

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

811 South First St., Artesia, NM 88210

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

DHC 10/12/99

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

APPROVAL PROCESS:

XX Administrative ___ Hearing

EXISTING WELLBORE

XX YES ___ NO

SEP 20 1999

PRIVATE APPLICATION FOR DOWNHOLE COMMINGLING

D.J. SIMMONS, INC.

PO BOX 1469

FARMINGTON, NEW MEXICO 87499

Operator

Address

FED. SF-080247-A

A.B. GEREN #7

0 26 29N-9W

SAN JUAN

Lease

Well No.

Unit Ltr. - Sec - Twp - Rge

County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO.

Property Code

API NO. 30-045-29590

Federal XX, State, (and/or) Fee

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zones	Lower Zone
1. Pool Name and Pool Code	FRUITLAND COAL		OTERA CHACRA
2. Top and Bottom of Pay Section (Perforations)	1954 - 2056		3159 - 3188
3. Type of production (Oil or Gas)	GAS		GAS
4. Method of Production (Flowing or Artificial Lift)	FLOWING		FLOWING
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a. (Current) 500 b. (Original)	a. b.	a. 575 PSI b.
6. Oil Gravity (°API) or Gas BTU Content	N/A		N/A
7. Producing or Shut-In?	BEHIND PIPE		PRODUCING
Production Marginal? (yes or no)	NO		NO
* 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: BEHIND PIPE Rates:	Date: Rates:	Date: PRODUCING Rates:
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: Rates:	Date: Rates:	Date: 7/30/99 Rates: 150MCFD
8. Fixed Percentage Allocation Formula - % for each zone	Oil: UNKNOWN UNTIL TESTED Gas: ESTIMATE %	Oil: % Gas: %	Oil: % Gas: 100%

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?

If not, have all working, overriding, and royalty interests been notified by certified mail?
Have all offset operators been given written notice of the proposed downhole commingling?Yes XX No
XX Yes ___ No
XX Yes ___ No

11. Will cross-flow occur? ___ Yes XX 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? XX Yes ___ No

13. Will the value of production be decreased by commingling? ___ Yes XX 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. XX Yes ___ No

15. NMOCD Reference Cases for Rule 303(C) Exceptions:

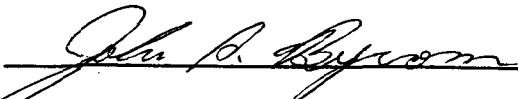
ORDER NO(S).

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



TITLE Operations Manager

DATE 8/30/99

TYPE OR PRINT NAME John A. Byrom

TELEPHONE NO. (505) 326-3753

D. J. Simmons, Inc.

**Downhole Commingle Application
A. B. Geren #7**

LIST OF ATTACHMENTS

Attachment #1 – Well Location and Acreage Dedication Plat (C-102) for the Otero Chacra Formation.

Attachment #2 – Well Location and Acreage Dedication Plat (C-102) for the Fruitland Coal Formation.

Attachment #3 – Production Decline Curve for the Otero Chacra Formation.

Attachment #4 – Estimated Future Production Decline Curve for the Fruitland Coal Formation.

Attachment #5 – Estimated Future Production for the Otero Chacra Formation.

Attachment #6 – Estimated Future Production for the Fruitland Coal Formation.

Attachment #7 – Allocation Method.

Attachment #8 – Sample Notification Letter.

Attachment #9 – List of All Offset Operators Notified.

Attachment #10 – List of All Working, Overriding, and Royalty Owners Notified.

District I
PO Box 1988, Hobbs, NM 88241-1988
District II
PO Drawer DD, Artesia, NM 88211-8719
District III
1006 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

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Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

070 FARMINGTON, NM

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code 82329		3 Pool Name OTERO CHACRA	
4 Property Code		4 Property Name A.B. GERTEN			5 Well Number 7
6 OGRID No. 150182		6 Operator Name ROBERT L. BAYLESS			7 Elevation 5634

8 Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
15	26	29 N	9 W		590	South	1750	East	San Juan

9 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

10 Dedicated Acres	11 Joint or Infill	12 Consolidation Code	13 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 FJBC Lot No. (TYP.) 4		3		2		1	
5		6		7		8	
12		11		10		9	
13		14		15		16	

79.98' E.
79.97' E.
589°38' W
1750'
78.97' E.
FJBC

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

Signature: *Price M. Bayless*
Printed Name: PRICE M. BAYLESS
Title: ENGINEER
Date: 3/24/98

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: 3 Mar 1998
Signature and Seal of Professional Surveyor: *William E. Mahinke II*
Certificate Number: 8466

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
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PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name BASIN FRUITLAND COAL	
4 Property Code		5 Property Name A.B. GEREN			6 Well Number 7
7 OGRID No.		8 Operator Name D.J. SIMMONS, INC.			9 Elevation 5634

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
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OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16 FJBC Lot No. (TYP.) 4				2				1			
5				6				7			
12				11				10			
13				14				15			
1750'				1750'				1750'			
589°38'W				78.57°W				51°			

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

Signature
John A. Byrom
Printed Name
Vice President
Title
August 30, 1999
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
3 Mar 1998
Signature and Seal of Professional Surveyor
William F. Mahinko II
Certificate Number 8466

A.B. GEREN #7 - OTERO (CHACRA) CK

Lease Name: A.B. GEREN (#7)
Field Name: OTERO (CHACRA) CK
Operator: D.J. SIMMONS
County, ST: SAN JUAN, NM

