DISTRICT I

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FO Box 1980, Hobbs, NM 88241 1980 SITRICT II

811 Southl First St. Artesia NM 88210 2835 <u>DISTRICT III</u> 1000 Rio Brazos Rd. Aztec, NM 87410 1693

State of New Mexico Energy, Minerals and Natural Rasources Department OIL CONSERVATION DIVISION

Form C-107-A New 3-12-96

APPROVAL PROCESS:

2040 S. Pacheco Santa Fe, New Mexico 87505-6429

APPLICATION FOR DOWNHOLE COMMINGLING

Administrative Hearing EXISTING WELLBORE YES NO

| Conoco Inc. | | | Nidland, Tx. 79705-4500 | |
|--|---|----------------------|--|--|
| Lockhart B 35 | Addre | G-Sec 35, T-21-S, I | R-37-E Lea | |
| Lease | | Ltr Sec Twp Rge | County Spacing Unit Lease Types: (check 1 or more) | |
| OGRID NO. 005073 Property Cod | e003051 API NO | 30-025-07029 F | Federal 🛛 , State 🔲 (and/or) Fee 🗌 | |
| The following facts ate submitted in support of downhole commingling: | Upper Zone | intermediate Zone | Lower Zone | |
| 1. Pool Name and Pool Code | Blinebry Oil & Gas 06660 | | Tubb Oil & Gas 60240 | |
| 2. TOP and Bottom of Pay Section (Perforations) | 5510-5900' | | 6070-6226' | |
| 3. Type of production (Oil or Gas) | Oil | | Gas | |
| 4. Method of Production {Flowing or Artificial Lilt} | Artificial lift | | Artificial Lift | |
| 5. Bottomhole Pressure | a (Current) | a. | a. | |
| Oil Zones - Artilicial Lift: Estimated Current | 650 | | 715 | |
| Gas & Oil - Flowing: Measured Current All Gas Zones: | b(Original) | b. | b. | |
| Estimated Or Measured Original | 2250 | | 2450 | |
| 6. Oil Gravity (*API) or Gas BT Content | 38.3 | | 1255 | |
| 7. Producing or Shut-In? | To be completed | | Producing | |
| Production Marginal? (yes or no) | Yes | | Yes | |
| If Shut-In give date and oil/gas/ water rates of lsst production | Date Rates | Date Rates: | Date Rates | |
| Note For new zones with no production hiStory applicant shad be required to attach production | | | N 8103 | |
| estimates and supporting dara • If Producing, date and oil/gas/ water rates of recent test (within 60 days) | Gas Incremental Rates Production by Subtraction | Dale Rales | Gas Incremental Rates Production by Subtraction - See Table | |
| 8. Fixed Percentage Allocation Formula -% or each zone | • it: | oil: Gas % | % ^{0 it:} Gas 0 N/A | |
| 9. If allocation formula is based upon something other than current or past production, cr 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? X. 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? X. Yes No | | | | |
| 11. Will cross-flow occur? Yes X 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 others x Yes No | | | | |
| 13. Will the value of production be decreased by commingling?Yes \underline{x} 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. <u>X</u> Yes No | | | | |
| 15. NMOCD 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 × Jour Adora | _ TITLE Sr. Conservation Coord DATE |
|------------------------------------|-------------------------------------|
| TYPE OR PRINT NAME_JERRY W. Hoover | TELEPHONE NO. <u>(915)</u> 686-6548 |