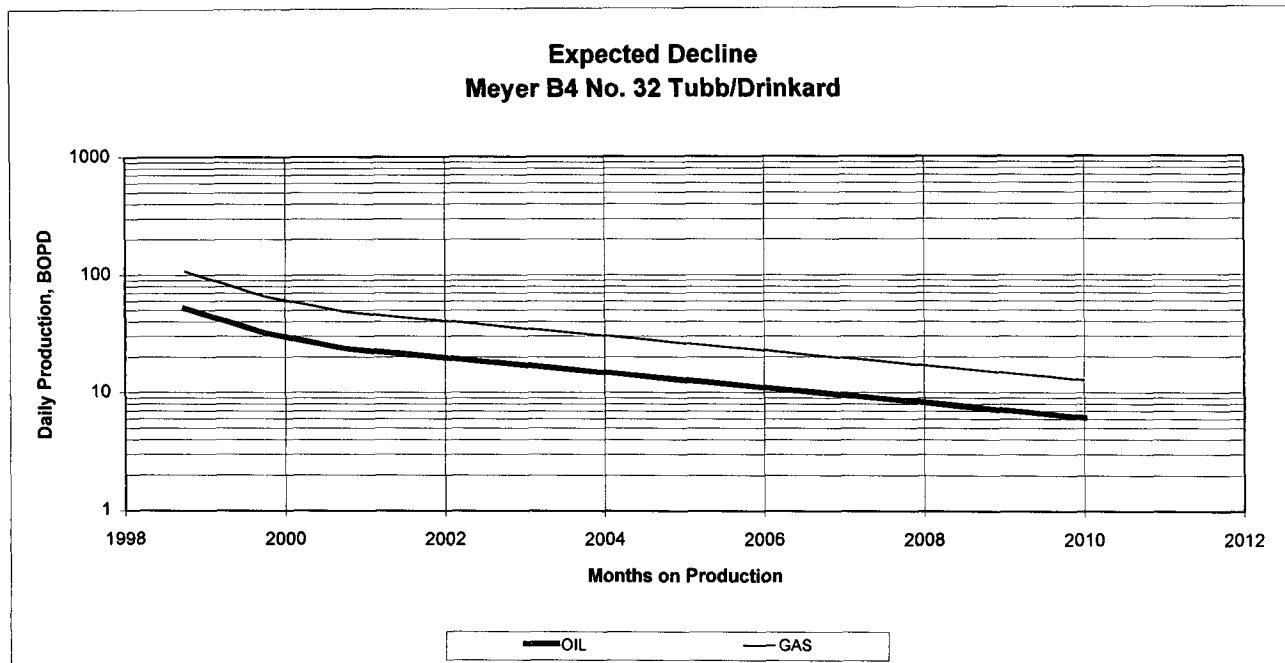
SIGNATURE Kay Maddox TITLE Regulatory Agent DATE June 25, 1998

TYPE OR PRINT NAME Kay Maddox TELEPHONE NO. (915) 686-5798

Meyer B4 No. 32: Typical Declines of Tubb/Drinkard Offsets (9 wells)



DATA FOR SUBTRACTION METHOD: Based on Normalized Decline of Offsets



| YEAR | MID-YEAR AVG MCFD | MID-YEAR AVE BOPD |
|------|----------------------|----------------------|
| 1998 | 107.00 | 52.00 |
| 1999 | 74.00 | 36.00 |
| 2000 | 52.00 | 25.00 |
| 2001 | 43.00 | 21.00 |
| 2002 | 38.00 | 18.00 |
| 2003 | 32.00 | 16.00 |
| 2004 | 28.00 | 14.00 |
| 2005 | 24.00 | 12.00 |
| 2006 | 21.00 | 10.00 |
| 2007 | 18.00 | 9.00 |
| 2008 | 16.00 | 8.00 |
| 2009 | 14.00 | 7.00 |
| 2010 | 12.00 | 6.00 |

Based on Effective Monthly Decline of 4% for the first year, 2.5% the second year, and 1.2% for remainder

District I
PO Box 1980, Hobbs, NM 88241-1980

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

District III
1000 Rio Brazos Rd. Aztec, NM 87410

District IV
PO Box 2088, Santa Fe, 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

