

DISTRICT I

P.O. Box 1880, Hobbs, NM 88240

DISTRICT II

811 South First St., Artesia, NM 88210

DISTRICT III

1000 Red Bluffs Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-8429

APPLICATION FOR DOWNHOLE COMMINGLING

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

APPROVAL PROCESS:

☒ Administrative ☐ Hearing

EXISTING WELLBORE

☒ YES ☐ NO

Meridian Oil Inc. P.O. Box 51810 Midland, Texas 79710-1810

Mule Deer '36' State # 5 H. Sec. 36, T22S, R32E Lea County

OGRID NO. 26485 Property Code 16462 API NO. 30-025-33239 Federal State X Landlord Fee

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zones	Lower Zone
1. Pool Name and Pool Code	West Red Tank Delaware 51689		Red Tank Bone Spring 51683
2. Top and Bottom of Pay Section (Perforational)	8486'-8550' (Pro)		8856'-8903'
3. Type of production (Oil or Gas)	Oil		Oil
4. Method of Production (Flowing or Artificial Lift)			Artificial Lift
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) 1270 (est.) b. (Original) 2550 (est.)	a. b.	a. 1330 b. 2660
6. Oil Gravity (°API) or Gas BTU Content			43.3155
7. Producing or Shut-in?			Producing
Production Marginal? (yes or no)			Yes
* 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: Rates:	Date: Rates:	Date: Rates:
* If Producing, give date and oil/gas/water rates of recent test (within 90 days)	Date: Rates:	Date: Rates:	Date: 7/9/96 Rates: 59 oil, 272 mcf, 0 water
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 50 % Gas: 30 %	Oil: % Gas: %	Oil: 50 % Gas: 70 %

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

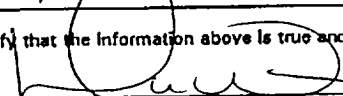
15. NMOC Reference Cases for Rule 303(C) Exceptions:

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  TITLE Regulatory DATE 7/15/96

TYPE OR PRINT NAME Donna Williams TELEPHONE NO. (915) 688-6943

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Encl Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-33239	² Pool Code 51689	³ Pool Name West Red Tank Delaware
⁴ Property Code 16462	⁵ Property Name Mule Deer '36' State	⁶ Well Number # 5
⁷ OGRID No. 26485	⁸ Operator Name Meridian Oil Inc.	⁹ Elevation 3756'

