

DATE <b>3/1/02</b>	SUSPENSE <b>N/R</b>	ENGINEER <b>DC</b>	LOGGED IN <b>KV</b>	TYPE <b>DHC</b>	APP NO. <b>PKAV 0206050713</b>
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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.

Ken M. Calvert  
Print or Type Name

*K. M. Calvert*  
Signature

Engineering Manager  
Title

2/28/02  
Date

e-mail Address

**MEWBOURNE OIL COMPANY**

**P.O. BOX 7698  
TYLER, TEXAS 75711  
903 - 561-2900  
FAX 903 - 561-1870**

February 28, 2002

UPS NEXT DAY AIR #1Z F69 8E8 22 1001 499 4

Mr. David Catanach  
New Mexico Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

RE: Form C-107A  
Illinois Camp 17 State Com #3  
Sec 17 T18S R28E  
Illinois Camp; Morrow, North and Wildcat (Atoka) Pools  
Eddy Co., NM


Dear Mr. Catanach:

Please find enclosed the following for the downhole commingling of production from the Atoka and Morrow zones in the referenced well:

Form C-107A  
Attachments information  
Form C-102 for both zones  
Administrative Application Checklist

A copy of Form C-107A is being mailed today to the New Mexico State Land Office in Santa Fe. If you need further information, please call me at (903) 561-2900.

Yours truly,



Janet Burns  
Reg. Tech.

cc: NMOCD - Artesia  
Hobbs  
Midland  
Allen Brinson  
Wayne Jones  
Don Russell  
Cheryl Little

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

APPLICATION TYPE

☒ Single Well

☐ Establish Pre-Approved Pools

EXISTING WELLBORE

☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

Mewbourne Oil Company P. O. Box 7698 Tyler, TX 75711  
Operator Address  
Illinois Camp 17 State Com #3 M-Sec. 17, T18S, R28E Eddy  
Lease Well No. Unit Letter-Section-Township-Range County  
OGRID No. 14744 Property Code 28898 API No. 30-015-32009 Lease Type: ☐ Federal ☒ State ☐ Fcc

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Wildcat (Atoka)		Illinois Camp; Morrow, North
Pool Code			78890
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	9,898 - 9,906'		10,436 - 10,498'
Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
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)	N/A		59.3
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.)	Date: Estimated rate: Rates: 200 MCFD, 0 BO, 0 BW	Date: Rates:	Date: 2/21/02 Rates: 250 MCFD, 1 BO, 1 BW
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 90 % 44 %	Oil Gas % %	Oil Gas 10 % 56 %

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  TITLE Reg. Tech. DATE 2/28/02

TYPE OR PRINT NAME Janet Burns TELEPHONE NO. (903 ) 561-2900

## **Attachments to C-107A**

Mewbourne Oil Company  
Illinois Camp 17 State Com #3  
Sec 17 T18S R28E  
Eddy County, New Mexico

**C-102 for each zone to be commingled showing its spacing unit and acreage dedication**

**Production curve is not attached** (new well)

### **Estimated production rates and supporting data**

Test Data:

Morrow	2/21/02	250 MCFD, 1 BO, 1 BW: current production
Atoka		200 MCFD, 0 BO, 0 BW: estimated initial production. No offset Atoka production in area.

### **Data to support allocation method or formula**

Test as shown above for both zones

### **Notification list of working, royalty and overriding royalty interests for uncommon interest cases**

No uncommon interests.

### **Any additional statements, data or documents required to support commingling**

The well is completed with 5 1/2" OD casing. In order to dually complete the well to recover all economic reserves, the use of small diameter special clearance tubing would be required. Performing a dual completion as described could not be economically justified for a zone with limited deliverability. The addition of the Atoka as a commingled zone will prevent waste that would not otherwise be possible due to the increased cost to produce each individual zone. Commingling will prevent early abandonment of each production zone.

