

DISTRICT I

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

DISTRICT II

811 South First St., Artesia, NM 88210-2838

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

DHC

6/3/99

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

APPROVAL PROCESS:

Administrative ☐ Hearing ☐

EXISTING WELLBORE

YES ☐ NO ☐

MAY 14 1999

APPLICATION FOR DOWNHOLE COMMINGLING

Little Oil and Gas, Inc. P.O. Box 1268 Farmington, NM 87499

Operator Salazar Address 8 K-23-25N-6W County Rio Arriba

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

OGRID NO. Property Code API NO. 30-039-23617 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	So. Blanco P.C.		Otero Chacra
2. Top and Bottom of Pay Section (Perforations)	2486 - 2588		2959 - 3424
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flow		Flow
5. Bottomhole Pressure	a. (Current)	a.	a.
Oil Zones - Artificial Lift: Estimated Current	200		150
Gas & Oil - Flowing: Measured Current	b. (Original)	b.	b.
All Gas Zones: Estimated Or Measured Original	900		950
6. Oil & Gas Gas BTU Content	1175		1254
7. Producing or Shut-in?	Shut-in		Producing
Production Marginal? (yes or no)	Yes		Yes
* If Shut-in, give date and oil/gas/water rates of last production	Date: March - 1998 Rates: Oil - 0 Water - 0 Gas - 7 MCF/D	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, give date and oil/gas/water rates of recent test (within 60 days)	Date: Rates:	Date: Rates:	Date: April - 1999 Rates: Oil - 0 Water - 4 bbls/mc Gas - 35 MCF/D
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 0 % Gas: 52 %	Oil: % Gas: %	Oil: 0 % Gas: 48 %

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 Joe Elledge TITLE Agent DATE 5-11-99

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

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

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Little Oil and Gas, Inc.

3. Address and Telephone No.

P.O. Box 1258 Farmington, NM 87499 505-327-6176

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

1820' FSL & 1830' FWL
Sec. 23, T25N, R6W

5. Lease Designation and Serial No.

SF-080136

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Salazar #8

9. API Well No.

30-039-23617

10. Field and Pool, or Exploratory Area

Otero Chacra/So. Blanco

11. County or Parish, State

PC

Rio Arriba

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

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.)*

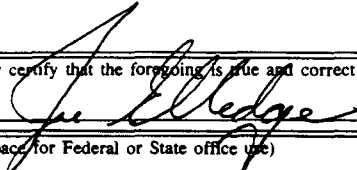
Little Oil and Gas, Inc. has applied for approval to downhole commingle the Chacra and Pictured Cliffs formation. When approved, project will take place in May or June, 1999.

Procedure:

1. Unseat packer set @ 2625'
2. POOH and lay down packer
3. TIH and land 2 3/8 tubing at approximately 3416'.
4. Return well to commingled production.

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

Signed



Title Agent

Date 5-11-1999

(This space for Federal or State office use)