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|----------------------------|--|---|--|-----------------------------------|----------------------|
| API Number 30-025-34270 | | 2 Pool Code 47960 | | 3 Pool Name Oil Center Blineby | |
| 4 Property Code | | 5 Property Name Meyer B 4 | | | 6 Well Number #32 |
| 7 OGRID No. 005073 | | 8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500 | | | 9 Elevation 3588 |

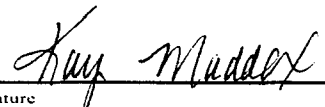
10 Surface Location

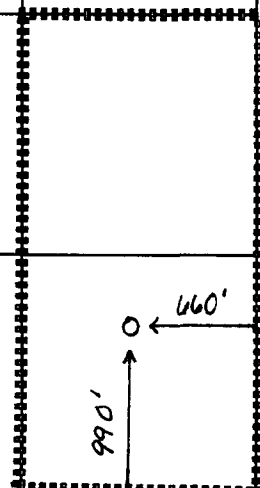
| | | | | | | | | | |
|--------------------|--------------|-----------------|--------------|---------|----------------------|---------------------------|----------------------|------------------------|---------------|
| UL or lot no. P | Section 4 | Township 21S | Range 36E | Lot Idn | Feet from the 990 | North/South line South | Feet from the 660 | East/West line East | County 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 80 | 13 Joint or Infill | 14 Consolidation Code | | 15 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 | | | | | 17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief  Signature Kay Maddox Printed Name Regulatory Agent Title June 25, 1998 Date | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | 18 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 Signature and Seal of Professional Surveyor: Certificate Number | |
| | | | | | | |
| | | | | | | |
| | | | | | | |



Hobbs, NM 88241-1980
DD, Artesia, NM 88211-0719
Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, 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

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | |
|----------------------------|----------------------------|------------------------|--------------------------|
| ¹ API Number | | ² Pool Code | ³ Pool Name |
| | | 29760 | Hardy Tubb/Drinkard Pool |
| ⁴ Property Code | ⁵ Property Name | | ⁶ Well Number |
| 003061 | MEYER B-4 | | 32 |
| ⁷ GRID No. | ⁸ Operator Name | | ⁹ Elevation |
| 005073 | CONOCO INC. | | 3588' |

¹⁰Surface Location

| | | | | | | | | | |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| 9 X | 4 | 21-S | 36-E | | 990 | SOUTH | 660 | EAST | LEA |

¹¹Bottom 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 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. |
| 40 | | | |

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 | ¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature: <i>Mike L. Mankin</i> Mike L. Mankin Printed Name: Right of Way Agent Title: 12/11/97 Date: | | | |
| | ¹⁸ 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 best of my belief. NOVEMBER 21, 1997 Date of Survey Signature and Seal of the Professional Surveyor: <i>Earl F. Foote</i> Certificate Number: 8278 | | | |
| | | | | |
| | | | | |
| | | | | |
| <p>LAT. = 32°30'12" LONG. = 103°15'48"</p> <p>XXXXXXXXXXXXXXXXXXXX</p> <p>660'</p> <p>990'</p> <p>XXXXXXXXXXXXXXXXXXXX</p> | | | | |

Meyer B4 #32
Section 4, T-21-S, R-36-E, P
API # 30-025-34270
Lea County, New Mexico

RE: Application to Downhole Commingle

OFFSET OPERATORS:

Me-Tex Oil & Gas Inc.
PO Box 2070
Hobbs, New Mexico 88240-2070

Chevron USA Inc
935 Gravier St
New Orleans, LA 70112-1625

Exxon Exploration
233 Ben Mar
Houston, Tx 77060-2544

Oryx Energy Co
PO Box 2880
Dallas, TX 75221-2880

A copy of the C-107 A - Downhole Commingle Application was sent to the above listed parties on this the 25th day of June, 1998.

Meyer B4 No. 32 DHC: Offset Operators

T21S-R36E

| | | |
|-------------------------|------------------------|-----------------------------------|
| | <p>CONOCO</p> <p>4</p> | <p>3</p> <p>METEX</p> <p>ORYX</p> |
| <p>CHEVRON</p> <p>9</p> | <p>32</p> | <p>EXXON</p> <p>10</p> |