

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
**- Engineering Bureau -**  
 1220 South St. Francis Drive, Santa Fe, NM 87505



**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Application Acronyms:**

**[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]**  
**[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]**  
**[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]**  
**[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]**  
**[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]**  
**[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]**

**[1] TYPE OF APPLICATION - Check Those Which Apply for [A]**

**[A] Location - Spacing Unit - Simultaneous Dedication**  
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

**[B] Commingling - Storage - Measurement**  
☒ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

**[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery**  
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

**[D] Other: Specify** \_\_\_\_\_

**[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply**

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners**
- [B] ☐ Offset Operators, Leaseholders or Surface Owner**
- [C] ☐ Application is One Which Requires Published Legal Notice**
- [D] ☐ Notification and/or Concurrent Approval by BLM or SLO**  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,**
- [F] ☐ Waivers are Attached**

**[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

**[4] CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

**Note: Statement must be completed by an individual with managerial and/or supervisory capacity.**

TERRI STATHEM  
 Print or Type Name

Signature

PRODUCTION ANALYST  
 Title

9-6-01  
 Date

TSTATHEM@CONCHORESOURCES.COM  
 e-mail Address

# CONCHO OIL & GAS CORP.

Suite 410

110 W. Louisiana  
Midland, Texas 79701

(915) 683-7443  
FAX 683-7441

September 6, 2001

Mr. David Catanach  
New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87504

Mr. Catanach:

Re: Application for Downhole Commingle  
Sun Pearl Federal No. 4  
Lea County, New Mexico

Concho Oil & Gas Corp. respectfully requests approval to downhole commingle production from the Queen and Yates pools in the Sun Pearl Federal No. 4 well.

The Sun Pearl Federal No. 4 well was originally drilled and completed by Manzano Oil Corporation in December 1990. The original completion was in the Queen pool and production commenced in December 1990. Manzano recompleted the well in the Yates pool in August 1994 and did not report the recompletion to the state. In November of 1994 Manzano commingled the two zones without prior approval from the BLM or the NMOCDC. Concho Oil & Gas Corp. wishes to file the paperwork in order to receive proper commingling approval for this well. The production allocation is based on monthly production of each zone while they were produced separately. Queen production data is from the months of January 1990 thru July 1994 and Yates production data was from the months of September and October 1994.

Ownership and working interest for the two zones are common. A C-107A, C-102s, and a production plot are attached for your review.

Please feel free to contact me if you have any questions or need any additional information.

Sincerely,



Greg Wilkes  
Senior Operations Engineer

District I  
1625 N. French Drive, Hobbs, NM 88240

District II  
811 South First Street, 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 May 15, 2000

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

Concho Oil & Gas Corp. 110 W. Louisiana, Ste 410 Midland, Tx 79701  
Operator Address

Sun Pearl Federal 4 UL: H, Sec. 28, T-19S, R-34E Lea, NM  
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 193407 Property Code 27361 API No. 3002531047 Lease Type: X Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Quail Ridge Yates S.		Pearl Queen
Pool Code			
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	3892-3902		4785-4837
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)			
Producing, Shut-In or New Zone	Producing		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: October 1994 Rates: 3.2 BO, 2.3 MCF	Date: Rates:	Date: May 1993 Rates: 11.8 BO, 4.9 MCF
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 21% 32%	Oil Gas 0 % 0 %	Oil Gas 79% 68%

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes X 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 X No

Will commingling decrease the value of production? Yes No X

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 X 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.

