

DHC 10/4/99

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88241-1980  
DISTRICT II  
811 South First St., Artesia, NM 88210-2895  
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

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

APPROVAL PROCESS:  
Administrative  Hearing   
EXISTING WELLBORE  
 YES  NO

APPLICATION FOR DOWNHOLE COMMINGLING

FOUR STAR OIL AND GAS COMPANY 3300 N. Butler Ave, Ste100 Farmington NM 87401

Operator PAUL WILLIAMS Address 3E A 35 T26N R06W RIO ARRIBA

Lease Well No. Unit Ltr. - Sec - Twp - Rge Spacing Unit Lease Types: (check 1 or more)

OGRID No. 131994 Property Code API No. 3003922610 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	BLANCO MESA VERDE		BASIN DAKOTA
2. Top and Bottom of Pay Section (Perforations)	4580-5500		7186-7444
3. Type of Production (Oil or Gas)	GAS		GAS
4. Method of Production (Flowing or Artificial Lift)	artificial lift		shut in
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a. (Current) 375 calculated	a.	a. 500 calculated
	b. (Original)	b.	b.
6. Oil Gravity (*API) or Gas BTU Content	1317		1131
7. Producing or Shut-in ?	PRODUCING		SHUTIN
Production Marginal? (yes or no)	YES		YES
* 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: 08/01/1998 Rates: OIL-0 GAS-100MCF WATER-50BBL
* If Producing, give date and oil/gas/water rates of recent test (ithin 60 days)	Date: 06/01/1999 Rates: OIL-.16BBL GAS-95MCF WTR-1BBL	Date: Rates:	Date: Rates:
8. Fixed Percentage Allocation Formula - % for each zone	Oil: % 50 Gas: %	Oil: % Gas: %	Oil: % 50 Gas: %

9. If allocation formula is based upon something other than current or past production, or is based on 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 compayible, will 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 all working, overriding, and royalty interest 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 Rached Hindi Title Senior Engineer Date 9/9/99

TYPE OR PRINT NAME Rached Hindi

Telephone 325-4397

Submit 3 copies to Appropriate District Office

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-103 Revised 1-1-89

DISTRICT I P.O. Box 1980, Hobbs, NM 88240
DISTRICT II P.O. Box Drawer DD, Artesia, NM 88210
DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410

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

WELL API NO. 3003922610
5. Indicate Type of Lease STATE [ ] FEE [x]
6. State Oil / Gas Lease No. 744255
7. Lease Name or Unit Agreement Name PAUL WILLIAMS
8. Well No. 3E
9. Pool Name or Wildcat BASIN DAKOTA (PRORATED GAS)
10. Elevation (Show whether DF, RKB, RT,GR, etc.) 6679'GR

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMI (FORM C-101) FOR SUCH PROPOSALS.
1. Type of Well: OIL WELL [ ] GAS WELL [ ] OTHER [ ]
2. Name of Operator FOUR STAR OIL AND GAS COMPANY
3. Address of Operator 3300 N. Butler Ave, Ste100 Farmington NM 87401
4. Well Location Unit Letter A : 890 Feet From The NORTH Line and 1010 Feet From The EAST Line
Section 35 Township T26N Range R06W NMPM RIO ARRIBA COUNTY
10. Elevation (Show whether DF, RKB, RT,GR, etc.) 6679'GR

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data
NOTICE OF INTENTION TO:
PERFORM REMEDIAL WORK [ ] PLUG AND ABANDON [ ]
TEMPORARILY ABANDON [ ] CHANGE PLANS [ ]
PULL OR ALTER CASING [ ]
OTHER: DOWNHOLE COMMINGLE [x]
SUBSEQUENT REPORT OF:
REMEDIAL WORK [ ] ALTERING CASING [ ]
COMMENCE DRILLING OPERATION [ ] PLUG AND ABANDONMENT [ ]
CASING TEST AND CEMENT JOB [ ]
OTHER: [ ]

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

FOUR STAR OIL AND GAS REQUESTS APPROVAL TO DOWNHOLE COMMINGLE PRODUCTION FROM THE SUBJECT WELL.
ZONES TO BE COMMINGLED

Table with 3 columns: PERFORATIONS, MESA VERDE, DAKOTA. Values include 4588'-4952', 98 MCF, 1317, 7186'-7444', 100MCF, 1131.

