

DATE IN 1/3/00	SUSPENSE 1/24/00	ENGINEER DC	LOGGED M	TYPE DHC
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

2601

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
[DD-Directional Drilling] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

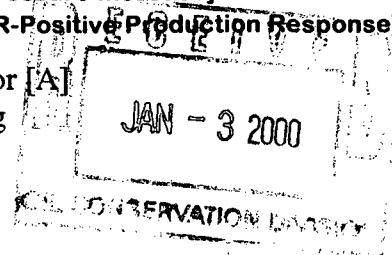
[A] Location - Spacing Unit - Directional Drilling
NSL NSP DD SD

Check One Only for [B] and [C]

[B] Commingling - Storage - Measurement

X DHC CTB PLC PC OLS OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
WFX PMX SWD IPI EOR PPR



[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

[A] Working, Royalty or Overriding Royalty Interest Owners

[B] Offset Operators, Leaseholders or Surface Owner

[C] Application is One Which Requires Published Legal Notice

[D] X Notification and/or Concurrent Approval by BLM or SLO

U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] Waivers are Attached

[3] **INFORMATION / DATA SUBMITTED IS COMPLETE** - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Peggy Cole

Regulatory/Compliance Administrator

Print or Type Name

Signature

Title

Date

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

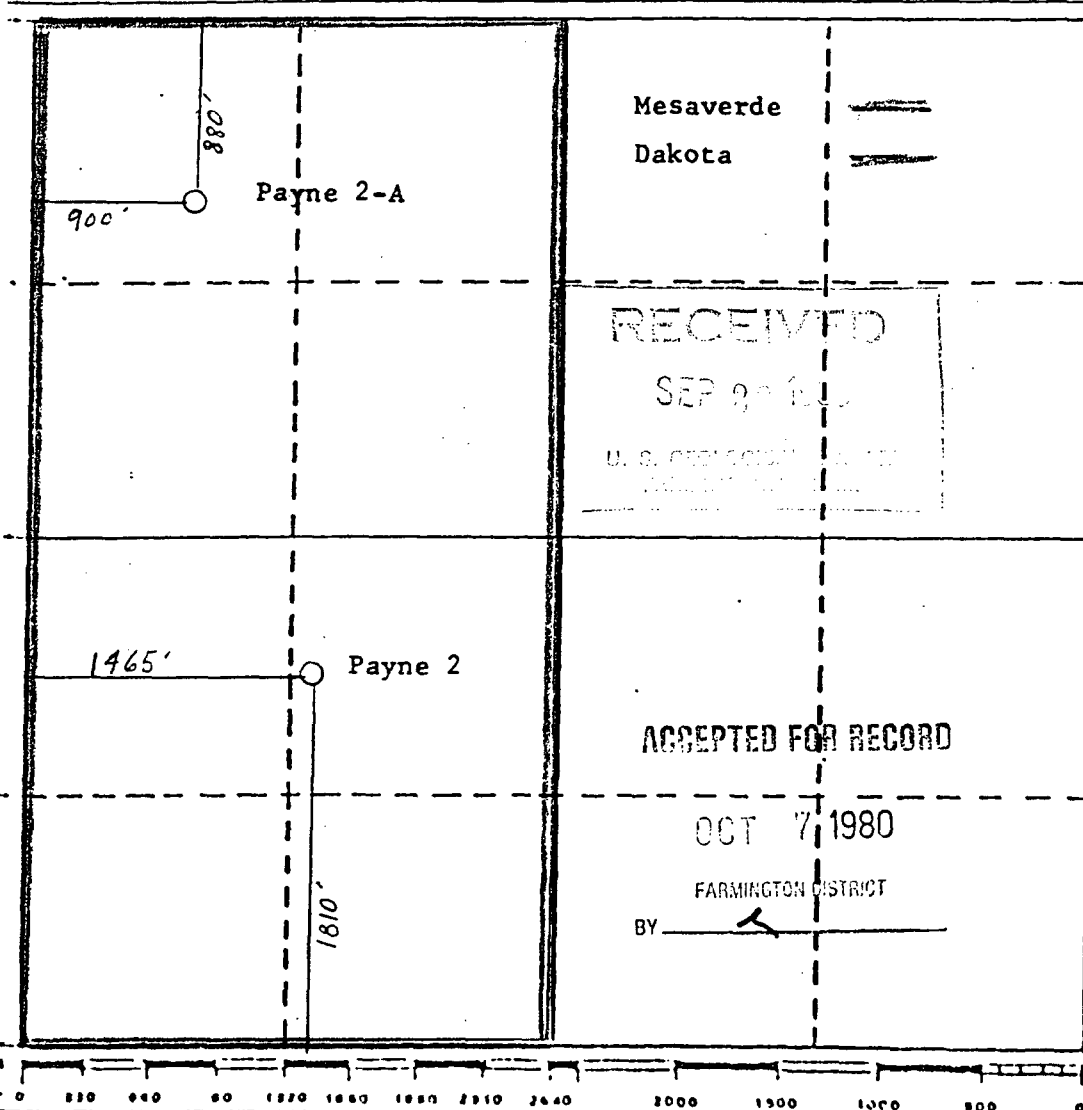
Operator SUPRON ENERGY CORPORATION			Lease PAYNE		Well No. 2-A
Unit Letter D	Section 21	Township 32 North	Range 10 West	County San Juan	
Actual Postage Location of Well:					
880 feet from the NORTH line and		900 feet from the WEST line			
Ground Level Elev. 6282	Producing Formation ME SAVERDE DAKOTA	Pool BLANCO BASIN	Dedicated Acreage W/2 315.56 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 Dakota - Communitization