Approved by

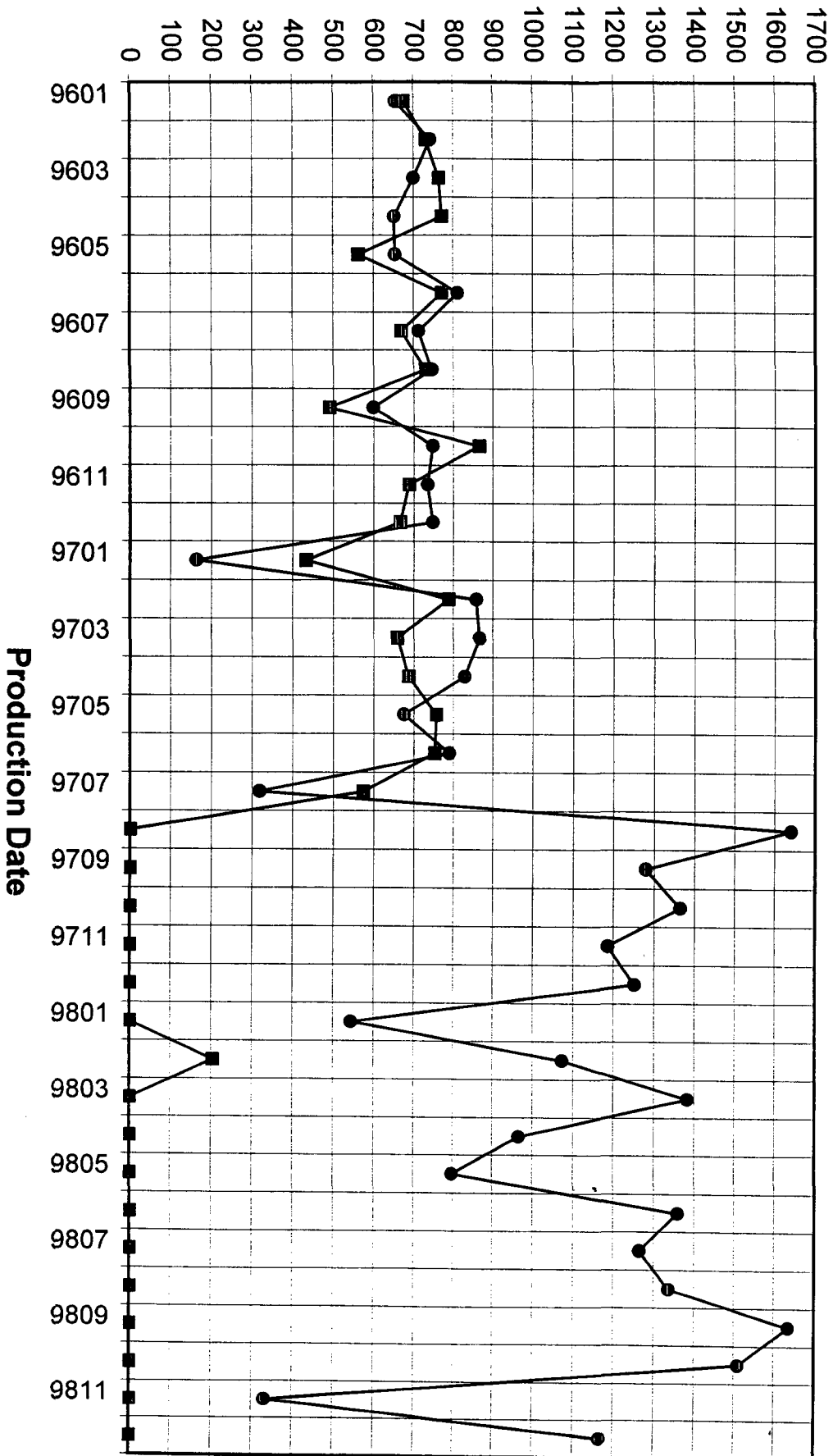
Title

Date

Conditions of approval, if any:

