

CASE NO. 12118
Order No. R-11155
EXHIBIT "A"

| | |
|-----------------------------|----------------------|
| BEFORE THE | |
| OIL CONSERVATION COMMISSION | |
| Santa Fe, New Mexico | |
| Case No. <u>12118</u> | Exhibit No. <u>1</u> |
| Submitted by <u>OOD</u> | |
| Hearing Date <u>3/25/99</u> | |

112-A MULTIPLE COMPLETIONS

112-A.A. Filing

Operators intending to multiple complete must file Form C-101 and/or C-103 for approval before completing and C-104 after completing along with any information required by the form instructions.

[7-3-58...2-1-96; 4-15-99]

112-A.B. Operation and Testing

(1) Wells shall be completed and produced so that no commingling of hydrocarbons from separate pools occurs.

(2) The operator shall commence a segregation and/or packer leakage test within 20 days after the multiple completion. Segregation tests and/or packer leakage tests shall also be made any time the packer is disturbed. The operator shall also conduct any other tests and determinations required by the Division. The appropriate district office shall be notified 48 hours in advance of tests so the district office may schedule personnel to witness the tests. Offset operators may witness such tests and shall advise the operator in writing if they desire to be notified of the tests. Test results shall be filed with the Division within 20 days of test completion. In the event a segregation and/or packer leakage test indicates communication between separate pools, the operator shall immediately notify the Division and commence corrective action on the well.

(3) Wells shall be equipped so that (i) reservoir pressure may be determined for each of the separate pools, and (ii) meters may be installed so that the gas and/or oil produced from each of the separate pools may be accurately measured.

(4) No multiple completion shall produce in a manner unnecessarily wasting reservoir energy.

(5) The Division may require the proper plugging of any zone of a multiple-completed well if the plugging appears necessary to prevent waste, protect correlative rights or protect groundwater, public health or the environment.

[2-1-82...2-1-96; R 4-1-99; Rn, 19 NMAC 15.C.112-A.F. & Rn, 19 NMAC 15.C. 112-A.F.(1).(a)-(g), 4-15-99; 4-15-99]

112-A.C. (1), (2), (3), (4) Repealed. [2-1-82...2-1-96; R 4-15-99]

112-A.D. (1); (1).(a); (1).(b); (2) Repealed. [2-1-82...2-1-96; R 4-15-99]

112-A.E. (1), (2) Repealed. [2-1-82...2-1-96; R 4-15-99]

112-A.F. (1).(a), (b), (c), (d), (e), (f), (g) Reserved. [2-1-82...2-1-96; 4-15-99]

112-A MULTIPLE COMPLETIONS

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| | |
|-----------------------------|----------------------|
| BEFORE THE | |
| OIL CONSERVATION COMMISSION | |
| Santa Fe, New Mexico | |
| Case No. <u>12118</u> | Exhibit No. <u>2</u> |
| Submitted by <u>OLD</u> | |
| Hearing Date <u>3/25/99</u> | |

District I

1625 N. French Dr, Hobbs, NM 88240

District II

811 South First, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico

Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

2040 South Pacheco

Santa Fe, NM 87505

Form C-101

Revised March 25, 1999

Instructions on back

Submit to Appropriate District Office

State Lease - 6 Copies

Fee Lease - 5 Copies



AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

| | | |
|---|----------------------------|-----------------------------------|
| ¹ Operator Name and Address. | | ² OGRID Number |
| | | ³ API Number 30 - 0 |
| ⁴ Property Code | ⁵ Property Name | ⁶ Well No. |

⁷ Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|

⁸ Proposed 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 |
|------------------------------|---------|----------|-------|---------|-------------------------------|------------------|---------------|----------------|--------|
| ⁹ Proposed Pool 1 | | | | | ¹⁰ Proposed Pool 2 | | | | |

| | | | | |
|------------------------------|------------------------------|----------------------------|-------------------------------|--------------------------------------|
| ¹¹ Work Type Code | ¹² Well Type Code | ¹³ Cable/Rotary | ¹⁴ Lease Type Code | ¹⁵ Ground Level Elevation |
| ¹⁶ Multiple | ¹⁷ Proposed Depth | ¹⁸ Formation | ¹⁹ Contractor | ²⁰ Spud Date |

²¹ Proposed Casing and Cement Program

| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
|-----------|-------------|--------------------|---------------|-----------------|---------------|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Case No. 12118 Sub. 3aSubmitted by AMOLDHearing Date March 25, 1999

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature:

Printed name:

Title:

Date:

Phone:

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

Conditions of Approval:
Attached ☐

**New Mexico Oil Conservation Division
C-101 Instructions**

Measurements and dimensions are to be in feet/inches. Well locations will refer to the New Mexico Principal Meridian.

**IF THIS IS AN AMENDED REPORT CHECK THE BOX LABELED
"AMENDED REPORT" AT THE TOP OF THIS DOCUMENT.**

1 Operator's OGRID number. If you do not have one it will be assigned and filled in by the District office.

2 Operator's name and address

3 API number of this well. If this is a new drill the OCD will assign the number and fill this in.

4 Property code. If this is a new property the OCD will assign the number and fill it in.

5 Property name that used to be called 'well name'

6 The number of this well on the property.

7 The surveyed location of this well New Mexico Principal Meridian NOTE: If the United States government survey designates a Lot Number for this location use that number in the 'UL or lot no.' box. Otherwise use the OCD Unit Letter.

8 The proposed bottom hole location of this well at TD

9 and 10 The proposed pool(s) to which this well is being drilled.