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 Division.



CERTIFICATION

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

Kenneth E. Roddy
Name

Kenneth E. Roddy

Position

Area Superintendent

Company

Supron Energy Corporation

Date

September 26, 1980

MICHAEL D. GAY
I hereby certify that the well location shown on this plat was plotted from field notes and/or surveys made by me or under my supervision, and that the same is true to the best of my knowledge and belief.

Date Surveyed

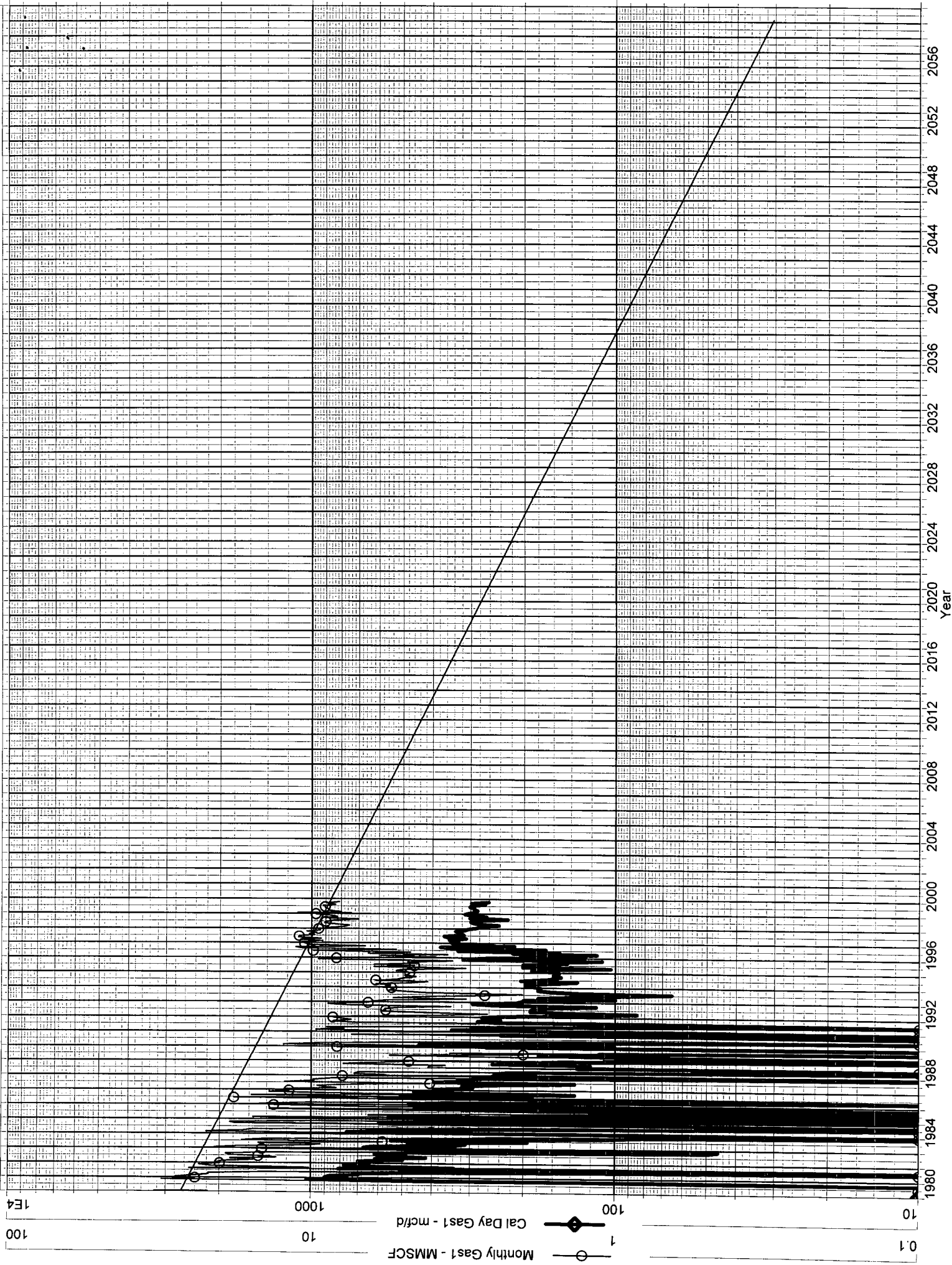
27 February 1979

Registered Professional Engineer
and/or Land Surveyor

Michael D. Gay

Certificate No.

5992



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

Form C-107-A
Revised August 1999

APPROVAL PROCESS:

☒ Administrative ☐ Hearing

EXISTING WELLBORE

☒ YES ☐ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Burlington Resources Oil and Gas

PO Box 4289, Farmington, NM 87499

Operator
Payne

2A

Address
D-21-32N-10W

San Juan

Lease

Well No.

Unit Ltr. - Sec - Twp - Rge

County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 14538 Property Code 7379 API NO. 30-045-23910 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 Mesaverde- 72319		Basin Dakota- 71399
2. Top and Bottom of Pay Section (Perforations)	4978-5191		7584-7718
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: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) 519 psi (see attachment) b. (Original) 740 psi (see attachment)	a. b.	a. 471 psi (see attachment) b. 3247 psi (see attachment)
6. Oil Gravity (EAPI) or Gas BTU Content	BTU 1102		BTU 1031
7. Producing or Shut-In?	Producing		Producing
Production Marginal? (yes or no)	Yes		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 * If Producing, give date and oil/gas/ water rates of recent test (within 60 days)	Date: Rates: Date: 10/31/99 Rates: 18 mcf/d	Date: Rates: Date: Rates:	Date: Rates: Date: 10/31/99 Rates: 278 mcf/d
8. Fixed Percentage Allocation Formula -% for each zone (total of %'s to equal 100%)	Will be supplied upon completion.		Will be supplied upon completion.

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).