THE TWO ZONES WILL BE COMMINGLED AND PRODUCED THROUGH 2 3/8" TUBING BY MEANS OF ARTIFICIAL LIFT TO MAINTAIN A LOW FLUID LEVEL TO ENSURE MAXIMUM PRODUCTION.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.
SIGNATURE [Signature] TITLE Senior Engineer DATE 9/9/99
TYPE OR PRINT NAME Rached Hindi Telephone No. 325-4397

(This space for State Use)
APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_
CONDITIONS OF APPROVAL, IF ANY:

**DISTRICT I**  
P.O. Box 1980, Hobbs, NM 88241-1980  
**DISTRICT II**  
P.O. Box Drawer DD, Artesia, NM 88211-0719  
**DISTRICT III**  
1000 Rio Brazos Rd., Aztec, NM 87410  
**DISTRICT IV**  
P.O. Box 2088, Santa Fe, NM 87504-2088

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

Form C-102  
Revised February 10, 1999  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copie  
Fee Lease - 3 Copie  
 AMENDED REPORT

**OIL CONSERVATION DIVISION**

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

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 3003922610	<sup>2</sup> Pool Code 71599	<sup>3</sup> Pool Name BASIN DAKOTA (PRORATED GAS)
<sup>4</sup> Property Code	<sup>5</sup> Property Name PAUL WILLIAMS	<sup>6</sup> Well No. 3E
<sup>7</sup> OGRID Number 131994	<sup>8</sup> Operator Name FOUR STAR OIL AND GAS COMPANY	<sup>9</sup> Elevation 6679'GR

<sup>10</sup> Surface Location

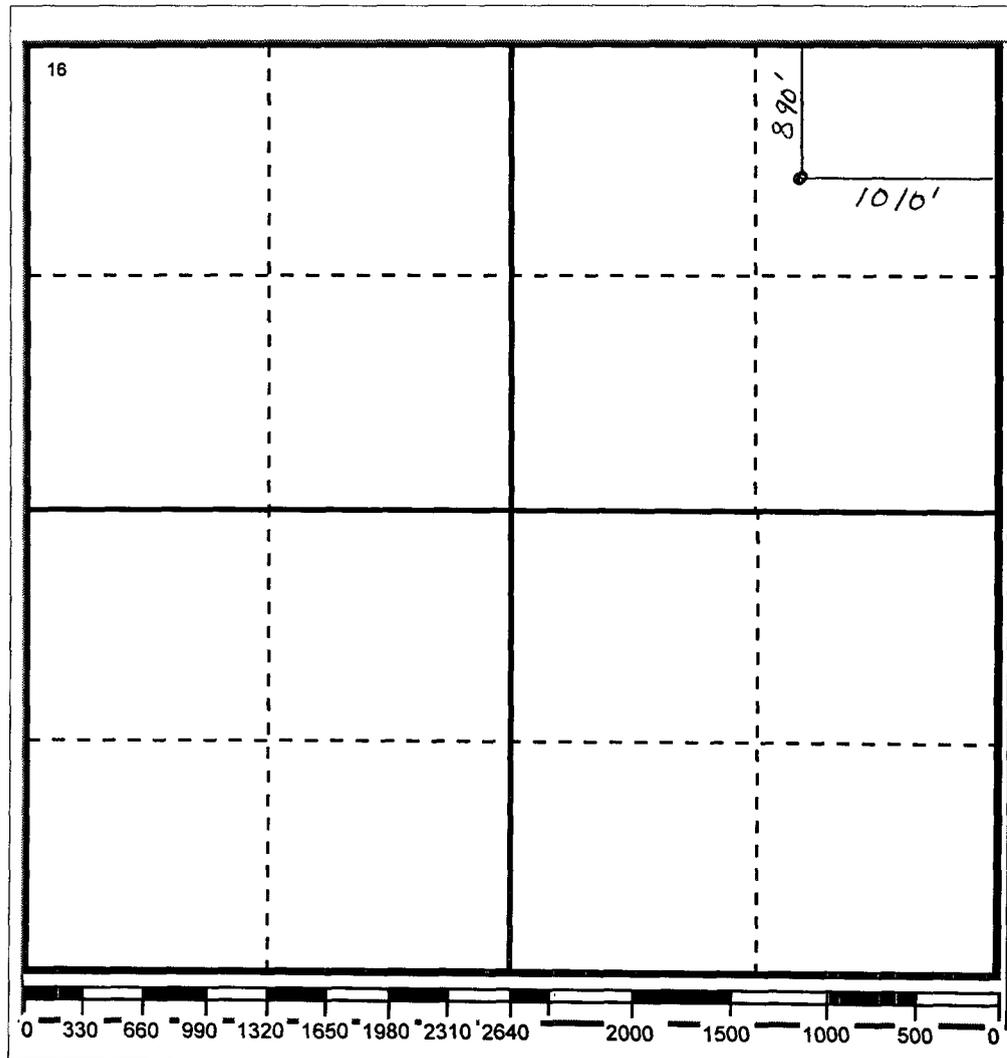
Ul or lot no	Section	Township	Range	Lot.Idn	Feet From The	North/South Line	Feet From The	East/West Line	County
A	35	T26N	R06W		890	NORTH	1010	EAST	RIO ARRIBA

