



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

7/3/96

GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

DHC-1558
5/9/97

RE: Proposed:

MC _____
DHC X _____
NSL _____
NSP _____
SWD _____
WFX _____
PMX _____

Gentlemen:

I have examined the application for the:

Coastal Oil & Gas Corp State 27 #3-A 27-145-32e
Operator Lease & Well No. Unit S-T-R

, and my recommendations are as follows:

OK

Yours very truly,

Jerry Sexton
Jerry Sexton
Supervisor, District 1

/ed

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
811 South First St., Artesia, NM 88210

DISTRICT III
1000 Pao Brazos Rd, Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-6429

Form C-107-A
New 3-12-96

APPROVAL PROCESS:

Administrative Hearing

EXISTING WELLBORE

YES NO

APPLICATION FOR DOWNHOLE COMMINGLING

Operator: Coastal Oil & Gas Corporation Address: P. O. Box 235, Midland, Texas 79702

State "27" 3 A-27-14S-32E Lea

Lease Well No. Unit Ltr. - Sec - Twp - Rge County,

OGRID NO. 004762 Property Code 002906 API NO. 30-025-28613 Spacing Unit Lease Types: (check 1 or more)

Federal State X, (and/or) Fee

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zones	Lower Zone
1. Pool Name and Pool Code	60263 Tulk Abo		60380 Tulk Penn
2. Top and Bottom of Pay Section (Perforations)	8879' -8904'		9786' -9860'
3. Type of production (Oil or Gas)	Oil		Oil
4. Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) 150 b. (Original) 200	a. b.	a. 125 b. 200
6. Oil Gravity (°API) or Gas BTU Content	41.4		41.8
7. Producing or Shut-In?	Producing		Shut-In
Production Marginal? (yes or no)	yes		
* If Shut-In, give 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: Rates:	Date: 1/87 Rates: 4/2/37
* If Producing, give date and oil/gas/ water rates of recent test (within 60 days)	Date: 4/30/96 Rates: 3/4/1	Date: Rates:	Date: Rates:
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 42 % Gas: 58 %	Oil: % Gas: %	Oil: 10 % Gas: 90 %

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.

10. Are all working, overriding, and royalty interests identical in all commingled zones? X Yes No
If not, have all working, overriding, and royalty interests been notified by certified mail? Yes No
Have all offset operators been given written notice of the proposed downhole commingling? X Yes No

11. Will cross-flow occur? Yes X No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. Yes No (If No, attach explanation)

12. Are all produced fluids from all commingled zones compatible with each other? X Yes No

13. Will the value of production be decreased by commingling? Yes X No (If Yes, attach explanation)

14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. X Yes No

15. NMOCD Reference Cases for Rule 303(C) Exceptions: ORDER NO(S).

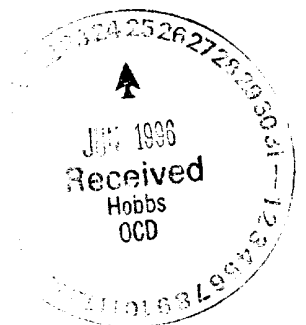
16. ATTACHMENTS:

- * 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 all offset operators.
- * Notification list of working, overriding, and royalty interests for uncommon interest cases.
- * Any additional statements, data, or documents required to support commingling.

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

SIGNATURE Donna Harry TITLE Production Analyst DATE 6/24/96

TYPE OR PRINT NAME Donna Harry TELEPHONE NO. (915) 682-7925



Oil

PO Box 1900, Hobbs, NM 88241-1900

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 30-025-28613		Pool Code 60263	Pool Name Tulk Abo	
Property Code 002906	Property Name State "27"			Well Number 3
OGRID No. 004762	Operator Name Coastal Oil & Gas Corporation			Elevation 4317 KB

10 Surface Location									
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
A	27	14S	32E		990	North	1300	East	Lea

11 Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 160	13 Joint or Infill N	14 Consolidation Code	15 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

16					17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Donna Harry Signature Donna Harry Printed Name Production Analyst Title 6/24/96 Date
					18 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 of Survey Signature and Seal of Professional Surveyor: See attached survey! Certificate Number

New Mexico Oil Conservation Division
C-102 Instructions

IF THIS IS AN AMENDED REPORT, CHECK THE BOX LABELED "AMENDED REPORT" AT THE TOP OF THIS DOCUMENT.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed contact the appropriate OCD district office. Independent subdivision surveys will not be acceptable.

