

8/7/06 DATE IN	SUSPENSE	WILL JONES ENGINEER	8/9/06 LOGGED IN	DHC TYPE	APP NO. P-TDS0622135189
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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

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

Form C-107A  
Revised June 10, 2003

APPLICATION TYPE  
Single Well  
Established Pre-Approved Pools  
EXISTING WELLBORE

APPLICATION FOR DOWNHOLE COMMINGLING

Capataz Operating Inc PO Box 10549 Santa Fe, NM 87505  
Operator Picayune 1 Address J-11-T20S-R38E Lea  
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 3659 Property Code 24991 API No. 30-025-34734 Lease Type: Federal State X Fee See

DATA ELEMENT	UPPER ZONE UNDES	INTERMEDIATE ZONE	INTERMEDIATE LOWER ZONE
Pool Name	House, blinebry, S	House, Tubb	House, Drinkard
Pool Code	33225	78760	33250
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5962-6156	6728-6786	6987-7090
Method of Production (Flowing or Artificial Lift)	Artificial Lift	Artificial Lift	Artificial Lift
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)	35.5	35.5	1268
Producing, Shut-In or New Zone	Producing	Producing	Producing
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: 7/15/06 Rates: 8 BO 13 MCF	Date: 7/15/06 Rates: 14 BO 31 MCF	Date: 7/15/06 Rates: 3 MCF
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 36 % 28 %	Oil Gas 64 % 66 %	Oil Gas 0 % 6 %

ADDITIONAL DATA

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

Will commingling decrease the value of production? Yes No X

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 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 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 PO Box 10549 Midland, TX 79702  
Address  
Picayune 1 J-11-T20S-R38E Lea  
Lease Well No. Unit Letter-Section-Township-Range County  
OGRID No. 3659 Property Code 24991 API No. 30-025-34734 Lease Type: ☐ Federal ☐ State ☒ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name			House, Abo
Pool Code			33210
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)			7346-7692
Method of Production (Flowing or Artificial Lift)			Artificial Lift
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)			NA
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: Rates:	Date: Rates:	Date: 7/15/06 Rates: 0
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas % %	Oil Gas % %	Oil Gas 0 % 0 %

**ADDITIONAL DATA**

Are all working, royalty and overriding royalty interests identical in all commingled zones?  
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?

Yes ☒ No ☐  
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  
P. O. Box 1980  
Hobbs, NM 88241-1980

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

DISTRICT III  
1000 Rio Brazos Rd.  
Aztec, NM 87410

DISTRICT IV  
P. O. Box 2088  
Santa Fe, NM 87507-2088

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

Form C-102  
Revised 02-10-94  
Instructions on back

Submit to the Appropriate  
District Office  
State Lease - 4 copies  
Fee Lease - 3 copies

## OIL CONSERVATION DIVISION

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

☐ AMENDED REPORT

### WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number <b>30-025-34734</b>	2 Pool Code <b>78760</b>	3 Pool Name <b>House Tubb</b>
4 Property Code <b>24991</b>	5 Property Name <b>PICAYUNE</b>	6 Well Number <b>1</b>
7 OGRID No. <b>3659</b>	8 Operator Name <b>CAPATAZ OPERATING, INC.</b>	9 Elevation <b>3575'</b>

