

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

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

Operator: Little Oil & Gas, Inc. Address: P.O. Box 1258 Farmington, NM 87499
2346 E. 20th Street Farmington, NM 87401
 Well No. 10 Unit Ltr. - Sec - Twp - Rge K 22 25 6 County Rio Arriba
 Spacing Unit Lease Types: (check 1 or more)
 OGRID NO. _____ Property Code _____ API NO. 30-039-23765 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	South Blanco P.C.		Otera Chacra
2. Top and Bottom of Pay Section (Perforations)	2577 to 2680		3412 to 3529
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flow		Flow
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) 200	a.	a. 150
	b. (Original) 900	b.	b. 980
6. Oil Gravity (° API) or Gas BTU Content	1132		1136
7. Producing or Shut-In?	Producing		Shut-in
Production Marginal? (yes or no)	Yes		Yes
* If Shut-In, give date and oil/gas/water rates of last production <small>Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data</small>	Date: April-1999 Rates: Oil-0 Gas-21 MCF/D Water 0	Date: Rates:	Date: 1-1996/5-1997 Rates: Oil-0 Gas-15 MCF/D Water 5BBLs/Month
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: Rates:	Date: Rates:	Date: Rates:
8. Fixed Percentage Allocation Formula -% for each zone	Oil: 00 % Gas: 53 %	Oil: % Gas: %	Oil: 0 % Gas: 47 %

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. (BASED ON PREVIOUS PRODUCTION WHEN BOTH ZONES WERE PRODUCING)
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 [Signature] TITLE Agent DATE 2-4-1999
 TYPE OR PRINT NAME Joe Eledge TELEPHONE NO. (505) 327 9267

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

APPROVAL PROCESS:

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

Administrative Hearing

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

APPLICATION FOR DOWNHOLE COMMINGLING

EXISTING WELLBORE

YES NO

Operator: Little Oil & Gas, Inc. P.O. Box 1258 Farmington, NM 87499
Address: 2346 E. 20th Street Farmington, NM 87401
Well No.: Salazar 10 Unit Ltr. - Sec - Twp - Rge: K 22 25 6 County: Rio Arriba
OGRID NO. _____ Property Code _____ API NO. 30-039-23765 Spacing Unit Lease Types: (check 1 or more)
Federal State _____ (and/or) Fee _____

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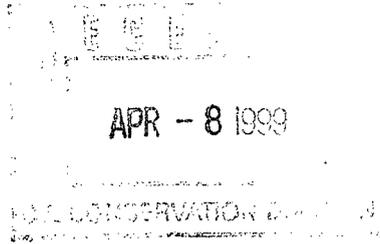
SIGNATURE Joe Eledge TITLE Agent DATE 2-4-1999

TYPE OR PRINT NAME Joe Eledge TELEPHONE NO. (505) 327 9267

LITTLE
OIL & GAS, INC.

Sylvia F. Little, *President*

2346 EAST 20TH STREET
P. O. BOX 1258 • FARMINGTON, NEW MEXICO 87499
OFF: (505) 327-6176 • FAX: (505) 327-6177



2270

April 5th, 1999

Mr. David Catanach
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Dear Mr. Catanach:

Please find attached Form C-107-A with items #2, #6, #7, and # 9 information submitted. I apologize for any inconvenience this may have caused you in approving the application to commingle the Salazar #10.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Elledge", is written over the word "Sincerely,". The signature is fluid and cursive.

Joe Elledge

CC: OCD-Aztec
Little Oil and Gas Inc.

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 87410-1893

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

FEB - 8 1999

APPLICATION FOR DOWNHOLE COMMINGLING

Little Oil & Gas, Inc. P.O. Box 1258 Farmington, NM 87499
2346 E. 20th Street Farmington, NM 87401

Operator Salazar Well No. 10 Unit Ltr. - Sec - Twp - Rge K 22 25 6 Spacing Unit Lease Types: (check 1 or more) Federal State Land/ro/ Fee
Lease Rio Arriba County

OGRID NO. _____ Property Code _____ API NO. 30-039-23765 _____

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
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* 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 Joe Elledge TITLE Agent DATE 2-4-1999
TYPE OR PRINT NAME Joe Elledge TELEPHONE NO. (505) 327-9247

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2048
SANTA FE, NEW MEXICO 87501

Form O-107
Revised 10-1-78

All distances must be from the outer boundaries of the Section.