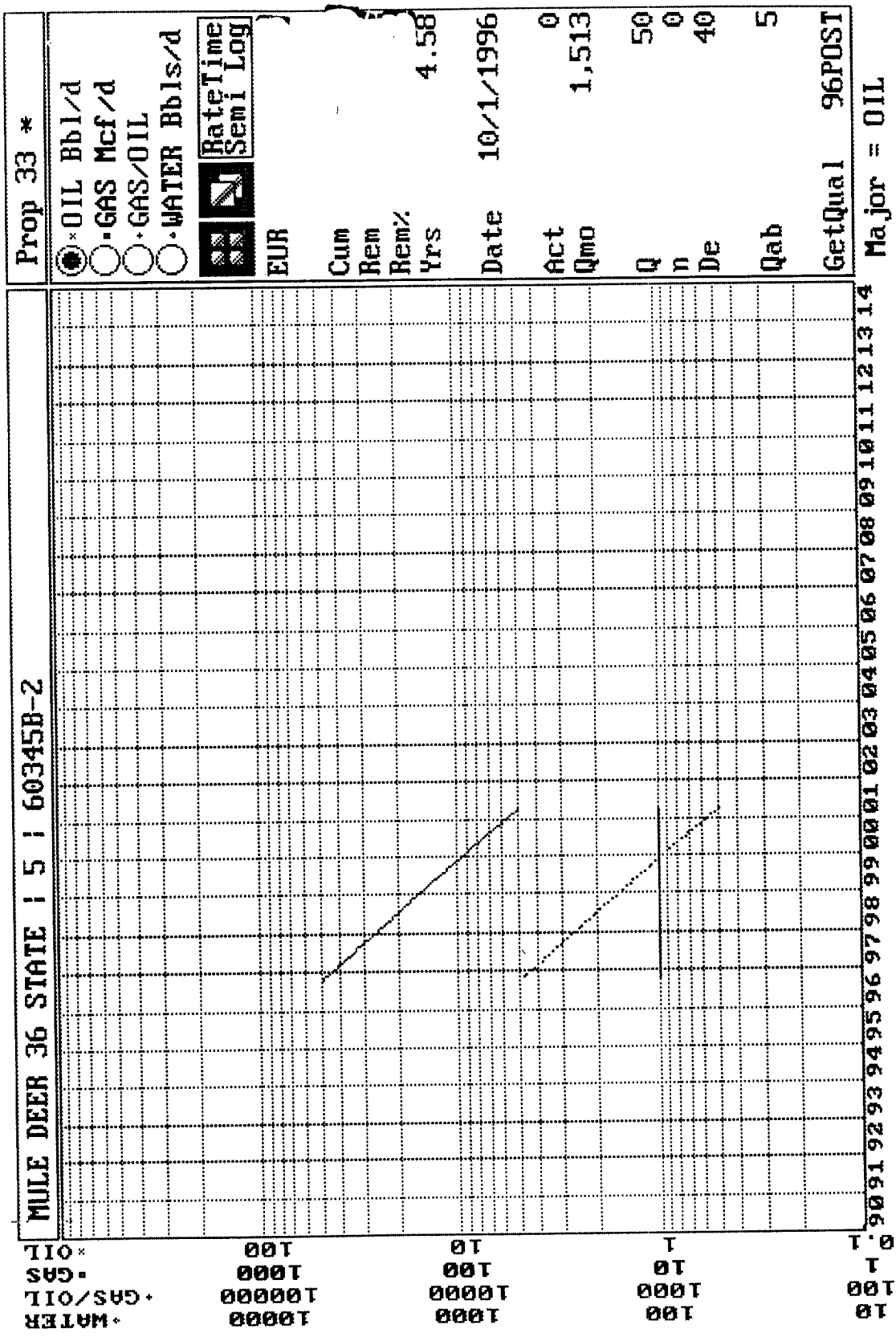
¹⁰ Surface Location									
UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
	36	22S	32E		1980'	North	990'	East	Lea

¹¹ Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

					¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature Donna Williams Printed Name Regulatory Assistant Title 7/12/96 Date
					¹⁸ SURVEYOR CERTIFICATION <i>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 belief.</i> Date of Survey Signature and Seal of Professional Surveyer: Certificate Number

Delaware - Upper Zone



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PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
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Santa Fe, NM 87504-2088

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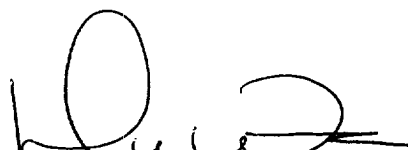
WELL LOCATION AND ACREAGE DEDICATION PLAT

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⁷ OGRID No. 26485	⁸ Operator Name Meridian Oil Inc.	⁹ Elevation 3756'