Reservoir: CHACRA
Location: 29N-9W-26



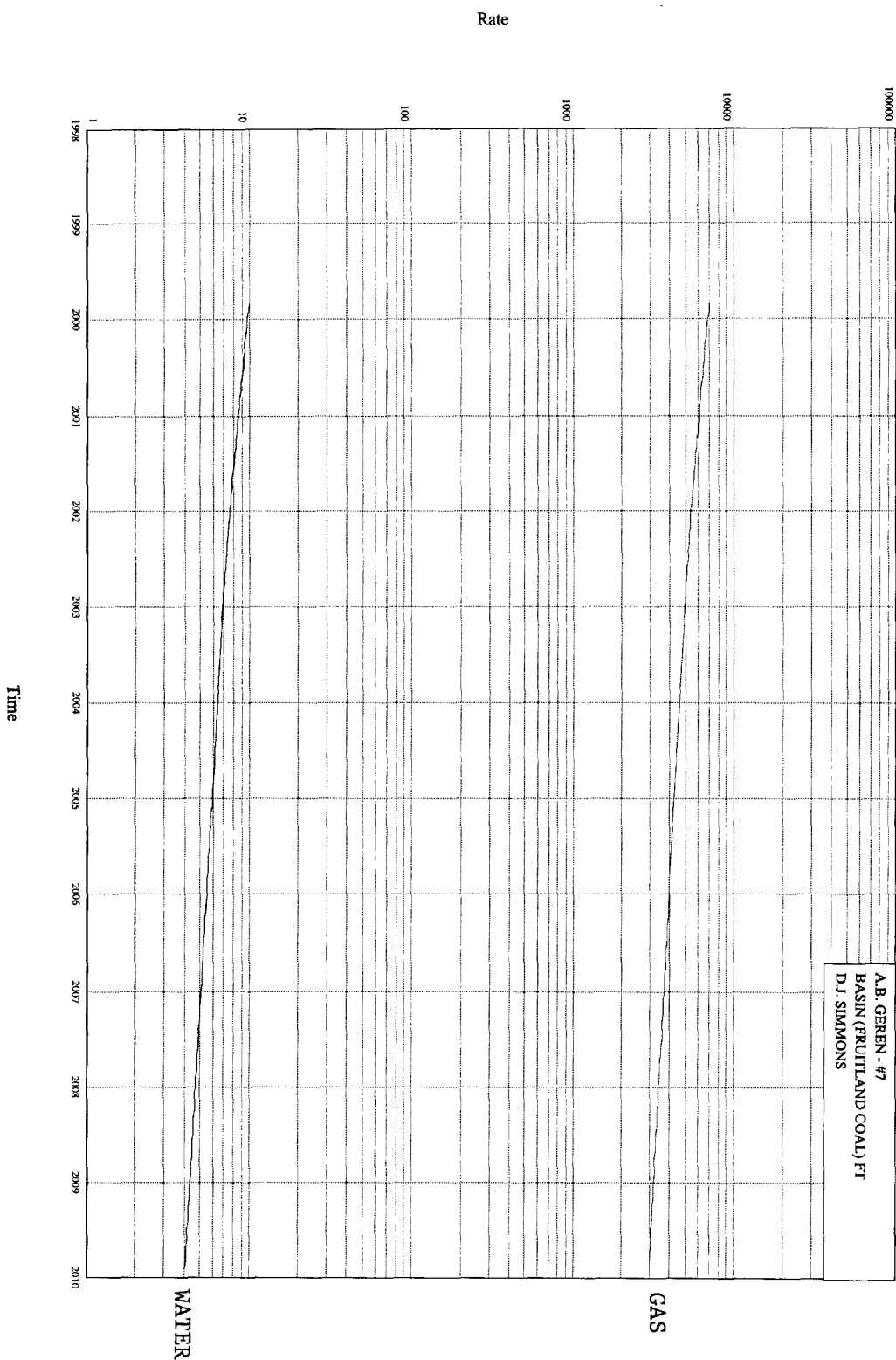
Gas Curve:

Segment 1: 03/1999 - 07/1999
Start Rate: 3,448 mcf
End Rate: 3,341 mcf
Decline: 9.0238
N Factor: 0.000000

A.B. GEREN #7 - BASIN (FRUITLAND COAL) FT

Lease Name: A.B. GEREN (#7) Reservoir: FRUITLAND COAL
Field Name: BASIN (FRUITLAND COAL) FT Location: 29N-9W-26
Operator: D.J. SIMMONS
County, ST: SAN JUAN, NM

AVERAGE PRODUCTION AND DECLINES FROM OFFSETS



Gas Curve:

Segment 1: 11/1999 - 11/2002
Start Rate: 7,000 mcf
End Rate: 4,968 mcf
Decline: 12.7281
N Factor: 0.991999
Segment 2: 11/2002 - 11/2005
Start Rate: 4,968 mcf
End Rate: 3,996 mcf
Decline: 7.0004
N Factor: 0.000000

Water Curve:

Segment 1: 11/1999 - 11/2002
Start Rate: 10 bbl
End Rate: 7 bbl
Decline: 13.0807
N Factor: 0.899946
Segment 2: 11/2002 - 11/2004
Start Rate: 7 bbl
End Rate: 6 bbl
Decline: 7.4180
N Factor: 0.000000

MONTHLY PRODUCTION FORECAST - CHACRA

BASED ON HISTORICAL TREND AND AVERAGE DECLINES OF OFFSETS

Operator:	D.J. SIMMONS	Field Name:	OTERO (CHACRA) CK
Lease Name:	A.B. GEREN (#7)	Location:	29N-9W-26
Reservoir:	CHACRA	County, ST:	SAN JUAN, NM

Gas Curve:

Segment 1: 03/1999 - 07/1999

Start Rate: 3,448 mcf

End Rate: 3,341 mcf

Decline: 9.0238

N Factor: 0.000000

Date	Oil (bbl)	Gas (mcf)	Water (bbl)	OilCum (bbl)	GasCum (mcf)	WaterCum (bbl)
08/1999	0	3,302	0	0	3,302	0
09/1999	0	3,276	0	0	6,578	0
10/1999	0	3,250	0	0	9,828	0
11/1999	0	3,225	0	0	13,052	0
12/1999	0	3,199	0	0	16,252	0
01/2000	0	3,174	0	0	19,426	0
02/2000	0	3,149	0	0	22,575	0
03/2000	0	3,125	0	0	25,699	0
04/2000	0	3,100	0	0	28,799	0
05/2000	0	3,076	0	0	31,875	0
06/2000	0	3,052	0	0	34,927	0
07/2000	0	3,028	0	0	37,954	0
08/2000	0	3,004	0	0	40,958	0
09/2000	0	2,980	0	0	43,938	0
10/2000	0	2,957	0	0	46,895	0
11/2000	0	2,934	0	0	49,829	0
12/2000	0	2,911	0	0	52,739	0
01/2001	0	2,888	0	0	55,627	0
02/2001	0	2,865	0	0	58,492	0
03/2001	0	2,843	0	0	61,335	0
04/2001	0	2,820	0	0	64,155	0
05/2001	0	2,798	0	0	66,953	0
06/2001	0	2,776	0	0	69,729	0
07/2001	0	2,754	0	0	72,483	0
08/2001	0	2,733	0	0	75,216	0
09/2001	0	2,711	0	0	77,927	0
10/2001	0	2,690	0	0	80,617	0
11/2001	0	2,669	0	0	83,286	0
12/2001	0	2,648	0	0	85,934	0
01/2002	0	2,627	0	0	88,561	0
02/2002	0	2,607	0	0	91,168	0
03/2002	0	2,586	0	0	93,754	0
04/2002	0	2,566	0	0	96,320	0
05/2002	0	2,546	0	0	98,865	0
06/2002	0	2,526	0	0	101,391	0
07/2002	0	2,506	0	0	103,897	0
08/2002	0	2,486	0	0	106,383	0
09/2002	0	2,467	0	0	108,850	0
10/2002	0	2,447	0	0	111,297	0
11/2002	0	2,428	0	0	113,725	0
12/2002	0	2,409	0	0	116,134	0
01/2003	0	2,390	0	0	118,524	0

