

108530793 DHC

4/12/01

# SAPIENT ENERGY CORP.

8801 S. Yale, Suite 150  
Tulsa, Oklahoma 74137

Telephone 918-488-8988  
Facsimile 918-488-8994

March 20, 2001

RECEIVED  
MAR 23 2001

2905

Oil Conservation Division  
2040 South Pacheco St.  
Santa Fe, New Mexico 87505

RE: Application for Downhole Commingling  
Kyte #5  
"G" Section 23, T20S-R38E  
Lea County, New Mexico

Gentlemen:

Please find enclosed an Application for Downhole Commingling. Percentage allocations are based on current and past production. All affected parties have been notified of this application by certified mail.

Please advise if you have any questions, or need additional information. We appreciate your prompt attention to this matter.

Sincerely,

*Gerald Lucero*  
Gerald Lucero  
Manager of Operations

(30-025-33927)  
Correct APT

*DD*

cc: Hobbs District Office

# SAPIENT ENERGY CORP.

8801 S. Yale, Suite 150  
Tulsa, Oklahoma 74137

Telephone 918-488-8988  
Facsimile 918-488-8994

March 20, 2001

Sheehy & Richardson  
A Texas Partnership  
1408 Washington  
Waco, TX 76701

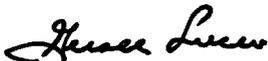
RE: Application for Downhole Commingling  
Kyte #5  
"G" Section 23, T20S-R38E  
Lea County, New Mexico

Gentlemen:

Please find enclosed for your review a copy of our Application for Downhole Commingling in the captioned well. We request that you execute this letter signifying your waiver to any objection of said commingling.

Please route an executed copy of this letter to the New Mexico Oil Conservation Division at 2040 Pacheco Street, Santa Fe, New Mexico 87505. Thank you for your cooperation in this matter.

Sincerely,



Gerald Lucero  
Manager of Operations

We hereby waive any objection to Sapient Energy Corp's Application for Downhole Commingling of the Kyte #5.

Sheehy & Richardson

BY: \_\_\_\_\_  
TITLE: \_\_\_\_\_  
PRINT NAME: \_\_\_\_\_  
DATE: \_\_\_\_\_

# SAPIENT ENERGY CORP.

8801 S. Yale, Suite 150  
Tulsa, Oklahoma 74137

Telephone 918-488-8988  
Facsimile 918-488-8994

March 20, 2001

Sid Cowan  
1010 South Main Street  
P. O. Box 1448  
Del Rio, TX 78841-1448

RE: Application for Downhole Commingling  
Kyte #5  
"G" Section 23, T20S-R38E  
Lea County, New Mexico

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Sincerely,



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Manager of Operations

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Sid Cowan

BY: \_\_\_\_\_  
TITLE: \_\_\_\_\_  
PRINT NAME: \_\_\_\_\_  
DATE: \_\_\_\_\_

# SAPIENT ENERGY CORP.

8801 S. Yale, Suite 150  
Tulsa, Oklahoma 74137

Telephone 918-488-8988  
Facsimile 918-488-8994

March 20, 2001

Patco ltd  
7977 Caruth Court  
Dallas, TX 75225

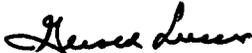
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Sincerely,



Gerald Lucero  
Manager of Operations

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Patco, LTD.

BY: \_\_\_\_\_  
TITLE: \_\_\_\_\_  
PRINT NAME: \_\_\_\_\_  
DATE: \_\_\_\_\_

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

District II  
811 South First Street, Artesia, NM 88210

District III  
1000 Rio Brazos Road, Aztec, NM 87410

District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107A  
Revised May 15, 2000

OIL CONSERVATION DIVISION

2040 South Pacheco  
Santa Fe, New Mexico 87505

MAR 23 2001

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

APPLICATION FOR DOWNHOLE COMMINGLING

SAPIENT ENERGY CORP

8801 SOUTH YALE, STE 150, TULSA OK 74137

Operator Address  
KYTE 5 G 23-T-20S-R-38E LEA

Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 1895325 Property Code 25641 API No. 30-025-33427 Lease Type: Federal State X Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	BLINEBRY OIL & GAS	EAST WARREN TUBB	DK - ABO
Pool Code	06660	87085	15200
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	6030-6250	6746-7042	7325-7460
Method of Production (Flowing or Artificial Lift)	PUMPING	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)	1800 PSI	1800 PSI	2317 PSI Original
Oil Gravity or Gas BTU (Degree API or Gas BTU)	38.4	37.9	40.7
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: 1/27/01 Rates: 15 OIL 120 GAS 26 WTR	Date: 6/97 to 8/97 Rates: 6 OIL 47 GAS 38 WTR	Date: 11/15/00 Rates: 135 OIL 110 GAS 0 WTR
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Wtr Gas 9.6% 40.6% 43.3%	Oil Wtr Gas 3.8% 59.4% 16.9%	Oil Wtr Gas 86.6% 0% 39.8%

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes \_\_\_ No X  
 If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes X No \_\_\_  
 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 \_\_\_

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 Gerald Lucero TITLE Manager of Operations DATE March 20, 2001

