

Submit 3 Copies To Appropriate District Office
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

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

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

| |
|--|
| WELL API NO. <u>30-025-06696</u> |
| 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> |
| 6. State Oil & Gas Lease No. |
| 7. Lease Name or Unit Agreement Name ANDERSON |
| 8. Well Number <u>1</u> |
| 9. OGRID Number 011384 |
| 10. Pool name or Wildcat TUBB OIL & GAS & DRINKARD OIL |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) |
| Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/> |
| 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 <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> OTHER: DOWNHOLE COMMINGLE <input type="checkbox"/> | SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/> |
|--|--|

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.

R-11363
Propose to pull tubing and baker model R packer @6030. Run retrievable BP and test casing. Run bit with collars and drill CIBP @6480. Push model DA packer @6599 to bottom or attempt to remove and clean out to bottom. Run production tubing, rods, pump and return to production.

SEE ATTACHED C-107A

Allocation determined using subtraction method.

Commingling will not decrease the value of production.

DHC Order No. HOB-0109

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 James R Cone Jr TITLE _____ DATE 3/07/5

Type or print name
For State Use Only

E-mail address: cone@nts-online.net Telephone No. 806/763-8211

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE MAR 11 2005

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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

Operator J.R. CONE P.O. BOX 10217 LUBBOCK, TX 79408
Address
ANDERSON 121-1-21S-37E LEA
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 011384 Property Code API No. 30-025-06696 Lease Type: ☐ Federal ☐ State ☒ Fee

| DATA ELEMENT | UPPER ZONE | INTERMEDIATE ZONE | LOWER ZONE |
|---|---------------------|------------------------------------|--|
| Pool Name | | <86440> TUBB GAS | <19190> DRINKARD |
| Pool Code | | | |
| Top and Bottom of Pay Section (Perforated or Open-Hole Interval) | | 6087-6190 | 6510-6628 |
| Method of Production (Flowing or Artificial Lift) | | | |
| 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) | | | |
| Producing, Shut-In or New Zone | | | |
| 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: Rates: | Date: 1-10-05 Rates: 14 MCF | Date: 6-04-74 Rates: 4 bbls oil 172 MCF .5 water |
| 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 % % | Oil Gas % % | Oil Gas % % |

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: DH437 & DHC 350

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 James R Cone Jr TITLE DATE 2-25-05
TYPE OR PRINT NAME JAMES R CONE JR TELEPHONE NO. (806) 763 8211
E-MAIL ADDRESS cone@nts-online.net