

DHC 2/28/00

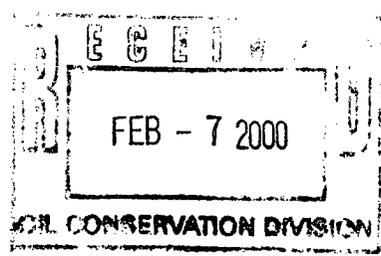
**CAMPBELL & HEDRICK**

P. O. BOX 401

MIDLAND, TEXAS 79702

PHONE 1-915-684-4393 FAX 1-915-682-7570

*2660*



February 4, 2000

Director, Oil Conservation Division  
State Land Office Building  
P. O. Box 2088  
Santa Fe, New Mexico 87504

Re: Application to Downhole commingle  
Hardy No. 5, Q 19-21S-37E  
Blinbry Oil and Gas and Paddock Pools  
Lea County, New Mexico

Gentlemen:

Campbell and Hedrick as Operator of Hardy #5, Q 19-21S-37E submit Form C-107-A proposing to downhole commingle the Blinbry and Paddock zones in this well. Commingling production will increase the recovery oil and gas from this lease and enhance operations.

Sincerely,  
*O. F. Hedrick*

O. F. Hedrick, Operator

cc: District Office, Hobbs  
Bureau of Land Management  
Offset Operators

Attachments: List of Offset Operators  
C-107-A  
Map  
Decline Curve  
Acrage Plat

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**

CAMPBELL & HEDRICK P. O. BOX 401 MIDLAND, TEXAS 79702  
Operator Address

HARDY 5 0 19- 21S- 37E Lea  
Lease Well No. Unit Ltr. - Sec - Twp - Rge County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 003630 Property Code 002422 API NO. 30-025-06677 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	PADDOCK		BLINEBRY OIL
2. Top and Bottom of Pay Section (Perforations)	5175-5190		5598-5935
3. Type of production (Oil or Gas)	OIL		OIL
4. Method of Production (Flowing or Artificial Lift)	PUMP		FLOW (DEAD)
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) 85 Est	a.	a. 395 Est
	b. (Original)	b.	b. 2400
6. Oil Gravity (° API) or Gas BTU Content	37.8°		35.5°
7. Producing or Shut-In?	PRODUCING		SHUT IN
Production Marginal? (yes or 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)	YES		YES
	Date: Rates:	Date: Rates:	Date: 1/19/2000 Rates: (Swab Test) 2.4 65mcf 11
	Date: 1/15/2000 Rates: 9 8mcf 23	Date: Rates:	Date: Rates:
8. Fixed Percentage Allocation Formula -% for each zone (total of %'s to equal 100%)	Oil: 86 % Gas: 17 %	Oil: % Gas: %	Oil: 14 % Gas: 83 %

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). DHC 641, DHC 845

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 O. F. Hedrick TITLE OPERATOR DATE 2/04/2000

TYPE OR PRINT NAME O. F. HEDRICK TELEPHONE NO. ( 915 ) 684-4393

Supplemental Information:

9. Allocation formula is based on current production.
- 9.c. Attached is list of offset operators given written notices.
13. Blinebry zone is dead and cannot be produced economically as a separate zone. DHC will result in the recovery of additional oil and gas and prolong recovery from Paddock zone.
14. The United States Bureau of Land Management has been sent a completed Form C-107-A with attachments application as notification of the proposed commingling.

Sincerely,



O. F. Hedrick, Operator

NEW MEXICO OIL CONSERVATION COMMISSION

Well Location and Acreage Dedication Plat

Section A.