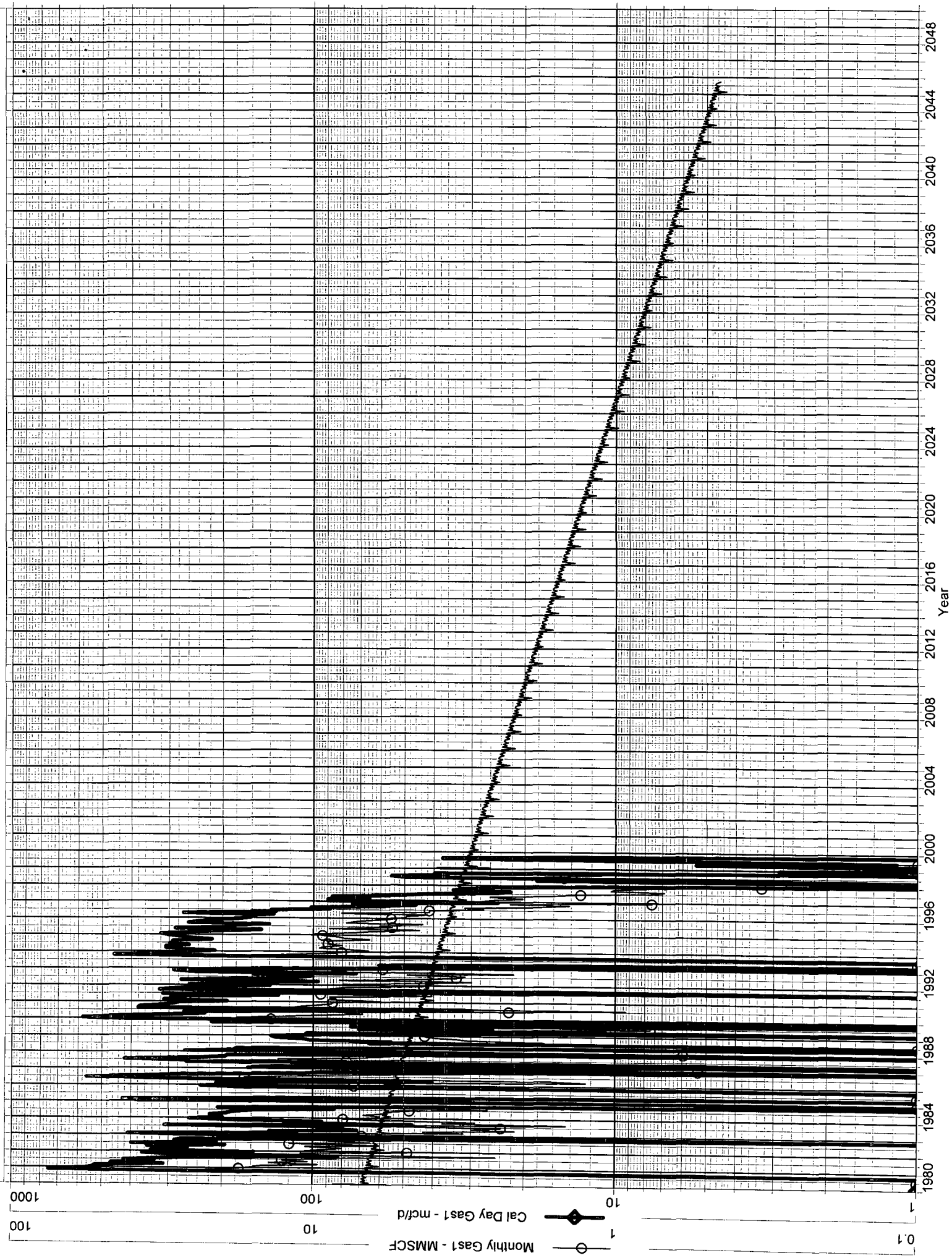
16. ATTACHMENTS:

- * 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 method or formula.
- * 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 J. Z. Dobson TITLE PRODUCTION ENGINEER DATE 12-29-99

TYPE OR PRINT NAME Jennifer Dobson TELEPHONE NO. (505) 326-9700



Payne #2A
Bottom Hole Pressures
Flowing and Static BHP
Cullender and Smith Method
Version 1.0 1/14/98

