

COLLINS & WARE, INC.

508 WEST WALL AVENUE, SUITE 1200
MIDLAND, TEXAS 79701-5076

(915) 687-3435

July 7, 1998

DHC-1998

Chris Williams
State of New Mexico
Oil Conservation Division
Post Office Box 1980
Hobbs, New Mexico 88241-1980

Re: Pearl No. 1
Sec 13, T-20S, R-38E
Lea County, New Mexico
Downhole Commingle

Dear Mr. Williams:

Collins & Ware, Inc. has submitted it's application to the OCD in Santa Fe for downhole commingle approval of the South House Blinbry Pool and the Wildcat Abo Pool. This application was submitted on June 12, 1998, a copy is attached for your reference.

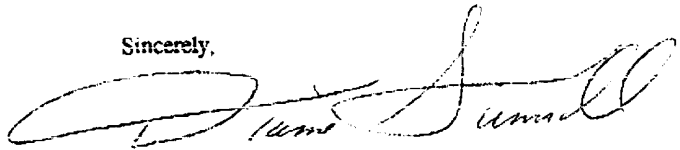
Effective on May 16, 1998, we drilled the CIBP to 7777', downhole commingling the Blinbry and Abo pools prior to DHC approval. A copy of the sundry notice is attached.

At this time, it would be cost prohibitive to set a retrievable bridge plug and then pull it when the DHC is approved. It would also be appreciated if we could avoid shutting in the well until DHC approval is received. Therefore, rather than isolating the Abo pool at this time, we respectfully request a temporary allowable be assigned for the Wildcat Abo pool for the months of May, June, and July in order to continue producing this well. The Wildcat Abo pool is currently producing approximately 1 BOPD.

Please be assured that we have taken steps to insure that written approval is received in this office before commencing work on wells requiring a permit of any kind.

Thank you for your consideration of our request. Your approval for a temporary allowable would be greatly appreciated.

Sincerely,



Dianne Sumrall
Production Administrator

OK CW-
tell August 2, 1998
should have DHC permit
by then.
ds
enclosures
cc

COLLINS & WARE, INC.

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MIDLAND, TEXAS 79701-5076

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July 7, 1998

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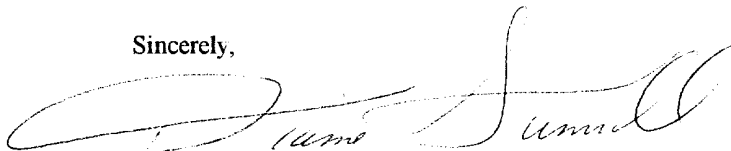
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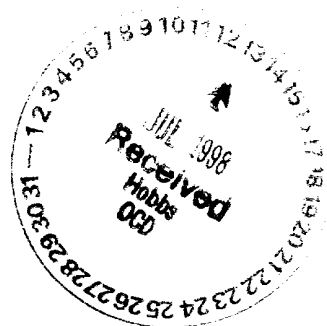
Thank you for your consideration of our request. Your approval for a temporary allowable would be greatly appreciated.

Sincerely,

A handwritten signature in cursive script, appearing to read "Dianne Sumrall", written in dark ink.

Dianne Sumrall
Production Administrator

: ds
enclosures
cc



COLLINS & WARE, INC.

508 WEST WALL AVENUE, SUITE 1200
MIDLAND, TEXAS 79701-5076

(915) 687-3435

June 12, 1998

Mr. Ben Stone
State of New Mexico Energy, Minerals
and Natural Resources Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Re: Application for Downhole Commingling
Form C-107-A
Pearl No. 1
Lea County, NM

Dear Mr. Stone,

Collins & Ware, Inc. wishes to make application to downhole commingle production from the Blinebry and Abo formations in the Pearl No. 1 as specified on the attached Form C-107-A and its associated attachments.

Completion Operations in the Pearl No. 1 began in February, 1998, with testing of the Abo and subsequent completion in the South House Blinebry Pool in March. Because of this, production curves for each zone for a period of at least one year are not available as requested in Item No. 16 of the Form C-107-A. In the alternative, a daily well history with all swab and production tests done on this well since completion operations commenced is attached for supporting data used to generate a Fixed Percentage Allocation Formula in Item No. 8 of the Form.

The proposed Fixed Percentage Allocation Formula is based on the most recent test available for each zone. For the Abo, the latest test is based swab recovery of 24 barrels of fluid with average cut of 12.5%, which calculates to 3 BOPD + 21 BWPD with gas TSTM on the last day the zone was swabbed before being plugged back on March 1, 1998. A complete production history of the Blinebry formation is included and the latest test of 12 BOPD + 26 BWPD + 28 MCFPD on May, 12, 1998 was used in the proposed Allocation Formula before the zones were tested together beginning May 18, 1998.