Date October 17, 1960

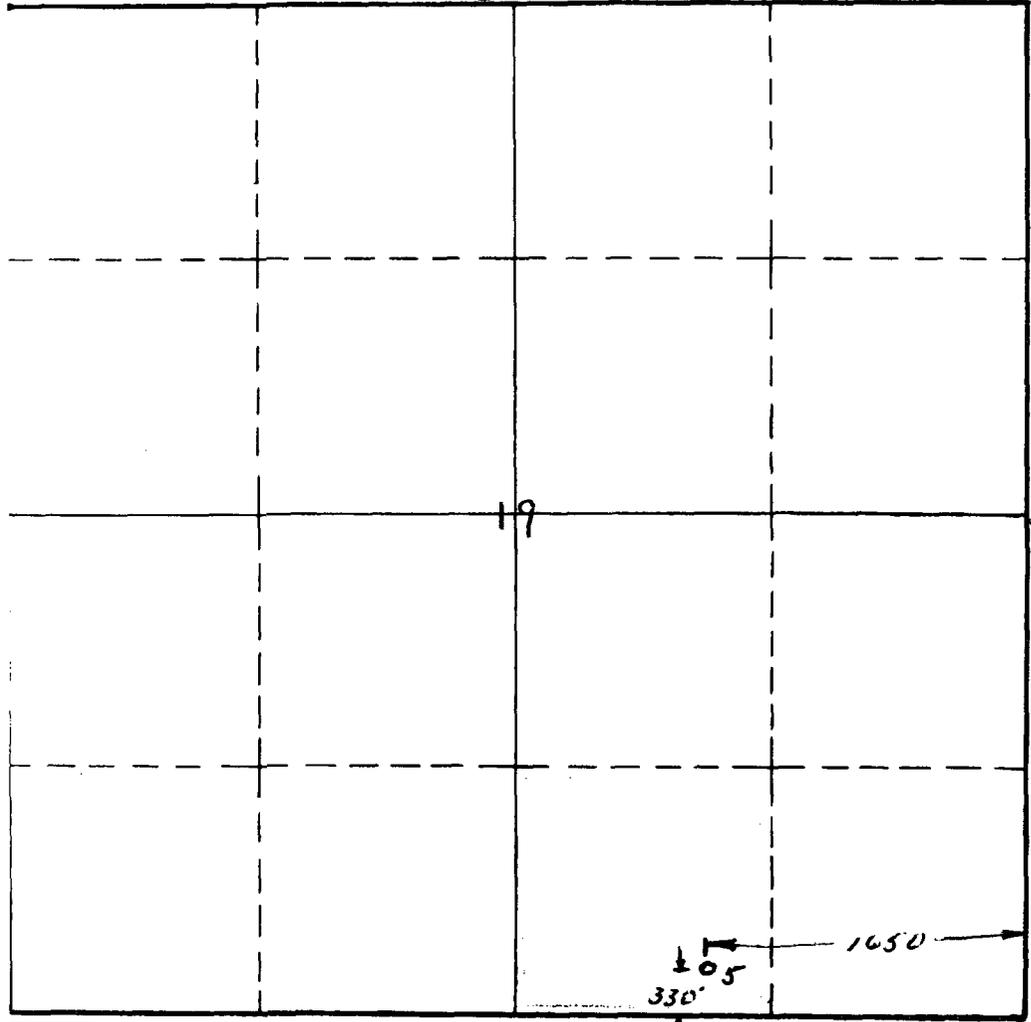
Operator J W Peery Lease Hardy  
Well No. 5 Unit Letter 0 Section 19 Township 21-S Range 37-E NMPM  
Located 330 Feet From South Line, 1650 Feet From East Line  
County Lea G. L. Elevation 3509 Est. Dedicated Acreage 40 Acres  
Name of Producing Formation Glorietta Pool Paddeck

1. Is the Operator the only owner\* in the dedicated acreage outlined on the plat below?  
Yes X No       .
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes        No       . If answer is "yes," Type of Consolidation
3. If the answer to question two is "no," list all the owners and their respective interests below:

<u>Owner</u>	<u>Land Description</u>

Section B

37E



This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

J W Peery  
(Operator)

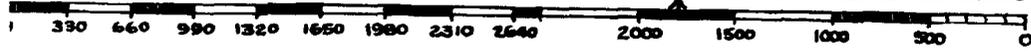
(Representative)

Box 401 Midland Tex  
Address

This is to certify that the well location shown on the plat in Section B 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 knowledge and belief.

Date Surveyed Oct 17, 1960

CAMPBELL & HEDRICK  
Registered Professional  
Engineer and/or Land Surveyor.  
Approved by Oil Conservation  
Commission  
Certificate No.       



NEW MEXICO OIL CONSERVATION COMMISSION  
Well Location and Acreage Dedication Plat

Section A.