#### " SURFACE LOCATION

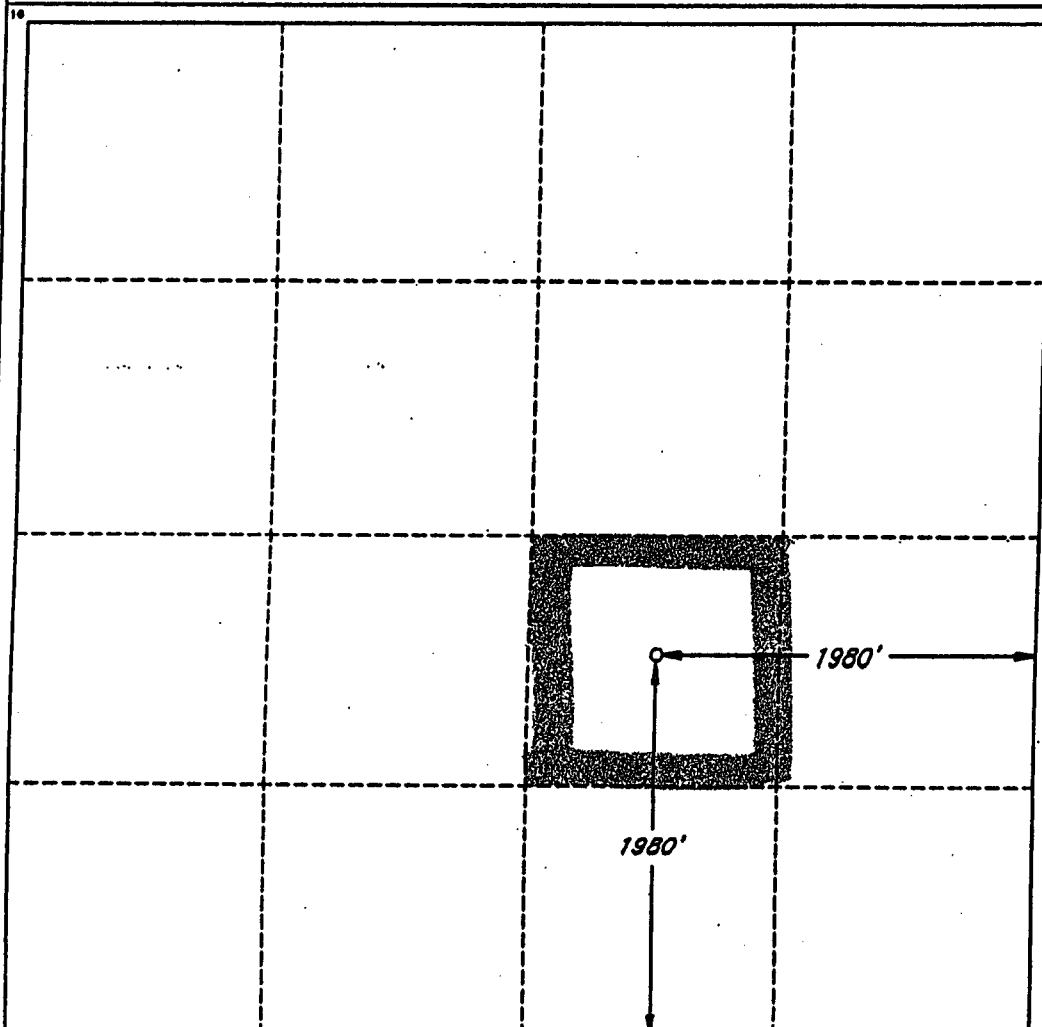
UL or lot no. <b>J</b>	Section <b>11</b>	Township <b>20 SOUTH</b>	Range <b>38 EAST, N.M.P.M.</b>	Lot Ida	Feet from the <b>1980'</b>	North/South line <b>SOUTH</b>	Feet from the <b>1980'</b>	East/West line <b>EAST</b>	County <b>LEA</b>
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#### "BOTTOM HOLE 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
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12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
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NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN  
CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



#### OPERATOR CERTIFICATION

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

Signature

**H Scott Davis**

Printed Name

**Agent**

Title

**10/13/99**

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.

Date of Survey

**OCTOBER 6, 1999**

Signature and Seal of  
Professional Surveyor

**V. E. BEZNER**  
Certificate No. **10-12-99**

**V. E. BEZNER** R.P.S. #7920

JOB #65574 / 70 SE / V.H.B.

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

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

Form C-102  
Revised 02-10-94  
Instructions on back

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

**OIL CONSERVATION DIVISION**  
P. O. Box 2088  
Santa Fe, New Mexico 87504-2088

Submit to the Appropriate  
District Office  
State Lease - 4 copies  
Fee Lease - 3 copies

DISTRICT III  
1000 Rio Brazos Rd.  
Aztec, NM 87410

☐ AMENDED REPORT

DISTRICT IV  
P. O. Box 2088  
Santa Fe, NM 87507-2088

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1 API Number <b>30-025-34734</b>		2 Pool Code <b>33250</b>		3 Pool Name <b>House, Drinkard</b>	
4 Property Code <b>24991</b>		5 Property Name <b>PICAYUNE</b>			6 Well Number <b>1</b>
7 OGRID No. <b>3659</b>		8 Operator Name <b>CAPATAZ OPERATING, INC.</b>			9 Elevation <b>3575'</b>