1. The OCD assigned API number for this well
2. The pool code for this (proposed) completion
3. The pool name for this (proposed) completion
4. The property code for this (proposed) completion
5. The property name (well name) for this (proposed) completion
6. The well number for this (proposed) completion
7. Operator's OGRID number
8. The operator's name
9. The ground level elevation of this well
10. The surveyed surface location of this well measured from the section lines. NOTE: If the United States government survey designates a Lot Number for this location use that number in the "UL or lot no." box. Otherwise use the OCD unit letter.
11. Proposed bottom hole location. If this is a horizontal hole indicate the location of the end of the hole.
12. The calculated acreage dedicated to this completion to the nearest hundredth of an acre
13. Put a Y if more than one completion will be sharing this same acreage or N if this is the only completion on this acreage
14. If more than one lease of different ownership has been dedicated to the well show the consolidation code from the following table:

C	Communitization
U	Unitization
F	Forced pooling
O	Other
P	Consolidation pending

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!

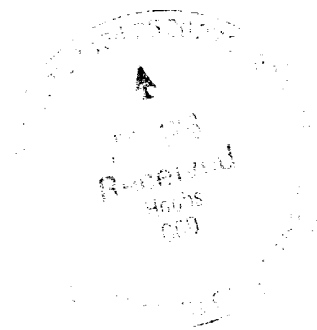
15. Write in the OCD order(s) approving a non-standard location, non-standard spacing, or directional or horizontal drilling

16. This grid represents a standard section. You may superimpose a non-standard section over this grid. Outline the dedicated acreage and the separate leases within that dedicated acreage. Show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. (Note: A legal location is determined from the perpendicular distance to the edge of the tract.) If this is a high angle or horizontal hole show that portion of the well bore that is open within this pool.

Show all lots, lot numbers, and their respective acreage.

If more than one lease has been dedicated to this completion, outline each one and identify the ownership as to both working interest and royalty.

17. The signature, printed name, and title of the person authorized to make this report, and the date this document was signed.
18. The registered surveyors certification. This section does not have to be completed if this form has been previously accepted by the OCD and is being filed for a change of pool or dedicated acreage.



NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION AT

Form No. 1
Superseded Edition
Effective 1-1-83

Well location shall be from the corner to corner of the Section.

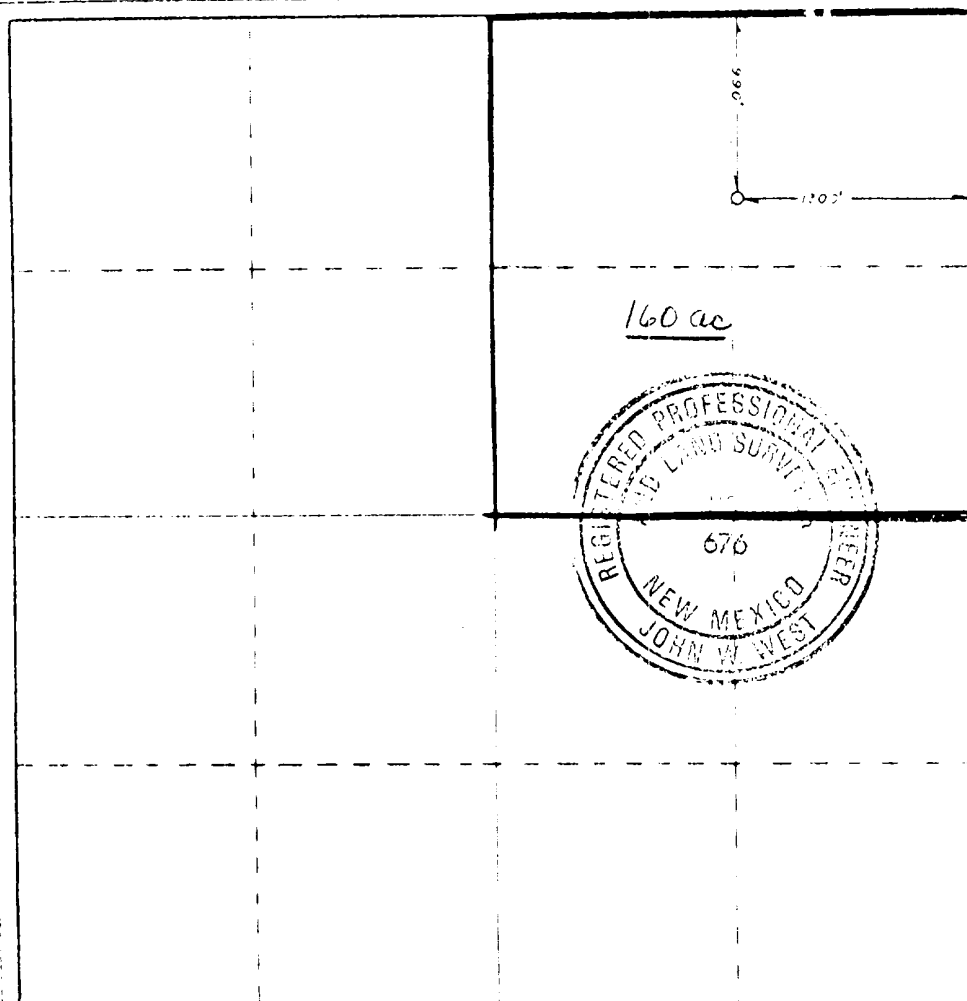
Operator COASTAL OIL & GAS CORP.		Section STATE 27		Acres 3	
Section A	Section 27	Township 14S	Range 32E	County LEA	
Actual well location of wells					
990 feet to the NORTH		1300 feet to the EAST			
Ground Level Elev. 4304.8	Producing Formation Bough "B" & "C"		Tulsa Penn		160