Date Dec 8, 1960

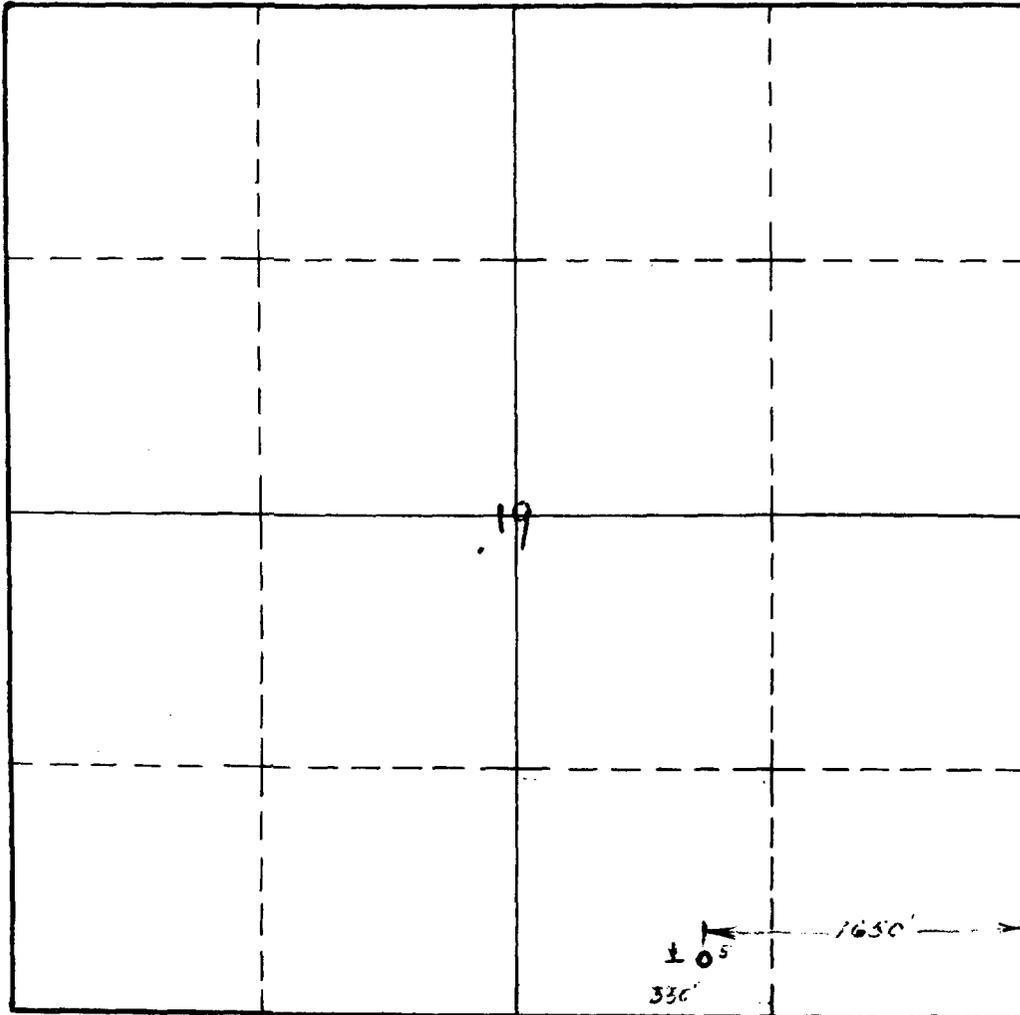
Operator J.W. Peery Lease Hardy  
Well No. 1 Unit Letter C Section 19 Township 21-S Range 37-E NMPN  
Located 330 Feet From South Line, 1650 Feet From East Line  
County Lee G. L. Elevation 3509.25 Dedicated Acreage 40 Acres  
Name of Producing Formation Blinberry Pool Blinberry

1. Is the Operator the only owner\* in the/dedicated acreage outlined on the plat below?  
Yes X No       .
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes        No       . If answer is "yes," Type of Consolidation
3. If the answer to question two is "no," list all the owners and their respective interests below:

<u>Owner</u>	<u>Land Description</u>

Section. B

37E



This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

J.W. Peery  
(Operator)

(Representative)

Box 40, Midland Tex  
Address

This is to certify that the well location shown on the plat in Section B 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 knowledge and belief.

Date Surveyed Oct 12, 1960

CAMPBELL & HEDRICK  
Registered Professional  
Engineer and/or Land Surveyor  
Approved by Oil Conservation  
Commission  
Certificate No.

46 6690

(BOPD

K-E 5 YEARS BY MONTHS x 3 LOG CYCLES  
KEUFFEL & ESSER CO. MADE IN U.S.A.

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CAMPBELL & HEDRICK  
Hardy #5  
Raddock zone

Left scale

Right scale

M.C.F.