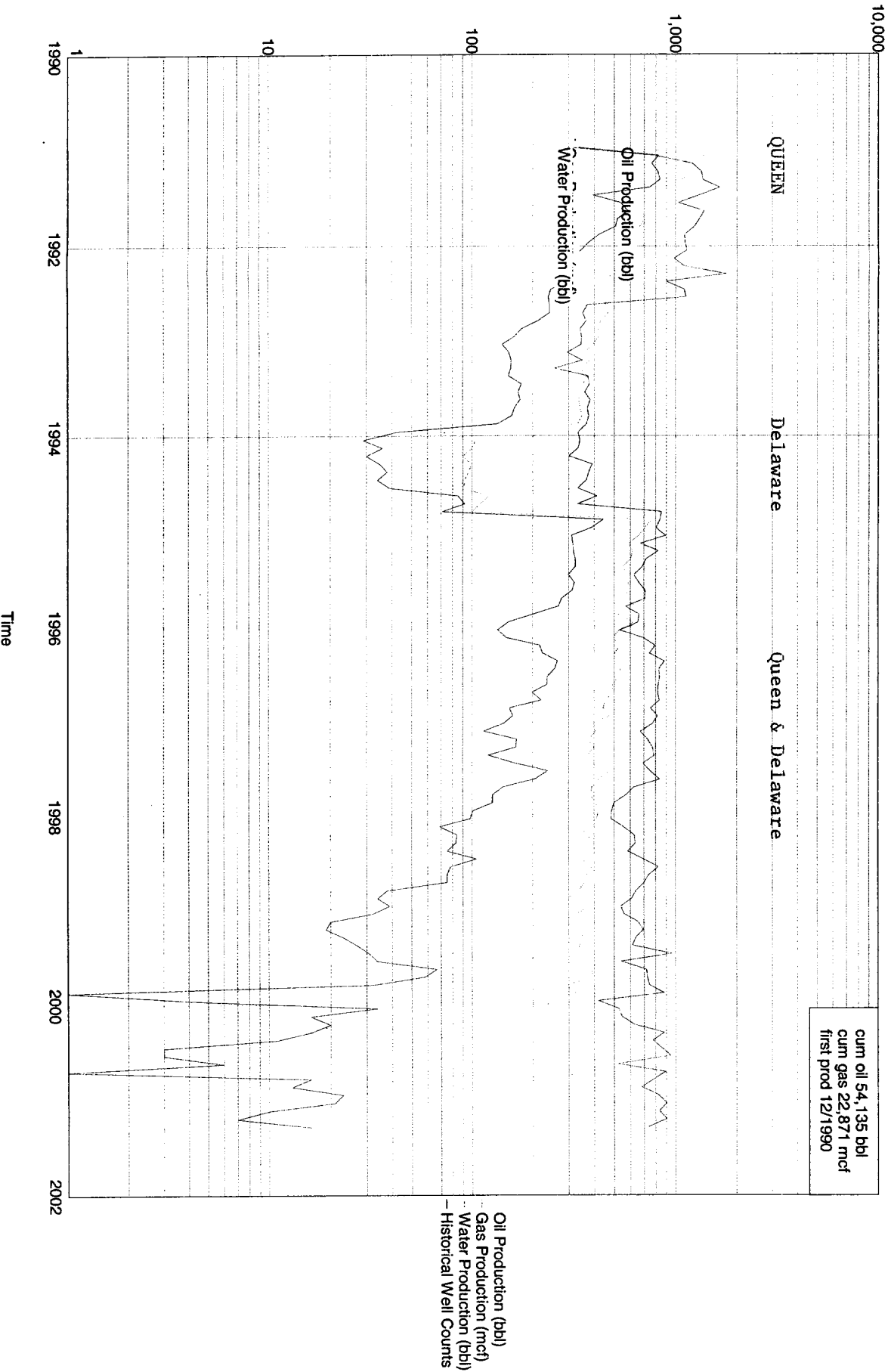
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE TITLE Production Analyst DATE 9/6/01

TYPE OR PRINT NAME Terri Stathep TELEPHONE NO. (915) 683-7443

Lease Name: SUN PEARL FEDERAL  
County, State: LEA, NM  
Operator: CONCHO OIL & GAS CORPORATION  
Field: PEARL  
Reservoir: QUEEN  
Location: 28 19S 34E SE NE

SUN PEARL FEDERAL - PEARL 4



State of New Mexico  
 strict Office  
 site Lease - 4 copies  
 se Lease - 3 copies

