

American Inland Resources Co., LLC.
P.O. Box 50938
Midland, TX 79710

November 7, 2000

State of New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Re: Application for Downhole Commingling
New Mexico -AQ- State NCT-11 #3

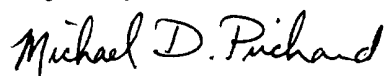
Dear Sir or Madam:

Attached is an original and one copy of an Application for Downhole Commingling, Form C-107A and required additional data, form C-102 for each zone and a production curve for the above referenced well.

The formula used to allocate production between the Baum Wolfcamp, South and the Lazy J Penn is based on the most recent tests we have available. The last test for the Baum Wolfcamp, South indicated a production rate of 5 bopd, 0 mcf/d, and 20 bwpd. For the Lazy J Penn the production was 3 bopd, 24 mcf/d and 12 bwpd. The Baum Wolfcamp, South represented 62.5% of the oil produced while the Lazy J Penn represented 37.5% of the oil. No gas was produced from the zone perforated from 9215-9647. All of the gas was from the Lazy J Penn perms below 9647'.

We respectfully request granting this application to commingle the Baum Wolfcamp, South and the Lazy J Penn.

Respectfully,



Michael D. Prichard
Operations Engineer

District I

1625 N. French Dr., Hobbs, NM 88240

District II

811 South First, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural ResourcesOIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505Form C-102
Revised August 15, 2000Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-28819		² Pool Code 37430	³ Pool Name Lazy J Penn
⁴ Property Code 26186	⁵ Property Name New Mexico -AQ- State NCT-II		⁶ Well Number 3
⁷ OGRID No. 188294	⁸ Operator Name American Inland Resources Company, LLC.		⁹ Elevation 4225' GR

¹⁰ 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	3	14S	33E		1980	South	1980	West	Lea

¹¹ 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

¹² Dedicated Acres 40	¹³ Joint or Infill	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. <i>Michael D. Prichard</i> Signature Michael D. Prichard Printed Name Operations Engineer Title 11/7/2000 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:
	Certificate Number

District I
1625 N. French Dr., Hobbs, NM 88240
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State of New Mexico
Energy, Minerals & Natural Resources

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised August 15, 2000

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-28819		² Pool Code 4967		³ Pool Name Baum Wolfcamp, South	
⁴ Property Code 26186		⁵ Property Name New Mexico -AQ- State NCT-11			⁶ Well Number 3
⁷ OGRID No. 188294		⁸ Operator Name American Inland Resources Company, LLC.			⁹ Elevation 4225' GR

¹⁰ 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	3	14S	33E		1980	South	1980	West	Lea

