

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87400

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-38550	Pool Code 62700	Pool Name Wantz;Abo
Property Code 38550	Property Name FEDERAL 1-17	WeU Number 3
OGRID No. 227588	Operator Name RANGE OPERATING NEW MEXICO, INC.	Elevation 3387'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	17	22-S	37-E		1650	SOUTH	2310	WEST	LEA

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 40	Joint or Infill	Consolidation Code	Order No.						

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

GEODETIC COORDINATES NAD 27 NME Y=507135.4 N X=854264.1 E LAT.=32.389005° N LONG.=103.185687° W 3391.5' 3389.6' 600' 2310' 3391.0' 3388.2' 1650'	OPERATOR CERTIFICATION I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unless mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. <i>Paula Hale</i> 8-27-08 Signature Date Paula Hale Printed Name SURVEYOR CERTIFICATION 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. Date Surveyed Signature Seal of Professional Surveyor Certificate No. GARY EIDSON 12641 RONALD J. EIDSON 3239
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October 14, 2008

RECEIVED

OCT 24 2008

HOBBS (11)

Mr. Paul Kautz
New Mexico Oil Conservation Division
1625 N French Drive
Hobbs, New Mexico 88240

RE: Application for Exception to Rule 303-C – Downhole Commingling
Eugene Wood #11
Unit G, Section 22, T-22-S, R-37-E
Blinberry Oil & Gas (Oil), Tubb Oil & Gas (Oil) and Drinkard Pools
Lea County, New Mexico

Dear Mr. Kautz,

Enclosed please find an administrative application form (C-103) and attachments for downhole commingling the captioned well. The ownership (WI, NRI and ORRI) of these pools are identical in this wellbore. The fluids from each of these pools are compatible as seen in other similar commingles in the area. Combining these fluids will not result in any damage to these pools. Commingling will improve the efficiency of present and future recovery operations. Cross flow will not be a problem due to having a production lift system capable of keeping the well pumped off thereby maximizing production. This commingling will not reduce the value of the total remaining production.

The allocation method used for this well was determined by analyzing the cumulative oil, gas and water production in a nine section area of review surrounding this well. Supporting documentation is shown on the attached spreadsheet. Production for active and inactive wells were grouped by pool and then sorted by location in the area of review. The totals for each phase were then divided by the number of wells associated with this pool yielding an average. This average was used to determine the percentage allocation.

The main reason for using this method is based on economics and minimizing reservoir damage. Current completion practices have all three zones perforated and fracture stimulated during one full week. Each zone is isolated by a retrievable bridge plug to allow for production testing of each zone for allocation purposes. This testing period can last as long as one month before a stabilized rate is observed thus allowing the next zone to be brought on and tested. During this time period the completion fluids used are still confined to the other reservoirs causing gel damage. It is common practice to get these fluids out of the wellbore as soon as possible to help maximize productivity. On a cost basis it is more expensive to have a completion rig move in and out multiple times to bring on each new zone. Several other factors such as weather, other new completions and regulatory well work may interfere with these new wells.

The area of review used encompasses what has been accepted as a good statistical representation for allocation purposes. This method has been used multiple times for up to five completions in the same wellbore. The NMOCD in Santa Fe and the district office in Aztec along with the BLM office in Farmington have approved of this method. By using this method for allocation all three zones will be brought online in a more effective and efficient manner. This will in turn generate a higher productive rate and quicker revenue streams not only for the operator but for the State of New Mexico too.

If you need additional information or have any questions, please give me a call at (918) 491-4842.

Sincerely,

A handwritten signature in black ink that reads "Darrin Steed". The signature is written in a cursive, flowing style.

