

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

Operator
OXY USA WTP Limited Partnership

Address
P.O. Box 50250 Midland, TX 79710

Lease
Fred Turner Jr. B

Well No.
10

Unit Letter-Section-Township-Range
N-17-20S-38E

County
Lea

OGRID No. 192463 Property Code 302409 API No. 30-025-37856 Lease Type: ☐ Federal ☐ State ☒ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Nadine Tubbs, West		Skaggs Drinkard
Pool Code	47530		57000
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	6630 - 6750'		6826 - 6875'
Method of Production (Flowing or Artificial Lift)	AL		AL
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)	38.5		38.5
Producing, Shut-In or New Zone	Producing		Producing
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: 7/31/06 Rates: 80/100/30	Date: Rates:	Date: 7/31/06 Rates: 80/100/30
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil 52 % Gas 30 %	Oil % Gas %	Oil 48 % Gas 70 %

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: Rule 303C(5)

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 David Stewart TITLE Sr. Reg. Analyst DATE 12/13/06

TYPE OR PRINT NAME David Stewart TELEPHONE NO. (432) 685-5717

E-MAIL ADDRESS david_stewart@oxy.com

**Fred Turner Jr. B #10-11 Calculation of Allocation Factors
Drinkard and Tubb Zones**

9/06 Cumulative Production by Zone-GoTech

<u>Offset Well</u>	Drinkard		Tubb	
	bo	mcf	bo	mcf
Fred Turner B-2	492	13,798	2,299	2,488
Fred Turner B-3	17,054	98,493	14,774	43,052
Fred Turner B-5	5,059	16,109	6,960	9,205
Totals	22,605	128,400	24,033	54,745

Miller #1

Commingled Drinkard and Tubb

	Drinkard	Tubb	Total
Oil %:	48%	52%	100%
Gas %	70%	30%	100%