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	Certificate Number	

Rate/Time Graph

Project: C:\Program Files\IHS Energy\PowerTools v4.0\Projects\Airco.mdb

Date: 11/6/2000
Time: 4:41 PM

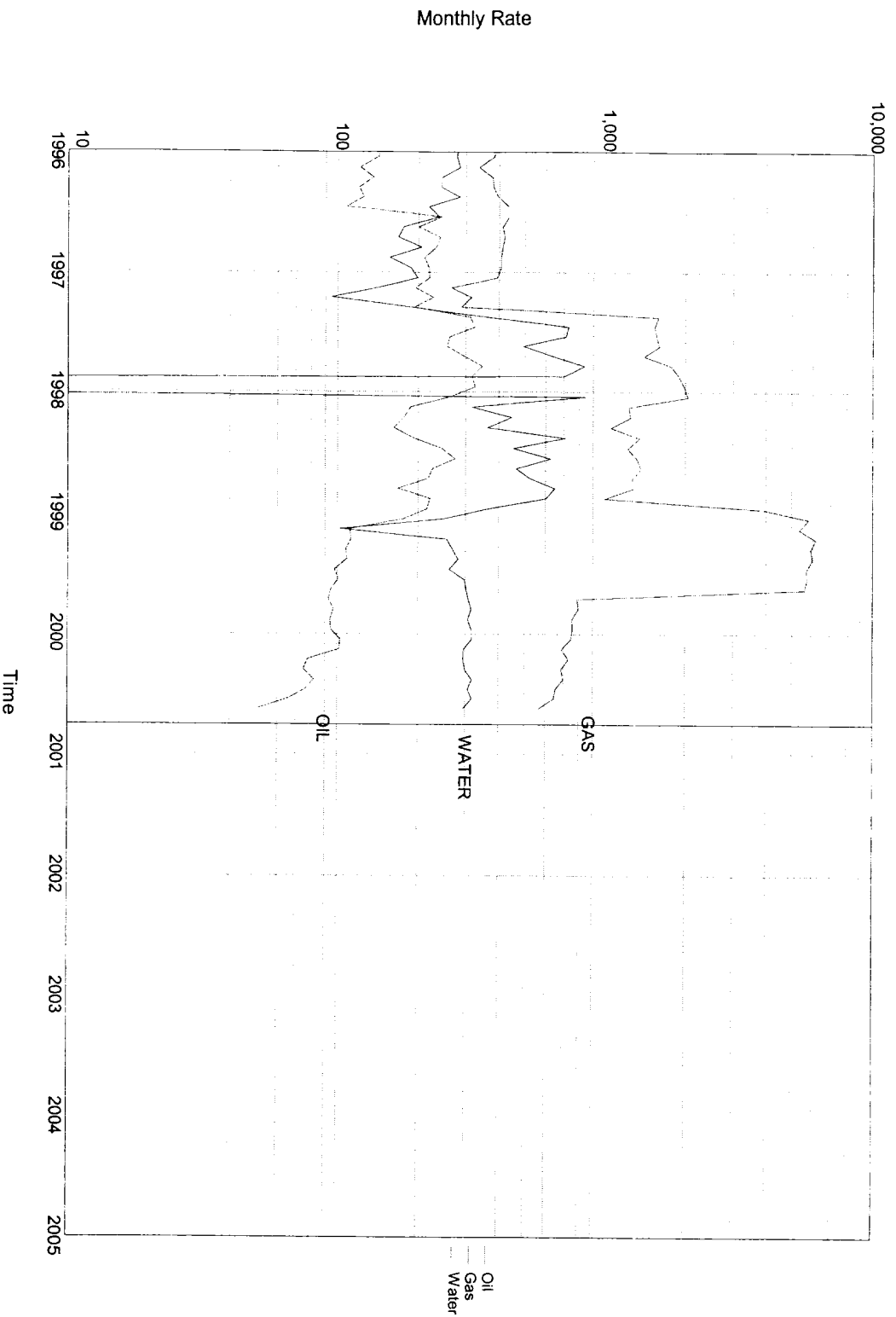
Lease Name:
County, ST:
Location:

NEW MEXICO AQ STATE NCT-11 (003)
LEA, NM
S14 E33 3 C NE SW

Operator:
Field Name:

AMERICAN INLAND RESOURCES
LAZY J

NEW MEXICO AQ STATE NCT-11 - LAZY J



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State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised May 15, 2000

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87505

APPLICATION TYPE

☒ Single Well

☒ Establish Pre-Approved Pools

EXISTING WELLBORE

☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

American Inland Resources Co., LLC P.O. Box 50938; Midland, TX 79710
Operator Address
New Mexico -AQ- State NCT-11 #3 K 3 T14S-R33E Lea
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 188294 Property Code 26186 API No. 30-025-28819 Lease Type: ☐ Federal ☒ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Baum Wolfcamp, So.		Lazy J Penn
Pool Code	4967		37430
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	9215' - 9647' (perf)		9497' - 9916' (perf)
Method of Production (Flowing or Artificial Lift)	Artificial Lift		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)	40		40
Producing, Shut-In or New Zone	New Zone		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: 10/29/2000 Rates: 50/0mcf/20bwpd	Date: Rates:	Date: 8/22/2000 Rates: 3bo/24mcf/12bwpd
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 62.5% 0 %	Oil Gas % %	Oil Gas 37.5 % 100 %

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 Michael D. Prichard TITLE Operations Engineer DATE 11/7/2000

TYPE OR PRINT NAME Michael D. Prichard TELEPHONE NO. (915) 685-0981