

District I
1625 N. French Drive, Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised 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

Nearburg Producing Company 3300 N A St, Bldg 2, Ste 120, Midland 79705
Operator
Exxon 33 Fed Com #1 Address 33175-27E Eddy
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 15742 Property Code 19131 API No. 30-015-29021 Lease Type: XX Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Undesignated; Atoka		Logan Draw; Morrow
Pool Code			80400
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	8930-8942		9331-9370
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)		RECEIVED JAN 06 2006 OCD-ARTESIA	
Oil Gravity or Gas BTU (Degree API or Gas BTU)			
Producing, Shut-In or New Zone	Producing		SI
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: 12/28/05 Rates: 0 BOPD 5 MCF	Date: Rates:	Date: 4/1/05 Rates: 0 BOPD 30 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 0 % 14 %	Oil Gas % %	Oil Gas 0 % 86 %

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 Sarah Jordan TITLE Production Analyst DATE 1.5.06
TYPE OR PRINT NAME Sarah Jordan TELEPHONE NO. (432) 686-8235
E-MAIL ADDRESS _____

Submit 3 Copies To Appropriate District

Office

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Energy, Minerals and Natural Resources

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

Form C-103

May 27, 2004

WELL API NO.

30-015-29021

5. Indicate Type of Lease

STATE ☐

FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name:
Exxon 33 Federal Com

8. Well Number

1

9. OGRID Number

015742

10. Pool name or Wildcat

Logan Draw; Morrow - Undesig; Atoka

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

RECEIVED

2. Name of Operator

Nearburg Producing Company

JAN 06 2006

OCD-ARTESIA

3. Address of Operator

3300 N A St., Bldg 2, Ste 120, Midland, TX 79705

4. Well Location

Unit Letter _____ : 1650 feet from the North line and 990 feet from the West line

Section 33 Township 17S Range 27E NMPM County Eddy

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

3514

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

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: Downhole Commingle ☒

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.

NPC requests to downhole commingle the following:

Pool:	Perfs:	Oil Rate:	Oil %:	Gas Rate:	Gas %:	Wtr Rate:	Wtr %:
Undesignated; Atoka	8930-8942	0	0	5	14	0	0
Logan Draw; Morrow	9331-9370	0	0	30	86	0	0

The commingling will not reduce the value of the total remaining production. Each pool was tested and an established rate and pressure were documented before DHC with other pools. The production split will be determined from the testing based on the relative proportions. Ownership in both pools is identical for the specified well. A letter was sent to the BLM notifying them of the downhole commingle.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒ , a general permit ☐ or an (attached) alternative OCD-approved plan ☐

SIGNATURE Sarah Jordan TITLE Production Analyst DATE 1/5/06

Type or print name Sarah Jordan E-mail address: sjordan@nearburg.com Telephone No. 432/686-8235

For State Use Only

FOR RECORDS ONLY

JAN 10 2006

APPROVED BY _____ TITLE _____ DATE _____

Conditions of Approval, if any:

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-29021		Pool Code 80040	Pool Name Logan Draw Morrow
Property Code 19131	Property Name EXXON "33" FEDERAL COM		Well Number 1
OGRID No. 15742	Operator Name NEARBURG PRODUCING COMPANY		Elevation 3514.

