

DATE: 8/20/01	SUSPENSE: N/R	ENGINEER: DC	LOGGED IN: KW	TYPE: DHC	APP NO.: 123346582
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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



2950

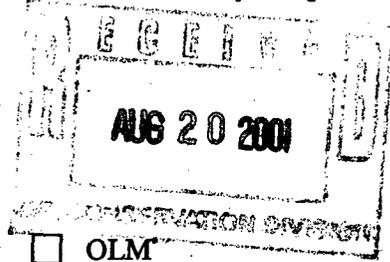
ADMINISTRATIVE APPLICATION CHECKLIST

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.

William R. Huck _____ Signature *William R. Huck* _____ Title VP - ENGR + PROD _____ Date 8-17-01
 Print or Type Name _____
 e-mail Address billh@APEX 2000.NET

Pecos River Operating, Inc
550 W. Texas Suite 720
Midland, TX 79701

August 17, 2001

David Catanach
New Mexico Oil Conservation Division
1220 South St Francis Dr.
Santa Fe. NM 87504

RE: Request for Downhole Commingling
Nichols Dale Federal #9
Unit J, Sec 33, Twp 7-S, Rge 26-E, Chaves Co., New Mexico
API # 30-005-63181

Mr. Catanach,

Pecos River Operating respectfully requests permission to downhole commingle the Leslie Spring Wolfcamp, South and Pecos Slope Abo (gas) zones in the above referenced well. In support of this application the following are enclosed.

1. Form 107A with appropriate data.
2. Forms 102 for each completion.
3. BLM Form 3160-5 for Wolfcamp completion.
4. The Production History on Wolfcamp completion.

If you need further information, please contact me at 915-620-8480.

Yours truly,



William R. Huck
Vice President – Engr & Prod

CC: OCD-Artesia

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other Instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
 Pecos River Operating Company, Inc.

3a. Address 550 W. Texas Ave., Suite 720
 Midland, Texas 79701

3b. Phone No. (include area code)
 (915) 620-8480

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
 1980' FNL & FEL
 Section 33, T-7-S, R-26-E

5. Lease Serial No.
 LC-067811

6. If Indian, Allottee or Tribe Name
 N/A

7. If Unit or CA/Agreement, Name and/or No.
 N/A

8. Well Name and No.
 Nichols Dale Federal #9

9. API Well No.
 30-005-63181

10. Field and Pool, or Exploratory Area
 Wildcat & Wolfcamp
 Pecos Slope Abo (Gas)

11. County or Parish, State
 Chaves

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Downhole Commingled</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>Abo & Wolfcamp</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Application to downhole commingle before Commission.
 Intend to isolate Wolfcamp perms w/ RBP @ 4600'.
 Perforate Abo 3990-98, 4014-22, 4128-30, 42-44, 4233-38, 52-70'. PPI w/ 2000 gal 7 1/2%.
 Frac w/ N₂ Foam & ± 150000# sand.
 Flowback load & test.
 Pull RBP & complete as Abo-Wolfcamp DH Commingled.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) William R. Huck Title Vice President - Engineering & Production

Signature *William R. Huck* Date 8-01-01

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title _____ Date _____

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Office _____

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
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised May 15, 2000

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

Pecos River Operating Inc. 550 W. Texas Ave., Suite 720 – Midland, Texas 79701

Operator Address
Nichols Dale Federal 9 G-33-7S-26E Chaves

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

OGRID No. 017081 Property Code 008762 API No. 30-005-63181 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Pecos Slope Abo (Gas)		Leslie Spring Wolfcamp, So
Pool Code	82730		97110
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	3990-4344		4622-4984
Method of Production (Flowing or Artificial Lift)	Flow		Flow
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)	Not Required		Not Required
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1065		1065
Producing, Shut-In or New Zone	New Zone		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.)	Not Yet Completed Date: Rates: Est 200 MCFD	Date: Rates:	Date: 7-16-01 Rates: 202 MCFD
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 % 50 %	Oil Gas % %	Oil Gas % 50 %

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.
 - 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 William R. Huck TITLE Vice President Engineering & Operations DATE 8-17-01

TYPE OR PRINT NAME William R. Huck TELEPHONE NO. (915) 620-8480

DISTRICT II
P.O. Drawer 80, Artesia, NM 88211-0719

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

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-005-63181	Pool Code 97110	Pool Name Leslie Spring Wolfcamp, So
Property Code 008762	Property Name NICHOLS DALE FEDERAL	
OCRID No. 017081	Operator Name PECOS RIVER OPERATING, INC.	Well Number 9
		Elevation 3740'

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	33	7 S	26 E		1980	NORTH	1980	EAST	CHAVES

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 320	Joint or Infill	Consolidation Code	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

