

DATE IN 8/7/06	SUSPENSE	ENGINEER WILL JONES	LOGGED IN 8/9/06	TYPE DHC 3772	APP NO. PTDS0622138187
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION  
- Engineering Bureau -  
1220 South St. Francis Drive, Santa Fe, NM 87505



## ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

### Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [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 - Simultaneous Dedication  
 NSL  NSP  SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement  
 DHC  CTB  PLC  PC  OLS  OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
 WFX  PMX  SWD  IPI  EOR  PPR
- [D] Other: Specify \_\_\_\_\_
- [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]  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] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name

Signature

Title

Date

e-mail Address

**District I**  
1625 N. French Drive, Hobbs, NM 88240

**District II**  
1301 W. Grand Avenue, Artesia, NM 88210

**District III**  
1000 Rio Brazos Road, Aztec, NM 87410

**District IV**  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107A  
Revised June 10, 2003

**Oil Conservation Division**  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

APPLICATION TYPE  
 Single Well  
 Establish Pre-Approved Pools  
EXISTING WELLBORE  
 Yes  No

**APPLICATION FOR DOWNHOLE COMMINGLING**

Operator Capataz Operating Inc Address PO Box 10549, Midland, TEXAS 79702

Bull Durham 2 Unit 0-14-T20S-R38E County Lea

Lease Well No. 3659 Property Code 22192 Unit Letter-Section-Township-Range 30-025-34363 Lease Type:  Federal  State  Fee 500

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	Intermediate LOWER ZONE #2
Pool Name	<u>Blinebry Oil&amp;Gas</u>	<u>House, Tubb</u>	<u>House, Drinkard</u>
Pool Code	<u>6660</u>	<u>78760</u>	<u>33250</u>
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	<u>5974-6118</u>	<u>6512-6520</u>	<u>6756-84</u>
Method of Production (Flowing or Artificial Lift)	<u>Artificial Lift</u>	<u>Artificial Lift</u>	<u>Artificial Lift</u>
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)	<u>36.7</u>	<u>36.7</u>	<u>36.7</u>
Producing, Shut-In or New Zone			
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: <u>7/15/06</u> Rates: <u>4 BO</u> <u>29 MCF</u>	Date: <u>7/15/06</u> Rates: <u>1 BO</u> <u>4 MCF</u>	Date: <u>7/15/06</u> Rates: <u>0 BO</u> <u>2 MCF</u>
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil <u>80 %</u> Gas <u>83 %</u>	Oil <u>20 %</u> Gas <u>11 %</u>	Oil <u>0 %</u> Gas <u>6 %</u>

**ADDITIONAL DATA**

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes  No

If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes  No NA

Are all produced fluids from all commingled zones compatible with each other? Yes  No

Will commingling decrease the value of production? Yes  No

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes  No NA

NMOCD Reference Case No. applicable to this well: \_\_\_\_\_

**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, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

**PRE-APPROVED POOLS**

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

SIGNATURE [Signature] TITLE Agent DATE 8-4-06

TYPE OR PRINT NAME H Scott Davis TELEPHONE NO. ( 432 ) 620-8820

E-MAIL ADDRESS capataz1@sbcglobal.net

**District I**  
1625 N. French Drive, Hobbs, NM 88240

**District II**  
1301 W. Grand Avenue, Artesia, NM 88210

**District III**  
1000 Rio Brazos Road, Aztec, NM 87410

**District IV**  
1220 S. St. Francis Dr., Santa Fe, NM 87503

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107A  
Revised June 10, 2003

**Oil Conservation Division**  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

APPLICATION TYPE  
 Single Well  
 Establish Pre-Approved Pools  
EXISTING WELLBORE  
 Yes  No

**APPLICATION FOR DOWNHOLE COMMINGLING**

Capataz Operating Inc PO Box 10549, Midland, TEXAS 79702

Operator Bull Durham 2 Address O-14-T20S-R38E Lease Lea

Well No. 22192 Unit Letter-Section-Township-Range 30-025-34363 County X

OGRID No. 3659 Property Code 22192 API No. 30-025-34363 Lease Type:  Federal  State  Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE <i>UNDES</i>
Pool Name			House, Abo
Pool Code			38210
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)			7283-7344
Method of Production (Flowing or Artificial Lift)			Artificial Lift
Bottomhole Pressure <small>(Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)</small>			
Oil Gravity or Gas BTU (Degree API or Gas BTU)			NA
Producing, Shut-In or New Zone			--
Date and Oil/Gas/Water Rates of Last Production. <small>(Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)</small>	Date: Rates:	Date: Rates:	Date: 7/15/06 Rates: 0 BO 0 MCF
Fixed Allocation Percentage <small>(Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)</small>	Oil % Gas %	Oil % Gas %	Oil % Gas % 0 % 0 %