State of New Mexico  
 Energy, Minerals and Natural Resources Department

Form C-102  
 Revised 1-1-89

## OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

ISTRICT I  
 U. Box 1980, Hobbs, NM 88240,

ISTRICT II  
 U. Drawer DD, Artesia, NM 88210

ISTRICT III  
 100 Rio Brazos Rd., Aztec, NM 87410

## WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

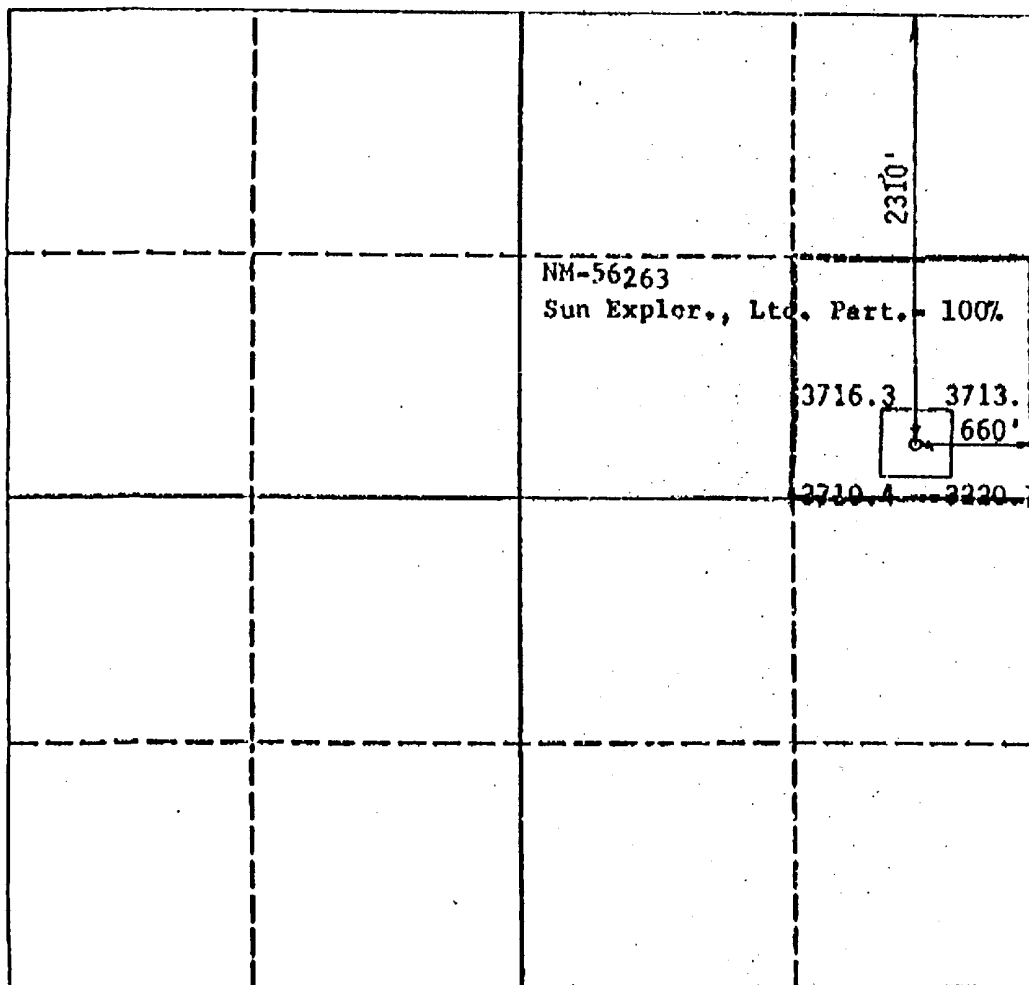
Operator Manzano Oil Corporation			Lease Sun Pearl Federal		Well No. 4
Alt. Letter H	Section 28	Township 19 South	Range 34 East	County NM/M	Lea
Actual Footage Location of Well: 2310 feet from the North line and 660 feet from the East line					
Ground level Elev. 3716.8	Producing Formation Queen	Pool West Pearl Queen	Dedicated Acreage: 40 Acres		

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest 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. (Use reverse side of this form if necessary.)  
 No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, force-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



## OPERATOR CERTIFICATION

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

Signature

*George R. Smith*  
 Printed Name

George R. Smith

Position

Agent for:

Company

Manzano Oil Corp.