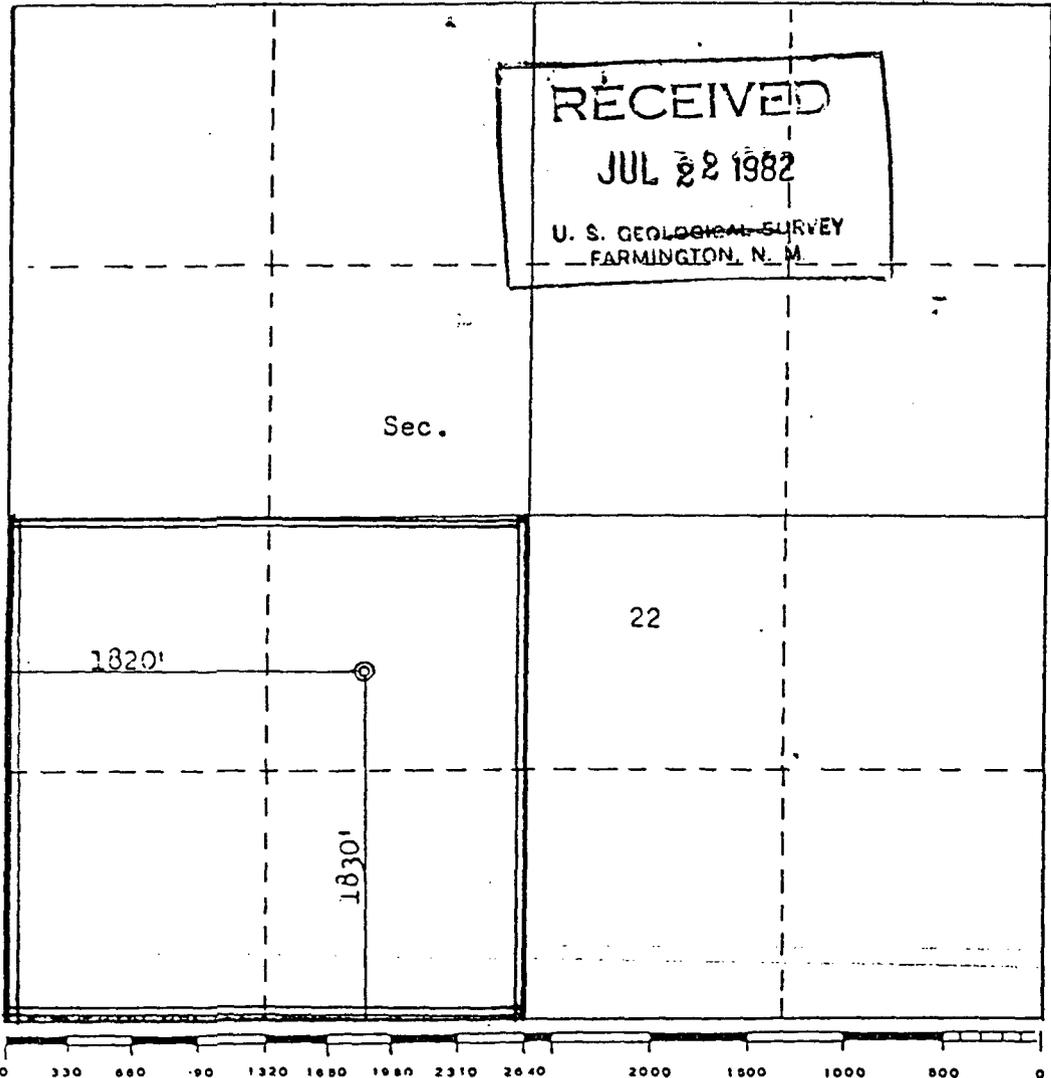
Operator CURTIS J. LITTLE		Lease SALAZAR		Well No. 10
Unit Letter K	Section 22	Township 25N	Range 6W	County Rio Arriba
Actual Footage Location of Well: 1830 feet from the South line and 1820 feet from the West line				
Ground Level Elev. 6650	Producing Formation Chacra	Pool Otero Chacra Extension	Dedicated Acreage: 160 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Name: *Joe Elledge*
Position: *agent*
Company: **CURTIS J. LITTLE**