MONTHLY PRODUCTION FORECAST - CHACRA

BASED ON HISTORICAL TREND AND AVERAGE DECLINES OF OFFSETS

Date	Oil (bbl)	Gas (mcf)	Water (bbl)	OilCum (bbl)	GasCum (mcf)	WaterCum (bbl)
02/2003	0	2,371	0	0	120,895	0
03/2003	0	2,353	0	0	123,248	0
04/2003	0	2,334	0	0	125,582	0
05/2003	0	2,316	0	0	127,898	0
06/2003	0	2,298	0	0	130,196	0
07/2003	0	2,280	0	0	132,476	0
08/2003	0	2,262	0	0	134,737	0
09/2003	0	2,244	0	0	136,981	0
10/2003	0	2,226	0	0	139,208	0
11/2003	0	2,209	0	0	141,417	0
12/2003	0	2,192	0	0	143,608	0
01/2004	0	2,174	0	0	145,783	0
02/2004	0	2,157	0	0	147,940	0
03/2004	0	2,140	0	0	150,080	0
04/2004	0	2,124	0	0	152,204	0
05/2004	0	2,107	0	0	154,311	0
06/2004	0	2,090	0	0	156,401	0
07/2004	0	2,074	0	0	158,475	0
08/2004	0	2,058	0	0	160,533	0
09/2004	0	2,042	0	0	162,575	0
10/2004	0	2,026	0	0	164,600	0
11/2004	0	2,010	0	0	166,610	0
12/2004	0	1,994	0	0	168,604	0
01/2005	0	1,978	0	0	170,582	0
02/2005	0	1,963	0	0	172,544	0
03/2005	0	1,947	0	0	174,492	0
04/2005	0	1,932	0	0	176,424	0
05/2005	0	1,917	0	0	178,340	0
06/2005	0	1,902	0	0	180,242	0
07/2005	0	1,887	0	0	182,129	0
08/2005	0	1,872	0	0	184,001	0
09/2005	0	1,857	0	0	185,858	0
10/2005	0	1,843	0	0	187,701	0
11/2005	0	1,828	0	0	189,529	0
12/2005	0	1,814	0	0	191,343	0
01/2006	0	1,800	0	0	193,143	0
02/2006	0	1,786	0	0	194,928	0
03/2006	0	1,772	0	0	196,700	0
04/2006	0	1,758	0	0	198,458	0
05/2006	0	1,744	0	0	200,201	0
06/2006	0	1,730	0	0	201,932	0
07/2006	0	1,717	0	0	203,648	0
08/2006	0	1,703	0	0	205,351	0
09/2006	0	1,690	0	0	207,041	0
10/2006	0	1,676	0	0	208,717	0
11/2006	0	1,663	0	0	210,381	0
12/2006	0	1,650	0	0	212,031	0
01/2007	0	1,637	0	0	213,668	0
02/2007	0	1,624	0	0	215,293	0
03/2007	0	1,612	0	0	216,904	0
04/2007	0	1,599	0	0	218,503	0
05/2007	0	1,586	0	0	220,090	0
06/2007	0	1,574	0	0	221,664	0
07/2007	0	1,562	0	0	223,225	0
08/2007	0	1,549	0	0	224,775	0

MONTHLY PRODUCTION FORECAST - CHACRA

BASED ON HISTORICAL TREND AND AVERAGE DECLINES OF OFFSETS

Date	Oil (bbl)	Gas (mcf)	Water (bbl)	OilCum (bbl)	GasCum (mcf)	WaterCum (bbl)
09/2007	0	1,537	0	0	226,312	0
10/2007	0	1,525	0	0	227,837	0
11/2007	0	1,513	0	0	229,350	0
12/2007	0	1,501	0	0	230,852	0
01/2008	0	1,490	0	0	232,341	0
02/2008	0	1,478	0	0	233,819	0
03/2008	0	1,466	0	0	235,285	0
04/2008	0	1,455	0	0	236,740	0
05/2008	0	1,443	0	0	238,183	0
06/2008	0	1,432	0	0	239,615	0
07/2008	0	1,421	0	0	241,036	0
08/2008	0	1,410	0	0	242,446	0
09/2008	0	1,399	0	0	243,844	0
10/2008	0	1,388	0	0	245,232	0
11/2008	0	1,377	0	0	246,608	0
12/2008	0	1,366	0	0	247,974	0
01/2009	0	1,355	0	0	249,329	0
02/2009	0	1,344	0	0	250,674	0
03/2009	0	1,334	0	0	252,008	0
04/2009	0	1,323	0	0	253,331	0
05/2009	0	1,313	0	0	254,644	0
06/2009	0	1,303	0	0	255,947	0
07/2009	0	1,293	0	0	257,240	0
08/2009	0	1,282	0	0	258,522	0
09/2009	0	1,272	0	0	259,794	0
10/2009	0	1,262	0	0	261,057	0
11/2009	0	1,252	0	0	262,309	0
12/2009	0	1,243	0	0	263,552	0
01/2010	0	1,233	0	0	264,785	0
02/2010	0	1,223	0	0	266,008	0
03/2010	0	1,214	0	0	267,221	0
04/2010	0	1,204	0	0	268,425	0
05/2010	0	1,195	0	0	269,620	0
06/2010	0	1,185	0	0	270,805	0
07/2010	0	1,176	0	0	271,981	0
08/2010	0	1,167	0	0	273,148	0
09/2010	0	1,158	0	0	274,305	0
10/2010	0	1,148	0	0	275,454	0
11/2010	0	1,139	0	0	276,593	0
12/2010	0	1,130	0	0	277,723	0
01/2011	0	1,122	0	0	278,845	0
02/2011	0	1,113	0	0	279,958	0
03/2011	0	1,104	0	0	281,062	0
04/2011	0	1,095	0	0	282,157	0
05/2011	0	1,087	0	0	283,244	0
06/2011	0	1,078	0	0	284,322	0
07/2011	0	1,070	0	0	285,392	0
08/2011	0	1,061	0	0	286,453	0
09/2011	0	1,053	0	0	287,506	0
10/2011	0	1,045	0	0	288,551	0
11/2011	0	1,037	0	0	289,588	0
12/2011	0	1,028	0	0	290,616	0
01/2012	0	1,020	0	0	291,637	0
02/2012	0	1,012	0	0	292,649	0
03/2012	0	1,004	0	0	293,653	0

MONTHLY PRODUCTION FORECAST - CHACRA

BASED ON HISTORICAL TREND AND AVERAGE DECLINES OF OFFSETS

Date	Oil (bbl)	Gas (mcf)	Water (bbl)	OilCum (bbl)	GasCum (mcf)	WaterCum (bbl)
04/2012	0	997	0	0	294,650	0
05/2012	0	989	0	0	295,639	0
06/2012	0	981	0	0	296,620	0
07/2012	0	973	0	0	297,593	0
08/2012	0	966	0	0	298,559	0
09/2012	0	958	0	0	299,517	0
10/2012	0	951	0	0	300,467	0
11/2012	0	943	0	0	301,410	0
12/2012	0	936	0	0	302,346	0
01/2013	0	928	0	0	303,274	0
02/2013	0	921	0	0	304,195	0
03/2013	0	914	0	0	305,109	0
04/2013	0	907	0	0	306,015	0
05/2013	0	899	0	0	306,915	0
06/2013	0	892	0	0	307,807	0
07/2013	0	885	0	0	308,693	0
08/2013	0	878	0	0	309,571	0
09/2013	0	872	0	0	310,443	0
10/2013	0	865	0	0	311,308	0
11/2013	0	858	0	0	312,166	0
12/2013	0	851	0	0	313,017	0
01/2014	0	845	0	0	313,861	0
02/2014	0	838	0	0	314,699	0
03/2014	0	831	0	0	315,531	0
04/2014	0	825	0	0	316,355	0
05/2014	0	818	0	0	317,174	0
06/2014	0	812	0	0	317,986	0
07/2014	0	806	0	0	318,791	0
08/2014	0	799	0	0	319,590	0
09/2014	0	793	0	0	320,383	0
10/2014	0	787	0	0	321,170	0
11/2014	0	781	0	0	321,951	0
12/2014	0	774	0	0	322,725	0
01/2015	0	768	0	0	323,493	0
02/2015	0	762	0	0	324,256	0
03/2015	0	756	0	0	325,012	0
04/2015	0	750	0	0	325,762	0
05/2015	0	744	0	0	326,507	0
06/2015	0	739	0	0	327,245	0
07/2015	0	733	0	0	327,978	0
08/2015	0	727	0	0	328,705	0
09/2015	0	721	0	0	329,427	0
10/2015	0	716	0	0	330,142	0
11/2015	0	710	0	0	330,852	0
12/2015	0	705	0	0	331,557	0
01/2016	0	699	0	0	332,256	0
02/2016	0	694	0	0	332,949	0
03/2016	0	688	0	0	333,638	0
04/2016	0	683	0	0	334,320	0
05/2016	0	677	0	0	334,998	0
06/2016	0	672	0	0	335,669	0
07/2016	0	667	0	0	336,336	0
08/2016	0	661	0	0	336,998	0
09/2016	0	656	0	0	337,654	0
10/2016	0	651	0	0	338,305	0