If you have any questions or need any additional information regarding this application, please contact me at (915) 687-3435 or at the letterhead address. Your assistance in this matter is greatly appreciated.

Sincerely,



Brent Lowery

Operations Engineer



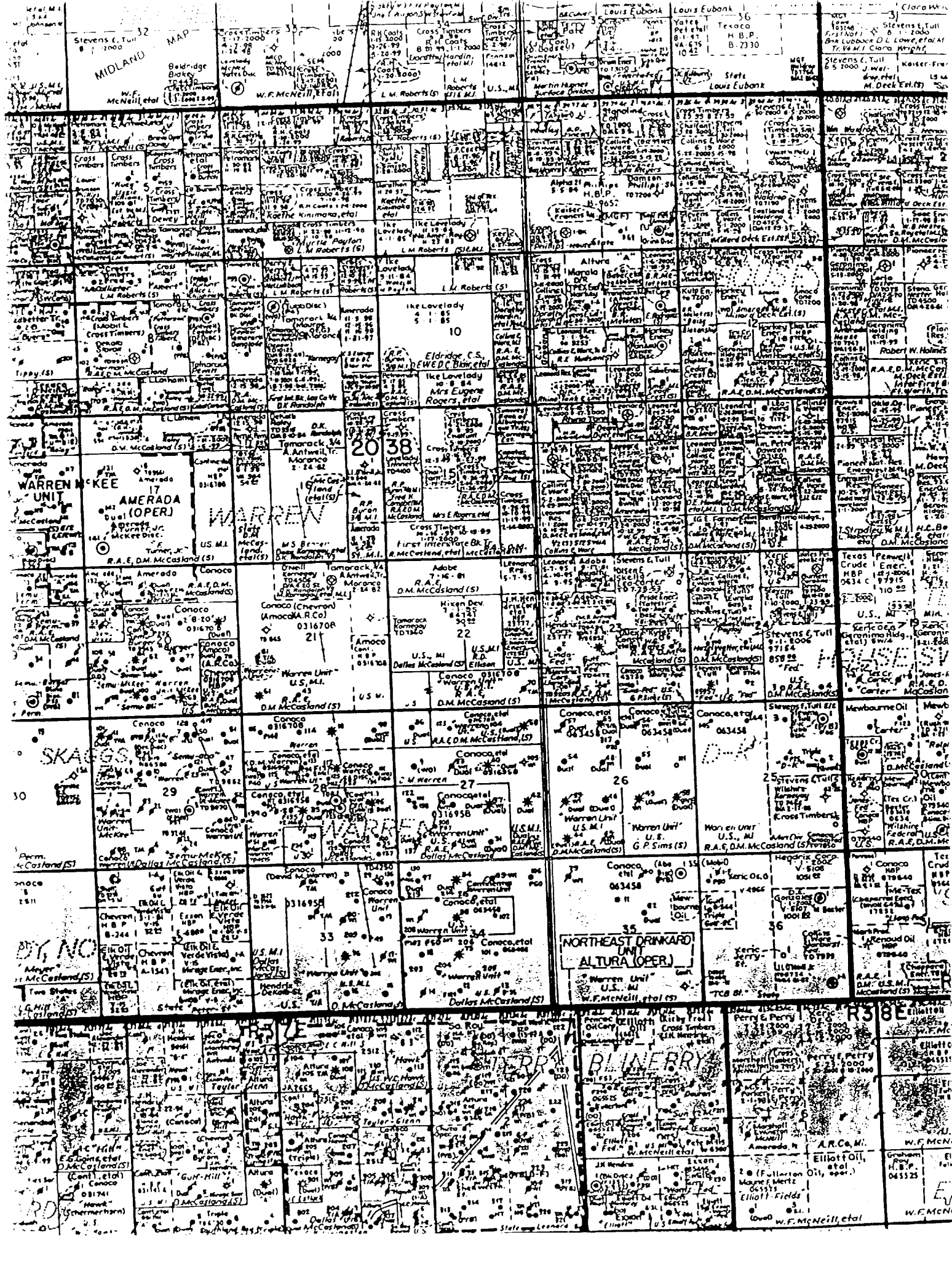
**OFFFSET OPERATORS TO
COLLINS & WARE, INC.
PEARL #1**

Leonard Resource Investment Corporation
415 W. Wall Street
Midland, Texas 79701

M W Petroleum Corporation
2000 Post Oak Blvd.
Suite 100
Houston, Texas 77056

Xeric Oil & Gas Corporation
200 N. Lorraine
Suite 1000
Midland, Texas 79702







District I
PO Box 1980, Hobbs, NM 88241-1980

District II
PO Drawer 00, Artesia, NM 88211-0719

District III
1000 Rio Brasos Rd., Aztec, NM 87410

District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

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

OIL CONSERVATION DIVISION

PO Box 2088
Santa Fe, NM 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-34275	2 Pool Code 96818	3 Pool Name Wildcat ABQ
4 Property Code 22325	5 Property Name Pearl	6 Well Number 1
7 OGRD No. 004874	8 Operator Name Collins & Ware, Inc.	9 Elevation 3553

