

Application to Downhole Commingle State G #6:
Upper/Lower Blinebry

1. The latest productivity tests are as follows:

	<u>BOPD</u>	<u>BWPD</u>	<u>MCFD</u>	<u>PERFORATIONS</u>
Lower Blinebry	0	5	180	6138-6222
Upper Blinebry	0	0	0	**

** This horizon was originally open from 5832-6044; however, as part of the recompletion done on this well, the Upper Blinebry was squeezed off. The squeeze did not hold below 5965, but we received approval from the NMOCD in Hobbs to proceed with the recompletion and test the Lower Blinebry.

2. We are requesting that we not resqueeze the Upper Blinebry and produce the Lower Blinebry with the Upper Blinebry remaining open. We are not expecting any production from the Upper Blinebry.
3. Neither zone produces more water than the combined oil limit as determined by Rule 303, Paragraph C.
4. The produced fluids should be compatible and commingling these fluids should not result in precipitates which might damage the reservoir. Both zones produce sour streams.
5. The value of the commingled stream will not be diminished from the value of the separate stream sales.

Individual Streams

Upper Blinebry	0 BOPD x \$18.00 = \$0.00
Lower Blinebry	180 MCFD x 2.39 = <u>\$430.20</u>
	430.20

When commingled, sales will be the same as the individual streams.

5. Expected daily production from the commingled zones are as follows:

	<u>Lower Blinebry</u>	<u>Upper Blinebry</u>
BOPD	0	0
MCFD	180	0
BWPD	5	0