

DISTRICT I
P.O. BOX 1930, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals and Natural Resources Department
OIL CONSERVATION DIVISION
2040 S. Pacheco
Santa Fe, New Mexico 87505-6429

DHC 2/18/99
Form C-107-A
New 3-12-96

DISTRICT II
811 South First St., Artesia, NM 88210-2835

JAN 29 1999

APPROVAL PROCESS:
☒ Administrative ☐ Hearing

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410-1693

APPLICATION FOR DOWNHOLE COMMINGLING

EXISTING WELLBORE
☒ YES ☐ NO

Operator **Robert L. Bayless** Address **P.O. Box 168, Farmington, New Mexico 87499**

Lease **Fee** **Juhan #1** **G Sec 29, T30N R12W** **San Juan**
Well No. Unit Ltr. - Sec - Twp - Rge County

OGRID NO. **019418** Property Code **13454** API NO. **30-045-29075** Federal ☐ State ☐ (and/or) Fee ☒ Spacing Unit Lease Type: (check 1 or more)

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Basin Fruitland Coal		Fulcher Kutz Pictured Cliffs
2. Top and Bottom of Pay Section (Perforations)	1604' - 1637'		1650' - 1661'
3. Type of Production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottomhole Pressure			
Oil Zones - Artificial Lift:	(Current) a. 585 psi (estimate from offset wells)	a.	a. 140 psi
Gas & Oil - Flowing:	(Original) b. 585 psi (estimate from offset wells)	b.	b. 600 psi
All Gas Zones:	Estimated Current Measured Current Estimated or Measured Original		
6. Oil Gravity (° API) or Gas BTU Content	1053 BTU		1199 BTU
7. Producing or Shut-in?	Not Completed Yet		Producing
Product on Marginal? (yes or no)	Yes		Yes
If Shut-in, give date and oil/gas/water rates of last production	Date: Rates: N/A	Date: Rates:	Date: Rates: N/A
Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data			
If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: Not Producing Rates: Production Estimates Attached	Date: Rates:	Date: 12/31/1998 Rates: 105 MCFD 1.4 BWPD
8. Fixed Percentage Allocation Formula - % for each zone	Oil: N/A Gas: % N/A %	Oil: Gas: % %	Oil: Gas: N/A % N/A %

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.
10. Are all working, overriding, and royalty interests identical in all commingled zones? ☐ Yes ☒ No
If not, have all working, overriding, and royalty interests been notified by certified mail? ☒ Yes ☐ No
Have all offset operators been given written notice of the proposed downhole commingling? ☒ Yes ☐ No
11. Will cross-flow occur? ☒ Yes ☐ No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. ☒ Yes ☐ No (If No, attach explanation)
12. Are all produced fluids from all commingled zones compatible with each other? ☒ Yes ☐ No
13. Will the value of production be decreased by commingling? ☐ Yes ☒ No
14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. ☒ Yes ☐ No
15. NMOC Reference Cases for Rule 303 (D) Exceptions: ORDER NO. (S) _____
16. 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 all offset operators.
 - * Notification list of working, overriding, and royalty interests for uncommon interest cases.
 - * Any additional statements, data, or documents required to support commingling.

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

SIGNATURE Kevin H. McCord TITLE Petroleum Engineer DATE January 28, 1999

TYPE OR PRINT NAME Kevin H. McCord TELEPHONE NO. (505) 326-2659