

DISTRICT I

P.O. Box 1880, Hobbs, NM 88240

DISTRICT II

811 South First St., Artesia, NM 88210

DISTRICT III

1000 N. 6th St., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 E. Pacheco
Santa Fe, New Mexico 87505-6428Form C-107-A
New 3-12-96

APPROVAL PROCESS:

___ Administrative ___ Hearing

EXISTING WELLBORE

X YES ___ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Primero Operating, Inc. P.O. Box 1433, Roswell, New Mexico 88202-1433

EIDSON "A" WN 4 K-26-16S-35E LEA

OGRID NO. 018100 Property Code 19202 API NO. 30-025-2182100 Federal ___ State ___ (endorse) Fee X

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zones	Lower Zone
1. Pool Name and Pool Code	Townsend, ABO		Shoe Bar, Wolfcamp
2. Top and Bottom of Pay Section (Perforations)	8,662-8,750		10,148-10,154
3. Type of production (Oil or Gas)	OIL		OIL
4. Method of Production (Flowing or Artificial Lift)	PUMP		PUMP
5. Bottomhole Pressure	a. (Current) 1927	a.	a. UNK
Oil Zones - Artificial Lift: Estimated Current			
Gas & Oil - Flowing: Measured Current	b. (Original) UNK	b.	b. UNK
All Gas Zones: Estimated Or Measured Original			
6. Oil Gravity (°API) or Gas BTU Content	35.5		37.8
7. Producing or Shut-In?	Pumping		SI
Production Marginal? (yes or no)	Yes		Yes
* If Shut-In, give date and oil/gas/water rates of last production	Date: Rates:	Date: Rates:	Date: 9-28-96 Rates: 6.67 Oil 100 mcf gas 0 Water
Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.			
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: 12/30/96 Rates: Oil 25.5 bbl Water 4.6 bbl Gas 9 mcf	Date: Rates:	Date: Rates:
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 79% Gas: 8%	Oil: % Gas: %	Oil: 21% Gas: 92%

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? ☒ 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? ___ Yes ___ No11. Will cross-flow occur? ___ Yes ☒ 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? ☒ Yes ___ No13. Will the value of production be decreased by commingling? ___ Yes ☒ 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. ___ Yes ___ No

15. NMOC 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 Phelps White TITLE President DATE 1/7/97TYPE OR PRINT NAME Phelps White TELEPHONE NO. (505) 622-1001

