

PNRM 0411738939

C-103 Received 2-17-2004
DHC No. Assigned 2-24-2004

	Order Number	API Number	Operator	County	
	H08-0078	30-025-10398	Saga Petroleum LLC	Lea	
	Order Date	Well Name	Number	Location	
		E.M. Elliott Federal	003	C UL	22 Sec
				22S T (+Dir)	37E R (+Dir)
			Oil %	Gas %	
Pool 1	06660	Blinebry Oil & Gas (Oil)	16%	14%	
Pool 2	60240	Tubb Oil & Gas (Oil)	84%	86%	
Pool 3					
Pool 4					
Comments: Work completed effective _____ Work cancelled effective _____ Supplement _____					

4-26-2004

Posted

RB Dm2

③

DOWNHOLE COMMINGLE CALCULATIONS:

30-025-10398
HOB-0078

OPERATOR: Saga Petroleum LLC

PROPERTY NAME: E. M. Elliott Federal

WNULSTR: 3-C, 22-22-37

	SECTION I:		ALLOWABLE AMOUNT	
06660	POOL NO. 1	<u>Blinebry Oil & Gas (Oil)</u>	<u>107</u>	<u>428</u> MCF 4000
60240	POOL NO. 2	<u>Tubb Oil & Gas (Oil)</u>	<u>142</u>	<u>284</u> MCF 2000
	POOL NO. 3	_____	_____	_____ MCF
	POOL NO. 4	_____	_____	_____ MCF
		POOL TOTALS	<u>249</u>	<u>712</u>

	SECTION II:			Gas
	POOL NO. 1	<u>Blinebry Oil & Gas (Oil)</u>	<u>16%</u>	<u>14%</u>
	POOL NO. 2	<u>Tubb Oil & Gas (Oil)</u>	<u>84% X 249 = 209.16</u>	<u>86%</u>
	POOL NO. 3	_____		
	POOL NO. 4	_____		

	<u>OIL</u>	<u>GAS</u>
SECTION III:	<u>$107 \div 84\% = 127.38$ (128)</u>	_____
SECTION IV:	<u>$128 \times 16\% = 20.48$ (20)</u>	_____
	<u>$128 \times 84\% = 107.52$ (108)</u>	_____
	_____	_____
	_____	_____

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

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

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.

30-025-10398

5. Indicate Type of Lease

STATE ☐ FEE ☐

6. State Oil & Gas Lease No.

Federal NMLC032573A

7. Lease Name or Unit Agreement Name
E M Elliott Federal

8. Well Number

3

9. OGRID Number

148967

10. Pool name or Wildcat
Blinebry O&G, Tubbs

SUNDRY NOTICES AND REPORTS ON WELLS

(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 ☒ Gas Well ☐ Other

2. Name of Operator

Saga Petroleum LLC

3. Address of Operator 415 W. Wall, Suite 1900
Midland, TX 79701

4. Well Location

Unit Letter C: 510 feet from the North line and 2130 feet from the West line

Section 22

Township 22S

Range 37E

NMPM

County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

12. 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 ☐ MULTIPLE COMPLETION ☐OTHER: DHC ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐CASING TEST AND CEMENT JOB ☐OTHER: ☐

13. 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. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Per Order R-11363, Saga respectfully requests approval to downhole commingle the designated pools

Blinebry 06660 5481'-5654' perms

Tubb 60240 5964'-6142' perms

The allocation method will be as reported on Form C107A submitted 2-3-04 with Forms C-102 & production curves for each zone

Blinebry Oil 16% & gas 14%, wtr 95%

Tubb Oil 84% & gas 86%, wtr 5%

Downhole commingling will not decrease the value of production.

All working, royalty & overriding royalty interests are identical in the two pools.

The BLM was notified of this request via Sundry Notice 3160-5 dated 2-3-2004

DHC Order No. HOB-0078

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

SIGNATURE Bonnie Husband TITLE Production Analyst DATE 02/13/2004

bhusband@sagapetroleum.com

Type or print name Bonnie Husband

E-mail address:

Telephone No. (432)684-4293

This space for State use)

APPROVED BY

TITLE

PETROLEUM ENGINEER

DATE

FEB 24 2004

Conditions of approval, if any:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTNew Mexico Oil Conservation Division, District I
1625 N. French Drive
Hobbs, NM 88240FORM 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 ☐ Other2. Name of Operator
SAGA PETROLEUM LLC3a. Address
415 W. WALL, SUITE 1900, MIDLAND, TX 797013b. Phone No. (include area code)
(432)684-42934. Location of Well (Footage, Sec., T., R., M., or Survey Description)
510' FNL & 2130' FWL
Sec. 22 (C), T22S, R37E5. Lease Serial No.
NMLC032573A

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
E M Elliott Fed #39. API Well No.
30-025-1039810. Field and Pool, or Exploratory Area
Tubbs - BLinebry Oil & Gas11. County or Parish, State
Lea
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 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 checked="" type="checkbox"/> Other DHC Blinebry & Tubb perms
	<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 recomple horizontally, give subsurface locations 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 recomple 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.)

3-02-04 MIRU PU, unhang well, LDPR, POOH w/rods & pump, NDWH, NU BOP, release TAC, TOO H w/tbg.