<sup>11</sup> 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

<sup>12</sup> Dedicated Acre	<sup>13</sup> Joint or Infill No	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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



**17 OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Signature: *Rached Hindi*  
Printed Name: Rached Hindi  
Positio: Senior Engineer  
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 knowledge and belief.

Date Surveyed: \_\_\_\_\_  
Signature & Seal of Professional Surveyor: \_\_\_\_\_  
Certificate No.: \_\_\_\_\_

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

Form C-102  
Revised February 10, 1999  
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Submit to Appropriate District Office  
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**OIL CONSERVATION DIVISION**

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

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 3003922610	<sup>2</sup> Pool Code 72319	<sup>3</sup> Pool Name BLANCO MESAVERDE (PRORATED GAS)
<sup>4</sup> Property Code	<sup>5</sup> Property Name PAUL WILLIAMS	<sup>6</sup> Well No. 3E
<sup>7</sup> OGRID Number 131994	<sup>8</sup> Operator Name FOUR STAR OIL AND GAS COMPANY	<sup>9</sup> Elevation

<sup>10</sup> Surface Location

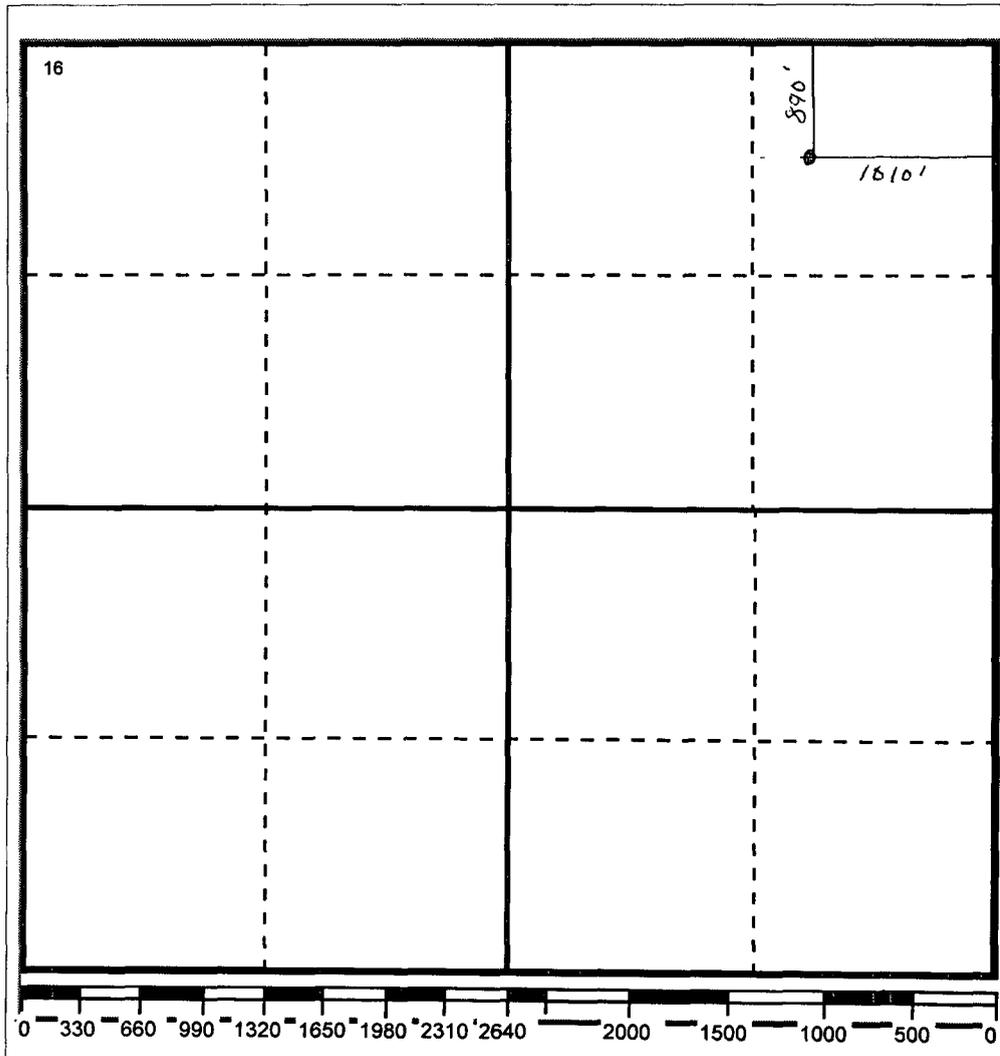
Ul or lot no	Section	Township	Range	Lot.Idn	Feet From The	North/South Line	Feet From The	East/West Line	County
A	35	T26N	R06W		890	NORTH	1010	EAST	RIO ARRIBA