MONTHLY PRODUCTION FORECAST - CHACRA

BASED ON HISTORICAL TREND AND AVERAGE DECLINES OF OFFSETS

Date	Oil (bbl)	Gas (mcf)	Water (bbl)	OilCum (bbl)	GasCum (mcf)	WaterCum (bbl)
11/2016	0	646	0	0	338,951	0
12/2016	0	641	0	0	339,592	0
01/2017	0	636	0	0	340,228	0
02/2017	0	631	0	0	340,859	0
03/2017	0	626	0	0	341,485	0
04/2017	0	621	0	0	342,106	0
05/2017	0	616	0	0	342,722	0
06/2017	0	611	0	0	343,333	0
07/2017	0	607	0	0	343,940	0
08/2017	0	602	0	0	344,542	0
09/2017	0	597	0	0	345,139	0
10/2017	0	592	0	0	345,731	0
11/2017	0	588	0	0	346,319	0
12/2017	0	583	0	0	346,902	0
01/2018	0	579	0	0	347,481	0
02/2018	0	574	0	0	348,055	0
03/2018	0	569	0	0	348,624	0
04/2018	0	565	0	0	349,189	0
05/2018	0	561	0	0	349,750	0
06/2018	0	556	0	0	350,306	0
07/2018	0	552	0	0	350,858	0
08/2018	0	547	0	0	351,405	0
09/2018	0	543	0	0	351,948	0
10/2018	0	539	0	0	352,487	0
11/2018	0	535	0	0	353,022	0
12/2018	0	530	0	0	353,552	0
01/2019	0	526	0	0	354,079	0
02/2019	0	522	0	0	354,601	0
03/2019	0	518	0	0	355,119	0
04/2019	0	514	0	0	355,633	0
05/2019	0	510	0	0	356,143	0
06/2019	0	506	0	0	356,649	0
07/2019	0	502	0	0	357,151	0
08/2019	0	498	0	0	357,649	0
09/2019	0	494	0	0	358,143	0
10/2019	0	490	0	0	358,633	0
11/2019	0	486	0	0	359,120	0
12/2019	0	483	0	0	359,603	0
01/2020	0	479	0	0	360,081	0
02/2020	0	475	0	0	360,556	0
03/2020	0	471	0	0	361,028	0
04/2020	0	468	0	0	361,495	0
05/2020	0	464	0	0	361,959	0
06/2020	0	460	0	0	362,420	0
07/2020	0	457	0	0	362,876	0
08/2020	0	453	0	0	363,330	0
Total:	0	363,330	0			

MONTHLY PRODUCTION FORECAST - FRUITLAND COAL

BASED ON AVERAGE PRODUCTION AND DECLINES FROM OFFSETS

Operator:	D.J. SIMMONS	Field Name:	BASIN (FRUITLAND COAL) FT
Lease Name:	A.B. GEREN (#7)	Location:	29N-9W-26
Reservoir:	FRUITLAND COAL	County, ST:	SAN JUAN, NM

Gas Curve:

Segment 1: 11/1999 - 11/2002

Start Rate: 7,000 mcf
 End Rate: 4,968 mcf
 Decline: 12.7281
 N Factor: 0.991999

Segment 2: 11/2002 - 11/2005

Start Rate: 4,968 mcf
 End Rate: 3,996 mcf
 Decline: 7.0004
 N Factor: 0.000000

Water Curve:

Segment 1: 11/1999 - 11/2002

Start Rate: 10 bbl
 End Rate: 7 bbl
 Decline: 13.0807
 N Factor: 0.899946

Segment 2: 11/2002 - 11/2004

Start Rate: 7 bbl
 End Rate: 6 bbl
 Decline: 7.4180
 N Factor: 0.000000

Date	Oil (bbl)	Gas (mcf)	Water (bbl)	OilCum (bbl)	GasCum (mcf)	WaterCum (bbl)
08/1999	0	0	0	0	0	0
09/1999	0	0	0	0	0	0
10/1999	0	0	0	0	0	0
11/1999	0	6,961	10	0	6,961	10
12/1999	0	6,883	10	0	13,843	20
01/2000	0	6,807	10	0	20,650	29
02/2000	0	6,733	10	0	27,383	39
03/2000	0	6,660	9	0	34,043	49
04/2000	0	6,589	9	0	40,632	58
05/2000	0	6,519	9	0	47,151	67
06/2000	0	6,451	9	0	53,602	76
07/2000	0	6,384	9	0	59,986	86
08/2000	0	6,319	9	0	66,304	95
09/2000	0	6,255	9	0	72,559	103
10/2000	0	6,192	9	0	78,751	112
11/2000	0	6,130	9	0	84,881	121
12/2000	0	6,070	9	0	90,951	130
01/2001	0	6,011	9	0	96,961	138
02/2001	0	5,953	8	0	102,914	147
03/2001	0	5,896	8	0	108,810	155
04/2001	0	5,840	8	0	114,649	163
05/2001	0	5,785	8	0	120,434	171
06/2001	0	5,731	8	0	126,165	180
07/2001	0	5,678	8	0	131,843	188
08/2001	0	5,626	8	0	137,470	196
09/2001	0	5,575	8	0	143,045	204
10/2001	0	5,525	8	0	148,571	211
11/2001	0	5,476	8	0	154,047	219
12/2001	0	5,428	8	0	159,475	227
01/2002	0	5,381	8	0	164,856	234
02/2002	0	5,334	8	0	170,189	242
03/2002	0	5,288	7	0	175,478	249
04/2002	0	5,243	7	0	180,721	257
05/2002	0	5,199	7	0	185,920	264
06/2002	0	5,155	7	0	191,075	271
07/2002	0	5,112	7	0	196,187	279