**" SURFACE LOCATION**

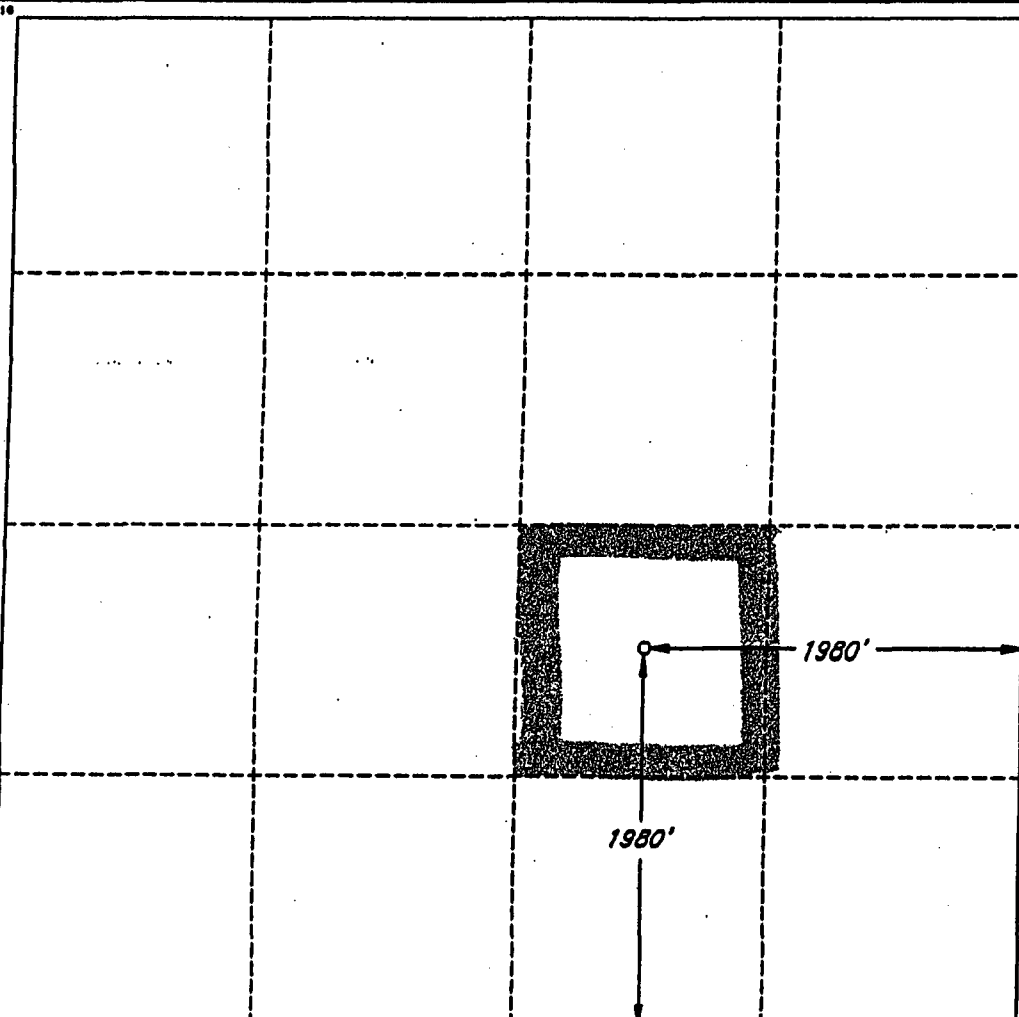
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
J	11	20 SOUTH	38 EAST, N.M.P.M.		1980'	SOUTH	1980'	EAST	LEA

**"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

12 Dedicated Acres    13 Joint or Infill    14 Consolidation Code    15 Order No.

NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



**OPERATOR CERTIFICATION**

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

Signature

**H. Scott Davis**

Printed Name

**Agent**

Title

**10/13/99**

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.

Date of Survey

**OCTOBER 6, 1999**

Signature and Seal of Professional Surveyor

*[Signature]*  
Certificate No. **10-12-99**

**V. L. BEZNER R.P.S. #7920**

**JOB #65574 / 70 SE / V.H.B.**

DISTRICT I  
P. O. Box 1980  
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DISTRICT III  
1000 Rio Brazos Rd.  
Aztec, NM 87410

☐ AMENDED REPORT

DISTRICT IV  
P. O. Box 2088  
Santa Fe, NM 87507-2088

### WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number <b>30-025-34734</b>	2 Pool Code <b>33210</b>	3 Pool Name <b>House, Abo</b>
4 Property Code <b>24991</b>	5 Property Name <b>PICAYUNE</b>	6 Well Number <b>1</b>
7 OGRID No. <b>3659</b>	8 Operator Name <b>CAPATAZ OPERATING, INC.</b>	9 Elevation <b>3575'</b>