<sup>11</sup> 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

<sup>12</sup> Dedicated Acre	<sup>13</sup> Joint or Infill No	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



**17 OPERATOR CERTIFICATION**

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

Signature: *Rached Hindi*  
Printed Name: Rached Hindi  
Positio: Senior Engineer  
Date:

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**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 knowledge and belief.

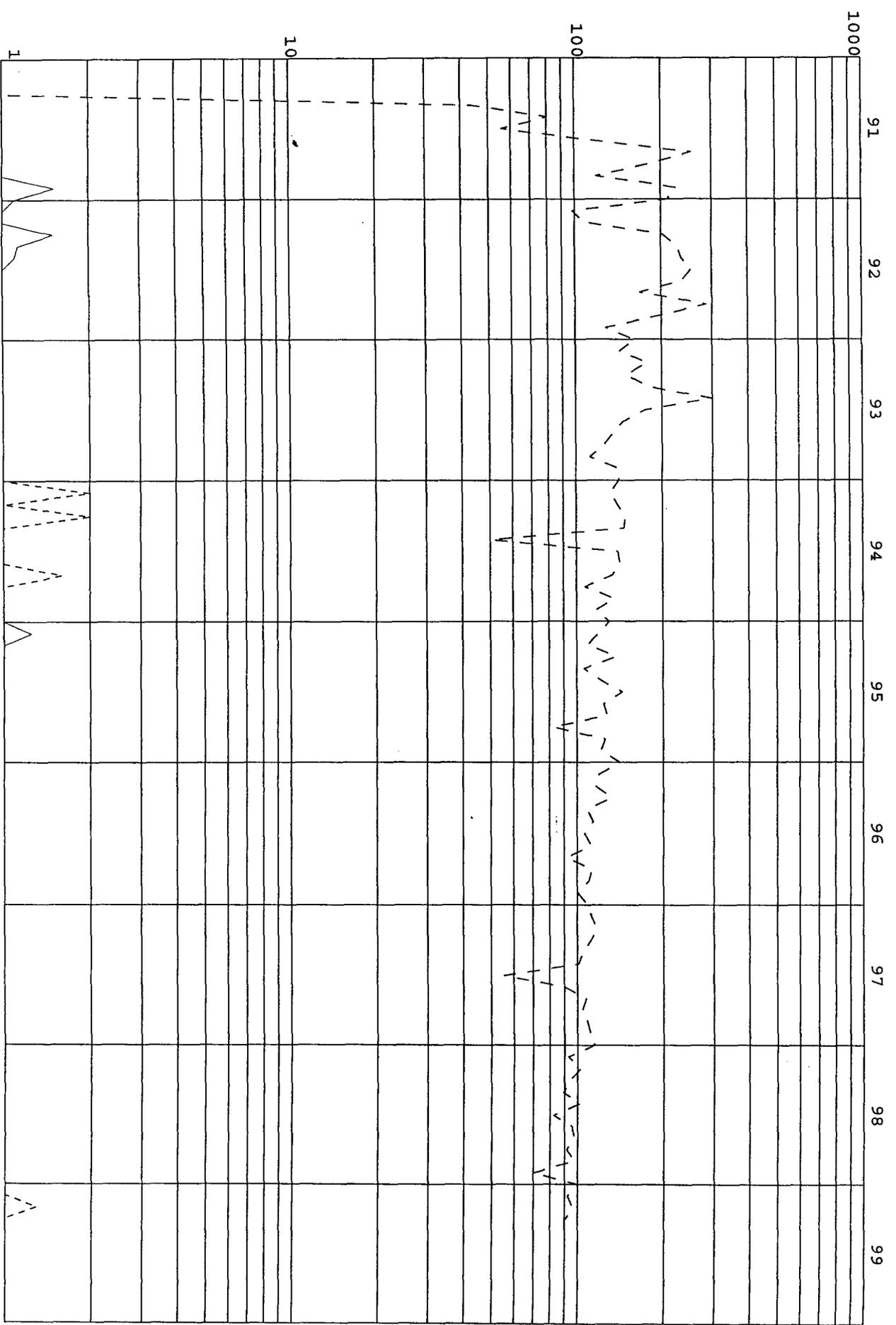
Date Surveyed:

Signature & Seal of Professional Surveyor:

Certificate No.:

LEASE NAME: WILLIAMS, PAUL  
 TEX WELL NO: 3E  
 CURR\_LSE\_NO: 017725  
 RSVR: MV  
 REG\_FLD: 72319

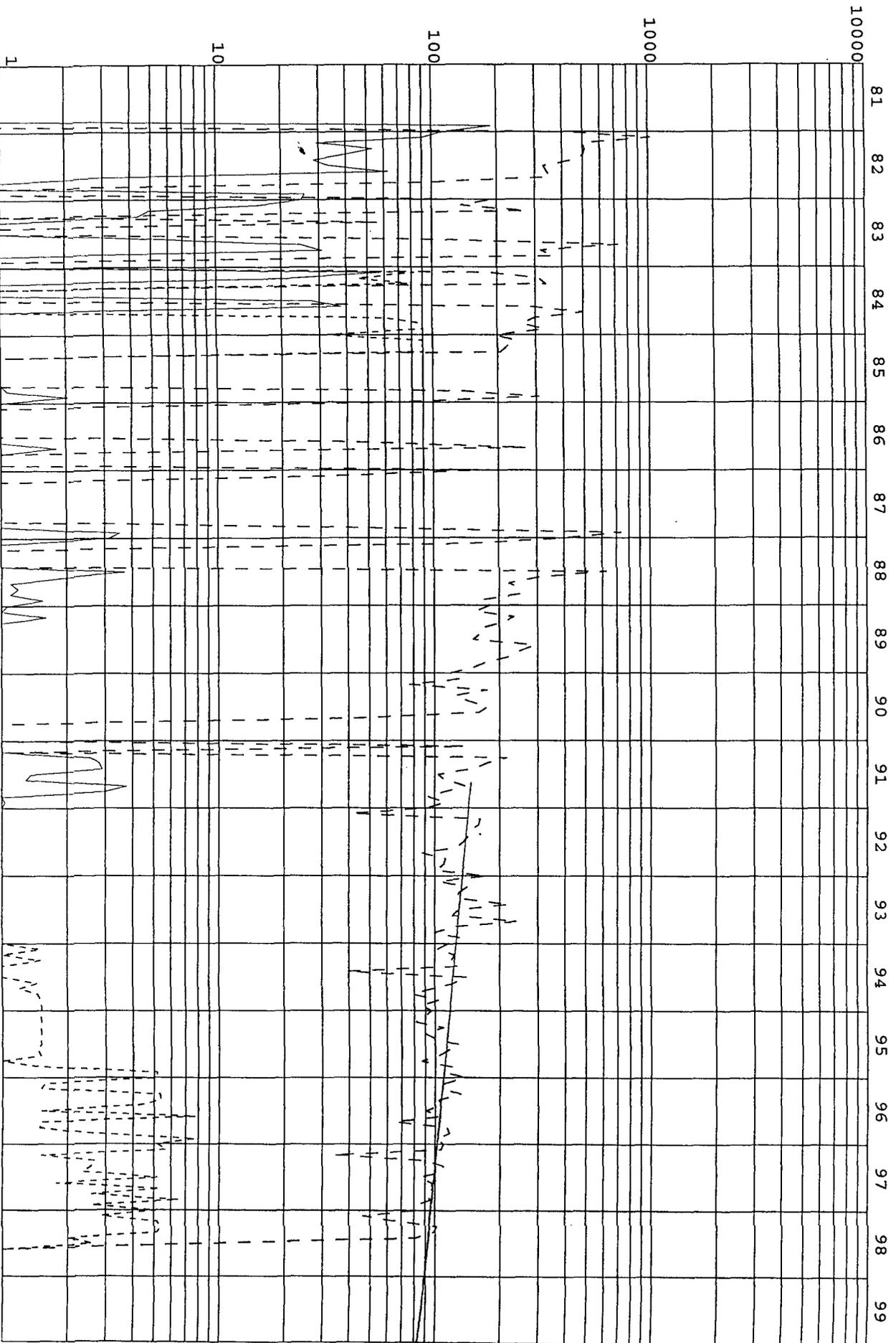
D  
A  
I  
L  
Y  
R  
A  
T  
E



BOPD --- MCFPD --- BWIPD --- AVG INT PRES / 1  
 CURRENT CUMS: OIL: 1,431 bbl GAS: 378,733 mcf WTR: 214 bbl WINT: 0 bbl