Darrin Steed, P.E.
Sr Production Engineer

Enclosures

EUGENE WOOD #11													
Section 22G, T-22-S, R-37-E													
					BLINEBRY			TUBB			DRINKARD		
		Location			CUM OIL	CUM GAS	CUM WATER	CUM OIL	CUM GAS	CUM WATER	CUM OIL	CUM GAS	CUM WATER
Lease Name	Well #	Sec	Twp	Rng	BBLs	MCF	BBLs	BBLs	MCF	BBLs	BBLs	MCF	BBLs
HUGH	4	14A	22S	37E	34,607	1,088,455	39,071						
HUGH	3	14B	22S	37E	37,853	582,693	44,381						
HUGH	7	14C	22S	37E	93,544	7,858,781	11,761						
HUGH	1	14D	22S	37E	7,381	1,152,762	2,893						
HUGH	8	14E	22S	37E	2,865	247,383	4,348						
HUGH	5	14F	22S	37E	17	336,498	1,245						
HUGH	9	14G	22S	37E	47,488	1,275,526	53,214						
HUGH	6	14H	22S	37E	35,053	6,416,865	8,429						
PARKS A	12	14I	22S	37E	28,327	1,361,758	12,523						
PARKS A	8	14J	22S	37E	3,790	119,664	193						
PARKS	13	14J	22S	37E	29,172	802,480	31,807						
PARKS	10	14K	22S	37E	15,837	618,159	4,323						
PARKS	6	14L	22S	37E	46,951	4,778,114							
PARKS	2	14M	22S	37E	16,915	415,431	21,123						
PARKS	9	14N	22S	37E	33,245	1,147,706	30,754						
PARKS A	5	14O	22S	37E	86,454	7,969,568	10,115						
PARKS A	3	14P	22S	37E	26,415	1,194,215	7,057						
ELLIOTT B 15	4	15A	22S	37E	15,317	7,808,053	878						
E W WALDEN	3	15C	22S	37E	20,703	6,425,717	2,507						
WALDEN A	5	15E	22S	37E	12,045	321,118	7,697						
WALDEN A	3	15F	22S	37E	12,047	321,163	7,724						
ELLIOTT B 15	7	15G	22S	37E		295,097							
ELLIOTT B	3	15H	22S	37E	5,324	228,609	18,884						
E W WALDEN	2	15K	22S	37E	33,962	1,797,409	51,394						
E W WALDEN	9	15K	22S	37E	1,342	14,419	2,267						
E W WALDEN	4	15L	22S	37E	22,772	201,261	17,952						
E W WALDEN	6	15M	22S	37E	32,425	126,138	105,400						
E W WALDEN	7	15N	22S	37E	46,909	2,887,031	46,809						
ELLIOTT A 15	6	15P	22S	37E	32,533	5,353,282	4,501						
ELLIOTT A 15 COM AC 1	6	15P	22S	37E	289	7,198	190						
R E COLE NCT A	22	16A	22S	37E	36,697	833,047	49,808						
R E COLE NCT A	6	16B	22S	37E	47,923	3,158,105	28,112						
GULF STATE	1	16C	22S	37E	153,653	3,823,315	1,432						
R E COLE NCT A	16	16G	22S	37E	33,031	371,611	58,803						
R E COLE NCT A	5	16I	22S	37E	4,643	1,112,149							
R E COLE NCT A	11	16J	22S	37E	28,491	444,398	9,858						
R E COLE NCT A	8	16K	22S	37E	7,423	115,866	9,394						
R E COLE NCT A	15	16L	22S	37E	19,874	301,315	995,822						
R E COLE NCT A	18	16M	22S	37E	8,152	39,918	19,074						
R E COLE NCT A	9	16N	22S	37E	32,783	361,354	63,507						
R E COLE NCT A	17	16P	22S	37E	13,467	179,631	67,430						
MANDA	1	21N	22S	37E	13,802	56,555	60,610						
EUGENE WOOD	7	22A	22S	37E	16,009	155,350	37,729						
EUGENE WOOD	5	22B	22S	37E	23,379	842,676	73,510						
E M ELLIOTT FEDERAL	3	22C	22S	37E	1,083	23,682	4,195						
E M ELLIOTT FEDERAL	5	22D	22S	37E	16,654	170,022	50,884						
WILL CARY	7	22F	22S	37E	8,625	38,768	76,237						
WILL CARY	5	22F	22S	37E	3,686	18,080	9,739						
EUGENE WOOD	9	22G	22S	37E	16,656	129,462	40,701						
EUGENE WOOD	10	22H	22S	37E	52,290	2,800,960	59,315						
W B FERREL	2	22I	22S	37E	5,961	2,882,685							
J V BAKER	9	22N	22S	37E	3,319	35,432	6,307						
BOYD	3	23A	22S	37E	32,997	1,449,477	4,788						
BOYD	7	23B	22S	37E	45,804	576,169	15,382						
OLLIE J BOYD	7	23C	22S	37E	23,827	514,076	17,065						