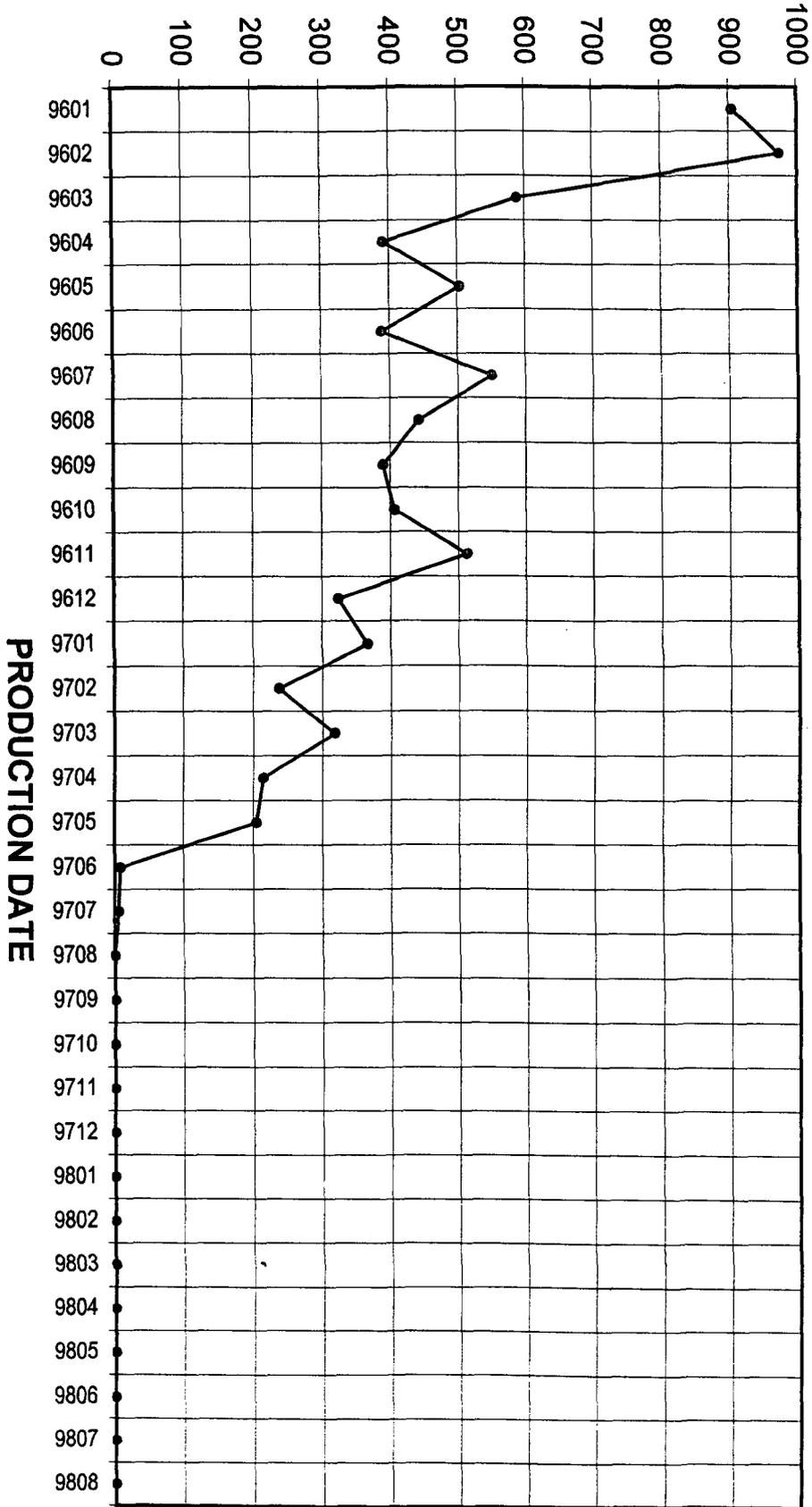
Date: **10 June 1982**

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 knowledge and belief.