11 Work type code from the following table:

| | |
|---|--------------|
| N | New well |
| E | Re-entry |
| D | Drill deeper |
| P | Plugback |
| A | Add a zone |

12 Well type code from the following table:

| | |
|---|-----------------------|
| O | Single oil completion |
| G | Single gas completion |
| M | Multiple completion |

| | |
|---|---------------------|
| I | Injection well |
| S | SWD well |
| W | Water supply well |
| C | Carbon dioxide well |

13 Cable or rotary drilling code

C Propose to cable tool drill

R Propose to rotary drill

14 Lease type code from the following table:

S State

P Private

15 Ground level elevation above sea level

16 Intend to multiple complete? Yes or No
Attach intended well bore diagram.

17 Proposed total depth of this well

18 Geologic formation at TD

19 Name of the intended drilling company if known.

20 Anticipated spud date.

21 Proposed hole size ID inches, proposed casing OD inches, casing weight in pounds per foot, setting depth of the casing or depth and top of liner, proposed cementing volume, and estimated top of cement

22 Brief description of the proposed drilling program and BOP program. Attach additional sheets if necessary.

23 The signature, printed name, and title of the person authorized to make this report. The date this report was signed and the telephone number to call for questions about this report.

Submit 3 Copies
To Appropriate
District Office
DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised March 25, 1999

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, NM 87505

DISTRICT II
811 South First, Artesia NM 88210

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

WELL API NO.

5. Indicate Type of Lease
STATE ☐ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name:

8. Well No.

9. Pool name or Wildcat

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

3. Address of Operator

4. Well Location

Unit letter _____ : _____ feet from the _____ line and _____ feet from the _____ line

Section _____ Township _____ Range _____ NMPM _____ County _____

10. Elevation (Show whether DF, RKB, RT, GR, etc.)

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: ☐

SUBSEQUENT REPORT OF:

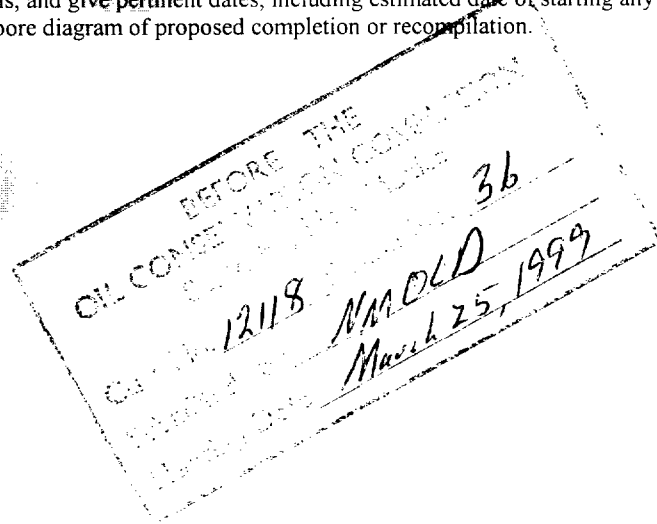
REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER: ☐

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



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

SIGNATURE _____ TITLE _____ DATE _____

Type or print name _____ Telephone No. _____

(This space for State use)

APPROVED BY _____ TITLE _____ DATE _____

Conditions of approval, if any:

1103 SUNDRY NOTICES AND REPORTS ON WELLS (Form C-103)

Form C-103 is a dual purpose form to be filed with the appropriate District Office of the Division to obtain Division approval prior to commencing certain operations and also to report various completed operations [1-1-65...2-1-96]

1103 A Form C-103 as a Notice of Intention

(1) Form C-103 shall be filed in TRIPLICATE by the operator and approval obtain from the Division prior to.

- (a) Effecting a change of plans from those previously approved on Form C-101 or Form C-103.
- (b) Altering a drilling well's casing program or pulling casing or otherwise altering an existing well's casing installation.
- (c) Temporarily abandoning a well.
- (d) Plugging and abandoning a well.

(e) Performing remedial work on a well which, when completed, will affect the original status of the well. (This shall include making new perforations in existing wells or squeezing old perforations in existing wells, but is not applicable to new wells in the process of being completed nor to old wells being deepened or plugged back to another zone where such recompletion has been authorized by an approved Form C-101, Application for Permit to Drill, Deepen, or Plug Back, nor to acidizing, fracturing, or cleaning out previously completed wells, nor to installing artificial lift equipment.)

[1-1-65...2-1-96]

(2) In the case of well plugging operations, the Notice of Intention shall include a detailed statement of the proposed work, including plans for shooting and pulling casing, plans for mudding, including weight of mud, plans for cementing, including number of sacks of cement and depths of plugs, and the time and date of the proposed plugging operations. If not previously filed, a complete log of the well on Form C-105 (See Rule 1105) shall accompany the Notice of Intention to plug the well, the bond will not be released until this is complied with. [1-1-65...2-1-96]

1103 A Form C-103 as a Subsequent Report

(1) Form C-103 as a subsequent report of operations shall be filed in accordance with the section of this rule applicable to the particular operation being reported. [1-1-65...2-1-96]

(2) Form C-103 is to be used in reporting such completed operations as:

- (a) Commencement of drilling operations
- (b) Casing and cement test
- (c) Altering a well's casing installation
- (d) Temporary abandonment
- (e) Plug and Abandon
- (f) Plugging back or deepening
- (g) Remedial work
- (h) Installation of artificial lifting equipment
- (i) Change of operator of a drilling well
- (j) Such other operations which affect the original status of the well but which are not specifically covered herein.

[1-1-65]

1103 C Information to be entered on Form C-103, Subsequent Report, for a particular operation is as follows.

Report of Commencement of Drilling Operations. Within ten days following the commencement of drilling operations, the operator of the well shall file a report thereof on Form C-103 in TRIPLICATE. Such report shall indicate the hour and the date the well was spudded.