EUGENE WOOD #11													
Section 22G, T-22-S, R-37-E													
Lease Name	Well #	Location			BLINEBRY			TUBB			DRINKARD		
		Sec	Twp	Rng	CUM OIL BBLs	CUM GAS MCF	CUM WATER BBLs	CUM OIL BBLs	CUM GAS MCF	CUM WATER BBLs	CUM OIL BBLs	CUM GAS MCF	CUM WATER BBLs
OLLIE J BOYD	2	23D	22S	37E	7,846	2,663,032	4,402						
OLLIE J BOYD	8	23E	22S	37E	4,466	67,073	4,698						
OLLIE J BOYD	4	23F	22S	37E	12,751	7,014,837	956						
BOYD	8	23G	22S	37E	9,948	357,877	3,367						
BOYD	2	23H	22S	37E	52,641	8,389,538	4,417						
BOYD	2Y	23H	22S	37E	30,492	1,552,741	3,991						
LEE	1	23I	22S	37E	82,525	6,180,397	14,462						
O I BOYD	3	23K	22S	37E	17,540	4,577,269	6,354						
KAROLLES	1	23L	22S	37E	5,232	323,844	11,658						
O I BOYD	2	23O	22S	37E	13,972	125,746	19,703						
LEE	2	23P	22S	37E	35,265	707,650	7,746						
BAKER C	1	26A	22S	37E	62,524	1,717,733	27,678						
SHIRLEY BOYD	1	26D	22S	37E	13,026	240,394	7,539						
ALLIE M LEE	1	26I	22S	37E	31,922	210,543	91						
KEOHANE	1	26I	22S	37E	7,079	41,444	19,202						
KEOHANE	1	26J	22S	37E	4,585	23,758	57,404						
J V BAKER	10	27A	22S	37E	8,794	37,820	22,904						
J V BAKER	11	27B	22S	37E	6,161	29,893	19,100						
LAURA J MAY	1	27H	22S	37E	18,057	108,358	7,023						
MANDA B TR C	1	28C	22S	37E	16,574	83,682	22,247						
CHRISTMAS 28	1	28E	22S	37E	6,906	26,611	24,261						
A L CHRISTMAN (NCT-D)	1	28F	22S	37E	8,380	35,438	85,799						
CHRISTMAS 28	2	28L	22S	37E	9,712	47,705	15,094						
HUGH	4	14A	22S	37E				22,810	4,490,260	992			
HUGH	4	14A	22S	37E				22,018	3,768,254	794			
HUGH	7	14C	22S	37E				37,180	3,085,062	1,081			
HUGH	7	14C	22S	37E				36,749	3,031,889	862			
HUGH	15	14E	22S	37E				8,754	568,097	4,319			
HUGH	6	14H	22S	37E				8,306	349,162	14,567			
PARKS A	4	14I	22S	37E				74,571	3,469,201				
PARKS	6	14L	22S	37E				43,579	4,010,495				
E W WALDEN	4	15C	22S	37E				1,782	1,217,384	91			
E W WALDEN	3	15C	22S	37E				106	741,411	31			
ELLIOTT B 15	1	15G	22S	37E					110,061				
ELLIOTT B 15 COM AC 1	3	15I	22S	37E				50,940	2,188,525	3,958			
ELLIOTT A 15	2	15J	22S	37E				1,765	133,725	406			
E W WALDEN	9	15K	22S	37E				1,016	11,450	1,482			
E W WALDEN	5	15L	22S	37E				43,325	862,432	10,048			
E W WALDEN	6	15M	22S	37E				1,272	27,868				
E W WALDEN	3	15N	22S	37E				4,181	115,564	6,153			
ELLIOTT A 15	5	15P	22S	37E				15,385	754,900	8,445			
EUGENE WOOD	7	22A	22S	37E				41,297	1,469,351	2,432			
E M ELLIOTT FEDERAL	3	22C	22S	37E				134,736	878,995	8,077			
J V BAKER	9	22N	22S	37E				3,817	17,944	7,744			
BOYD	5	23B	22S	37E				24,357	2,926,717	1,897			
OLLIE J BOYD	2	23D	22S	37E				2,524	413,416	111			
KEOHANE	1	26I	22S	37E				10	105	21			
KEOHANE	1	26J	22S	37E				2,898	15,679	39,227			
MANDA B TR C	1	28C	22S	37E				5,002	30,567	12,075			
CHRISTMAS 28	1	28E	22S	37E				511	320	15,545			
CHRISTMAS 28	2	28L	22S	37E				416	1,795	1,886			
HUGH	4	14A	22S	37E							173,438	774,241	1,033
HUGH	3	14B	22S	37E							181,611	2,329,786	6,940
HUGH	7	14C	22S	37E							32,591		
HUGH	10	14C	22S	37E							14,065	2,906,962	9,987