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☒ No If answer is "yes!" type of consolidation _____

If answer is "no" list the owners and tract descriptions which have actually been consolidated (if so reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Sue Vanderford
Sue Vanderford

Operations Analyst

Coastal Oil & Gas Corp.

2-8-84

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.

Date of Survey
2/6/84
Surveyor's Name
John W. West
John W. West
REGISTERED PROFESSIONAL LAND SURVEYOR
NEW MEXICO

130 800 90 1320 1800 1880 2317 2842 3000 800 1000 800

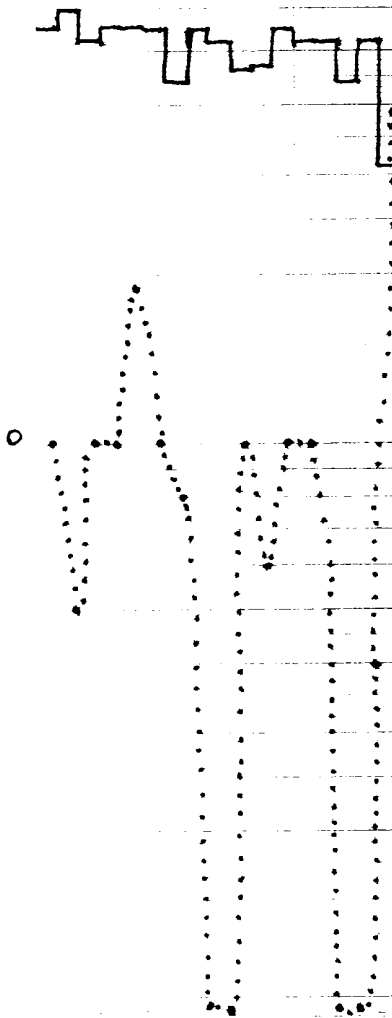
State "27" #3
Monthly Production

OIL —
GAS - - -
WATER ...