MONTHLY PRODUCTION FORECAST - FRUITLAND COAL

BASED ON AVERAGE PRODUCTION AND DECLINES FROM OFFSETS

Date	Oil (bbl)	Gas (mcf)	Water (bbl)	OilCum (bbl)	GasCum (mcf)	WaterCum (bbl)
08/2002	0	5,070	7	0	201,258	286
09/2002	0	5,029	7	0	206,287	293
10/2002	0	4,988	7	0	211,275	300
11/2002	0	4,953	7	0	216,228	307
12/2002	0	4,923	7	0	221,151	314
01/2003	0	4,893	7	0	226,044	321
02/2003	0	4,864	7	0	230,908	328
03/2003	0	4,835	7	0	235,743	334
04/2003	0	4,805	7	0	240,548	341
05/2003	0	4,776	7	0	245,325	348
06/2003	0	4,748	7	0	250,072	355
07/2003	0	4,719	7	0	254,792	361
08/2003	0	4,691	7	0	259,482	368
09/2003	0	4,662	7	0	264,144	374
10/2003	0	4,634	7	0	268,779	381
11/2003	0	4,606	6	0	273,385	387
12/2003	0	4,578	6	0	277,963	394
01/2004	0	4,551	6	0	282,514	400
02/2004	0	4,523	6	0	287,038	406
03/2004	0	4,496	6	0	291,534	413
04/2004	0	4,469	6	0	296,003	419
05/2004	0	4,442	6	0	300,445	425
06/2004	0	4,415	6	0	304,861	431
07/2004	0	4,389	6	0	309,249	437
08/2004	0	4,362	6	0	313,611	444
09/2004	0	4,336	6	0	317,947	450
10/2004	0	4,310	6	0	322,257	456
11/2004	0	4,284	6	0	326,541	462
12/2004	0	4,258	6	0	330,799	468
01/2005	0	4,232	6	0	335,031	473
02/2005	0	4,207	6	0	339,238	479
03/2005	0	4,181	6	0	343,420	485
04/2005	0	4,156	6	0	347,576	491
05/2005	0	4,131	6	0	351,707	497
06/2005	0	4,106	6	0	355,813	502
07/2005	0	4,081	6	0	359,895	508
08/2005	0	4,057	6	0	363,952	514
09/2005	0	4,032	6	0	367,984	519
10/2005	0	4,008	6	0	371,992	525
11/2005	0	3,984	6	0	375,976	530
12/2005	0	3,960	6	0	379,936	536
01/2006	0	3,936	5	0	383,872	541
02/2006	0	3,912	5	0	387,784	547
03/2006	0	3,889	5	0	391,673	552
04/2006	0	3,865	5	0	395,538	558
05/2006	0	3,842	5	0	399,380	563
06/2006	0	3,819	5	0	403,199	568
07/2006	0	3,796	5	0	406,995	573
08/2006	0	3,773	5	0	410,768	579
09/2006	0	3,750	5	0	414,518	584
10/2006	0	3,728	5	0	418,245	589
11/2006	0	3,705	5	0	421,950	594
12/2006	0	3,683	5	0	425,633	599
01/2007	0	3,660	5	0	429,294	604
02/2007	0	3,638	5	0	432,932	609

MONTHLY PRODUCTION FORECAST - FRUITLAND COAL

BASED ON AVERAGE PRODUCTION AND DECLINES FROM OFFSETS

Date	Oil (bbl)	Gas (mcf)	Water (bbl)	OilCum (bbl)	GasCum (mcf)	WaterCum (bbl)
03/2007	0	3,616	5	0	436,549	614
04/2007	0	3,595	5	0	440,143	619
05/2007	0	3,573	5	0	443,716	624
06/2007	0	3,551	5	0	447,268	629
07/2007	0	3,530	5	0	450,798	634
08/2007	0	3,509	5	0	454,307	639
09/2007	0	3,488	5	0	457,794	644
10/2007	0	3,467	5	0	461,261	648
11/2007	0	3,446	5	0	464,706	653
12/2007	0	3,425	5	0	468,131	658
01/2008	0	3,404	5	0	471,536	663
02/2008	0	3,384	5	0	474,919	667
03/2008	0	3,363	5	0	478,283	672
04/2008	0	3,343	5	0	481,626	676
05/2008	0	3,323	5	0	484,949	681
06/2008	0	3,303	5	0	488,251	686
07/2008	0	3,283	5	0	491,534	690
08/2008	0	3,263	4	0	494,797	695
09/2008	0	3,243	4	0	498,041	699
10/2008	0	3,224	4	0	501,265	703
11/2008	0	3,204	4	0	504,469	708
12/2008	0	3,185	4	0	507,654	712
01/2009	0	3,166	4	0	510,820	717
02/2009	0	3,147	4	0	513,967	721
03/2009	0	3,128	4	0	517,095	725
04/2009	0	3,109	4	0	520,204	729
05/2009	0	3,090	4	0	523,294	734
06/2009	0	3,072	4	0	526,366	738
07/2009	0	3,053	4	0	529,419	742
08/2009	0	3,035	4	0	532,454	746
09/2009	0	3,016	4	0	535,470	750
10/2009	0	2,998	4	0	538,469	754
11/2009	0	2,980	4	0	541,449	758
12/2009	0	2,962	4	0	544,411	762
01/2010	0	2,944	4	0	547,355	766
02/2010	0	2,927	4	0	550,282	770
03/2010	0	2,909	4	0	553,191	774
04/2010	0	2,891	4	0	556,082	778
05/2010	0	2,874	4	0	558,956	782
06/2010	0	2,857	4	0	561,813	786
07/2010	0	2,839	4	0	564,652	790
08/2010	0	2,822	4	0	567,474	794
09/2010	0	2,805	4	0	570,279	798
10/2010	0	2,788	4	0	573,068	801
11/2010	0	2,772	4	0	575,839	805
12/2010	0	2,755	4	0	578,594	809
01/2011	0	2,738	4	0	581,332	813
02/2011	0	2,722	4	0	584,054	816
03/2011	0	2,705	4	0	586,759	820
04/2011	0	2,689	4	0	589,448	824
05/2011	0	2,673	4	0	592,121	827
06/2011	0	2,657	4	0	594,778	831
07/2011	0	2,641	4	0	597,418	835
08/2011	0	2,625	4	0	600,043	838
09/2011	0	2,609	4	0	602,652	842