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein to true and complete to the best of my knowledge and belief.</p> <p><i>[Signature]</i> Signature</p> <p>PATRICIA T. GREENWADE Printed Name</p> <p>AGENT Title</p> <p>08/27/98 Date</p>
	<p>SURVEYOR CERTIFICATION</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>RONALD J. EIDSON Date Surveyed</p> <p><i>[Signature]</i> Signature & Seal of Professional Surveyor 3239</p> <p>W.O. 98-134</p> <p>Certificate No. RONALD J. EIDSON, 3239 GARY G. EIDSON, 12541 MACON McDONALD, 12185</p>

DISTRICT II
P.O. Drawer 88, Artesia, NM 88211-0719

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

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-005-63181	Pool Code 82730	Pool Name PECOS SLOPE ABO (GAS)
Property Code 008762	Property Name NICHOLS DALE FEDERAL	Well Number 9
OGRID No. 017081	Operator Name PECOS RIVER OPERATING, INC.	Elevation 3740'

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	33	7 S	26 E		1980	NORTH	1980	EAST	CHAVES

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.
160 ac w/	well #7		

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>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>[Signature]</i> Signature</p> <p>PATRICIA T. GREENWADE Printed Name</p> <p>AGENT Title</p> <p>08/27/98 Date</p>
	<p>SURVEYOR CERTIFICATION</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>ALSO BY Date Surveyed Signature & Seal of Professional Surveyor Professional Surveyor 3239 REG. 98 W.O. PROFESSIONAL SURVEYOR 134</p> <p>Certificate No. RONALD J. EIDSON, 3239 GARY G. EIDSON, 12841 MACON McDONALD, 12185</p>

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OPERATOR'S COPY FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS
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SUBMIT IN TRIPLICATE (Other instructions on reverse side)

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
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 Midland, Tx 79701

3b. Phone No. (include area code)
 (915) 620-8480

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
 1980' FNL & FEL, Sec 33, Twp 7-S, Rge 26-E, Chaves Co., NM

5. Lease Serial No.
 LC - 067811

6. If Indian, Allottee or Tribe Name
 N/A

7. If Unit or CA/Agreement, Name and/or No.
 N/A

8. Well Name and No.
 Nichols Dale Federal #9

9. API Well No.
 30-005-63181

10. Field and Pool, or Exploratory Area
 Wildcat

11. County or Parish, State
 Chaves Co., NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input checked="" type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

- 3-17-01 Perf Ordovician 5256-84, 5365-68, (22 holes), Acidize w/ 1700 gal 20% HCl. Swab 62 BLW. Swab dry.
- 3-29-01 CIBP @ 5225'. Perf Penn 5058-67', 5112-14', 5151-53' (16 holes). Flowed 500 MCFD Natural. SITP-1750 psi. Acidize w/ 1700 gal 10 1/8 HCl w/ 30% methanol.
- 4-01-01 IPF 2100 MCFD. FTP-900 psi. Decreased to 28 MCFD in 11 days. 120 hr SITP-620 psi.
- 4-23-01 Dump 35' cmt on CIBP @ 5225'. Set CIBP @ 5040'. Perforate Wolfcamp - 4622-30', 4666-71', 4706-11', 4758-61', 4766-69', 4822-25', 4835-39', 4915-19', 4948-50', 4982-84' (49 holes)
- 4-24-01 Acidize w/ 5600 gal 15% HCl.
- 4-25-01 1 PF 950 MCFD. FTP 370 psi on 18/64" choke. No fluid. 40 hr SITP - 884 psi

14. I hereby certify that the foregoing is true and correct
 Name (Printed/Typed)

William R. Huch

Title VP - Engineering - Production

Signature



Date 5-14-01

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	ACCEPTED FOR RECORD	Title	Date
Conditions of approval are attached. Approver certifies that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	<i>[Signature]</i>	Office	

MAY 29 2001

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212 make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

DAVID R. GLASS
 PETROLEUM ENGINEER

**Chronology of Completion
Nichols Dale Federal No. 9**

4-25-01 Completed in Wolfcamp 4622 – 4984', flowing 950 MCFD dry gas.

7-16-01 Production has declined to +/-200 MCFD. (Curve attached)

Propose to isolate Wolfcamp, perforate Abo formation at 3990-98, 4014-22, 4128-30, 4142-44, 4233-38, 4252-70, 4340-44, stimulate and test.

Expected results from Abo based on recent wells in area is +/-200 MCFD after cleanup.

Wolfcamp production is dry gas. Abo can make a trace of water. The combined rate of both zones will help keep the well unloaded.

The proposed Downhole commingling will improve the well's overall producibility, and thus help prevent waste in potential lost production and operating expenses.

Nichols Dale Fed #9

— Daily Production