**ADDITIONAL DATA**

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes  No

If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes  No  NA

Are all produced fluids from all commingled zones compatible with each other? Yes  No

Will commingling decrease the value of production? Yes  No

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes  No  NA

NMOCD Reference Case No. applicable to this well: \_\_\_\_\_

**Attachments:**

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- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

SIGNATURE [Signature] TITLE Agent DATE 8-4-06

TYPE OR PRINT NAME H Scott Davis TELEPHONE NO. ( 432 ) 620-8820

E-MAIL ADDRESS capataz1@sbcglobal.net

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

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102  
Revised February 10, 1994  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION

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

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

AMENDED REPORT

DISTRICT IV  
P.O. Box 2088, Santa Fe, NM 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-34363	Pool Code 33210	Pool Name House, Abo
Property Code 22192	Property Name BULL DURHAM	Well Number 2
OGRID No. 3659	Operator Name CAPATAZ OPERATING, INC.	Elevation 3578

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	14	20 S	38 E		467	SOUTH	1787	EAST	LEA

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

Dedicated Acres	Joint or Infill	Consolidation Code	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

	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>[Signature]</i></p> <p>Signature</p> <p>H Scott Davis</p> <p>Printed Name</p> <p>Agent</p> <p>Title</p> <p>4-14-98</p> <p>Date</p>
	<p><b>SURVEYOR CERTIFICATION</b></p> <p>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.</p> <p>APRIL 6, 1998</p> <p>Date Surveyed</p> <p>JLP</p> <p>Signature &amp; Seal of Professional Surveyor</p> <p><i>[Signature]</i></p> <p>W.O. Num. 98-11-0540</p>
	<p>Certificate No. RONALD G. EIDSON, 3239 GARY G. EIDSON, 12641 MAGNUS McDONALD, 12185</p>

DISTRICT I  
P.O. Box 1880, Hobbs, NM 88241-1080

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102  
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DISTRICT II  
P.O. Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT III  
1000 Rio Brazos Ed., Artec, NM 87410

AMENDED REPORT

DISTRICT IV  
P.O. Box 2088, Santa Fe, NM 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-34363	Pool Code 33250	Pool Name House; Drinkard
Property Code 22192	Property Name BULL DURHAM	Well Number 2
OGRID No. 3659	Operator Name CAPATAZ OPERATING, INC.	Elevation 3578

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	14	20 S	38 E		467	SOUTH	1787	EAST	LEA

Bottom Hole Location If Different From Surface

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	<p>Certificate No. RONALD G. EDSON, 3239</p> <p>CHARLES G. EDSON, 12641</p> <p>BRADLEY MCDONALD, 12185</p>

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

State of New Mexico

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DISTRICT II  
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OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

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

AMENDED REPORT

DISTRICT IV  
P.O. Box 2088, Santa Fe, NM 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-34363	Pool Code 6660	Pool Name Blinebry Oil & Gas
Property Code 22192	Property Name BULL DURHAM	Well Number 2
OGRID No. 3659	Operator Name CAPATAZ OPERATING, INC.	Elevation 3578

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	14	20 S	38 E		467	SOUTH	1787	EAST	LEA

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

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

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	<p><b>SURVEYOR CERTIFICATION</b></p> <p>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.</p> <p>APRIL 6, 1998</p> <p>Date Surveyed</p> <p><i>[Signature]</i></p> <p>Professional Surveyor</p> <p>W.O. Num. 98-117-0540</p>
	<p>Certificate No. RONALD EIDSON, 3239 GARY EIDSON, 12841 DONALD McDONALD, 12185</p>
	<p>JLP</p>

DISTRICT I  
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State of New Mexico

