

DISTRICT I  
1625 N. French Dr., Hobbs, NM 88240  
DISTRICT II  
811 South First St., Artesia, NM 88210  
DISTRICT III  
1000 Rio Brazos Rd, Aztec, NM 87410  
DISTRICT IV  
2040 S. Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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

DHC 11/21/99  
Form C-107-A  
Revised August 1999

APPROVAL PROCESS:

☒ Administrative ☐ Hearing

EXISTING WELLBORE

☒ YES ☐ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Operator Horace F. McKay, Jr. Address P.O. Box 14738 Albuquerque, NM 87191-4738

Lease Uptegrove Well No. 1R Unit Ltr. - Sec - Twp - Rge J-Sec. 2, T30N, R12W County San Juan

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 010715 Property Code API NO. 30-045-29940 Federal State (and/or) Fee X

| The following facts are submitted in support of downhole commingling:   | Upper Zone  | Intermediate Zone | Lower Zone                              |
|---|---|-------------------|---|
| 1. Pool Name and Pool Code  | Flora Vista Fr. Sand<br>76600                             |                   | Aztec PC<br>71280                       |
| 2. Top and Bottom of Pay Section (Perforations)   | 1850' - 1876'   |                   | 2088' - 2122'                           |
| 3. Type of production (Oil or Gas)  | Gas   |                   | Gas                                     |
| 4. Method of Production (Flowing or Artificial Lift)  | Flowing   |                   | Flowing                                 |
| 5. Bottomhole Pressure<br>Oil Zones - Artificial Lift:<br>Estimated Current<br>Gas & Oil - Flowing:<br>Measured Current<br>All Gas Zones:<br>Estimated Or Measured Original   | a. (Current)<br>290 (est.)<br>b. (Original)<br>600 (est.) | a.<br><br>b.      | a.<br>210 (est.)<br>b.<br>750 (est.)    |
| 6. Oil Gravity (EAPI) or Gas BTU Content  | 1150 (est.)   |                   | 1150 (est.)                             |
| 7. Producing or Shut-in?  | Shut-in   |                   | Shut-in                                 |
| Production Marginal? (yes or no)  | Yes   |                   | Yes                                     |
| * If Shut-In, give date and oil/gas/water rates of last production<br>Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data<br>* If Producing, give date and oil/gas/water rates of recent test (within 60 days) | Date: 10/1/99<br>Rates: 120 MCFD, 6 BWPD                  | Date:<br>Rates:   | Date: 9/21/99<br>Rates: 80 MCFD, 5 BWPD |
| 8. Fixed Percentage Allocation Formula - % for each zone (total of %'s to equal 100%)   | Oil: % Gas: %<br>60                                       | Oil: % Gas: %     | Oil: % Gas: %<br>40                     |

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? ☒ Yes ☐ No  
If not, have all working, overriding, and royalty interests been notified by certified mail? ☐ 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 formula and royalty.
- \* 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 Dana L. Delventhal TITLE Agent DATE 10/11/99

TYPE OR PRINT NAME Dana L. Delventhal TELEPHONE NO. (505) 326-4125

☒ AMENDED REPORT

|                              |                         |   |  |
|------------------------------|-------------------------|---|--|
| <p><b>16</b></p><br><br><br> | <p>FD. BLM BC. 1975</p> | <p><b>17</b></p> <p align="center"><b>OPERATOR CERTIFICATION</b></p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <hr/> <p><i>Dana L. Delventhal</i></p> <p>Signature</p> <hr/> <p><b>Dana L. Delventhal</b></p> <p>Printed Name</p> <hr/> <p><b>Agent</b></p> <p>Title</p> <hr/> <p><b>July 6, 1999</b></p> <p>Date</p> | <p><b>18</b></p> <p align="center"><b>SURVEYOR CERTIFICATION</b></p> <p><i>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.</i></p> <hr/> <p><b>6-30 RAY A. RUSH</b></p> <p>Date of Survey</p> <hr/> <p><b>NEW MEXICO</b></p> <p>Registered Professional Land Surveyor</p> <hr/> <p><b>8894</b></p> <p>Certificate Number</p> |
|------------------------------|-------------------------|---|--|

Submit 2 copies to Appropriate  
District Office.

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

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

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-116  
Revised 1/1/89

## OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

### GAS - OIL RATIO TEST

|  |             |  |   |   |                 |               |              |                         |                            |                   |                |              |                              |
|--|-------------|--|---|---|-----------------|---------------|--------------|-------------------------|----------------------------|-------------------|----------------|--------------|------------------------------|
| Operator<br>Horace F. McKay, Jr.   |             | Pool<br>Flora Vista Fruitland Sand / Aztec Pictured Cliffs |   | County<br>San Juan  |                 |               |              |                         |                            |                   |                |              |                              |
| Address<br>P. O. Box 14738 Albuquerque, NM 87191-4738                    |             | TYPE OF<br>TEST - (X)                                      |   | Completion<br><input checked="" type="checkbox"/> Special<br><input type="checkbox"/> |                 |               |              |                         |                            |                   |                |              |                              |
| LEASE NAME   | WELL<br>NO. | LOCATION   |   |   | DATE OF<br>TEST | CHOKE<br>SIZE | TBG<br>PRESS | DAILY<br>ALLOW-<br>ABLE | Length of<br>TEST<br>HOURS | PROD. DURING TEST |                |              | GAS-OIL<br>RATIO<br>CU. FT/R |
|  |             | U  | S | T   |                 |               |              |                         |                            | R                 | WATER<br>BBLs. | GRAV.<br>OIL |                              |
| Uptegrove<br><br>Flora Vista Fruitland Sand<br><br>Aztec Pictured Cliffs | 1R          | J  | 2 | 30N   | 12W             | 10/1/99       | F            | 15                      |                            | 24                | 6              | 0            | 120                          |
|  |             |  |   |   |                 | 9/21/99       | F            | 5                       |                            | 24                | 5              | 0            | 80                           |

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

#### Instructions:

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Division.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60 F.

Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

(See Rule 301, Rule 1116 & appropriate pool rules.)

Signature

*Dana S. Delventhal*

Printed name and title

Dana L. Delventhal, Agent

Date

10/11/99

Telephone No.

(505) 326-4125