Salazar 8

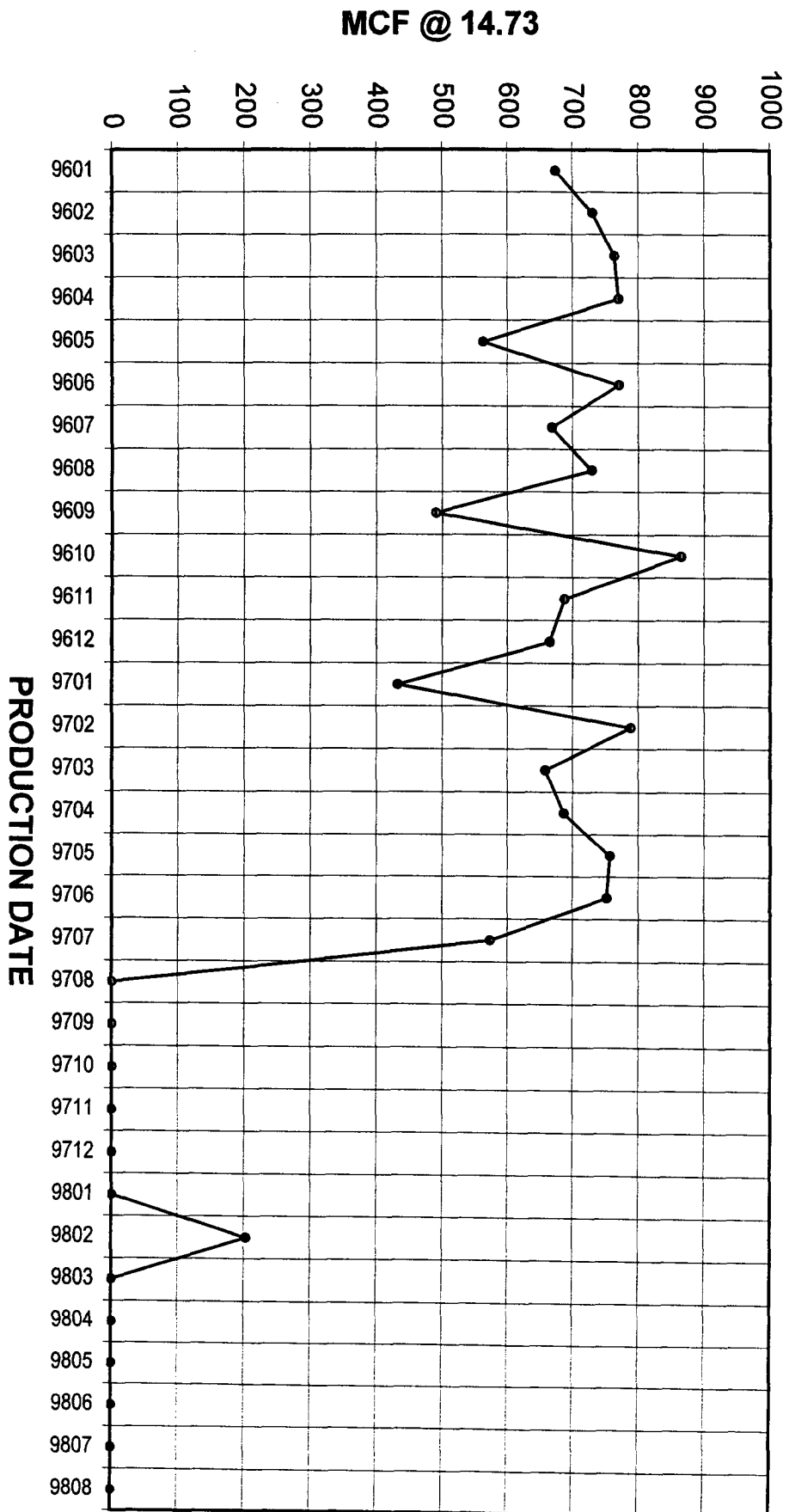
Mcf @ 14.73



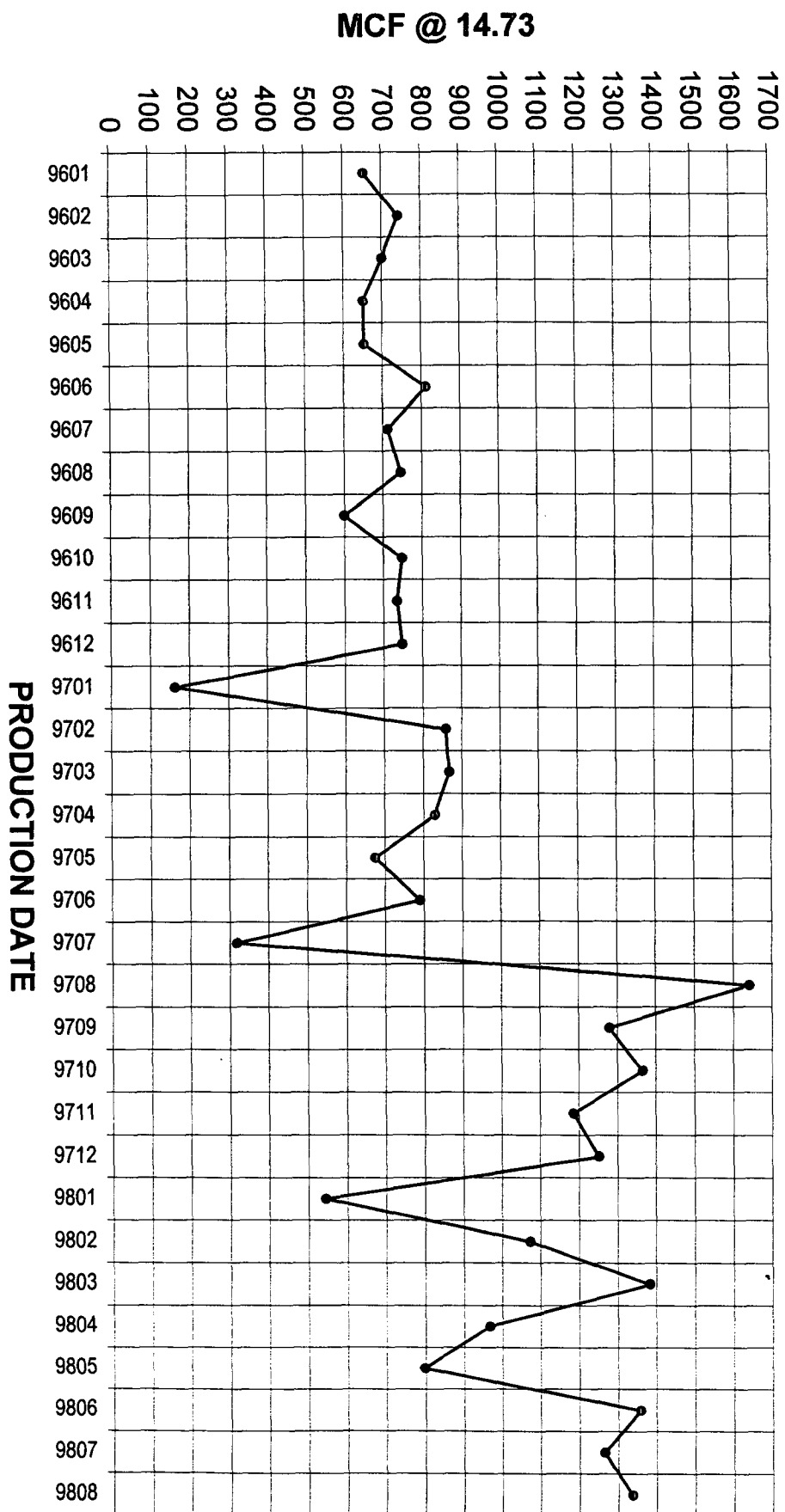
Sal 8 CH Sal 8 PC

Total Production from Jan 96 - Dec 98
Mcf @ 14.73
Salazar 8 CH - 33059
Salazar 8 PC - 13221

