

ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**

- Engineering Bureau -

AUG 15 2003  
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.**

Stan Wagner Print or Type Name	 Signature	Regulatory Analyst Title	8/11/03 Date
		stan_wagner@cogresurces.com e-mail Address	

**STATE 16-7 COMMINGLING APPLICATION**

- 1) Pool Codes: Corbin South Wolfcamp - 13320  
Corbin South Bone Spring - 13160
- 2) Pay Intervals: Wolfcamp 10890 to 11264  
Bone Spring 8545 to 9530
- 3) Type of Production: Wolfcamp – oil  
Bone Spring - oil
- 4) Each zone was / is being rod pumped.
- 5) Estimated BHP: a) Wolfcamp - 1200 psi  
Bone Spring- 1000 psi  
b) oil zones
- 6) API Gr.: Wolfcamp - 40  
Bone Spring - 38
- 7) a)  
The Wolfcamp was TA'ed via CIBP @ 10840' on 6/01/03.  
  
The Bone Spring was put on production 6/11/03.  
b)  
In an effort to take advantage of the Bone Spring flush production with current oil and gas prices, EOG made the decision to TA the commercial Wolfcamp production. We believe we can now produce both commercial zones effectively via rod pumping below the perforations.  
c)  
Wolfcamp Production: SI – 6/01/03  
26 BOPD / 102 MCFPD / 15 BWPD  
d)  
The Bone Spring was put on production 6/11/03.  
(6/18/03) IPP: 184 BOPD / 147 MCFPD / 153 BWPD  
Current Production (8/05/03):  
75 BOPD / 170 MCFPD / 53 BWPD
- 8) The Wolfcamp's production should be held constant from its rate at the time of shut-in as the Wolfcamp's late time production curve is essentially flat compared to the Bone Spring.
- 9) NA

- 10)
  - a) The ownership is common as to the Wolfcamp and Bone Spring
  - b) NA
  - c) Offset Operators:
    - Harvey E. Yates Company (sec.15)
    - Brothers Production Company (sec.15)
    - Read & Stevens Inc. (sec.21)
    - Saga Petroleum Limited (sec.9)
    - Tipton Oil & Gas Acquisitions (sec.9)
- 11)
  - a) Cross-flow will not occur as the well will be rod pumped below the lowest Wolfcamp perforation. The pumping equipment will be designed to keep the well at a pumped-off state.
  - b) Should cross-flow occur, the formatio fluids of both zones are very similar and will not damage or adversely effect the ultimate recovery.
- 12) The East Corbin Delaware Unit utilizes the produced water from offset Bone Spring and Wolfcamp wells for secondary recovery with no unusual effects.
- 13) Production will be increased by adding both zones to the wellbore.
- 14) A copy of this application is being mailed to the Commissioner of Public Lands for the State of New Mexico.

## **Offset Operator Notification List**

Harvey E. Yates Company  
P.O. Box 1933  
Roswell, NM 88201

Brothers Production Company  
P.O. Box 7515  
Midland, TX 79708

Read & Stevens Inc.  
P.O. Box 1518  
Roswell, NM 88201

Saga Petroleum Limited  
415 W. Wall, Suite 1900  
Midland, TX 79701

Tipton Oil and Gas Acquisitions  
P.O. Box 1234  
Lovington, NM 88260

**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  
 Establish Pre-Approved Pools  
EXISTING WELLBORE  
 Yes  No

**APPLICATION FOR DOWNHOLE COMMINGLING**

EOG Resources, Inc. P.O. Box 2267 Midland, TX 79702  
Operator Address  
State 16 7 P 16 - T18S - R33E Lea  
Lease Well No. Unit Letter-Section-Township-Range County  
OGRID No. 7377 Property Code \_\_\_\_\_ API No. 30-025-31044 Lease Type:  Federal  State  Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Corbin; Bone Spr, S ✓		Corbin; Wolfcamp, S ✓
Pool Code	13160		13320
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	8445 - 9530		11204 - 11264
Method of Production (Flowing or Artificial Lift)	Pumping		Pumping
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)	1000 psi		1200 psi
Oil Gravity or Gas BTU (Degree API or Gas BTU)	38.0		40.0
Producing, Shut-In or New Zone	Producing		Shut-In
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: 8/5/03 Rates: 75 BOPD/170 MCF	Date: Rates:	Date: 6/1/03 Rates: 26 BOPD/ 102 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 <u>32</u> % Gas 62 %	Oil % Gas %	Oil 28 % Gas 38 %

**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 \_\_\_\_\_  
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 \_\_\_\_\_  
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.