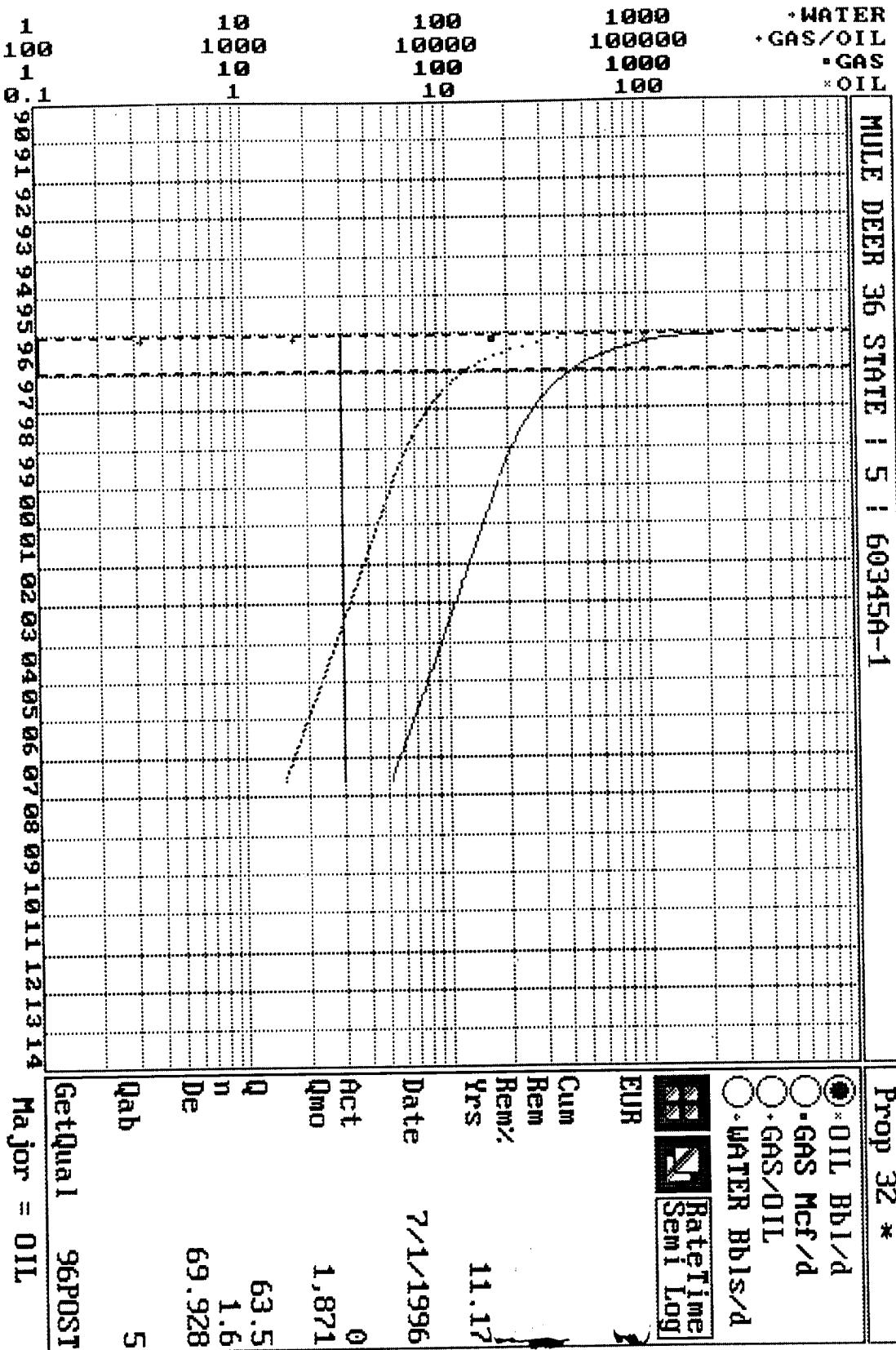
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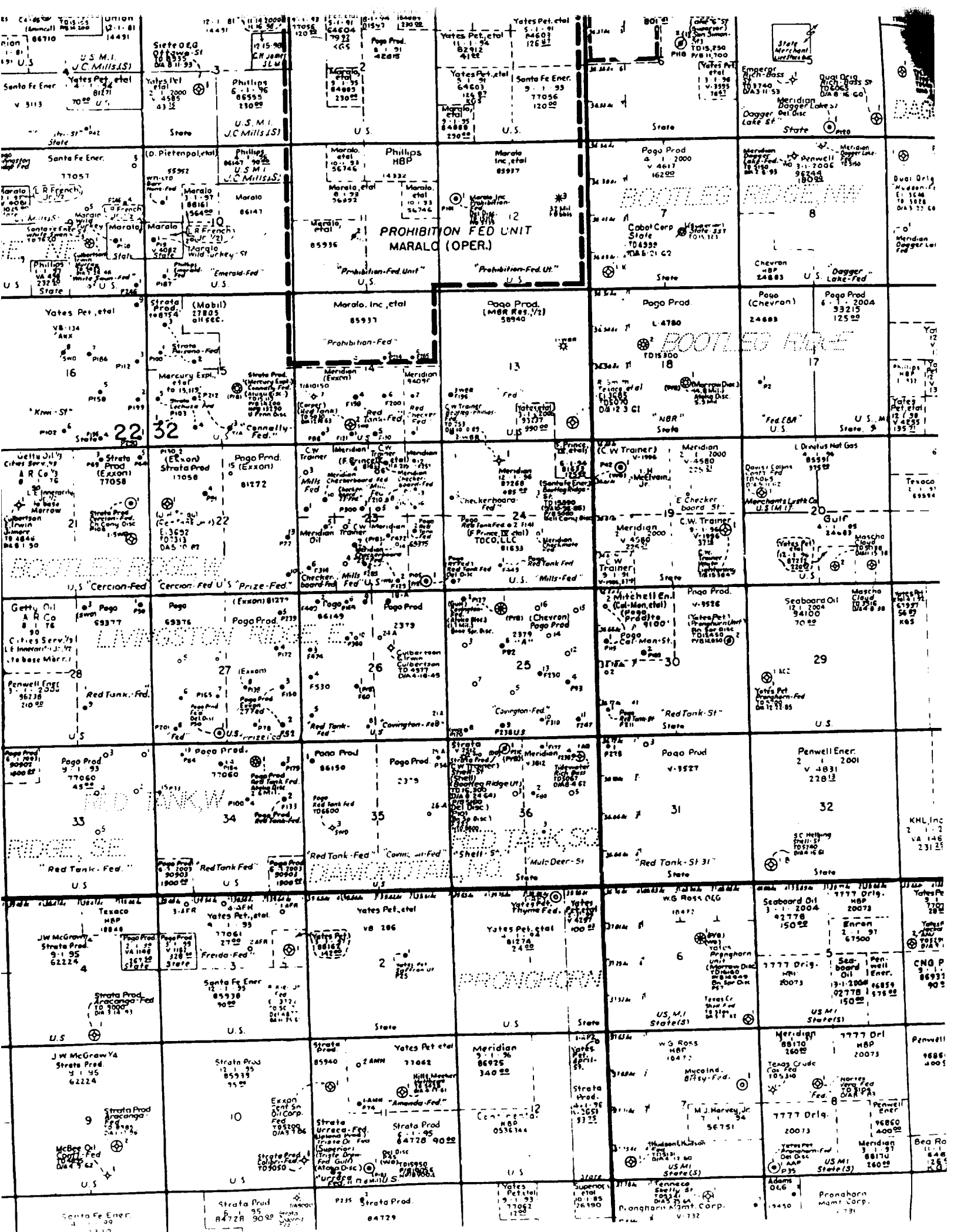
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Bone Spring - Lower Zone





MERIDIAN OIL INC.
APPLICATION FOR ADMINISTRATIVE APPROVAL
DOWNHOLE COMMINGLING
MULE DEER '36' STATE WELL NO. 5
LEA COUNTY, NEW MEXICO

Chevron USA
Box 1150
Midland, Texas 79702

Pogo Producing Company
Box 10340
Midland, Texas 79702

Yates Petroleum Corporation
105 S. 4th
Artesia, New Mexico 88210

Strata Petroleum Company
110 N. Marienfeld, Ste. 370
Midland, Texas 79701-4412

SECTION 6:

Unleased: Bureau of Land Management - Mineral Interest
P.O. Box 1778
Carlsbad, New Mexico 88210

New Mexico State Land Office - Surface Interest
P.O. Box 1148
Santa Fe, New Mexico 87504-1148