Date Surveyed: **June 2, 1982**
Registered Professional Engineer and/or Land Surveyor:
Fred B. Kern Jr.
Fred B. Kern Jr.

Certificate No. **3950**

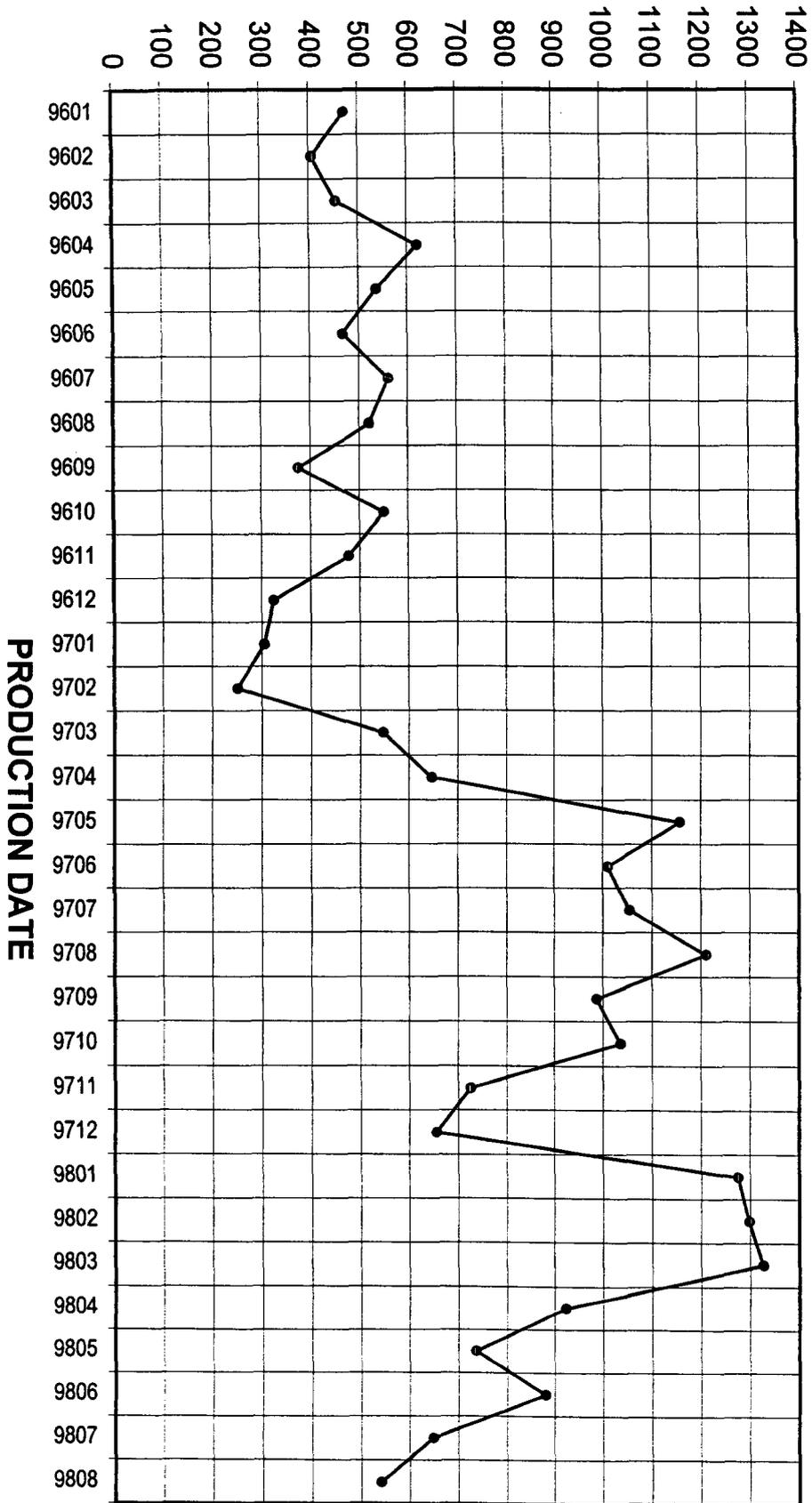
MCF @ 14.73



SALAZAR 10 CH

SALAZAR 10 PC

MCF @ 14.73



LITTLE
OIL & GAS, INC.

Sylvia F. Little, *President*

2346 EAST 20TH STREET
P. O. BOX 1258 • FARMINGTON, NEW MEXICO 87499
OFF: (505) 327-6176 • FAX: (505) 327-6177

January 27, 1999

Merrion Oil & Gas Corporation
P.O. Box 840
Farmington, NM 87499

RE: Commingling Application
Salazar #10
Sec. 22-25N-6W
Rio Arriba County, NM

This letter is to advise your company that Little Oil and Gas, Inc. has requested approval to commingle the subject well, per the attached BLM report.

Sincerely,



JOE ELLEDGE

JE/cw

Encl.

salazar10199

COPY

LITTLE
OIL & GAS, INC.

Sylvia F. Little, *President*

2346 EAST 20TH STREET
P. O. BOX 1258 • FARMINGTON, NEW MEXICO 87499
OFF: (505) 327-6176 • FAX: (505) 327-6177

January 27, 1999

Burlington Resources
P.O. Box 4239
Houston, TX 77210-4239

RE: Commingling Application
Salazar #10
Sec. 22-25N-6W
Rio Arriba County, NM

This letter is to advise your company that Little Oil and Gas, Inc. has requested approval to commingle the subject well, per the attached BLM report.

Sincerely,

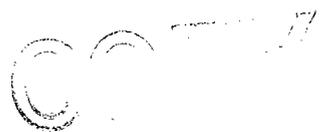


JOE ELLEDGE

JE/cw

Encl.

salazar10199



LITTLE
OIL & GAS, INC.

Sylvia F. Little, President

2346 EAST 20TH STREET
P. O. BOX 1258 • FARMINGTON, NEW MEXICO 87499
OFF: (505) 327-6176 • FAX: (505) 327-6177