[1-1-65...2-1-96]

1103 D Report of Results of Test of Casing and Cement Job, Report of Casing Alteration

A report of casing and cement test shall be filed by the operator of the well within ten days following the setting of each string of casing or liner. Said report shall be filed in TRIPLICATE on Form C-103 and shall present a detailed description of the test method employed and the results obtained by such test, and any other pertinent information required by Rule 107. The report shall also indicate the top of the cement and the means by which such top was determined. It shall also indicate any changes from the casing program previously authorized for the well. [1-1-65...2-1-96]

1103 E Report of Temporary Abandonment

A report of temporary abandonment of a well shall be filed by the operator of the well within thirty days following completion of the work. The report shall be filed in TRIPLICATE and shall present a detailed account of the work done on the well, including location and type of plugs used, if any, and status of surface and downhole equipment, and any other pertinent information relative to the overall status of the well. [1-1-65...2-1-96]

1103 F Report on Plugging of Well

A report of plugging operations shall be filed by the operator of the well within 30 days following completion of plugging operations on any well. Said report shall be filed in TRIPLICATE on Form C-103 and shall include the date the plugging operations were begun and the date the work was completed, a detailed account of the manner in which the work was performed including the depths and lengths of the various plugs set, the nature and quantities of materials employed in the plugging operations including the weight of the mud used, the size and depth of all casing left in the hole, and any other pertinent information. (See Rules 201-204 regarding plugging operations.) [1-1-65...2-1-96]

No plugging report will be approved by the Division until the pits have been filled and the location levelled and cleared of junk. It shall be the responsibility of the operator to contact the appropriate district office of the Division when the location has been so restored in order to arrange for an inspection of the plugged well and the location by a Division representative. [1-1-65...2-1-96]

1103 G Report of Remedial Work

A report of remedial work performed on a well shall be filed by the operator of the well within 30 days following completion of such work. Said report shall be filed in QUADRUPLICATE on Form C-103 and shall present a detailed account of the work done and the manner in which such work was performed. If the well is recompleted in the same pool, it shall also report the daily production of oil, gas, and water both prior to and after the remedial operation; the size and depth of shots; the quantity of and, crude, chemical or other materials employed in the operation, and any other pertinent information. Among the remedial work to be reported on Form C-103 are the following:

- (a) Report on shooting, fluid fracturing or chemical treatment of a previously completed well.
- (b) Report of squeeze job
- (c) Report on setting of liner or packer
- (d) Report of installation of pumping equipment or gas lift facilities
- (e) Report of any other remedial operations which are not specifically covered herein.

[1-1-65...2-1-96]

1103 H Report on Deepening or Plugging Back Within the Same Pool

A report of deepening or plugging back shall be filed by the operator of the well within 30 days following completion of such operations on any well. Said report shall be filed in QUADRUPLICATE on Form C-103 and shall present a detailed account of work done and the manner in which such work was performed. If the well is recompleted in the same pool, it shall also report the daily production of oil, gas, and water both prior to and after recompletion. If the well is recompleted in another pool, Forms C-101, C-102, C-104 and C-105 must be filed in accordance with Rules 1101, 1102, 1104 and 1105. [1-1-65...2-1-96]

1103 I Report of Change of Operator of a Drilling Well

A report of change of ownership shall be filed by the new operator of any drilling well within ten days following actual transfer of ownership or responsibility. Said report shall be filed in TRIPLICATE on Form C-103 and shall include the name and address of both the new operator and the previous operator, the effective date of the change of ownership or responsibility, and any other pertinent information. No change in the operator of a drilling well will be approved by the Division unless the new operator has an approved bond in accordance with Rule 101. (Form C-104 shall be used to report transfer of operator of a completed well, see Rule 1104.) [1-1-65...2-1-96]

1103 J Other Reports on Wells

Reports on any other operations which affect the original status of the well but which are not specifically covered herein shall be submitted to the Division on Form C-103, in TRIPLICATE, by the operator of the well ten days following the completion of such operation. [1-1-65...2-1-96]

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe. NM 87505

Form C-104
Revised March 25, 1999
Instructions on back
Submit to Appropriate District Office
5 Copies

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

| | | | |
|--|----------------------------|-------------------------------------|--------------------------|
| ¹ Operator name and Address | | ² OGRID Number | |
| | | ³ Reason for Filing Code | |
| ⁴ API Number 30 - 0 | ⁵ Pool Name | | ⁶ Pool Code |
| ⁷ Property Code | ⁸ Property Name | | ⁹ Well Number |

II. 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 |
| | | | | | | | | | |

¹¹ Bottom Hole Location

| | | | | | | | | | |
|------------------------|-------------------------------------|-----------------------------------|-------|-----------------------------------|---------------|------------------------------------|---------------|-------------------------------------|--------|
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| | | | | | | | | | |
| ¹² Lse Code | ¹³ Producing Method Code | ¹⁴ Gas Connection Date | | ¹⁵ C-129 Permit Number | | ¹⁶ C-129 Effective Date | | ¹⁷ C-129 Expiration Date | |
| | | | | | | | | | |

III. Oil and Gas Transporters

| | | | | |
|---------------------------------|--|-------------------|-------------------|--|
| ¹⁸ Transporter OGRID | ¹⁹ Transporter Name and Address | ²⁰ POD | ²¹ O/G | ²² POD ULSTR Location and Description |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

IV. Produced Water

| | |
|-------------------|--|
| ²³ POD | ²⁴ POD ULSTR Location and Description |
| | |

V. Well Completion Data

| | | | | | |
|-------------------------|--------------------------|------------------------------------|-------------------------|----------------------------|----------------------------|
| ²⁵ Spud Date | ²⁶ Ready Date | ²⁷ TD | ²⁸ PBTd | ²⁹ Perforations | ³⁰ DHC, MC |
| | | | | | |
| ³¹ Hole Size | | ³² Casing & Tubing Size | ³³ Depth Set | | ³⁴ Sacks Cement |
| | | | | | |
| | | | | | |
| | | | | | |