Mesaverde		Dakota	
<u>MV-Current</u>		<u>DK-Current</u>	
GAS GRAVITY	<u>0.645</u>	GAS GRAVITY	<u>0.621</u>
COND. OR MISC. (C/M)	<u>M</u>	COND. OR MISC. (C/M)	<u>M</u>
%N2	<u>0.09</u>	%N2	<u>0.41</u>
%CO2	<u>2.05</u>	%CO2	<u>3.18</u>
%H2S	<u>0</u>	%H2S	<u>0</u>
DIAMETER (IN)	<u>5.5</u>	DIAMETER (IN)	<u>2.0625</u>
DEPTH (FT)	<u>5085</u>	DEPTH (FT)	<u>7651</u>
SURFACE TEMPERATURE (DEG F)	<u>60</u>	SURFACE TEMPERATURE (DEG F)	<u>60</u>
BOTTOMHOLE TEMPERATURE (DEG F)	<u>159</u>	BOTTOMHOLE TEMPERATURE (DEG F)	<u>209</u>
FLOWRATE (MCFPD)	<u>0</u>	FLOWRATE (MCFPD)	<u>0</u>
SURFACE PRESSURE (PSIA)	<u>462</u>	SURFACE PRESSURE (PSIA)	<u>402</u>
BOTTOMHOLE PRESSURE (PSIA)	<u>518.7</u>	BOTTOMHOLE PRESSURE (PSIA)	<u>470.7</u>
<u>MV-Original</u>		<u>DK-Original</u>	
GAS GRAVITY	<u>0.645</u>	GAS GRAVITY	<u>0.621</u>
COND. OR MISC. (C/M)	<u>M</u>	COND. OR MISC. (C/M)	<u>M</u>
%N2	<u>0.09</u>	%N2	<u>0.41</u>
%CO2	<u>2.05</u>	%CO2	<u>3.18</u>
%H2S	<u>0</u>	%H2S	<u>0</u>
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BOTTOMHOLE TEMPERATURE (DEG F)	<u>159</u>	BOTTOMHOLE TEMPERATURE (DEG F)	<u>209</u>
FLOWRATE (MCFPD)	<u>0</u>	FLOWRATE (MCFPD)	<u>0</u>
SURFACE PRESSURE (PSIA)	<u>657</u>	SURFACE PRESSURE (PSIA)	<u>2724</u>
BOTTOMHOLE PRESSURE (PSIA)	<u>739.8</u>	BOTTOMHOLE PRESSURE (PSIA)	<u>3247.1</u>

AIN	METER	WELLNAME	#	FRM	MONTH	PROD	3 MON AVG	Year	Month	Day	WH Pressure	Cum Prod			
3233101	34799	PAYNE	2A	DK	31-Jan-99	9378		1980	8	27	2,712.00		original		
					28-Feb-99	8009		1981	8	31	1,938.00				
					31-Mar-99	8835		1982	5	24	1,832.00				
					30-Apr-99	8751		1983	9	8	1,421.00				
					31-May-99	9041		1986	2	18	1,460.00				
					30-Jun-99	9031		1988	3	23	1,123.00				
					31-Jul-99	9195		1990	11	1	1,384.00				
					31-Aug-99	8337		1992	4	28	1,202.00				
					30-Sep-99	8948					390	1788.52	current estimate from P/Z data		
					31-Oct-99	8113	278								
3233102	34798	PAYNE	2A	MV	31-Jan-99	16		1980	9	3	645		original		
					28-Feb-99	0		1981	8	31	536				
					31-Mar-99	4		1982	5	24	465				
					30-Apr-99	163		1984	7	10	520				
					31-May-99	43		1986	3	11	535				
					30-Jun-99	35		1990	2	14	434				
					31-Jul-99	490		1991	6	18	360				
					31-Aug-99	1161		1991	7	8	372				
					30-Sep-99	451		1993	8	16	500				
					31-Oct-99	4	18				450	1143.26	current estimate from P/Z data		