Energy, Minerals and Natural Resources Department

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DISTRICT II  
P.O. Drawer DD, Artesia, NM 88311-0719

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

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

AMENDED REPORT

DISTRICT IV  
P.O. Box 2088, Santa Fe, NM 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-34363	Pool Code 78760	Pool Name House; Tubb
Property Code 22192	Property Name BULL DURHAM	Well Number 2
OGRID No. 3659	Operator Name CAPATAZ OPERATING, INC.	Elevation 3578

Surface Location

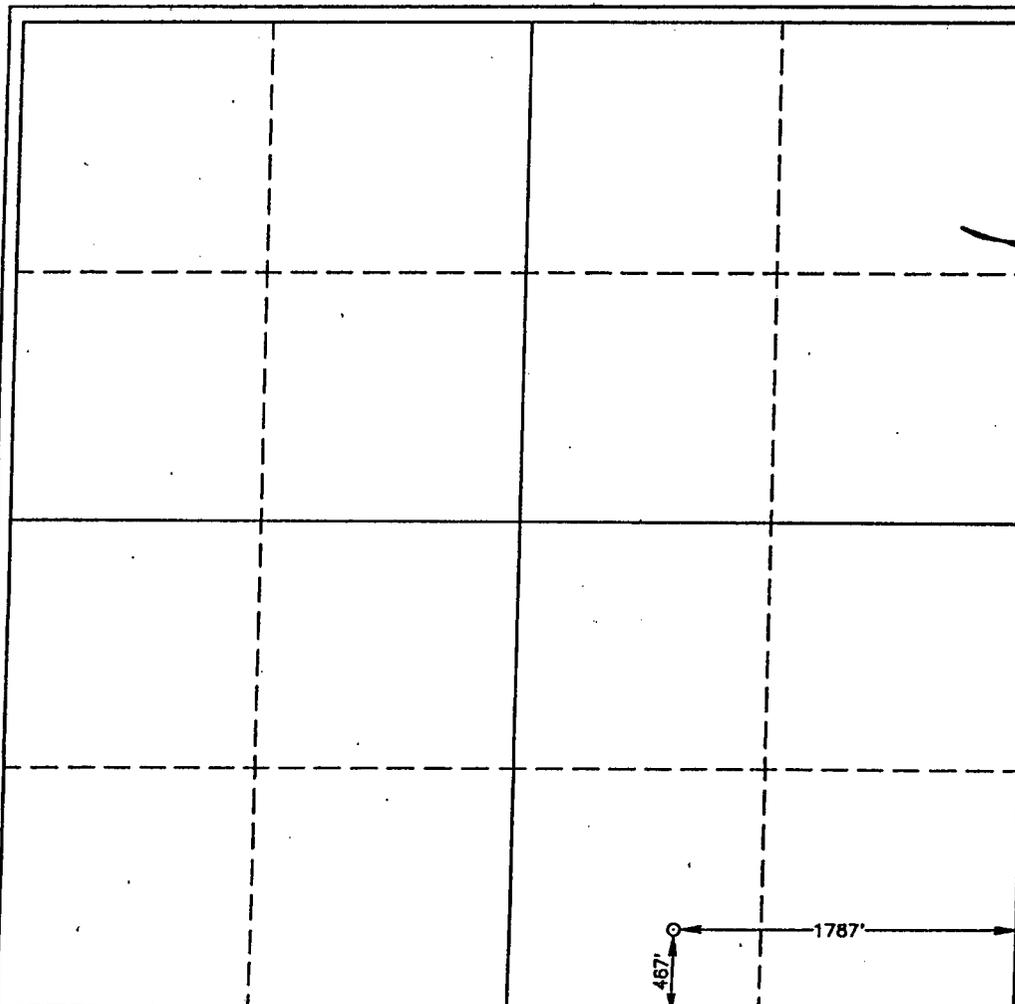
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**OPERATOR CERTIFICATION**

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

*[Signature]*  
Signature

H Scott Davis  
Printed Name

Agent  
Title

4-14-98  
Date

---

**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.

APRIL 6, 1998  
Date Surveyed

*[Signature]*  
Signature & Seal of Professional Surveyor

W.O. Num. 98-11-0540

Certificate No. RONALD EIDSON, 3239  
GARY EIDSON, 12041  
McDONALD, 12185