VI. Well Test Data

| | | | | | |
|----------------------------|---------------------------------|-------------------------|---------------------------|-----------------------------|-----------------------------|
| ³⁵ Date New Oil | ³⁶ Gas Delivery Date | ³⁷ Test Date | ³⁸ Test Length | ³⁹ Tbg. Pressure | ⁴⁰ Csg. Pressure |
| ⁴¹ Choke Size | ⁴² Oil | ⁴³ Water | ⁴⁴ Gas | ⁴⁵ AOF | ⁴⁶ Test Method |
| | | | | | |

| | | | |
|--|--------|---|------------|
| ⁴⁷ I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief. Signature: | | OIL CONSERVATION DIVISION Approved by: | |
| Printed name: | | Title: | |
| Title: | | Approval Date: | |
| Date: | Phone: | | |
| ⁴⁸ If this is a change of operator fill in the OGRID number and name of the previous operator | | | |
| Previous Operator Signature | | Printed Name | Title Date |

New Mexico Oil Conservation Division
C-104 Instructions

IF THIS IS AN AMENDED REPORT, CHECK THE BOX LABELED
"AMENDED REPORT" AT THE TOP OF THIS DOCUMENT

Report all gas volumes at 15.025 PSIA at 60°.
Report all oil volumes to the nearest whole barrel.

A request for allowable for a newly drilled or deepened well must be
accompanied by a tabulation of the deviation tests conducted in accordance
with Rule 111.

All sections of this form must be filled out for allowable requests on new and
recompleted wells.

Fill out only sections I, II, III, IV, and the operator certifications for changes
of operator, property name, well number, transporter, or other such changes.

A separate C-104 must be filed for each pool in a multiple completion.

Improperly filled out or incomplete forms may be returned to operators
unapproved.

1. Operator's name and address
2. Operator's OGRID number. If you do not have one it will be
assigned and filled in by the District office.
3. Reason for filing code from the following table:
NW New Well
RC Recompletion
CH Change of Operator
AO Add oil/condensate transporter
CO Change oil/condensate transporter
AG Add gas transporter
CG Change gas transporter
RT Request for test allowable (Include volume requested)
If for any other reason write that reason in this box.
4. The API number of this well
5. The name of the pool for this completion
6. The pool code for this pool
7. The property code for this completion
8. The property name (well name) for this completion
9. The well number for this completion
10. The surface location of this completion NOTE: If the United
States government survey designates a Lot Number for this location use that
number in the 'UL or lot no.' box. Otherwise use the OCD unit letter.
11. The bottom hole location of this completion
12. Lease code from the following table:
F Federal
S State
P Fee
J Jicarilla
N Navajo
U Ute Mountain Ute
I Other Indian Tribe
13. The producing method code from the following table:
F Flowing
P Pumping or other artificial lift
14. MO/DA/YR that this completion was first connected to a gas
transporter
15. The permit number from the District approved C-129 for this
completion
16. MO/DA/YR of the C-129 approval for this completion
17. MO/DA/YR of the expiration of C-129 approval for this
completion
18. The gas or oil transporter's OGRID number
19. Name and address of the transporter of the product
20. The number assigned to the POD from which this product will be
transported by this transporter. If this is a new well or recompletion and this
POD has no number the district office will assign a number and write it here.
21. Product code from the following table:
O Oil
G Gas

22. The ULSTR location of this POD if it is different from the well
completion location and a short description of the POD (Example: "Battery A", "Jones CPD", etc.)
23. The POD number of the storage from which water is moved from
this property. If this is a new well or recompletion and this POD has no
number the district office will assign a number and write it here.
24. The ULSTR location of this POD if it is different from the well
completion location and a short description of the POD (Example: "Battery A
Water Tank", "Jones CPD Water Tank", etc.)
25. MO/DA/YR drilling commenced
26. MO/DA/YR this completion was ready to produce
27. Total vertical depth of the well
28. Plugback vertical depth
29. Top and bottom perforation in this completion or casing shoe and
TD if openhole
30. Write in 'DHC' if this completion is downhole commingled with
another completion or 'MC' if there is more than one non-commingled
completion in this well bore. Attach actual completed well bore diagram.
31. Inside diameter of the well bore
32. Outside diameter of the casing and tubing
33. Depth of casing and tubing. If a casing liner show top and bottom.
34. Number of sacks of cement used per casing string

The following test data is for an oil well it must be from a test conducted only
after the total volume of load oil is recovered.
35. MO/DA/YR that new oil was first produced
36. MO/DA/YR that gas was first produced into a pipeline
37. MO/DA/YR that the following test was completed
38. Length in hours of the test
39. Flowing tubing pressure - oil wells
Shut-in tubing pressure - gas wells
40. Flowing casing pressure - oil wells
Shut-in casing pressure - gas wells
41. Diameter of the choke used in the test
42. Barrels of oil produced during the test
43. Barrels of water produced during the test
44. MCF of gas produced during the test
45. Gas well calculated absolute open flow in MCF/D
46. The method used to test the well:
F Flowing
P Pumping
S Swabbing
If other method please write it in.
47. The signature, printed name, and title of the person authorized to
make this report, the date this report was signed, and the telephone number to
call for questions about this report
48. The previous operator's name, the signature, printed name, and
title of the previous operator's representative authorized to verify that the
previous operator no longer operates this completion, and the date this report
was signed by that person

| | |
|---|-----------------------|
| BEFORE THE OIL CONSERVATION COMMISSION Santa Fe, New Mexico | |
| Case No. <u>12118</u> | EXHIBIT No. <u>36</u> |
| Submitted by <u>NMOC</u> | |
| Filing Date <u>March 25, 1959</u> | |

DOCKET: EXAMINER HEARING - THURSDAY - MARCH 18, 1999

8:15 A.M. - 2040 South Pacheco

Santa Fe, New Mexico

Dockets Nos. 10-99 and 11-99 are tentatively set for April 1, and April 15, 1999. Applications for hearing must be filed at least 23 days in advance of hearing date. The following cases will be heard by an Examiner:

CASE 12097: Continued from February 18, 1999, Examiner Hearing.