DISTRICT I  
1626 N. French Dr., Hobbs, NM 88240

DISTRICT II  
811 South First, Artesia, NM 88210

DISTRICT III  
1000 Rio Brason Rd., Artesia, NM 87410

DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87506

STATE OF NEW MEXICO  
Energy, Minerals and Natural Resources Department

Revised March 17, 1999  
Instruction on back  
Submit to 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

API Number	Pool Code	Pool Name
		Illinois Camp Morrow, North
Property Code	Property Name	Well Number
	ILLINOIS CAMP "17" STATE COM.	3
GRID No.	Operator Name	Elevation
14744	MEWBOURNE OIL COMPANY	3607

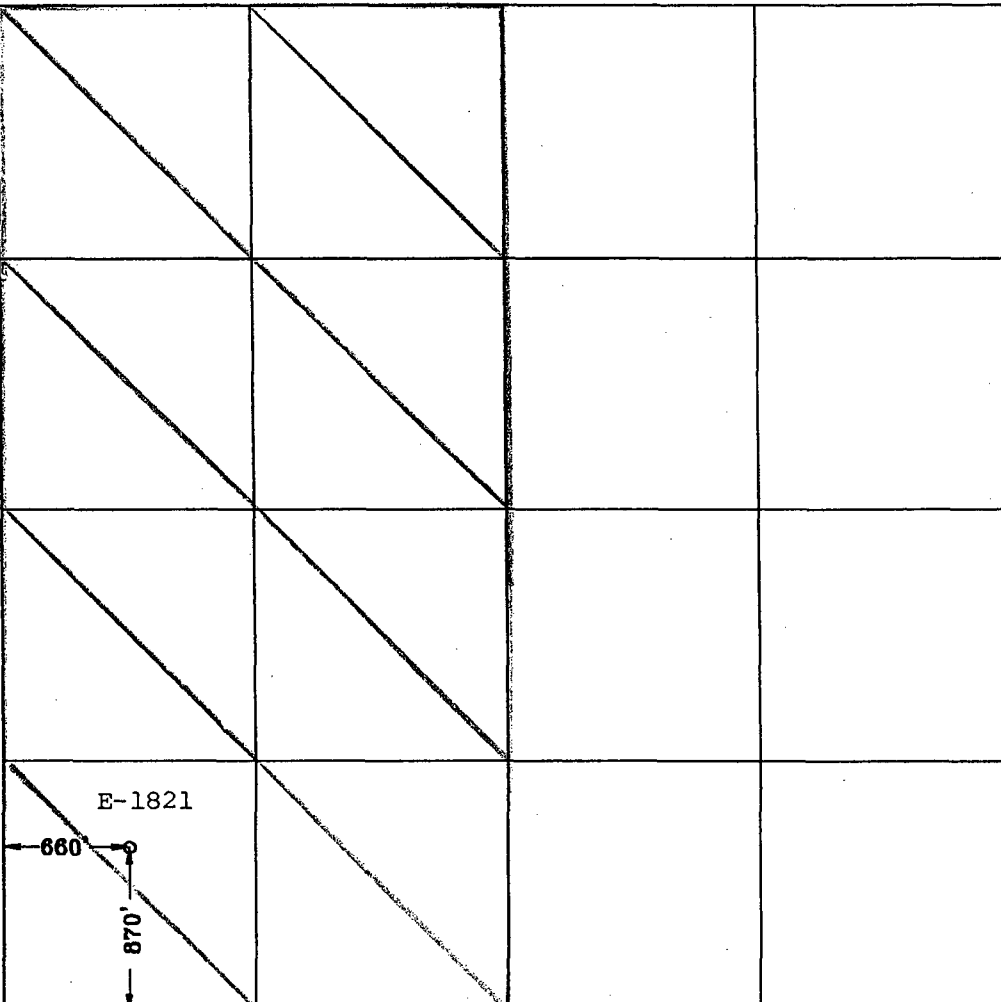

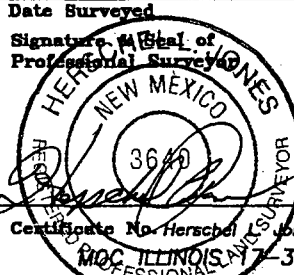
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	17	18S	28E		870	SOUTH	660	WEST	EDDY