3-03-04 PU & RIH w/retrieving head, TIH to RBP, attempt to wash balls off plug, run out of wtr, wait on wtr, continue to wash balls, catch plug, release plug. POOH w/tbg & plug

3-04-04 RU Phils Testers, hydrotest 2-3/8" tbg to 5000 psi below slips, no failures, land tbg, ND BOP, set TAC w/16K tension, NUWH, PU & RIH w/pump & rods, change 34- 3/4" rod boxes & 11- 7/8" boxes. Hang on, space out, load & test tbg & pump action to 500 psi - both test good. 1-26' 1-1/4" PR. 77-1925' 7/8" sucker rods. 184-4600' 3/4" sucker rods 12-300' 7/8" sucker rods. 1-20' -20-125-RHBC-20-6 pump. 172 jts 2-3/8" 4.6# J-55 EUE 8rd tbg. 1-28' 2-3/8" x 7-6" TAC 46 jts 2-3/8" 4.6# J-55 EUE 8rd tbg. 1-4' 2-3/8" perf sub. 1-31' 2-3/8" BPMA

DHC Tubb perms 5964'-6142' & Blinebry perms 5481'-5654' by Order No. HOB-0078 dated 2-24-04
Production to be allocated - Blinebry Oil 16%, Wtr 95%, Gas 14% & Tubb Oil 84%, Wtr 5%, Gas 86%

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

Bonnie Husband

Title
Production Analyst

Signature

Date
03/08/2004

ACCEPTED FOR RECORD THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

(ORIG. SGD.) DAVID R. GLASS

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

Title 18 U.S.C. Section 1001 makes it a crime for any person knowingly and willfully to make fraudulent statements or representations as to any matter within its jurisdiction.

Well Completion Report (Form 3160-4) for the Blinebry recomple must be filed before we can enter this well as subsurface commingled from the Blinebry Oil and Gas Pool and the Tubb Oil and Gas Pool.

GWW

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

District II
1301 W. Grand Avenue, Artesia, NM 88210

District III
10600 Rio Bravo Road, Artesia, 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 June 10, 2003

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

Saga Petroleum LLC

415 W. Wall, Suite 1900, Midland, TX 79701

Operator

Address

E M Elliott Fed

3

C - 22 - T22S - R37E

Lea

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 148967 Property Code 25692 API No. 30-025-10398 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Blinebry		Tubb
Pool Code	06660		60240
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5481'-5654'		5964'-6142'
Method of Production (Flowing or Artificial Lift)	Pump		Pump
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)	1.246 - 36.1°		1.275 - 36.1°
Producing, Shut-In or New Zone	Prod		SI via RBP
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: 02/02/2004 Rates: 1bo-2bw-1mcf	Date: Rates:	Date: 12/03/2003 Rates: 5 BO- 6 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 Gas 16 % 14 %	Oil Gas % %	Oil Gas 84 % 86 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?

Yes ☒ No ☐
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 ☒

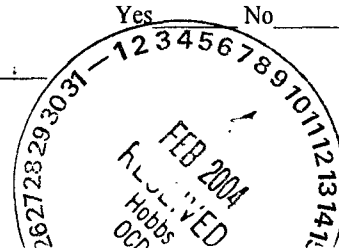
If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application?

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 Bonnie Husband TITLE Production Analyst DATE 02/03/2004

TYPE OR PRINT NAME Bonnie Husband TELEPHONE NO. () (432)684-4293

E-MAIL ADDRESS bhusband@sagapetroleum.com

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. Division

1625 N. French Dr.
Hobbs, NM 88240FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

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abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Serial No. NMLC032573A
2. Name of Operator SAGA PETROLEUM LLC	6. If Indian, Allottee or Tribe Name
3a. Address 415 W. WALL, SUITE 1900, MIDLAND, TX 79701	7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) (432)684-4293	8. Well Name and No. E M Elliott Fed #3
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 510' FNL & 2130' FWL Sec. 22 (C), T22S, R37E	9. API Well No. 30-025-10398
	10. Field and Pool, or Exploratory Area Tubbs - BLinebry Oil & Gas
	11. County or Parish, State Lea NM

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 DHC Blinebry & Tubb perms
	<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

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After testing Blinebry perms 5481'-5654' for approx 17 days, it has been determined that commercial production does not exist from the Blinebry perms, therefore Saga proposes to remove the RBP & DHC production from the Tubb & Blinebry.

WI, ORRI, etc are the same for both zones, production is compatible. Surface commingling of the Blinebry, Drinkard & Tubb zones exist for wells #3, #4 & #5.

SUBJECT TO
LIKE APPROVAL
BY NMOC

Well Completion Report (Form 3160-4) for the Blinebry
recompletion and Subsequent Report of Downhole
Commingling (Form 3160-5) must be filed after work
has been completed.

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

Name (Printed/Typed)

Bonnie Husband

Title

Production Analyst

Signature

Date

02/03/2004

Approved by

(ORIG. SGD.) DAVID R. GLASS

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

Title 18 U.S.C. Section 1001 makes 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

(Instructions on reverse)

16					<p>17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Bonnie Husband</i></p> <p>Signature</p> <p>Bonnie Husband</p> <p>Printed Name</p> <p>Production Analyst</p> <p>bhusband@sagapetroleum.com</p> <p>Title and E-mail Address</p> <p>02/04/2004</p> <p>Date</p>
					<p>18 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</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>Certificate Number</p>

Hobbs, NM 88240

Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

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

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

¹ API Number 30-025-10398	² Pool Code 60240	³ Pool Name Tubbs
⁴ Property Code 25692	⁵ Property Name E M Elliott Federal	⁶ Well Number 3
⁷ OGRID No. 148967	⁸ Operator Name Saga Petroleum LLC	⁹ Elevation Gr 3386'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	22	22S	37E		510	N	2130	W	Lea

¹¹ 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

¹² Dedicated Acres 40	¹³ Joint or Infill I	¹⁴ Consolidation Code	¹⁵ 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 				¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature Bonnie Husband Printed Name Production Analyst bhusband@sagapetroleum.com Title and E-mail Address 02/04/2004 Date
				¹⁸ 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				