SALAZAR 8 PC

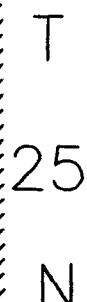


SALAZAR 8 CH



SALAZAR 8

P_Date	Meter	Well Name	BTU_1473	Coef_1473	P_Date	Meter	Well Name	BTU_1473	Coef_1473
9601	95363	SALAZAR #8 CH	1200	653	9601	95361	SALAZAR #8 PC	1173	674
9602	95363	SALAZAR #8 CH	1200	741	9602	95361	SALAZAR #8 PC	1173	730
9603	95363	SALAZAR #8 CH	1200	699	9603	95361	SALAZAR #8 PC	1173	763
9604	95363	SALAZAR #8 CH	1200	651	9604	95361	SALAZAR #8 PC	1173	770
9605	95363	SALAZAR #8 CH	1200	653	9605	95361	SALAZAR #8 PC	1173	562
9606	95363	SALAZAR #8 CH	1200	811	9606	95361	SALAZAR #8 PC	1173	770
9607	95363	SALAZAR #8 CH	1205	712	9607	95361	SALAZAR #8 PC	1175	668
9608	95363	SALAZAR #8 CH	1205	745	9608	95361	SALAZAR #8 PC	1175	729
9609	95363	SALAZAR #8 CH	1205	598	9609	95361	SALAZAR #8 PC	1175	490
9610	95363	SALAZAR #8 CH	1204	747	9610	95361	SALAZAR #8 PC	1173	865
9611	95363	SALAZAR #8 CH	1204	734	9611	95361	SALAZAR #8 PC	1173	687
9612	95363	SALAZAR #8 CH	1204	747	9612	95361	SALAZAR #8 PC	1173	665
9701	95363	SALAZAR #8 CH	1204	162	9701	95361	SALAZAR #8 PC	1173	432
9702	95363	SALAZAR #8 CH	1204	858	9702	95361	SALAZAR #8 PC	1173	788
9703	95363	SALAZAR #8 CH	1204	866	9703	95361	SALAZAR #8 PC	1173	658
9704	95363	SALAZAR #8 CH	1204	828	9704	95361	SALAZAR #8 PC	1173	686
9705	95363	SALAZAR #8 CH	1204	674	9705	95361	SALAZAR #8 PC	1173	756
9706	95363	SALAZAR #8 CH	1204	789	9706	95361	SALAZAR #8 PC	1173	752
9707	95363	SALAZAR #8 CH	1204	317	9707	95361	SALAZAR #8 PC	1173	573
9708	95363	SALAZAR #8 CH	1204	1640	9708	95361	SALAZAR #8 PC	1173	0
9709	95363	SALAZAR #8 CH	1204	1278	9709	95361	SALAZAR #8 PC	1173	0
9710	95363	SALAZAR #8 CH	1252	1364	9710	95361	SALAZAR #8 PC	1173	0
9711	95363	SALAZAR #8 CH	1252	1185	9711	95361	SALAZAR #8 PC	1173	0
9712	95363	SALAZAR #8 CH	1252	1251	9712	95361	SALAZAR #8 PC	1173	0
9801	95363	SALAZAR #8 CH	1252	543	9801	95361	SALAZAR #8 PC	1173	0
9802	95363	SALAZAR #8 CH	1252	1072	9802	95361	SALAZAR #8 PC	1173	203
9803	95363	SALAZAR #8 CH	1252	1382	9803	95361	SALAZAR #8 PC	1173	0
9804	95363	SALAZAR #8 CH	1252	965	9804	95361	SALAZAR #8 PC	1173	0
9805	95363	SALAZAR #8 CH	1252	797	9805	95361	SALAZAR #8 PC	1173	0
9806	95363	SALAZAR #8 CH	1252	1358	9806	95361	SALAZAR #8 PC	1125	0
9807	95363	SALAZAR #8 CH	1252	1264	9807	95361	SALAZAR #8 PC	1125	0
9808	95363	SALAZAR #8 CH	1252	1336	9808	95361	SALAZAR #8 PC	1125	0
9809	95363	SALAZAR #8 CH	1187	1635	9809	95361	SALAZAR #8 PC	1125	0
9810	95363	SALAZAR #8 CH	1187	1509	9810	95361	SALAZAR #8 PC	1125	0
9811	95363	SALAZAR #8 CH	1187	330	9811	95361	SALAZAR #8 PC	1125	0
9812	95363	SALAZAR #8 CH	1187	1165	9812	95361	SALAZAR #8 PC	1125	0

T
5
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R-6-W

Kf



Kpc



Kc



Kmv



Kal -



Kd

{	Kch	CLIFFHOUSE
	Km	MENEFEE
	Kpl	POINT LOOKOUT

ORN

L I T T L E

OIL & GAS, INC.

Sylvia F. Little, *President*

May 10, 1999

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

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

Re: Commingling Application
Salazar #8
K-23-T25N-R6W
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.

kimbell599

L I T T L E

OIL & GAS, INC.

Sylvia F. Little, *President*

May 10, 1999

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

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

Re: Commingling Application
Salazar #8
K-23-T25N-R6W
Rio Arriba County, NM

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burlington599

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May 10, 1999

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

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

Re: Commingling Application
Salazar #8
K-23-T25N-R6W
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.

merrion599