LEASE NAME: WILLIAMS, PAUL  
TEX WELL NO: 3E  
CURR\_LSE\_NO: 017725

RSVR: DAKOTA  
REG\_FLD: 71599



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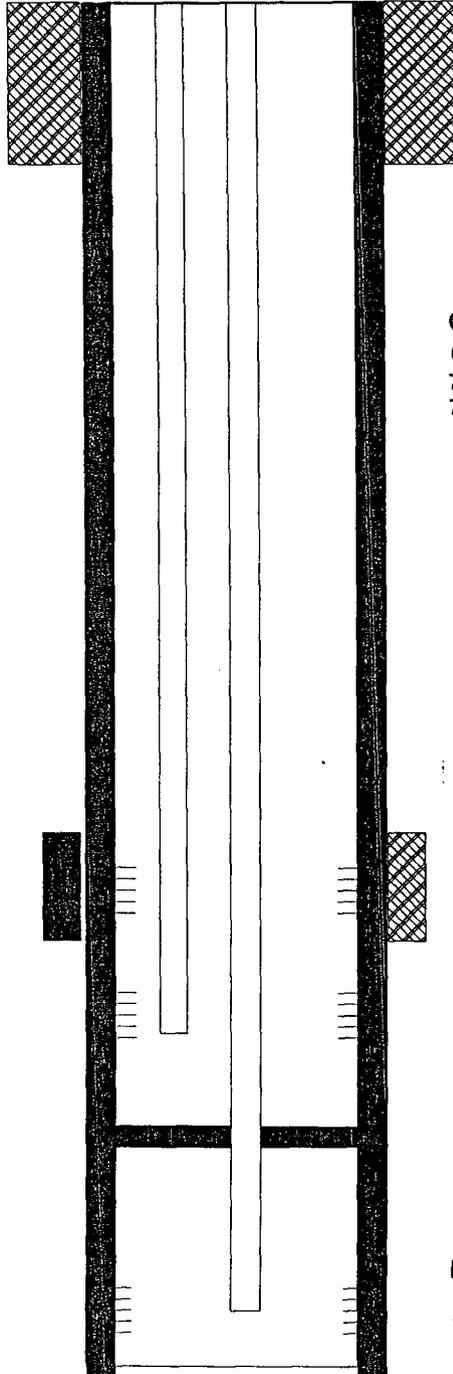
--- BOPD --- MCFPD --- BWPD --- BWIPD --- AVG INJ PRES / 1  
CURRENT CUMS: OIL: 30,479 bbl GAS: 836,619 mcf WTR: 27,593 bbl WIND: 0 bbl