Application of Merrion Oil Corporation for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests in the Basin-Fruitland Coal (Gas) Pool underlying Lots 3 and 4, the S/2 NW/4, and the SW/4 of Section 2, Township 26 North, Range 13 West, thereby forming a standard-acre gas spacing and proration unit for this pool. This unit is to be dedicated to its proposed Shank Com Well No. 1 (API No. 30-045029516) to be drilled at a previously approved off-pattern unorthodox coal gas well location 1840 feet from the North and West lines (Unit F) of Section 2 (see Division Administrative Order NSL-4166, dated November 19, 1988). Also to be considered will be the cost of drilling and completing this well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling the well. This unit is located approximately 14 miles south of Farmington, New Mexico.

CASE 12120: Continued from February 18, 1999, Examiner Hearing.

Application of Universal Resources Corporation for surface commingling, Rio Arriba and San Juan Counties, New Mexico. Applicant seeks an exception to Division Rules 303-A and 309-A to permit surface commingling of Alamito-Gallup and Lybrook-Gallup Pool production from the following Federal Leases NMNM6682, NMNM6681, NMNM16586, NMNM58878, NMNM10087, NMNM048989A, and State Lease: 00016172 and 00016174, covering parts of Sections 21, 22, 23, 27, 28, 31, 32, 34, Township 23 North, Range 7 West, NMPM, San Juan County, New Mexico; Section 2, Township 22 North, Range 8 West, and Section 36, Township 23 North, Range 8 West, Rio Arriba County, New Mexico. These leases are located approximately 50 miles southeast of Farmington, New Mexico.

CASE 11973: Reopened

Application of Shahara Oil, L.L.C. to amend Division Order No. R-11027, Eddy County, New Mexico. Applicant seeks to amend Division Order No. R-11027 dated August 3, 1998, which authorized Shahara Oil, L.L.C. to institute a waterflood project on its Beeson "F" Federal Lease by the injection of water and micro-organisms into the Queen, Grayburg and San Andres formations. Loco Hills Queen-Grayburg-San Andres Pool, through twelve injection wells located in Sections 29 and 31, Township 17 South, Range 30 East. Applicant seeks to delete the requirement that it re-enter and re-plug five wells located within the "area of review" prior to commencing injection operations. This project is located approximately two miles southwest of Loco Hills, New Mexico.

CASE 12130: Readvertised

Application of Yates Petroleum Corporation for an unorthodox gas well location to accommodate the rededication of acreage for geologic reasons, Lea County, New Mexico Applicant seeks authorization to change the spacing and proration unit dedicated to its Sand Spring State Well No. 1 located 330 feet from the North line and 1650 feet from the West line (Unit C) of Section 11, Township 11 South, Range 34 East, in the Atoka and Morrow formations, Sand Spring-Atoka Gas Pool, from a N/2 to a W/2 spacing and proration unit. These spacing units are approximately 10 miles northwest of Tatum, New Mexico

CASE 12128: Continued from February 18, 1999, Examiner Hearing.

Application of Yates Petroleum Corporation for extension of the vertical limits of the Sand Springs-Atoka Gas Pool and for special pool rules, Lea County, New Mexico. Applicant seeks the expansion of the vertical limits of the Sand Springs-Atoka Gas Pool to include both the Atoka and Morrow formations and for the issuance of special pool rules for this expanded pool including provisions for a second gas well on each standard spacing and proration unit in the pool. This Sand Springs-Atoka Gas Pool is located in portions of Sections 1 and 2 of Township 11 South, Range 34 East. This area is located approximately 11 miles northwest of Tatum, New Mexico.

CASE 11089: Reopened

In the matter of Case No. 11089 being reopened pursuant to the provisions of Division Order No. R-46-C, which order established temporary special pool rules for the Barker Dome-Akah/Upper Barker Creek Pool, San Juan County, New Mexico. Operators in this pool may appear and show cause why the temporary special rules and regulations for the pool should not be rescinded. This pool is located approximately 7 miles west of La Plata, New Mexico.

CASE 12135: **Application of Marathon Oil Company for surface commingling, off-lease measurement and storage, Eddy County, New Mexico.** Applicant seeks an exception to Division Rule 309-A and Rule 303-A and the amendment of Division Administrative Order PLC-140 to permit surface commingling, off-lease measurement and storage of Indian Basin Upper Pennsylvanian Gas Pool and Indian Basin-Upper Pennsylvanian Associated Pool production from its Indian Basin "32" State Lease in Section 32 with its Indian Hills Unit covering parts of Sections 20, 21, 28, 29 and 33, all in Township 21 South, Range 24 East which shall be stored and measured at its centralized facility located in Unit P, Section 19, Township 21 South, Range 24 East. This facility is located approximately 18 miles east of Carlsbad, New Mexico.