EUGENE WOOD #11													
Section 22G, T-22-S, R-37-E													
					BLINEBRY			TUBB			DRINKARD		
		Location			CUM OIL	CUM GAS	CUM WATER	CUM OIL	CUM GAS	CUM WATER	CUM OIL	CUM GAS	CUM WATER
Lease Name	Well #	Sec	Twp	Rng	BBLs	MCF	BBLs	BBLs	MCF	BBLs	BBLs	MCF	BBLs
HUGH	1	14D	22S	37E							8,950	1,250,674	1,542
HUGH	8	14E	22S	37E							38,896	3,191,208	10,113
HUGH	5	14F	22S	37E							99,430	1,258,098	5,048
HUGH	9	14G	22S	37E							7,491	1,019,227	990
HUGH	6	14H	22S	37E							78,026	870,550	1,038
PARKS A	4	14I	22S	37E							96,400	2,174,466	5,615
POLARIS PARKS	8	14J	22S	37E							6,874	1,413,806	3,936
POLARIS PARKS	7	14K	22S	37E							7,176	2,347,641	3,038
PARKS	6	14L	22S	37E							4,590	1,323,288	5,408
PARKS	2	14M	22S	37E							216,327	520,696	22,345
POLARIS PARKS	9	14N	22S	37E							5,645	1,300,560	807
PARKS A	5	14O	22S	37E							73,247	562,976	40,186
PARKS A	3	14P	22S	37E							88,513	1,117,401	4,995
ELLIOTT B 15	4	15A	22S	37E							75,140	3,051,798	6,275
ELLIOTT B 15	1	15B	22S	37E							117,284	2,469,496	32,262
E W WALDEN	4	15C	22S	37E							149,366	512,755	1,313
E W WALDEN	7	15D	22S	37E							70,097	1,748,057	12,150
WALDEN A	5	15E	22S	37E							86,298	778,269	24,046
WALDEN A	3	15F	22S	37E							171,520	815,606	70,419
ELLIOTT B 15	7	15G	22S	37E							1,295	170,016	4,424
ELLIOTT B 15	1	15H	22S	37E							9,442		
ELLIOTT B	3	15H	22S	37E							4,616	312,734	8,048
ELLIOTT B 15	2	15I	22S	37E							30,344	834,286	30,846
ELLIOTT B 15	3	15I	22S	37E							60,742	1,438,688	8,045
ELLIOTT A 15	2	15J	22S	37E							131,568	3,109,005	17,181
E W WALDEN	2	15K	22S	37E							77,096	605,082	400
E W WALDEN	9	15K	22S	37E							407	7,906	1,291
E W WALDEN	5	15L	22S	37E							82,667		
E W WALDEN	4	15L	22S	37E							22,935	1,864,259	203
E W WALDEN	6	15M	22S	37E							131,901	545,864	1,875
E W WALDEN	7	15N	22S	37E							105,280	818,229	2,295
ELLIOTT A 15	4	15O	22S	37E							146,876	1,483,648	12,678
ELLIOTT A 15	6	15P	22S	37E							114,608	1,331,396	24,891
R E COLE NCT A	4	16A	22S	37E							36,379	708,906	34,207
R E COLE NCT A	21	16B	22S	37E							25,175	547,278	26,529
R E COLE NCT A	16	16G	22S	37E							11,281	493,185	8,585
R E COLE NCT A	7	16H	22S	37E							13,353	198,094	3,598
R E COLE NCT A	5	16I	22S	37E							25,949	1,058,620	12,927
R E COLE NCT A	11	16J	22S	37E							22,069	827,866	12,604
R E COLE NCT A	8	16K	22S	37E							15,315	456,460	21,367
R E COLE NCT A	15	16L	22S	37E							17,296	445,926	22,006
R E COLE NCT A	18	16M	22S	37E							29,898	559,547	32,145
R E COLE NCT A	9	16N	22S	37E							27,570	450,860	33,100
R E COLE NCT A	13	16O	22S	37E							12,813	414,708	11,110
R E COLE NCT A	17	16P	22S	37E							6,399	83,673	2,838
WALDEN	1	21A	22S	37E							49,989	1,458,621	147,491
MANDA	1	21N	22S	37E							45,398	139,022	89,327
EUGENE WOOD	7	22A	22S	37E							68,435	563,784	167
EUGENE WOOD	8	22B	22S	37E							95,181	1,400,682	403
E M ELLIOTT FEDERAL	4	22C	22S	37E							169,566	1,206,985	24,248
E M ELLIOTT	5	22D	22S	37E							30,126	268,421	
WILL CARY	4	22E	22S	37E							34,176	36,512	5,742
WILL CARY	7	22F	22S	37E							43,198	29,733	1,083
WILL CARY	5	22F	22S	37E							4,427	52,374	8,453
EUGENE WOOD	9	22G	22S	37E							50,952	1,312,632	3,082