#### " SURFACE LOCATION

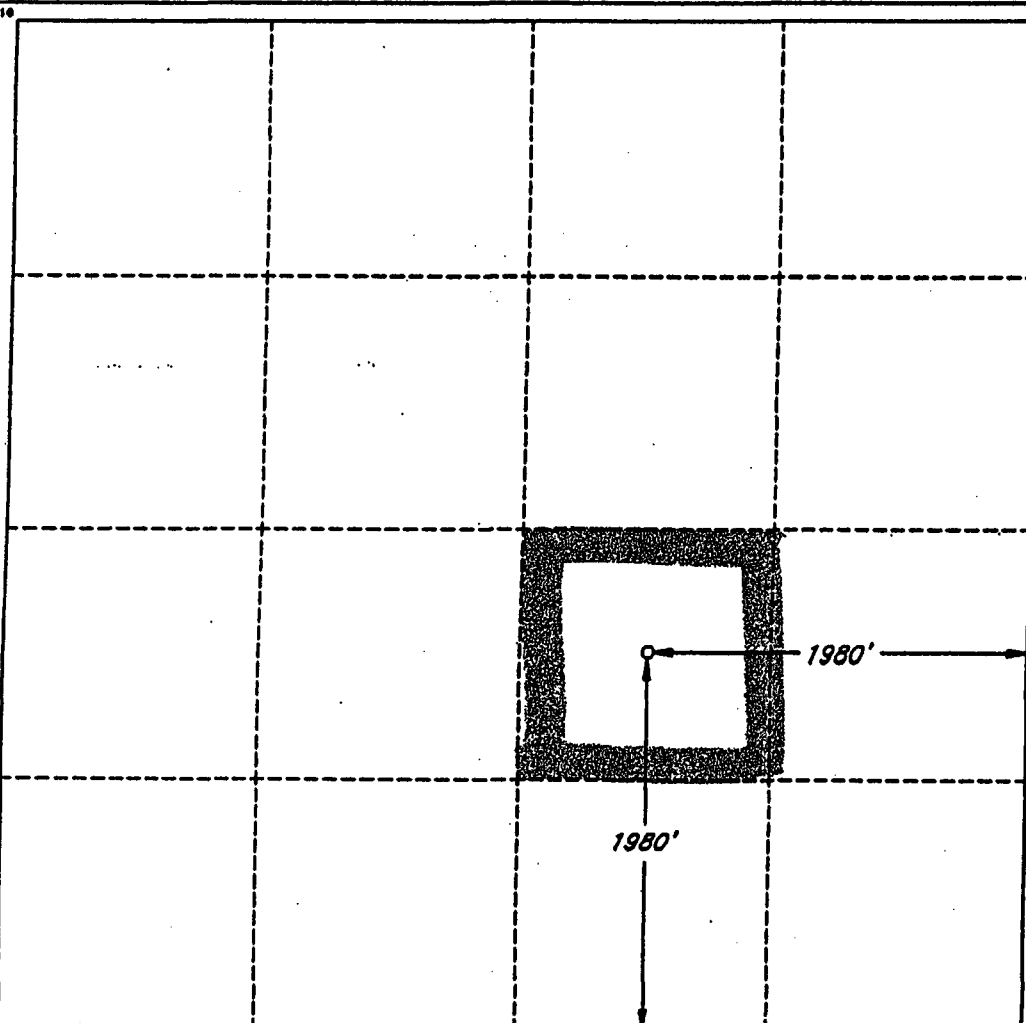
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
J	11	20 SOUTH	38 EAST, N.M.P.M.		1980'	SOUTH	1980'	EAST	LEA

#### "BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE

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#### OPERATOR CERTIFICATION

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

Signature

**H Scott Davis**

Printed Name

**Agent**

Title

**10/13/99**

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.

Date of Survey

**OCTOBER 6, 1999**

Signature and Seal of  
Professional Surveyor

**V. E. BEZNER**  
Certificate No. **10-12-99**

**V. E. BEZNER** R.P.S. #7920

JOB #65574 / 70 SE / V.H.B.