TYPE OR PRINT NAME Gerald Lucero TELEPHONE NO. (918) 488-8988

DISTRICT I  
P.O. Box 1990, Hobbs, NM 88241-1990

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

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

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

DISTRICT IV  
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number 30-025-33427	Pool Code 87085	Pool Name East Warren Tubb
Property Code	Property Name KYTE	Well Number 5
OGRID No. 189535	Operator Name Sapient Energy Corp	Elevation 3570'

**Surface Location**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	23	20 S	38 E		1980	NORTH	1980	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>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p><i>Gerald Lucero</i> Signature</p> <p>Gerald Lucero Printed Name</p> <p>Manager of Operations Title</p> <p>March 20, 2001 Date</p>
	<p><b>SURVEYOR CERTIFICATION</b></p> <p><i>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.</i></p> <p>APRIL 15, 1997 Date Surveyed</p> <p>CDG Signature of Seal of Professional Surveyor</p> <p><i>Ronald G. Edson</i> RONALD G. EDSON 4-16-97 NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR 8739 87-11-0670</p> <p>Certificate No. JOHN W. WEST 676 RONALD G. EDSON 3239 GARY EDSON 12641</p>

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 Ed., Aztec, NM 87410

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-33427	Pool Code 15200	Pool Name DK-Abo
Property Code	Property Name KYTE	Well Number 5
OGRID No. 189535	Operator Name Sapient Energy Corp	Elevation 3570'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	23	20 S	38 E		1980	NORTH	1980	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
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P.O. Box 1980, Hobbs, NM 88241-1980

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Energy, Minerals and Natural Resources Department

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Revised February 10, 1994  
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**OIL CONSERVATION DIVISION**  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number 30-025-33427	Pool Code 06660	Pool Name Blinebry Oil & Gas
Property Code	Property Name KYTE	Well Number 5
OGRID No. 189535	Operator Name Sapient Energy Corp	Elevation 3570'

**Surface Location**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	23	20 S	38 E		1980	NORTH	1980	EAST	LEA

**Bottom Hole Location If Different From Surface**

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	<p>Signature &amp; Seal Professional Surveyor</p> <p><i>Ronald G. Edson</i> RONALD G. EDSON GARY EDSON</p> <p>4-16-97</p>
	<p>Certificate No. JOHN V. WEST 676 RONALD G. EDSON 3239 GARY EDSON 12641</p>

Submit 3 Copies  
 To Appropriate  
 District Office  
**DISTRICT I**  
 P.O. Box 1980, Hobbs, NM 88240  
**DISTRICT II**  
 811 South First, Artesia NM 88210  
**DISTRICT III**  
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State of New Mexico  
 Energy, Minerals and Natural Resources Department

Form C-103  
 Revised 1-1-89

**OIL CONSERVATION DIVISION**  
 2040 South Pacheco  
 Santa Fe, NM 87505

WELL API NO. 30-025-33427
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name:  Kyte
8. Well No. 5
9. Pool name or Wildcat Blinebry Oil & Gas, East Warren Tubb, DK-Abo

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)	
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	7. Lease Name or Unit Agreement Name:  Kyte
2. Name of Operator Sapient Energy Corp	8. Well No. 5
3. Address of Operator 8801 South Yale, Ste 150 Tulsa, OK 74137	9. Pool name or Wildcat Blinebry Oil & Gas, East Warren Tubb, DK-Abo
4. Well Location Unit letter <u>G</u> : <u>1980</u> feet from the <u>North</u> line and <u>1980</u> feet from the <u>East</u> line Section <u>23</u> , Township <u>20S</u> Range <u>38E</u> NMPM Lea County	
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3570' DF	

Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

**NOTICE OF INTENTION TO:**

PERFORM REMEDIAL WORK PLUG AND ABANDON  
 TEMPORARILY ABANDON CHANGE PLANS  
 PULL OR ALTER CASING  
 OTHER: \_\_\_\_\_

**SUBSEQUENT REPORT OF:**

REMEDIAL WORK ALTERING CASING  
 COMMENCE DRILLING OPNS. PLUG AND ABANDONMENT  
 CASING TEST AND CEMENT JOB  
 OTHER: Commingle DK-Abo, Blinery Oil & Gas and East Warren Tubb

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103.

11-28-00 M.I. and R.U. – T.O.H. w/rods. Release packer that was isolating Tubb & Blinebry. Packer was set @ 7229’.

11-29-00 T.O.H. w/production string & packer. T.I.H. w/production string, rods & pump

11-30-00 Start producing Abo, Tubb, Blinebry for test volumes.  
 RBP at 7560’ – still isolating lower Abo perfs.

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

SIGNATURE *Gerald Lucero* TITLE Manager of Operations DATE March 20, 2001  
 Type of print name Gerald Lucero Telephone No. (918) 488-8988

(This space for State use)

APPROVED  
 BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

Conditions of approval, if any:

# SAPIENT ENERGY CORP.

8801 S. Yale, Suite 150  
Tulsa, Oklahoma 74137

Telephone 918-488-8988  
Facsimile 918-488-8994

REC'D  
APR 2 2001

March 20, 2001

Sheehy & Richardson  
A Texas Partnership  
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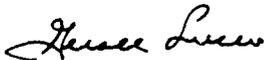
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Sincerely,



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Manager of Operations

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Sheehy & Richardson

BY: Bill M. Richardson  
TITLE: Partner  
PRINT NAME: Bill M. Richardson  
DATE: 3/29/01