¹⁰ Surface Location

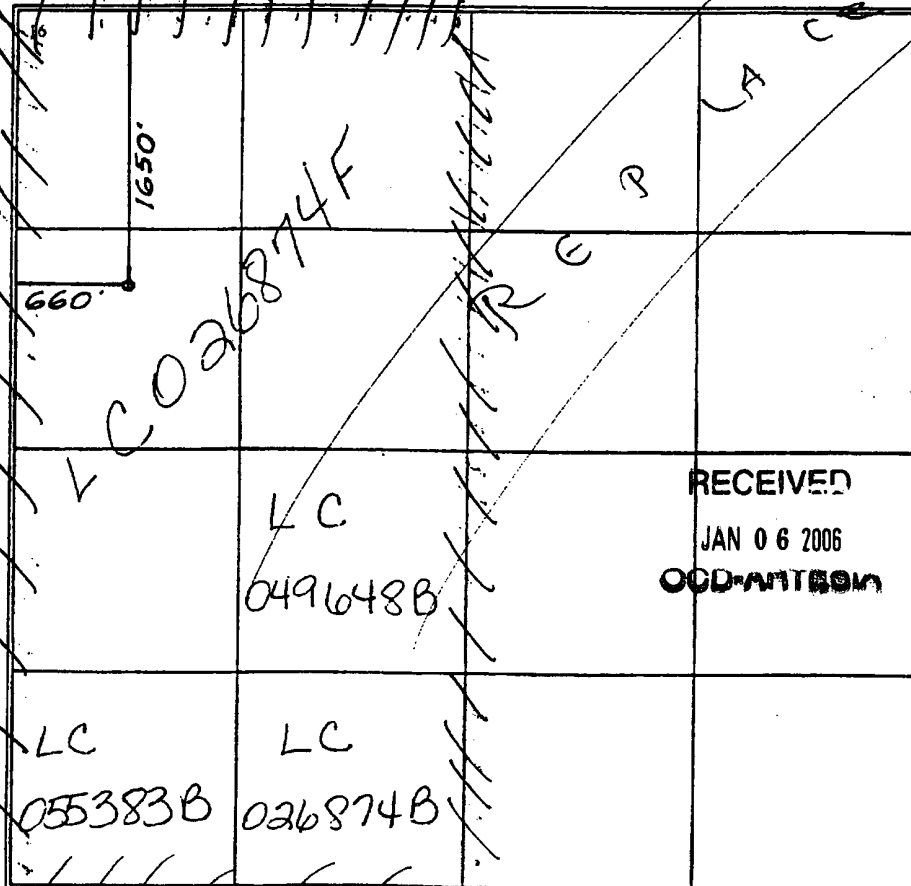

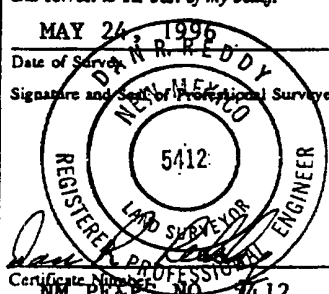
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	33	17-S	27-E		1650	NORTH	660	WEST	EDDY

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

Dedicated Acres 320	Joint or Infill N	Consolidation Code C	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p></p> <p>Signature H. R. Willis Printed Name Drilling Superintendent Title 5/30/96 Date</p>
	<p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>MAY 24 1996 Date of Survey Signature and Seal of Professional Surveyer: </p>

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

* APT Number 30-015-29021		* Pool Code	* Pool Name Undesignated, Atoka
* Property Code 19131	* Property Name EXXON "33" FEDERAL COM		* Well Number 1
* OGRID No. 15742	* Operator Name NEARBURG PRODUCING COMPANY		* Elevation 3513.

10 Surface Location

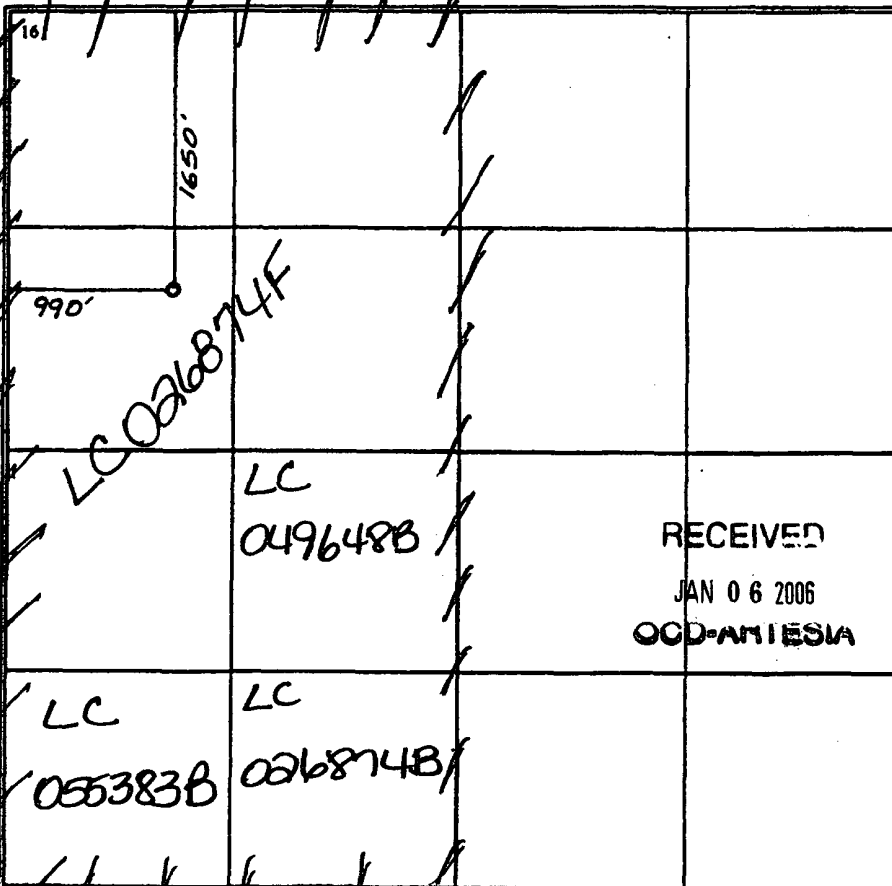
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	33	17-S	27-E		1650	NORTH	990	WEST	EDDY

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 320	13 Joint or Infill	14 Consolidation Code	15 Order No.
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OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><u>Van N. Rodgers</u> Signature Van N. Rodgers Printed Name Production Landman Title June 3, 1996 Date</p>
	<p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief</p> <p>JUNE 2 1996 Date of Survey 5412 Certificate Number NEW MEXICO REGISTERED PROFESSIONAL ENGINEER LAND SURVEYOR JAN R. KELLEY Signature</p>

- Morrow produced into a high pressure gathering system. Gas rates dropped below the critical velocity to lift the water and well production became erratic. Well was swabbed in several times to get production. Due to high line pressure (approx 600#) and low rates a CIBP was set and the Morrow temporarily abandoned to test the Atoka.
- Atoka was shot and stimulated due to good e-log. Atoka results were disappointing and the well has been tested at only 5 mcfd.
- Point forward plan is to commingle the Morrow and Atoka and produce the well into a low pressure gathering system (less than 50#).

EXXON 33 FEDERAL COM (1) 1 NEARBURG PRODUCING COMPANY