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- CASE 12136:** **Application of Phillips Petroleum Company for the establishment of a downhole commingling reference case for its San Juan 29-6 Unit pursuant to Division Rule 303.E and the adoption of special administrative rules therefor, Rio Arriba County, New Mexico.** Applicant seeks to establish a downhole commingling reference case to provide for (a) marginal economic criteria, (b) pressure criteria, (c) allocation formulas, and (d) modification of notification rules on an area-wide basis authorization for downhole commingling of Dakota, Mesaverde, Fruitland-Coal and Pictured Cliffs gas production in the wellbores of existing or future wells drilled anywhere within the San Juan 29-6 Unit located in Township 29 North, Range 6 West. The center of this area is located approximately 4 miles west of the Gobernador Camp, New Mexico.
- CASE 12137:** **Application of Phillips Petroleum Company for the establishment of a downhole commingling reference case for its San Juan 32-7 Unit pursuant to Division Rule 303.E and the adoption of special administrative rules therefor, San Juan County, New Mexico.** Applicant seeks to establish a downhole commingling reference case to provide for (a) marginal economic criteria, (b) pressure criteria, (c) allocation formulas, and (d) modification of notification rules on an area-wide basis authorization for downhole commingling of Dakota, Mesaverde, Fruitland-Coal and Pictured Cliffs gas production in the wellbores of existing or future wells drilled anywhere within the San Juan 32-7 Unit located in Townships 31 and 32 North, Range 7 West. The center of this area is located approximately 18 miles east-northeast of Cedar Hill, New Mexico.
- CASE 12138:** **Application of Phillips Petroleum Company for the establishment of a downhole commingling reference case for its San Juan 31-6 Unit pursuant to Division Rule 303.E and the adoption of special administrative rules therefor, Rio Arriba County, New Mexico.** Applicant seeks to establish a downhole commingling reference case to provide for (a) marginal economic criteria, (b) pressure criteria, (c) allocation formulas, and (d) modification of notification rules on an area-wide basis authorization for downhole commingling of Dakota, Mesaverde, Fruitland-Coal and Pictured Cliffs gas production in the wellbores of existing or future wells drilled anywhere within the San Juan 31-6 Unit located in Townships 30 and 31 North, Ranges 6 and 7 West. The center of this area is located approximately 8.5 miles northeast of Navajo Dam, New Mexico.
- CASE 12139:** **Application of Phillips Petroleum Company for the establishment of a downhole commingling reference case for its San Juan 32-8 Unit pursuant to Division Rule 303.E and the adoption of special administrative rules therefor, San Juan County, New Mexico.** Applicant seeks to establish a downhole commingling reference case to provide for (a) marginal economic criteria, (b) pressure criteria, (c) allocation formulas, and (d) modification of notification rules on an area-wide basis authorization for downhole commingling of Dakota, Mesaverde, Fruitland Coal and Pictured Cliffs gas production in the wellbores of existing or future wells drilled anywhere within the San Juan 32-8 Unit located in Townships 31 and 32 North, Range 8 West. The center of this area is located approximately 12 miles east of Cedar Hill, New Mexico.
- CASE 12140:** **Application of Matador Petroleum Corporation for an unorthodox gas well location, Lea County, New Mexico.** Applicant seeks approval to drill its proposed Red Hills Well No. 4 at an unorthodox gas well location 454 feet from the South line and 1500 feet from the West line (Unit N) of Section 32, Township 25 South, Range 33 East, to be dedicated to a 640-acre gas spacing and proration unit consisting of all of this section for any pools/formations spaced on 640-acre spacing including the Red Hills Wolfcamp Gas Pool and the Red Hills-Devonian Gas Pool, and to a 320-acre gas spacing and proration unit consisting of the S/2 of this section for any pools/formations spaced on 320-acre spacing and to a 160-acre gas spacing and proration unit consisting of the SW/4 of this section for any pools/formations spaced on 160-acre spacing. This location is approximately 21 ½ miles west of Jal. New Mexico.
- CASE 12141:** **Application of Falcon Creek Resources, Inc. for surface commingling, off-lease measurement and storage, Lea County, New Mexico.** Applicant seeks an exception to Division Rules 309-A and 303.A to permit surface commingling, off-lease measurement and storage of West Teas Yates-Seven Rivers Pool production from its BF State Lease in the E/2 NE/4, SW/4 NE/4, NW/4 SE/4 and N/2 SW/4 and its Conoco State Lease in the N/2 NW/4 all in Section 16, Township 20 South, Range 33 East which shall be stored and measured at its centralized facility located in Unit G of this section. This facility is located approximately 4 miles northeast of the intersections of Federal Secondary Highway FAS 1217 and US Highway 180.
- CASE 12142:** **Application of Cross Timbers Oil Company for compulsory pooling and an unorthodox oil well location, San Juan County, New Mexico.** Applicant seeks an order pooling all mineral interests from the base of the Pictured Cliffs formation to the base of the Dakota formation underlying the following described acreage in Section 32, Township 28 North, Range 10 West, in the following manner: the W/2 to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre gas spacing within that vertical extent, including the Basin-Dakota Gas Pool; the NW/4 to form a standard 160-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre gas spacing within that vertical extent, including the Undesignated Otero-Chacra Gas Pool; and the NW/4 NW/4 to form a standard 40-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing within that vertical extent, including the Undesignated Kutz-Gallup Pool. These units are to be dedicated to its Federal A Well No. 1E, to be drilled at an orthodox gas well location/unorthodox oil well location 1190 feet from the North and West lines. Also to be considered will be the costs of drilling and completing this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of Cross Timbers Operating Company as the operator of the well and a charge for risk involved in this well. These units are located approximately 7 miles southeast of Bloomfield, New Mexico.