January 27, 1999

Kimbell Oil Company of Texas
500 Throckmorton, Suite 3000
Fort Worth, TX 76102

RE: Commingling Application
Salazar #10
Sec. 22-25N-6W
Rio Arriba County, NM

This letter is to advise your company that Little Oil and Gas, Inc. has requested approval to commingle the subject well, per the attached BLM report.

Sincerely,



JOE ELLEDGE

JE/cw

Encl.

salazar10199



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

March 3, 1999

Little Oil & Gas, Inc.
P.O. Box 1258
Farmington, New Mexico 87499

Attention: Mr. Joe Elledge

Re: Form C-107-A
DHC Application
Salazar No. 10

Dear Mr. Elledge:

Reference is made to your request dated February 4, 1999, for authorization to downhole commingle South Blanco-Pictured Cliffs and Otero-Chacra Pool production within the Salazar Well No. 10, located in Unit K of Section 22, Township 25 North, Range 6 West, NMPM, Rio Arriba County, New Mexico. Please be advised that your application cannot be processed until such time as the following described additional information is submitted:

Item No. 2—Top and bottom of pay section (Perforations)

Item No. 6---Gas BTU Content

Item No. 7—Oil/Gas/Water Rates of recent production test

Item No. 9—Proposed method of allocation

Please submit the above-described information, at which time your application will be processed.

If you should have any questions, please contact me at (505) 827-8184.

Sincerely,

A handwritten signature in black ink, appearing to read "David Catanach".

David Catanach
Engineer

Xc: OCD-Aztec