

DISTRICT I  
P.O. Box 1990, Hobbs, NM 88241-1990

DISTRICT II  
1 South First St., Artesia, NM 88210-2838

DISTRICT III  
1000 Rio Brazos Rd, Artesia, NM 87410-1093

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 3-12-98

APPROVAL PROCESS:  
☒ Administrative ☐ Hearing

EXISTING WELLBORE  
☒ YES ☐ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Operator

Mallon Oil Company

Address

999 - 18th Street, Suite 1700, Denver, CO 80202

Lease

Mescalero 30 Federal

Well No.

4

Unit Ltr. - Sec - Twp - Rge

G-30-19S-34E

County

Lea

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 009171

Property Code 16285

API NO. 3002533813

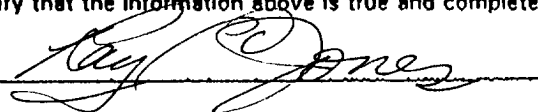
Federal ☒ State ☐ (and/or) Fee ☐

The following facts were submitted in support of commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Strawn Undesignated	Quail Ridge Morrow 83280	
2. Top and Bottom of Pay Section (Perforations)	12214-12224'	13227-13374'	
3. Type of production (Oil or Gas)	Oil	Gas	
4. Method of Production (Flowing or Artificial Lift)	Flowing	Flowing	
5. Bottomhole Pressure	a. (Current)	b.	a.
Oil Zones - Artificial Lift: Estimated Current	SEE ATTACHMENT A		
Gas & Oil - Flowing: Measured Current	b. (Original)	b.	b.
All Gas Zones: Estimated Or Measured Original			
6. Oil Gravity (°API) or Gas BTU Content	46.8 API	1263 FTU 51.5 API	
7. Producing or Shut-In?	SI, Not Perforated	Producing	
Production Marginal? (yes or no)	Y	N	
• 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:	Date:	Date:
	Rates:	Rates:	Rates:
• If Producing, give date and oil/gas/ water rates of recent test (within 60 days)	Date: Estimated	Date: 7/3/97	Date:
	Rates: 30 BOPD 50 MCFG, BWPD	Rates: 42 BOPD 688 MCFD, 27 BWPD	Rates:
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 40 % Gas: 5 %	Oil: 60 % Gas: 95 %	Oil: % Gas: %

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 ☐ No
11. 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 ☐ No
13. Will the value of production be decreased by commingling? ☐ Yes ☒ No (If Yes, attach explanation)
14. If this well is on, or communized 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(D) 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



TITLE

Vice President-Engineering

DATE

9/2/97

TYPE OR PRINT NAME

Ray E. Jones

TELEPHONE NO. ( 303 )

293-2333