MONTHLY PRODUCTION FORECAST - FRUITLAND COAL

BASED ON AVERAGE PRODUCTION AND DECLINES FROM OFFSETS

Date	Oil (bbl)	Gas (mcf)	Water (bbl)	OilCum (bbl)	GasCum (mcf)	WaterCum (bbl)
10/2011	0	2,593	4	0	605,245	845
11/2011	0	2,578	3	0	607,822	849
12/2011	0	2,562	3	0	610,384	852
01/2012	0	2,547	3	0	612,931	856
02/2012	0	2,531	3	0	615,462	859
03/2012	0	2,516	3	0	617,978	862
04/2012	0	2,501	3	0	620,479	866
05/2012	0	2,486	3	0	622,964	869
06/2012	0	2,471	3	0	625,435	872
07/2012	0	2,456	3	0	627,891	876
08/2012	0	2,441	3	0	630,332	879
09/2012	0	2,426	3	0	632,758	882
10/2012	0	2,412	3	0	635,170	886
11/2012	0	2,397	3	0	637,567	889
12/2012	0	2,383	3	0	639,949	892
01/2013	0	2,368	3	0	642,318	895
02/2013	0	2,354	3	0	644,672	898
03/2013	0	2,340	3	0	647,011	901
04/2013	0	2,326	3	0	649,337	905
05/2013	0	2,312	3	0	651,649	908
06/2013	0	2,298	3	0	653,946	911
07/2013	0	2,284	3	0	656,230	914
08/2013	0	2,270	3	0	658,500	917
09/2013	0	2,256	3	0	660,757	920
10/2013	0	2,243	3	0	662,999	923
11/2013	0	2,229	3	0	665,229	926
12/2013	0	2,216	3	0	667,444	929
01/2014	0	2,202	3	0	669,647	932
02/2014	0	2,189	3	0	671,836	935
03/2014	0	2,176	3	0	674,012	938
04/2014	0	2,163	3	0	676,175	941
05/2014	0	2,150	3	0	678,325	943
06/2014	0	2,137	3	0	680,462	946
07/2014	0	2,124	3	0	682,586	949
08/2014	0	2,111	3	0	684,697	952
09/2014	0	2,098	3	0	686,795	955
10/2014	0	2,086	3	0	688,881	958
11/2014	0	2,073	3	0	690,954	960
12/2014	0	2,061	3	0	693,015	963
01/2015	0	2,048	3	0	695,063	966
02/2015	0	2,036	3	0	697,099	969
03/2015	0	2,024	3	0	699,123	971
04/2015	0	2,011	3	0	701,134	974
05/2015	0	1,999	3	0	703,134	977
06/2015	0	1,987	3	0	705,121	979
07/2015	0	1,975	3	0	707,096	982
08/2015	0	1,963	3	0	709,060	984
09/2015	0	1,952	3	0	711,011	987
10/2015	0	1,940	3	0	712,951	990
11/2015	0	1,928	3	0	714,879	992
12/2015	0	1,916	3	0	716,795	995
01/2016	0	1,905	3	0	718,700	997
02/2016	0	1,893	3	0	720,594	1,000
03/2016	0	1,882	2	0	722,476	1,002
04/2016	0	1,871	2	0	724,346	1,005

MONTHLY PRODUCTION FORECAST - FRUITLAND COAL

BASED ON AVERAGE PRODUCTION AND DECLINES FROM OFFSETS

Date	Oil (bbl)	Gas (mcf)	Water (bbl)	OilCum (bbl)	GasCum (mcf)	WaterCum (bbl)
05/2016	0	1,859	2	0	726,206	1,007
06/2016	0	1,848	2	0	728,054	1,010
07/2016	0	1,837	2	0	729,891	1,012
08/2016	0	1,826	2	0	731,717	1,015
09/2016	0	1,815	2	0	733,532	1,017
10/2016	0	1,804	2	0	735,336	1,019
11/2016	0	1,793	2	0	737,129	1,022
12/2016	0	1,782	2	0	738,911	1,024
01/2017	0	1,772	2	0	740,683	1,026
02/2017	0	1,761	2	0	742,444	1,029
03/2017	0	1,750	2	0	744,194	1,031
04/2017	0	1,740	2	0	745,934	1,033
05/2017	0	1,729	2	0	747,663	1,036
06/2017	0	1,719	2	0	749,382	1,038
07/2017	0	1,708	2	0	751,090	1,040
08/2017	0	1,698	2	0	752,788	1,042
09/2017	0	1,688	2	0	754,476	1,045
10/2017	0	1,678	2	0	756,154	1,047
11/2017	0	1,668	2	0	757,821	1,049
12/2017	0	1,658	2	0	759,479	1,051
01/2018	0	1,648	2	0	761,126	1,053
02/2018	0	1,638	2	0	762,764	1,055
03/2018	0	1,628	2	0	764,392	1,058
04/2018	0	1,618	2	0	766,010	1,060
05/2018	0	1,608	2	0	767,618	1,062
06/2018	0	1,598	2	0	769,216	1,064
07/2018	0	1,589	2	0	770,805	1,066
08/2018	0	1,579	2	0	772,384	1,068
09/2018	0	1,570	2	0	773,954	1,070
10/2018	0	1,560	2	0	775,514	1,072
11/2018	0	1,551	2	0	777,065	1,074
12/2018	0	1,541	2	0	778,607	1,076
01/2019	0	1,532	2	0	780,139	1,078
02/2019	0	1,523	2	0	781,662	1,080
03/2019	0	1,514	2	0	783,176	1,082
04/2019	0	1,505	2	0	784,680	1,084
05/2019	0	1,496	2	0	786,176	1,086
06/2019	0	1,487	2	0	787,662	1,088
07/2019	0	1,478	2	0	789,140	1,090
08/2019	0	1,469	2	0	790,609	1,092
09/2019	0	1,460	2	0	792,068	1,094
10/2019	0	1,451	2	0	793,519	1,096
11/2019	0	1,442	2	0	794,962	1,098
12/2019	0	1,434	2	0	796,395	1,100
01/2020	0	1,425	2	0	797,820	1,101
02/2020	0	1,416	2	0	799,237	1,103
03/2020	0	1,408	2	0	800,644	1,105
04/2020	0	1,399	2	0	802,044	1,107
05/2020	0	1,391	2	0	803,435	1,109
06/2020	0	1,382	2	0	804,817	1,111
07/2020	0	1,374	2	0	806,191	1,112
08/2020	0	1,366	2	0	807,557	1,114
09/2020	0	1,358	2	0	808,915	1,116
10/2020	0	1,349	2	0	810,264	1,118
11/2020	0	1,341	2	0	811,606	1,119