- CASE 12143:** **Application of Cross Timbers Oil Company for compulsory pooling and an unorthodox oil well location, San Juan County, New Mexico.** Applicant seeks an order pooling all mineral interests from the base of the Pictured Cliffs formation to the base of the Dakota formation underlying the following described acreage in Section 21, Township 28 North, Range 10 West, in the following manner: the W/2 to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre gas spacing within that vertical extent, including the Undesignated Blanco-Mesaverde Gas Pool and the Basin-Dakota Gas Pool; the NW/4 to form a standard 160-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre gas spacing within that vertical extent, including the Otero-Chacra Gas Pool; and the NW/4 NW/4 to form a standard 40-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing within that vertical extent, including the Undesignated Armenta Gallup Pool. These units are to be dedicated to its Kutz Federal Well No. 12E, to be drilled at an orthodox gas well location/unorthodox oil well location 970 feet from the North line and 1000 feet from the West line. Also to be considered will be the costs of drilling and completing this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of Cross Timbers Operating Company as the operator of the well and a charge for risk involved in this well. These units are located approximately 6 miles southeast of Bloomfield, New Mexico.
- CASE 12144:** **Application of KCS Medallion Resources, Inc. for simultaneous dedication, Eddy County, New Mexico.** Applicant seeks approval to drill its Shugart Fed. "27" Well No. 1 to the base of the Morrow formation at a location 1650 feet from the North line and 990 feet from the West line (Unit E) of Section 27, Township 18 South, Range 31 East, the location being orthodox for the Shugart-Morrow Gas Pool. Applicant also seeks to dedicate the W/2 of Section 27 to the proposed well and to the existing Greenwood Pre-Grayburg Unit Fed. C Com. Well No. 1. The unit is located approximately 10 miles southeast of Loco Hills, New Mexico.
- CASE 12145:** **Application of Santa Fe Energy Resources, Inc. for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 4, Township 23 South, Range 34 East, in the following manner: the S/2 to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated North Antelope Ridge-Wolfcamp Gas Pool, Undesignated Antelope Ridge-Atoka Gas Pool, and Undesignated North Bell Lake-Morrow Gas Pool; the SW/4 to form a standard 160-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent; and the SW/4 SW/4 to form a standard 40-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing within that vertical extent, including the Undesignated Antelope Ridge-Cherry Canyon Pool, Undesignated Antelope Ridge-Brushy Canyon Pool, and Undesignated Northwest Antelope Ridge-Bone Spring Pool. These units are to be dedicated to its Rio Blanco "4" Fed. Com. Well No. 2, to be located at an unorthodox well location 660 feet from the South and West lines (Unit M) of the section. Also to be considered will be the cost of drilling and completing this well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well, and a charge for risk involved in this well. These units are located approximately 17 miles southwest of Oil Center, New Mexico.
- CASE 12146:** **Application of Devon Energy Corporation (Nevada) for surface commingling and lease commingling, Eddy County, New Mexico.** Applicant seeks an exception to Division Rules 303.B and 309-B to permit surface and lease commingling of Red Lake Queen-Grayburg-San Andres Pool, Glorieta formation, and Yeso formation production from 6 wells drilled on the W/2 NE/4 and SE/4 NW/4 of Section 18, Township 18 South, Range 27 East, without separately metering production from each well. The lands are located approximately 8 miles southeast of Artesia, New Mexico. **IN THE ABSENCE OF OBJECTION THIS CASE WILL BE TAKEN UNDER ADVISEMENT.**
- CASE 12147:** **Application of The Wiser Oil Company for certification of a positive production response in the Caprock Maljamar Unit Area, Lea County, New Mexico.** Applicant seeks certification of a positive production response in its Caprock Maljamar Unit Area Waterflood Project (Maljamar Grayburg-San Andres Pool), which covers all or part of Sections 13 and 24, Township 17 South, Range 32 East and Sections 17-19, 21, 27-29, and 33, Township 17 South, Range 33 East. The unit area is centered approximately 4 miles southeast of Maljamar, New Mexico.
- CASE 12148:** **Application of The Wiser Oil Company to qualify the Skelly Unit Area Waterflood Expansion Project for the recovered oil tax rate, Eddy County, New Mexico.** Applicant seeks to qualify the Skelly Unit Area Waterflood Expansion Project (Grayburg-Jackson Pool) for the recovered oil tax rate pursuant to the Enhanced Oil Recovery Act (Sections 7-29A-1 through 7-29A-5, NMSA 1978). The unit area covers all or part of Sections 13, 14, 21-23, and 26-28, Township 17 South, Range 31 East. The unit area is centered approximately 1 mile east-northeast of the intersection of U.S. Highway 82 and State Highway 529.
- CASE 12149:** **Application of The Wiser Oil Company to qualify the State "D" Lease Waterflood Expansion Project for the recovered oil tax rate, Eddy County, New Mexico.** Applicant seeks to qualify the State "D" Lease Waterflood Expansion Project (Grayburg-Jackson Pool) covering part of Section 26, Township 17 South, Range 31 East, for the recovered oil tax rate pursuant to the Enhanced Oil Recovery Act (Sections 7-29A-1 through 7-29A-5, NMSA 1978). The lease is located approximately 2 miles east-southeast of the intersection of U.S. Highway 82 and State Highway 529.
- CASE 12150:** **Application of The Wiser Oil Company to qualify the State "AZ" Lease Waterflood Expansion Project for the recovered oil tax rate, Eddy County, New Mexico.** Applicant seeks to qualify the State "AZ" Lease Waterflood Expansion Project (Grayburg-Jackson Pool), covering the SW/4 SW/4 of Section 16, Township 17 South, Range 31 East, for the recovered oil tax rate pursuant to the Enhanced Oil Recovery Act (Sections 7-29A-1 through 7-29A-5, NMSA 1978). The lease is located approximately 1 mile north-northwest of the intersection of U.S. Highway 82 and State Highway 529.

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CASE 12151: **Application of Nearburg Exploration Company, L.L.C. for unorthodox gas well location, Lea County, New Mexico.** Applicant seeks approval of an unorthodox gas well location for all zones from the top of the Wolfcamp formation to the base of the Morrow formation in its Range State Well No. 2, to be located 660 feet from the South line and 990 feet from the East line (Unit P) of Section 28, Township 21 South, Range 35 East. The S/2 of Section 28 will be dedicated to the well. The unit is located approximately 12 ½ miles west of Eunice, New Mexico.