000

00

Production of oil and gas and water

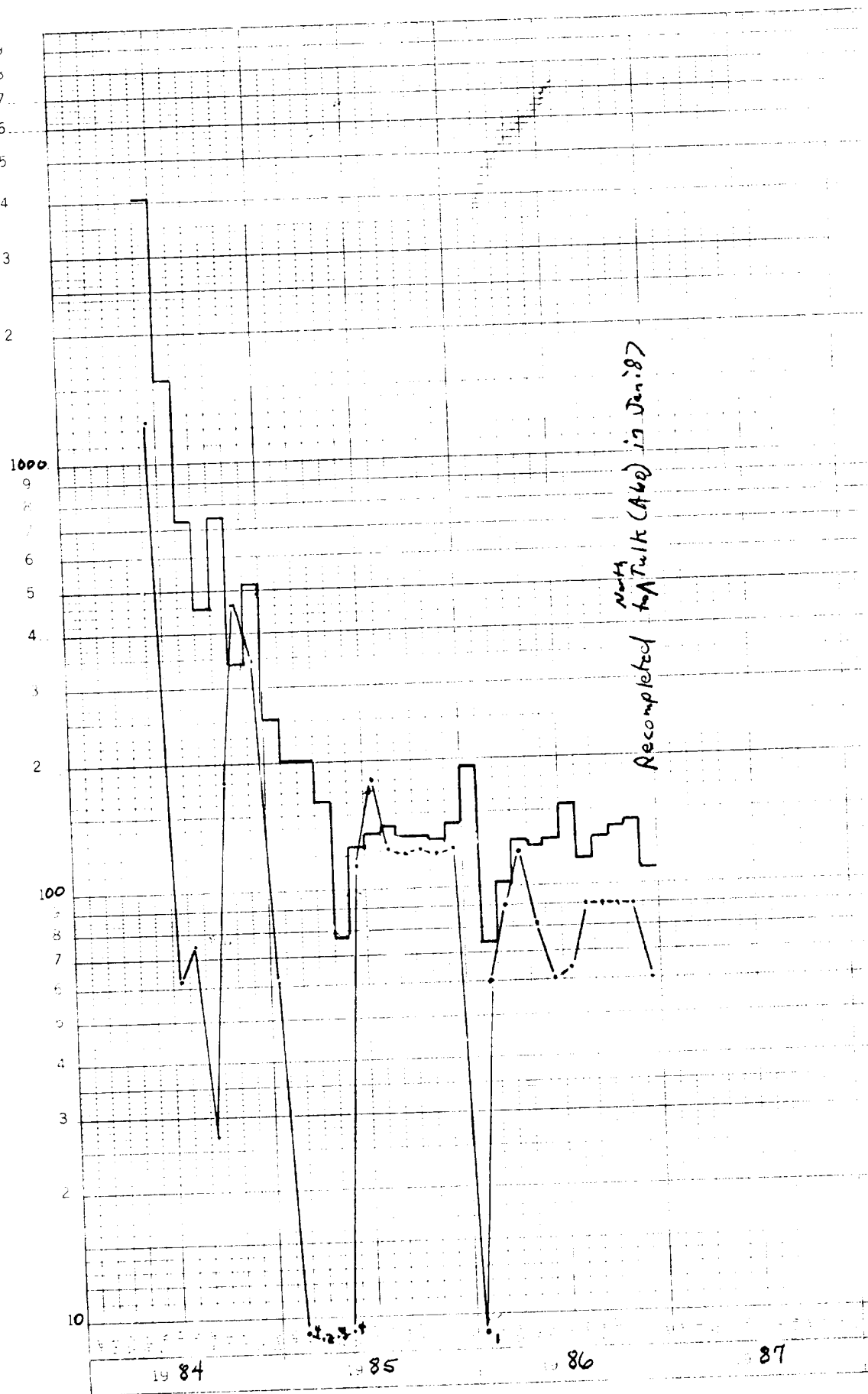


95

96

State "27" #3

Oil —
Water ---



00-000-01

24-000133-SEPTISIDE DATA

11/18/84

WELL 0001/270 : 000101 - State "27" #3

DATE 10/01/84 INJECT DATE 10/01/84 OIL RATE 0.0000 GAS RATE 0.0000

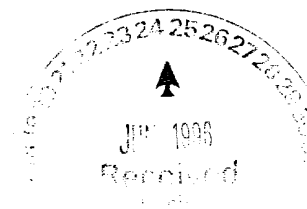
OIL PRODUCTION 0.0000 WATER PRODUCTION 0.0000 WATER INJECTION 0.0000

WELL 0001/270 : 000101 - State "27" #3
DATE 10/01/84 INJECT DATE 10/01/84 OIL RATE 0.0000 GAS RATE 0.0000

OIL PRODUCTION 0.0000 WATER PRODUCTION 0.0000 WATER INJECTION 0.0000

WELL 0001/270 : 000101 - State "27" #3
DATE 10/01/84 INJECT DATE 10/01/84 OIL RATE 0.0000 GAS RATE 0.0000

Since this is a one-well lease, the allocation data is arrived at by taking
the production and dividing by days produced.



