

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

RECEIVED

MAR 03 2010

HOBBSOCD

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

ENCORE OPERATING, L.P. 777 MAIN STREET, FORT WORTH, TX. 76102
Operator Address

ENCORE M STATE 2 G - SEC. 19 - 22S - 37E LEA
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 189951 Property Code API No. 30-025-39541 Lease Type: ☐ Federal ☒ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	BLINEBURY ✓		DRINKARD ✓
Pool Code	06660		19190
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5511 - 5622		6440 - 6686
Method of Production (Flowing or Artificial Lift)	PUMPING		PUMPING
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)	40.2		40.2
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: 2/21/2010 Rates: 88/167/258	Date: Rates:	Date: 2/21/2010 Rates: 88/167/258
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 50 % 50 %	Oil Gas % %	Oil Gas 50 % 50 %

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.

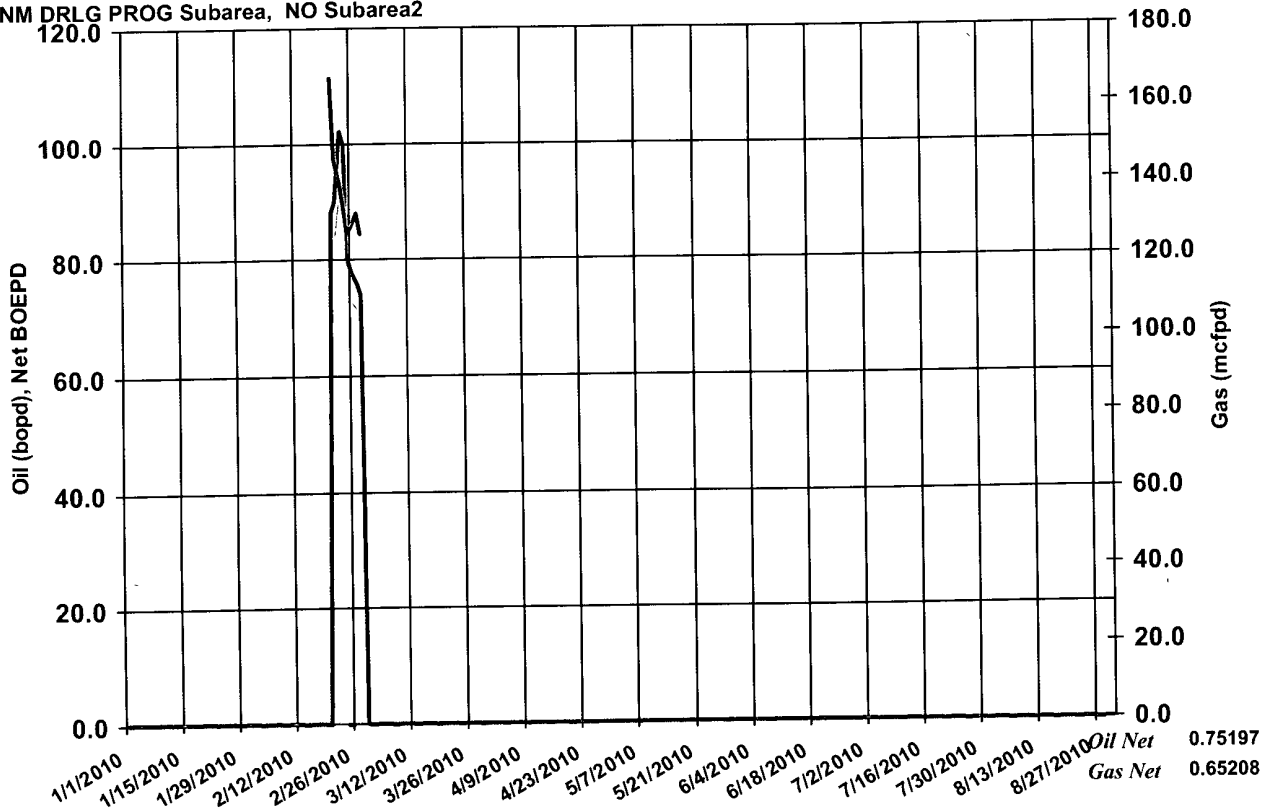
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Ann Burdette Wiley TITLE REGULATORY MANAGER DATE 03/02/2010
TYPE OR PRINT NAME ANN BURDETTE WILEY TELEPHONE NO. (817) 877-9955
E-MAIL ADDRESS awiley@encoreacq.com

ENCORE M STATE 2 - Gross (8/8ths) Oil and Gas Sales

Net Boe

NM DRLG PROG Subarea, NO Subarea2



100000
10000
1000

Encore M State #2

1e+07
1e+07
1000

Oil

ENCORE M STATE 2-19 | 6PROB | ADD-P | M LEASE | NM | BLINEBRY TUBB DRINKARD | EAC | 925233 | 83058.0001 00 | J67JSSVO6L | 100 | 75

Results

Qual	BUD10
Ref	03/2010
Act	0.000
Est	63.000
Qref	65.000
Qab	1.000
"b"	0.800000
De	45.000000
Dmin	10.000
Yrs	26.333
Rem	75903
Cum	0
EUR	75903

10000
1000
100

1e+06
1e+06
100

1000
100
10

100000
10000
10

100
10
1

10000
10000
1

2010

2020
Year

2030

2040