MONTHLY PRODUCTION FORECAST - FRUITLAND COAL

BASED ON AVERAGE PRODUCTION AND DECLINES FROM OFFSETS

Date	Oil (bbl)	Gas (mcf)	Water (bbl)	OilCum (bbl)	GasCum (mcf)	WaterCum (bbl)
12/2020	0	1,333	2	0	812,939	1,121
01/2021	0	1,325	2	0	814,264	1,123
02/2021	0	1,317	2	0	815,581	1,124
03/2021	0	1,309	2	0	816,890	1,126
04/2021	0	1,301	2	0	818,192	1,128
05/2021	0	1,294	2	0	819,485	1,130
06/2021	0	1,286	2	0	820,771	1,131
07/2021	0	1,278	2	0	822,049	1,133
08/2021	0	1,270	2	0	823,319	1,135
09/2021	0	1,263	2	0	824,582	1,136
10/2021	0	1,255	2	0	825,837	1,138
11/2021	0	1,247	2	0	827,084	1,139
12/2021	0	1,240	2	0	828,324	1,141
01/2022	0	1,232	2	0	829,557	1,143
02/2022	0	1,225	2	0	830,782	1,144
03/2022	0	1,218	2	0	831,999	1,146
04/2022	0	1,210	2	0	833,209	1,147
05/2022	0	1,203	2	0	834,412	1,149
06/2022	0	1,196	2	0	835,608	1,150
07/2022	0	1,189	2	0	836,797	1,152
08/2022	0	1,181	2	0	837,978	1,153
09/2022	0	1,174	2	0	839,152	1,155
10/2022	0	1,167	2	0	840,319	1,156
11/2022	0	1,160	1	0	841,479	1,158
12/2022	0	1,153	1	0	842,632	1,159
01/2023	0	1,146	1	0	843,779	1,161
02/2023	0	1,139	1	0	844,918	1,162
03/2023	0	1,132	1	0	846,050	1,164
04/2023	0	1,126	1	0	847,176	1,165
05/2023	0	1,119	1	0	848,295	1,167
06/2023	0	1,112	1	0	849,407	1,168
07/2023	0	1,105	1	0	850,512	1,170
08/2023	0	1,099	1	0	851,610	1,171
09/2023	0	1,092	1	0	852,702	1,172
10/2023	0	1,085	1	0	853,788	1,174
11/2023	0	1,079	1	0	854,867	1,175
12/2023	0	1,072	1	0	855,939	1,177
01/2024	0	1,066	1	0	857,005	1,178
02/2024	0	1,059	1	0	858,065	1,179
03/2024	0	1,053	1	0	859,118	1,181
04/2024	0	1,047	1	0	860,164	1,182
05/2024	0	1,040	1	0	861,205	1,183
06/2024	0	1,034	1	0	862,239	1,185
07/2024	0	1,028	1	0	863,267	1,186
08/2024	0	1,022	1	0	864,289	1,187
09/2024	0	1,016	1	0	865,304	1,189
10/2024	0	1,009	1	0	866,314	1,190
11/2024	0	1,003	1	0	867,317	1,191
12/2024	0	997	1	0	868,314	1,192
01/2025	0	991	1	0	869,306	1,194
02/2025	0	985	1	0	870,291	1,195
03/2025	0	979	1	0	871,270	1,196
04/2025	0	973	1	0	872,244	1,197
05/2025	0	968	1	0	873,212	1,199
06/2025	0	962	1	0	874,173	1,200

MONTHLY PRODUCTION FORECAST - FRUITLAND COAL

BASED ON AVERAGE PRODUCTION AND DECLINES FROM OFFSETS

Date	Oil (bbl)	Gas (mcf)	Water (bbl)	OilCum (bbl)	GasCum (mcf)	WaterCum (bbl)
07/2025	0	956	1	0	875,129	1,201
08/2025	0	950	1	0	876,080	1,202
09/2025	0	944	1	0	877,024	1,203
10/2025	0	939	1	0	877,963	1,205
11/2025	0	933	1	0	878,896	1,206
12/2025	0	927	1	0	879,823	1,207
01/2026	0	922	1	0	880,745	1,208
02/2026	0	916	1	0	881,662	1,209
03/2026	0	911	1	0	882,573	1,210
04/2026	0	905	1	0	883,478	1,212
05/2026	0	900	1	0	884,378	1,213
06/2026	0	894	1	0	885,272	1,214
07/2026	0	889	1	0	886,161	1,215
08/2026	0	884	1	0	887,045	1,216
09/2026	0	878	1	0	887,923	1,217
10/2026	0	873	1	0	888,796	1,218
11/2026	0	868	1	0	889,664	1,219
12/2026	0	863	1	0	890,527	1,221
01/2027	0	857	1	0	891,384	1,222
02/2027	0	852	1	0	892,236	1,223
03/2027	0	847	1	0	893,083	1,224
04/2027	0	842	1	0	893,925	1,225
05/2027	0	837	1	0	894,762	1,226
06/2027	0	832	1	0	895,594	1,227
07/2027	0	827	1	0	896,421	1,228
08/2027	0	822	1	0	897,243	1,229
09/2027	0	817	1	0	898,059	1,230
10/2027	0	812	1	0	898,871	1,231
11/2027	0	807	1	0	899,678	1,232
12/2027	0	802	1	0	900,481	1,233
01/2028	0	797	1	0	901,278	1,234
02/2028	0	793	1	0	902,071	1,235
03/2028	0	788	1	0	902,858	1,236
04/2028	0	783	1	0	903,641	1,237
05/2028	0	778	1	0	904,420	1,238
06/2028	0	774	1	0	905,193	1,239
07/2028	0	769	1	0	905,962	1,240
08/2028	0	764	1	0	906,727	1,241
09/2028	0	760	1	0	907,486	1,242
10/2028	0	755	1	0	908,241	1,243
11/2028	0	751	1	0	908,992	1,244
12/2028	0	746	1	0	909,738	1,245
01/2029	0	742	1	0	910,479	1,246
02/2029	0	737	1	0	911,216	1,247
03/2029	0	733	1	0	911,949	1,247
04/2029	0	728	1	0	912,677	1,248
05/2029	0	724	1	0	913,401	1,249
06/2029	0	719	1	0	914,121	1,250
07/2029	0	715	1	0	914,836	1,251
08/2029	0	711	1	0	915,546	1,252
09/2029	0	707	1	0	916,253	1,253
10/2029	0	702	1	0	916,955	1,254
11/2029	0	698	1	0	917,653	1,255
12/2029	0	694	1	0	918,347	1,255
01/2030	0	690	1	0	919,037	1,256

MONTHLY PRODUCTION FORECAST - FRUITLAND COAL

BASED ON AVERAGE PRODUCTION AND DECLINES FROM OFFSETS

Date	Oil (bbl)	Gas (mcf)	Water (bbl)	OilCum (bbl)	GasCum (mcf)	WaterCum (bbl)
02/2030	0	685	1	0	919,722	1,257
03/2030	0	681	1	0	920,403	1,258
04/2030	0	677	1	0	921,081	1,259
05/2030	0	673	1	0	921,754	1,260
06/2030	0	669	1	0	922,423	1,261
07/2030	0	665	1	0	923,088	1,261
08/2030	0	661	1	0	923,749	1,262
09/2030	0	657	1	0	924,406	1,263
10/2030	0	653	1	0	925,059	1,264
11/2030	0	649	1	0	925,708	1,265
12/2030	0	645	1	0	926,353	1,265
Total:	0	926,353	1,265			

D. J. Simmons, Inc.

**Downhole Commingle Application
A. B. Geren #7**

ALLOCATION METHOD

D. J. Simmons, Inc. proposes to allocate production from the A. B. Geren #7 well by a difference method. Presented as Attachment #5 is a tabular listing of expected future production from the Otero Chacra formation in this well. This future production was calculated from the current production trend as well as from average declines of offsetting Otero Chacra wells. This trend is shown graphically in the production decline curve for the Otero Chacra formation presented in Attachment #3.

Once the Fruitland Coal formation is completed in this well and it's production is commingled downhole with the Otero Chacra formation, the total well production for a given month will be compared to the expected Otero Chacra formation production for that month. The amount of actual production above the expected Otero Chacra formation production will be the production allocated to the Fruitland Coal formation. If for any reason the total well production for a given month is less than the expected Otero Chacra formation production, all of the actual production will be allocated to the Otero Chacra formation and none will be allocated to the Fruitland Coal formation.

EXAMPLE:

Assume actual production for the A. B. Geren well for March 2000 is 9,500 MCF of gas. From Attachment #5, the expected Otero Chacra gas production is 3,125 MCF. Therefore, allocation will be as follows:

	<u>Gas (MCF)</u>
Total Production:	9,500
Otero Chacra Allocation:	3,125
Fruitland Coal Allocation:	6,375

D.J. SIMMONS, INC.