CASE 12008: **Continued from February 18, 1999, Examiner Hearing. This Case will be Continued to the May 13, 1999, Examiner Hearing.**

Application of Robert E. Landreth for a determination of reasonable well costs, Lea County, New Mexico. Applicant, as a mineral interest owner in the standard 320-acre gas spacing and proration unit comprising the S/2 of Section 29, Township 22 South, Range 34 East, seeks an order ascertaining the reasonableness of actual well costs for: (i) the Santa Fe Energy Resources, Inc. Gaucho Unit Well No. 2-Y (API No. 30-025-34026), located 1650 feet from the South line and 1725 feet from the West line (Unit K) of Section 29; and (ii) the plugged and abandoned Gaucho Unit Well No. 2 (API No. 30-025-33682), located 1650 feet from the South and West lines (Unit K) of Section 29. This 320-acre unit was the subject of compulsory pooling Order No. R-10764, dated February 14, 1997. This area is located approximately 20 miles west by south of Eunice, New Mexico.

CASE 11946: **Continued from February 18, 1999, Examiner Hearing.**

Application of Oil Conservation Division for an order requiring McKay Oil Corporation to properly plug eleven (11) wells, Chaves County, New Mexico. Applicant seeks an order requiring McKay Oil Corporation to properly plug the below-listed eleven (11) wells in Chaves County, New Mexico, authorizing the Division to plug said wells, and ordering a forfeiture of the plugging bond, if any. Said wells are located in an area approximately 30 miles north of Roswell, New Mexico.

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| West Fork Unit | # 1, Section 32, Township 4 South, Range 22 East, Unit C |
| Bonnie | # 1, Section 30, Township 5 South, Range 22 East, Unit O |
| Wolf State | # 1, Section 16, Township 6 South, Range 23 East, Unit J |
| Pipeline Com. | # 2, Section 26, Township 6 South, Range 22 East, Unit K |
| Macho State | # 1, Section 32, Township 6 South, Range 23 East, Unit G |
| Desert Rose | # 1, Section 12, Township 6 South, Range 22 East, Unit M |
| Inexico | # 2, Section 32, Township 5 South, Range 22 East, Unit J |
| Inexico | # 5, Section 33, Township 5 South, Range 22 East, Unit K |
| Inexico | # 7, Section 33, Township 5 South, Range 22 East, Unit J |
| Camp State | # 1, Section 25, Township 5 South, Range 22 East, Unit J |
| Aikman | # 1, Section 36, Township 5 South, Range 26 East, Unit P 1 |

DOCKET: COMMISSION HEARING - THURSDAY – MARCH 25, 1999

9:00 A.M. - 2040 South Pacheco

Office of the Secretary Conference Room

Santa Fe, New Mexico

The Land Commissioner's designee for this hearing will be Jami Bailey or Gary Carlson

The minutes of the February 11, 1999, Commission hearing will be adopted.

CASE 12118: Continued from February 11, 1999, Commission Hearing.

In the matter of the hearing called by the Oil Conservation Division to amend Division Rule 112-A. A., B., C., D., E., and F. pertaining to multiple completions and to expand the Districts' authority to grant exceptions. A copy of the proposed rule changes is attached.

CASE 12086: Continued from February 11, 1999, Commission Hearing.

Application of Yates Petroleum Corporation and Hanley Petroleum Inc. for allowable reduction, and the escrow of production proceeds, Lea County, New Mexico. Applicants seek an order (1) reducing the depth bracket allowable for wells in the West Lovington Strawn Pool to a level that will only permit operators to avoid lease terminations for failure of wells to produce in paying quantities, (2) providing for termination of the depth bracket allowable for the pool when the West Lovington Strawn Unit is expanded to protect the correlative rights of each owner in the pool pursuant to a ratified statutory unitization order of the Oil Conservation Commission, and (3) requiring Gillespie-Crow, Inc. to escrow all payments received for production from the unit, less payments for royalties and taxes thereon, from the date of the order until the unit has been expanded pursuant to a ratified statutory unitization order of the Commission to include all lands affected by the pressure maintenance project being conducted in the pool. The unit is located approximately 4.5 miles west-northwest of Lovington, New Mexico.

112-A MULTIPLE COMPLETIONS

112-A.A. Filing

Operators intending to multiple complete must file Form C-101 and/or C-103 for approval before completing and C-104 after completing along with any information required by the form instructions.

112-A.B. Operation and Testing

(1) Wells shall be completed and produced so that no commingling of hydrocarbons from separate pools occurs. [2-1-82... - -99]

(2) The operator shall commence a segregation and/or packer leakage test within 20 days after the multiple completion. Segregation tests and/or packer leakage tests shall also be made any time the packer is disturbed. The operator shall also conduct any other tests and determinations required by the Division. The appropriate district office shall be notified 48 hours in advance of tests so the district office may schedule personnel to witness the tests. Offset operators may witness such tests and shall advise the operator in writing if they desire to be notified of the tests. Test results shall be filed with the Division within 20 days of test completion. In the event a segregation and/or packer leakage test indicates communication between separate pools, the operator shall immediately notify the Division and commence corrective action on the well. [2-1-82... - -99]

(3) Wells shall be equipped so that (i) reservoir pressure may be determined for each of the separate pools, and (ii) meters may be installed so that the gas and/or oil produced from each of the separate pools may be accurately measured. [2-1-82... - -99]

(4) No multiple completion shall produce in a manner unnecessarily wasting reservoir energy. [2-1-82... - -99]

(5) The Division may require the proper plugging of any zone of a multiple-completed well if the plugging appears necessary to prevent waste, protect correlative rights or protect groundwater, public health or the environment. [2-1-82... - -99]