Offset Operators for State "27" #3
API #30-025-28613

Yates Energy Corporation
P. O. Box 2323
Roswell, NM 88202

List of Royalty and Working Interest
Owners for State "27" #3
API #30-025-28613

State of New Mexico
Commissioner of Public Lands
P. O. Box 1148
Santa Fe, NM 87504-1148

Royalty Owner - 12.50%

Coastal Oil & Gas Corp.
Nine Greenway Plaza
Houston, Texas 77046

Working Interest Owner - 87.50%

WORKOVER PROCEDURE

Coastal Oil & Gas Corporation
State 27 Well Number 3
Tulk Field
Lea County, New Mexico

The subject well is currently producing at a rate of 1.5 BOPD and 10 BWPD from the Abo formation from the gross perforated interval @ 8879' - 8904'. The Bough -B- & -C- zones are currently shut- in from the gross perforated interval @ 9786' - 9865'. Prior to going off production the Bough -B- & -C- zones produced at a rate of 4 BOPD & 40 BWPD. The procedure will commingle the Bough -B- & -C- zones and the Abo zones.

Current Abo Perforations: 8612', 8617', 8620 -30', 8634 -40', 8732', 8738', 8744', 8756 -64', 8776', 8782', 8879 -8904'.

Current Penn. Perforations: 9786 -90', 9797 - 9810', 9826 -29', 9835 -60'.

1. MI&RU pulling unit.
2. POH w/ rods and pump.
3. GIH w/ tbg and latch onto RBP @ 9000.
4. Go in hole slowly w/ RBP & tbg. Clear bottom perf @ 9850'. POH w/ tubing and RBP.
5. Clean out fill if necessary.
6. Perforate from the Sidewall Neutron/GR log of 5-8-84 using a 4" casing gun w/ 4 spf the following intervals : 8588-92', 8602 -8604', 8612-18', 8938 - 41', 8946 - 52' (Abo zone) and 9606 -09', 9628-38, 9754 - 64' (Penn. zone).
7. GIH w/ PIP treating tool and tbg. BD each perforated interval with 50 gals 15 % HCL per foot perforated.
8. Swab well back.
9. POH w/ tbg.
10. GIH w/ tbg, rods, and pump. Set pump @ 9865'.
8. RD pulling unit.



COASTAL OIL & GAS CORPORATION

Well Completion Sketches

Tull Field

State 27-3

Well

Field

June 18, 1996

Date _____

Present Completion

☐ Original Completion

Suggested Completion

Well Class: OIL

Well Bore Data

Data On This Completion

12-1/4" BIT SIZE

Surface esg

8 5/8", 24# & 28# @ 4100' w/ 2100 secs lit & 300 secs Cl "C"
(Circ cmt to pit)

7-7/8" BIT SIZE

Top of cement @ 7920'

RBP @ 9000'

Prod 03g

5 1/2" 17# @ 10000'

Cont'd w/ 495 sub Cl "H"

TD: 10,000', PBTD: 9,000'

990' FNL & 1300' FEL of Section 27 - T14S - R32E
Lea County, NM

As of 4-25-91

TUBING:

-201 jts of 2 3/8", 4.7# J55, EUE 8rd.

87 lbs of 2-7/8", 6.5# J55, EUE 8rd

ROD STRING:

- 3/4" rods (149 jts)

7/8" rods (111 jts)

1" rods (94 jts)

2" x 1-1/4" x 24" rod pump

Abo Zone

Perfs: 8879 - 8904' (2 SPF - 1/10/87)

Acidized w/ 4000 gals 15 % NEFE w/ balls

IPP 1-29-87 14 bopd x 1 bwpd x 11 pcfid

Acidized w/ 4500 gals 20 % gelled HCL (11-19-97)

Perfs 8612, 17, 8620-30, 34-40, 8732, 38, 44, 56-64, 76, 82' (

Acidized w/ 4000 gals 20 % HCL

Penn. Bough -B- & -C- Zone

Perfs: 9786-90, 9797-9810, 26-29, 35-60'

Acidized 9828-60' w/ 6000 gals 15 % NEFE

Acidized 9786-9810' w/ 4000 gals 15 % NEFE