August 30, 1999

Certified Mail – Return Receipt Requested

TO: All Interested Parties Entitled To Notice

Re: Application for Downhole Commingling
D. J. Simmons, Inc.
A. B. Geren #7 well
590' FSL and 1750' FEL
Section 26, T29N – R9W, M.N.P.M.
San Juan County, New Mexico

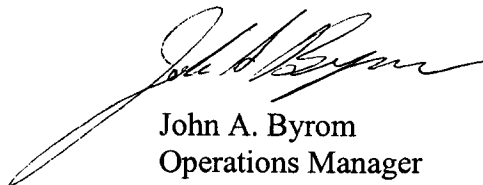
Gentlemen:

Attached you will find D. J. Simmons, Inc.'s Application to Downhole Commingle the Otero Chacra and Fruitland Coal formations in the A. B. Geren #7 well referenced above. Notice of this application is being sent to you in fulfillment of New Mexico Oil Conservation Division Rules requiring notification to all offset operators as well as working, royalty, and overriding royalty interest owners of this well.

As a party whose interest may be affected by this application, D. J. Simmons, Inc. is notifying you of your right to support or oppose this action to the New Mexico Oil Conservation Division, 2040 South Pacheco, Santa Fe, New Mexico 87505-6429. Your participation in this case must be noted within 20 days of receipt of this notice. Failure to respond within this time frame may preclude you from any involvement in this application at a later date.

If you have any questions concerning this application, please contact me at the below letterhead address.

Sincerely,



John A. Byrom
Operations Manager

Attachments

D. J. Simmons, Inc.

**Downhole Commingle Application
A. B. Geren #7**

LIST OF ALL OFFSET OPERATIONS NOTIFIED

Name	Address	City/State	Zip Code	Date Mailed	Certified Mail Receipt #
Amoco Production Co.	P. O. Box 800	Denver, CO	80201	8/30/99	P 386 815 940
Burlington Resources Oil and Gas Company	P. O. Box 4229	Farmington, NM	87499	8/30/99	P 386 815 939

D. J. Simmons, Inc.

Downhole Commingle Application A. B. Geren #7

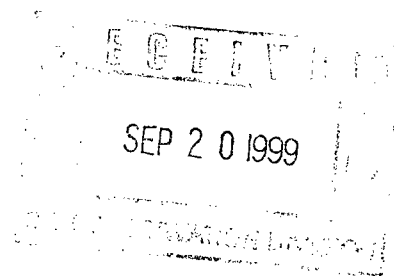
LIST OF ALL WELL INTEREST OWNERS NOTIFIED

NAME	ADDRESS	CITY/STATE	ZIP CODE	DATE MAILED	CERTIFIED MAIL RECEIPT #
1. Bureau of Land Management	1235 LaPlata Hwy, Suit A	Farmington, NM	87401	8/30/99	P 386 815 916
2. Mrs. Jerry J. Andrews	408 Longwoods	Houston, TX	77024	8/30/99	P 386 815 923
3. Mary Jeanne Simmons Banks	2104 Winter Sunday Way	Arlington, TX	76012	8/30/99	P 386 815 931
4. Robert L. Bayless, Producer LLC	P. O. Box 168	Farmington, NM	87499	8/30/99	P 386 815 915
5. R. E. Beamon III % Alma B. Anderson, Deceased	2603 Augusta, Suite 1050	Houston, TX	77057	8/30/99	P 386 815 924
6. Robert Beamon	2603 Augusta, Suite 1050	Houston, TX	77057	8/30/99	P 386 815 932
7. Ashley & Susan Bracken	P. O. Box 7550	Tyler, TX	75711	8/30/99	P 386 815 918
8. ENCAP Investments	1100 Louisana, Suite 3150	Houston, TX	77002	8/30/99	P 386 815 926
9. E. D. Fiedorek Defined Benefit Plan E. C. Fiedorek, TTEE	5407 Creek Arbor Court	Dallas, TX	75287	8/30/99	P 386 815 933
10. Claudia Lundell Gilmer	30 Golden Place	The Woodlands, TX	77381	8/30/99	P 386 815 917
11. David Frank Henderson, Jr.	2691 Capella	Thousand Oaks, CA	91362	8/30/99	P 386 815 925
12. R. A. Jennings	P. O. Box 3759	Midland, TX	79702	8/30/99	P 386 815 934
13. Betty T. Johnston Marital Trust	2425 Fountainview #310	Houston, TX	77057	8/30/99	P 386 815 920
14. Eula May Johnston Trust Nations Bank, N.A., Trustee U/A	P. O. Box 840738	Dallas, TX	75284	8/30/99	P 386 815 928
15. V. A. Johnston Family Trust	P. O. Box 925	Ralls, TX	79357	8/30/99	P 386 815 936
16. Linda Lundell Lindsey	P. O. Box 631565	Nacogdoches, TX	75963	8/30/99	P 386 815 919
17. June Simmons Lively	3529 Bellaire Drive North	Fort Worth, TX	76109	8/30/99	P 386 815 927
18. Walter Robert Lundell	2450 Fondren #304	Houston, TX	77063	8/30/99	P 386 815 935
19. Estate of Jean Ashley Reese % David Reese	2203 North Belmont	Richmond, TX	77469	8/30/99	P 386 815 922
20. Rogers – Gibbard Trust C/O Susan Rogers Eveland	3630 River Oaks Court	Tyler, TX	75707	8/30/99	P 386 815 929
21. Helen Louise Simmons	2429 Wabash Ave.	Fort Worth, TX	76109	8/30/99	P 386 815 938
22. San Juan Basin Pool C/O Eugene Phillips	P. O. Box 1237	Panhandle, TX	79068	8/30/99	P 386 815 921
23. Carolee Simmons Smith	5717 Jacqueline Rd.	Fort Worth, TX	76112	8/30/99	P 386 815 930
24. Union Oil of California ATTN: Revenue Accounting	P. O. Box 841055	Dallas, TX	75284	8/30/99	P 386 815 937

NAME	ADDRESS	CITY/STATE	ZIP CODE	DATE MAILED	CERTIFIED MAIL RECEIPT #
25. James A. Williams	unknown				

Sept 16, 1999

New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico
87505-6429



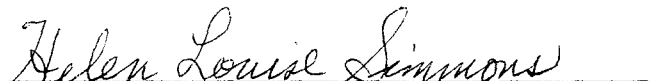
Re: D. J. Simmons, Inc.
A. B. Geren #7 well
590' FSL and 1750' FEL
Section 26, T29N - R9W, M.N.PM.
San Juan County, New Mexico

Gentlemen:

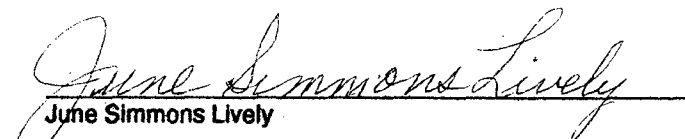
The undersigned Overriding Royalty interest owners concur with the Downhole
Commingling of the Otero Chacra and Fruitland Coal formations in the above
referenced well.

Sincerely,


Mary Jeanne Simmons Banks


Helen Louise Simmons


Carolee Simmons Smith


June Simmons Lively

CC: A. B. Geren
P. O. Box 1469
3005 Northridge Dr.
Farmington, N. M. 87499