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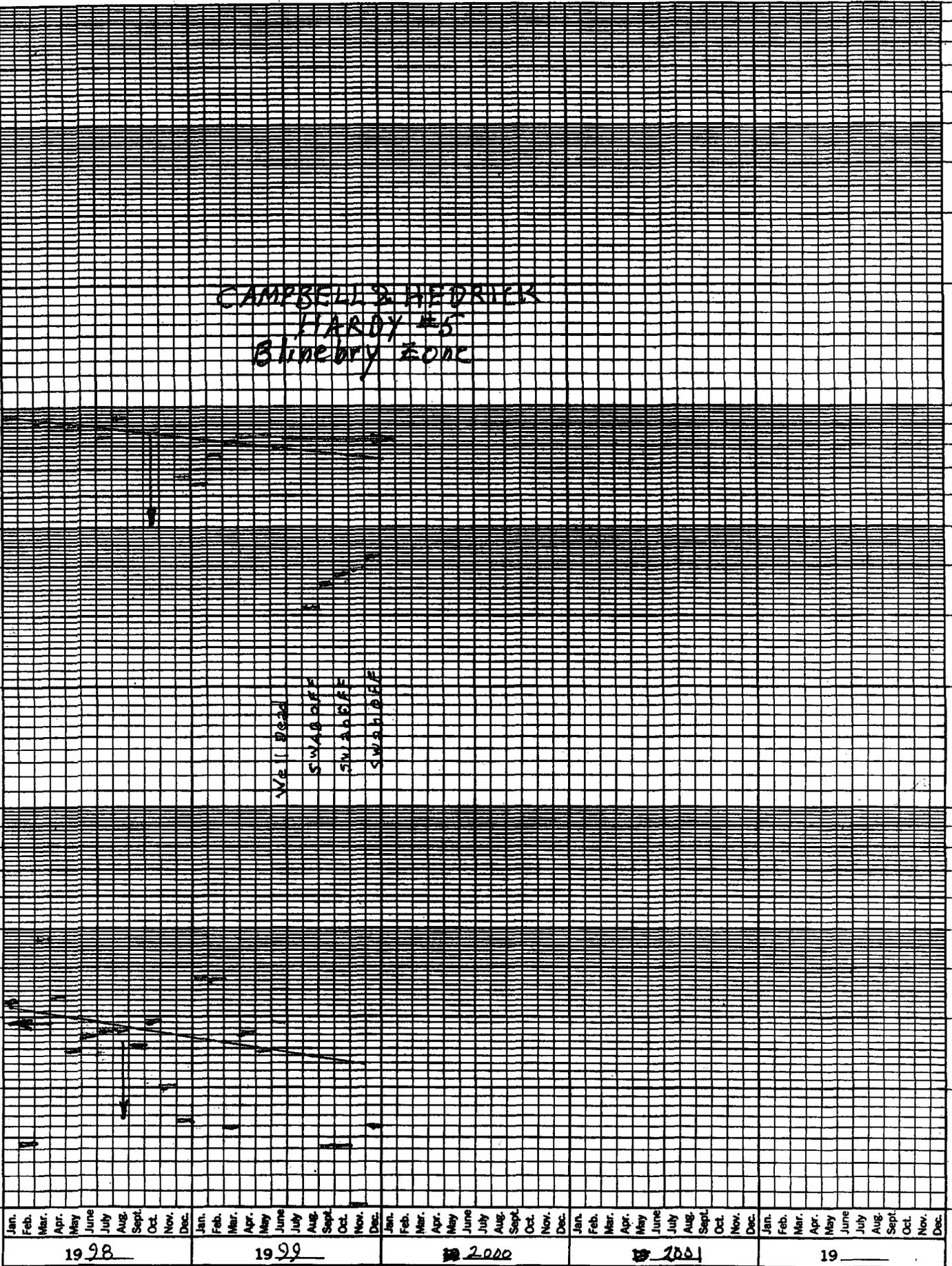
(BOPD)

K&E 5 YEARS BY MONTHS x 3 LOG CYCLES  
KEUFFEL & ESSER CO. MADE IN U.S.A.

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1998

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OFFSET OPERATORS

Chevron USA Inc.  
P. O. Box 1150  
Midland, Texas 79702  
Attention: J. K. Rippley

Titan Resources  
500 West Texas Avenue  
Midland, Texas 79701

Apache Corporation  
2000 Post Oak Boulevard, Suite 100  
Houston, Texas 77056-4400

Texaco Exploration & Production  
P. O. Box 3109  
Midland, Texas 79702  
Attention: W. E. Howard

John H. Hendrix Corporation  
P. O. Box 3040  
Midland, Texas 79702-3040