# PAUL WILLIAMS No. 3E

## CURRENT WELLBORE CONDITION

WELL:  
PAUL WILLIAMS No. 3E  
LOCATION:  
NE/E  
SEC 35 T26N R6W



SURFACE CASING  
CIRC CMT  
8 5/8" CSG IN 12 1/4" HOLE  
@ 313' W/ 300 SX CMT

CASING CEMENTED W/  
630 SX 1 st STAGE  
750 SX 2 nd STAGE  
750 SX 3 rd STAGE

2 1/16" TBG  
@ 5312'

MESA VERDE  
PERFORATIONS  
SQZ W/ 250 SX CMT  
4588'-4952'

2 1/16" TBG  
@ 7396'

MESA VERDE  
PERFORATIONS  
4992'-5352'

PACKER @ 5400'

5 1/2" CASING @ 7554'  
PBTD-7510'  
TD- 7554'

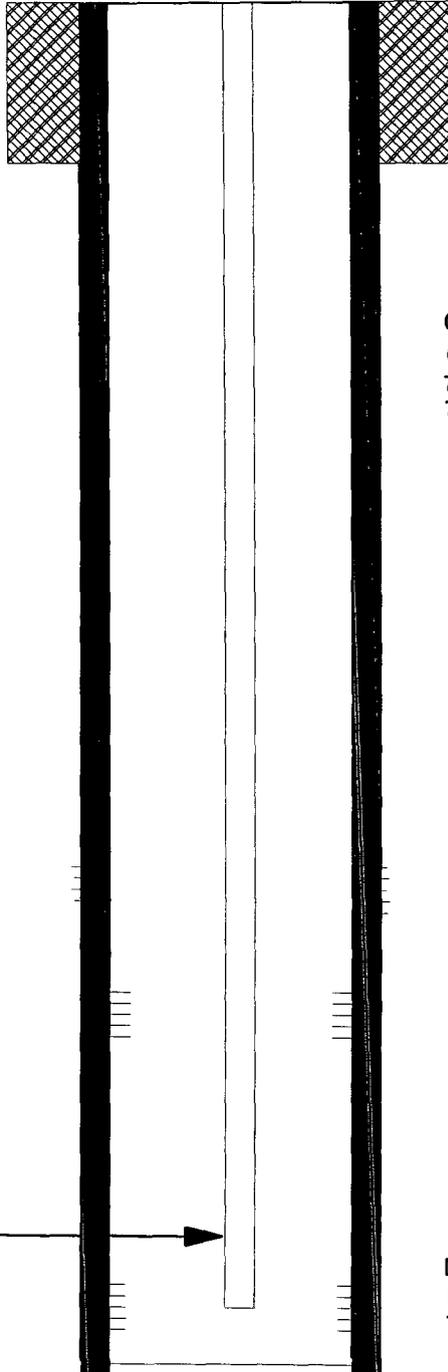
DAKOTA  
PERFORATIONS  
7186'-7444'



# PAUL WILLIAMS No. 3E

## PROPOSED COMPLETION

WELL: PAUL WILLIAMS No. 3E  
LOCATION: NE/ESEC 35, T26N, R6W  
Rio Arriba County, NM



SURFACE CASING  
CIRC CMT  
8 5/8" CSG IN 12 1/4" HOLE  
@ 313' W/ 300 SX CMT

CASING CEMENTED W/  
630 SX 1 st STAGE  
750 SX 2 nd STAGE  
750 SX 3 rd STAGE

MESA VERDE  
PERFORATIONS  
SQZ W/ 250 SX CMT  
4588'-4952'

MESA VERDE  
PERFORATIONS  
4992'-5352'

DAKOTA  
PERFORATIONS  
7186'-7444'

2 3/8" TBG @ 7396'

5 1/2" CASING @ 7554'

PBTD-7510'

TD- 7554'