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Fee Lease - 3 copies

☐ AMENDED REPORT

### WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number <b>30-025-34734</b>	2 Pool Code <b>33225</b>	3 Pool Name <b>House, Blinebry South</b>
4 Property Code <b>24991</b>	5 Property Name <b>PICAYUNE</b>	6 Well Number <b>1</b>
7 OGRID No. <b>3659</b>	8 Operator Name <b>CAPATAZ OPERATING, INC.</b>	9 Elevation <b>3575'</b>

#### " SURFACE LOCATION

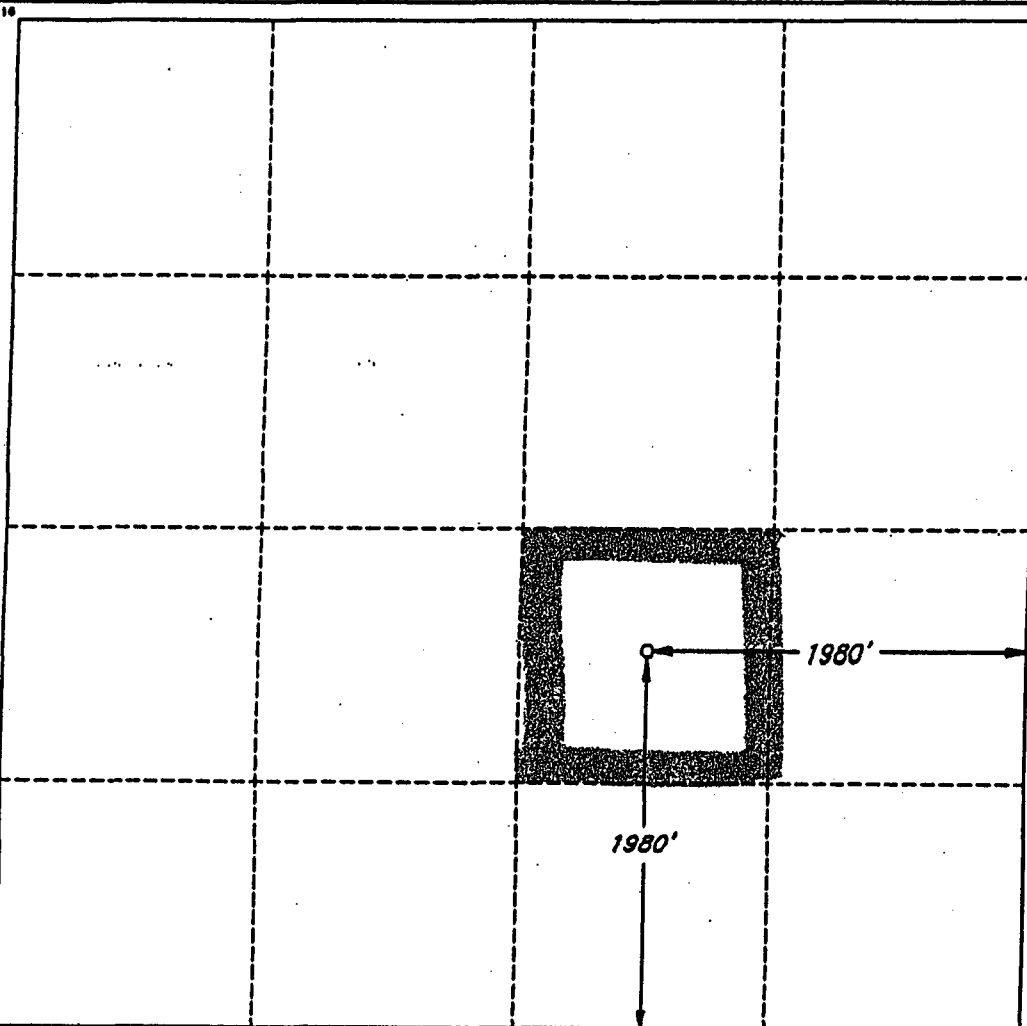
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
J	11	20 SOUTH	38 EAST, N.M.P.M.		1980'	SOUTH	1980'	EAST	LEA

#### "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

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#### OPERATOR CERTIFICATION

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Signature

**H Scott Davis**

Printed Name

**Agent**

Title

**10/13/99**

Date

#### SURVEYOR CERTIFICATION

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Date of Survey

**OCTOBER 6, 1999**

Signature and Seal of  
Professional Surveyor

**V. E. BEZNER** **R.P.S. #7920**

Certificate No.

**JOB #65574 / 70 SE / V.H.B.**