EUGENE WOOD #11													
Section 22G, T-22-S, R-37-E													
					BLINEBRY			TUBB			DRINKARD		
			Location		CUM OIL	CUM GAS	CUM WATER	CUM OIL	CUM GAS	CUM WATER	CUM OIL	CUM GAS	CUM WATER
Lease Name	Well #	Sec	Twp	Rng	BBLs	MCF	BBLs	BBLs	MCF	BBLs	BBLs	MCF	BBLs
EUGENE WOOD	10	22H	22S	37E							64,283	2,213,452	1,932
HSOG	1	22I	22S	37E							16,875	218,015	3,018
W B FERREL	3	22J	22S	37E							57,577	352,353	296
SARAH JOHNSTON	2	22J	22S	37E							41,906	498,730	24,606
WILL CARY	8	22L	22S	37E							44,306	1,017,525	37,481
J V BAKER	9	22N	22S	37E							62,906	452,633	23,379
SANTA RITA	3	22N	22S	37E							8,682	135,836	15,918
SARAH JOHNSTON	1	22O	22S	37E							28,200	273,811	17,522
BOYD	3	23A	22S	37E							151,337	1,191,794	25,251
BOYD	5	23B	22S	37E							75,822	1,831,241	6,231
BOYD	4	23B	22S	37E							2,157		
COSSATOT F	1	23C	22S	37E							16,254	2,044,569	3,980
BOYD	2	23D	22S	37E							31,544		
COSSATOT F	3	23D	22S	37E							15,550	2,491,012	9,411
OLLIE J BOYD	5	23E	22S	37E							51,354	262,517	1,633
COSSATOT F	5	23E	22S	37E							17,204	1,984,900	8,119
OLLIE J BOYD	4	23F	22S	37E							70,043	81,949	
COSSATOT F	4	23F	22S	37E							10,497	2,042,238	2,265
BOYD	1	23G	22S	37E							112,927	1,296,887	3,020
BOYD	2Y	23H	22S	37E							106,713	1,746,802	4,987
LEE	1	23I	22S	37E							163,687	1,675,497	1,998
BOYD	1	23J	22S	37E							118,812	1,264,158	
BOYD	2	23J	22S	37E							6,307	344,796	9,810
O I BOYD	3	23K	22S	37E							168,163	242,976	2,363
KAROLIS	1	23L	22S	37E							21,553	659,161	9,284
LANGLIE MATTIX PENROSE SAND UT TR16	1	23M	22S	37E							55,119		
OLLIE I BOYD	1	23N	22S	37E							30,551	1,338,703	150
O I BOYD	2	23O	22S	37E							184,787	228,608	1,692
O I BOYD	4	23O	22S	37E							18,037	659,420	49,214
LEE	2	23P	22S	37E							177,763	455,305	352,146
BAKER	2	26A	22S	37E							3,254	540,978	919
BAKER	1	26B	22S	37E							28,996	1,737,950	6,338
BAKER A	1	26D	22S	37E							116,748	121,934	28,754
BAKER A	5	26E	22S	37E							47,093	376,325	28,388
KEOHANE	1	26I	22S	37E							4,455	3,260	232
KEOHANE	1	26J	22S	37E							1,137	7,953	23,293
J V BAKER BATTERY 2	10	27A	22S	37E							42,791	717,154	3,753
J V BAKER BATTERY 2	11	27B	22S	37E							32,986	624,456	4,795
SANTA RITA	12	27C	22S	37E							5,980	29,362	11,950
LAURA J MAY	1	27H	22S	37E							36,413	150,563	19,364
CHRISTMAS	3	28B	22S	37E							68,664	119,403	9,191
MANDA B TR C	1	28C	22S	37E							5,304	22,248	13,294
CHRISTMAS 28	1	28E	22S	37E							5,320	16,528	24,601
CHRISTMAS 28	2	28L	22S	37E							426	1,955	1,875
TOTALS					1,898,209	118,150,039	2,699,238	589,307	34,690,629	142,244	5,888,180	90,447,520	1,675,128
AVERAGE					24,336	1,514,744	34,606	21,047	1,238,951	5,080	57,167	878,131	16,263
Proposed Allocations					Blinebry	Oil	Gas	Water					
					Tubb	24%	42%	62%					
					Drinkard	21%	34%	9%					
						56%	24%	29%					