Date

Oct. 23, 1990

## 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 knowledge and belief.

Date Surveyed

September 4, 1990

Signature & Seal of  
 Professional Surveyor

P.R. Patton

*P.R. Patton*  
 Certificate No. 6742

# OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

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

**DISTRICT II**  
P.O. Drawer DD, Artesia, NM 88210

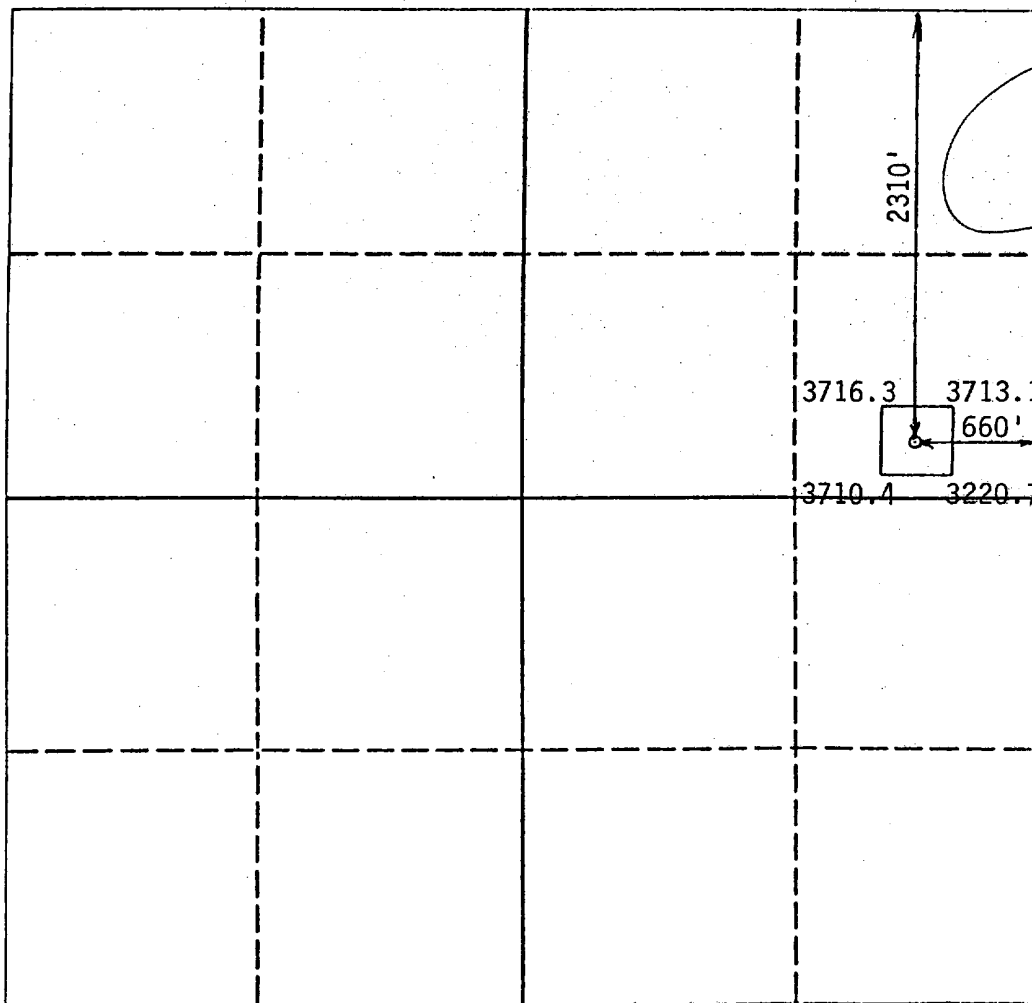
**DISTRICT III**  
1000 Rio Brazos Rd., Aztec, NM 87410

## WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Concho Oil & Gas Corp.			Lease Sun Pearl Federal		Well No. 4
Unit Letter H	Section 28	Township 19 South	Range 34 East	County Lea	
Actual Footage Location of Well: 2310 feet from the North line and 660 feet from the East line					
Ground level Elev. 3716.8	Producing Formation Yates		Pool Quail Ridge Yates S.	Dedicated Acreage: 40 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest 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. (Use 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 interest, has been approved by the Division.



### OPERATOR CERTIFICATION

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

Signature *Terry Stathem*  
Printed Name  
Terry Stathem  
Position  
Production Analyst  
Company  
Concho Oil & Gas Corp.  
Date  
8/31/01

### 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 knowledge and belief.

Date Surveyed  
September 4, 1990  
Signature & Seal of Professional Surveyor  
*P.R. Patton*  
Certificate No. *8142*

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0