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State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised June 10, 2003  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-31044		<sup>2</sup> Pool Code 13160		<sup>3</sup> Pool Name Corbin; Bone Spring, South	
<sup>4</sup> Property Code 25580		<sup>5</sup> Property Name State 16			<sup>6</sup> Well Number 1
<sup>7</sup> OGRID No. 7377		<sup>8</sup> Operator Name EOG Resources, Inc			<sup>9</sup> Elevation 3878

<sup>10</sup> Surface Location

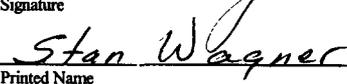
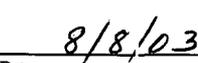
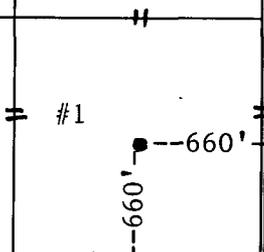
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	16	18S	33E		510	South	660	East	Lea

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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

16				<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature  Printed Name  Title and E-mail Address  Date		
				<sup>18</sup> 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 Signature and Seal of Professional Surveyor:  		
				Certificate Number		

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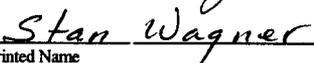
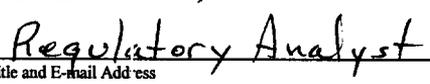
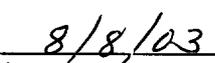
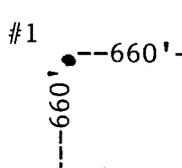
<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	16	18S	33E		510	South	660	East	Lea

<sup>11</sup> 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
<sup>12</sup> Dedicated Acres 80	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.					

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					<sup>18</sup> 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 Signature and Seal of Professional Surveyor:  Certificate Number

LEASE: STATE 16

WELL: 7 (BS)  
 FIELD: CORBIN SOUTH  
 OPERATOR: EOG RESOURCES  
 COUNTY, STATE: LEA, NM  
 RESERVE CATEGORY:

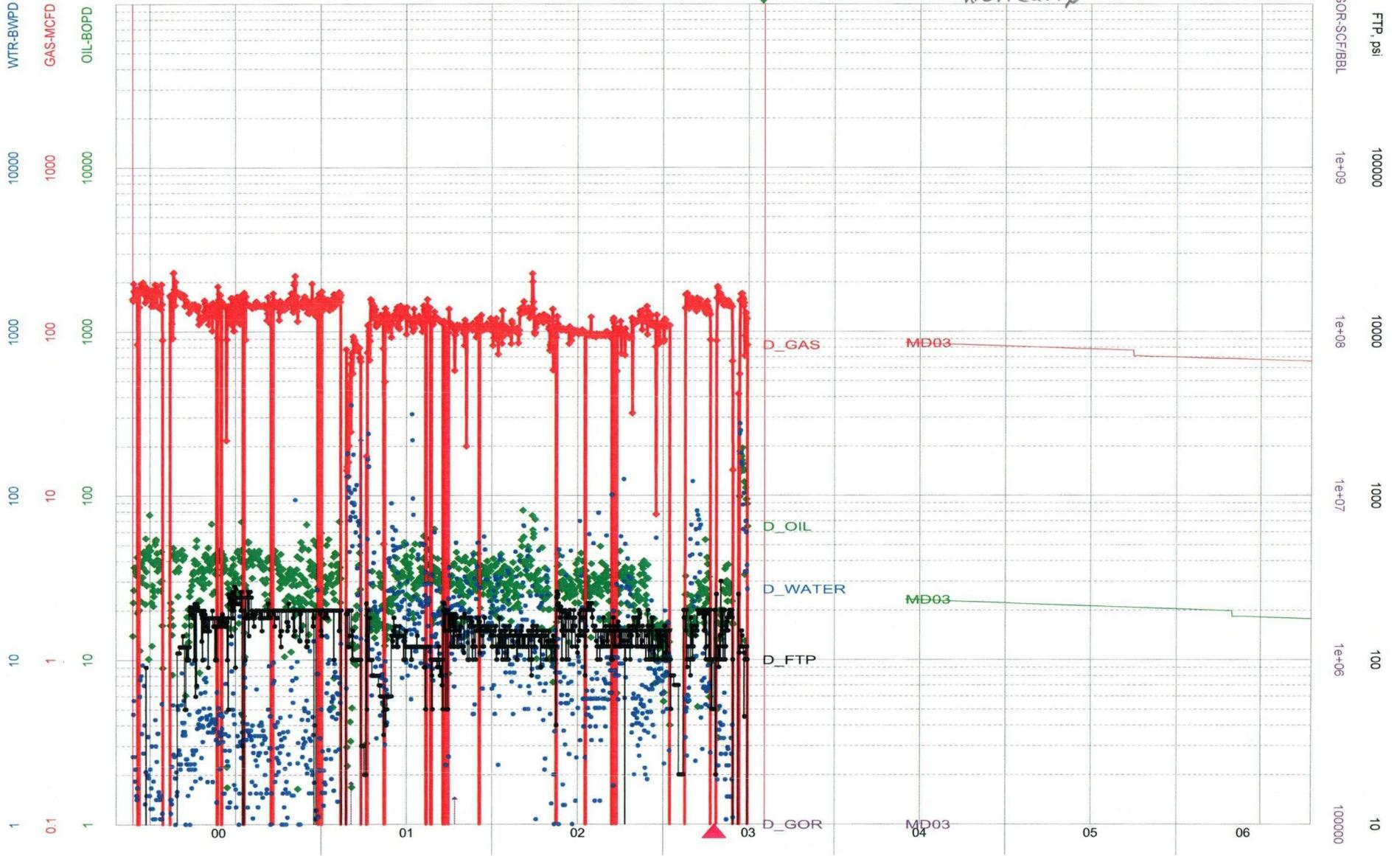
*Bone Spring*



OIL-BOPD	◆	GAS-MCFD	◆	WTR-BWPD	●	GOR-SCF/BBL	▲	FTP, psi	●
Qual= MD03		Qual= MD03		Ref= 8/2003		Qual= MD03		Ref= 8/2003	
Ref= 8/2003		Ref= 8/2003		Cum= 1955		Ref= 8/2003		Cum= 3360	
Cum= 3162		Cum= 5154				Cum= 0			
Rem= 3149		Rem= 3867				Rem= 0			
EUR= 6311		EUR= 9022				EUR= 0			
Yrs= 2.249		Yrs= 2.249				Yrs= 2.249			

LEASE: STATE 16  
 WELL: 7 (BP)  
 FIELD: CORBIN SOUTH (WOLFCAMP)  
 OPERATOR: EOG RESOURCES  
 COUNTY, STATE: LEA, NM  
 RESERVE CATEGORY:

*Wolfcamp*



OIL-BOPD	◆◆◆	GAS-MCFD	◆◆◆	WTR-BWPD	●●●	GOR-SCF/BBL	▲	FTP, psi	●●●
Qual=	MD03	Qual=	MD03	Ref=	8/2003	Qual=	MD03	Ref=	8/2003
Ref=	8/2003	Ref=	8/2003	Cum=	18758	Ref=	8/2003	Cum=	173960
Cum=	0	Cum=	0			Cum=	0		
Rem=	0	Rem=	0			Rem=	0		
EUR=	0	EUR=	0			EUR=	0		
Yrs=	0.000	Yrs=	0.000			Yrs=	0.000		