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.						
320									

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 hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p> Signature N.M. Young Printed Name District Manager Title 9/26/01 Date</p> <p><b>SURVEYOR CERTIFICATION</b></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>8/28/2001 Date Surveyed Signature of Professional Surveyor  Certificate No. Herschel Jones RLS 3640 MOC ILLINOIS 7-3 GENERAL SURVEYING COMPANY</p>
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## DISTRICT II

811 South First, Artesia, NM 88210

## DISTRICT III

1000 Elia Brazos Rd., Artesia, NM 87410

## DISTRICT IV

2040 South Pacheco, Santa Fe, NM 87505

## OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-32009	Pool Code	Pool Name Wildcat (Atoka)
Property Code 28898	Property Name ILLINOIS CAMP "17" STATE COM.	Well Number 3
OGED No. 14744	Operator Name MEWBOURNE OIL COMPANY	Elevation 3607

## Surface Location

UL or lot No.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
M	17	18S	28E		870	SOUTH	660	WEST	EDDY

## Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot 1/4	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

	<b>OPERATOR CERTIFICATION</b>  I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.   Signature  Janet Burns Printed Name  Reg. Tech. Title  2/26/02 Date	
	<b>SURVEYOR CERTIFICATION</b>  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.  8/28/2001 Date Surveyed   Signature of Professional Surveyor   Certificate No. Herschel Jones RLS 3640 MOC ILLINOIS CAMP "17" STATE COM. GENERAL SURVEYING COMPANY	

**COMMISSIONER'S OFFICE**

Phone (505) 827-5760

Fax (505) 827-5766

**ADMINISTRATION**

Phone (505) 827-5700

Fax (505) 827-5853

**GENERAL COUNSEL**

Phone (505) 827-5713

Fax (505) 827-4262

**PUBLIC AFFAIRS**

Phone (505) 827-1243

Fax (505) 827-5766



**New Mexico State Land Office  
Commissioner of Public Lands  
Ray Powell, M.S., D.V.M.**

**COMMERCIAL RESOURCES**

Phone (505) 827-5724

Fax (505) 827-6157

**MINERAL RESOURCES**

Phone (505) 827-5744

Fax (505) 827-4739

**ROYALTY MANAGEMENT**

Phone (505) 827-5772

Fax (505) 827-4739

**SURFACE RESOURCES**

Phone (505) 827-5793

Fax (505) 827-5711

March 6, 2002

Mewbourne Oil Company  
P.O. Box 7698  
Tyler, Texas 75711

Attn: Ms. Janet Burns

Re: Downhole Commingling Application  
Illinois Camp 17 State Com Well No. 3  
Unit Letter M, Section 17-18S-28E  
Wildcat (Atoka) and Illinois Camp; Morrow, North Pools  
Eddy County, New Mexico

Dear Ms. Burns:

This office is in receipt of your application of January 28, 2002, requesting our approval to downhole commingle the production from the above subject well from the Wildcat (Atoka) and Illinois Camp; Morrow, North Pools in Eddy County, New Mexico.

It is our understanding that production from the subject well will be allocated as follows:

<u>POOL</u>	<u>ALLOCATION</u>	
	<u>Oil %</u>	<u>Gas %</u>
Wildcat (Atoka)	33 %	33 %
Illinois Camp; Morrow, North	67 %	67 %
	-----	-----
	100	100

Since it appears that there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request for downhole commingling the production from the above-mentioned well is hereby approved. Any deviation from the substance of your request will be sufficient grounds for rescinding our approval. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

Your filing fee in the amount of \$30.00 has been received.

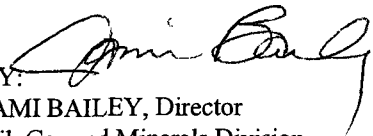
Mewbourne Oil Company  
March 6, 2002  
Page 2

Please submit a communitization agreement for the Atoka formation covering the W/2 of Section 17-18S-28E.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.  
COMMISSIONER OF PUBLIC LANDS

BY:   
JAMI BAILEY, Director  
Oil, Gas and Minerals Division  
(505) 827-5744

RP/JB/cpm

Enclosure

xc: Reader File

OCD--Santa Fe--Attention: David Catanach