10 Surface Location

UL or lot no. J	Section 13	Township 20 S	Range 38 E	Lot 1/4	Feet from the 2030	North/South line South	Feet from the 2000	East/West line East	County Lea
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11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
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12 Dedicated Acres 40	13 Joint or Infill	14 Consolidation Code	15 Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNIT. ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16 	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: Printed Name: Dianne Sumrall Title: Production Administrator Date: 6/12/98	
	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> January 15, 1998 Date of Survey Signature and Seal of Professional Surveyor: Certificate Number: 10324	

11 Miles North of Eunice, New Mexico.

File No. A-1195A



District I
PO Box 1980, Hobbs, NM 88241-1980

District II
PO Drawer 00, Artesia, NM 88211-0719

District III
1000 Rio Brasas Rd., Aztec, NM 87410

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OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-34275	2 Pool Code 33225	3 Pool Name House; Blinebry, South
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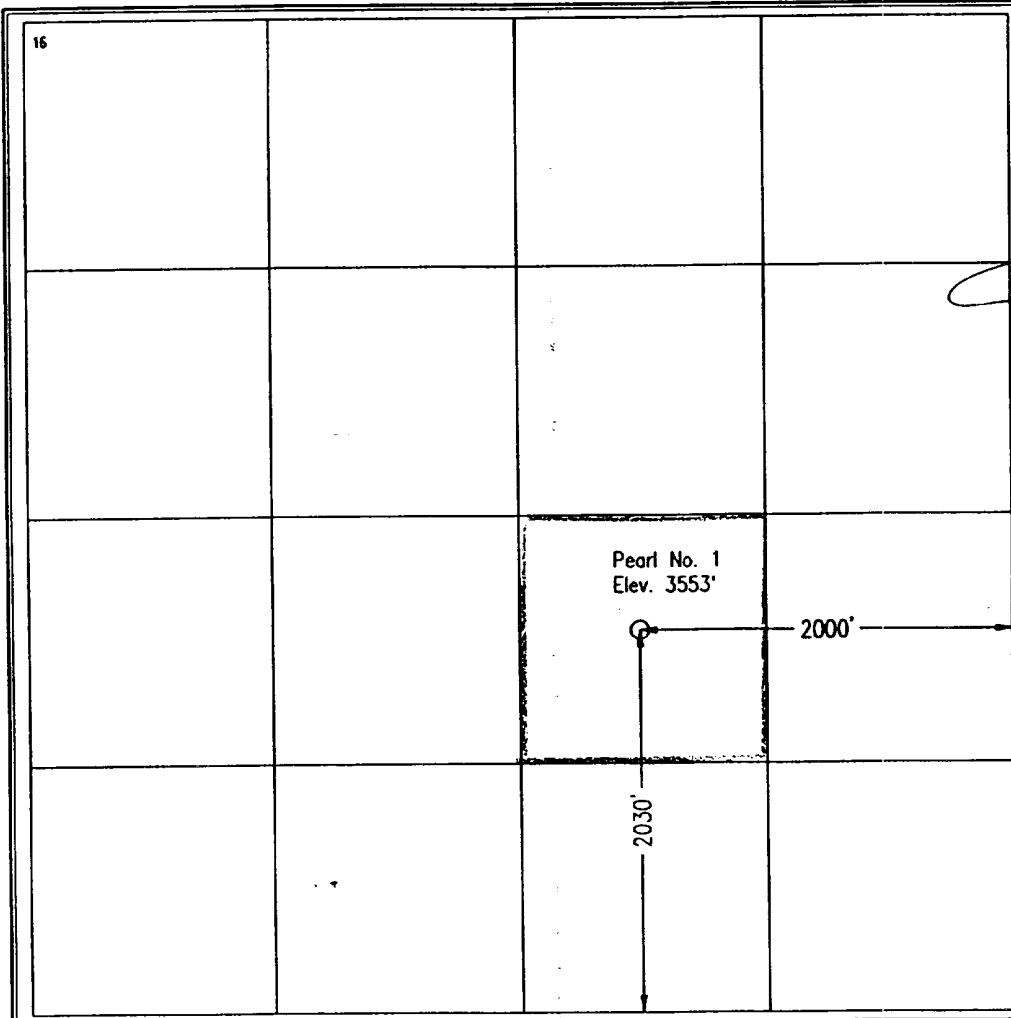
¹⁰Surface Location

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¹¹Bottom 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.									

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¹⁷ OPERATOR CERTIFICATION

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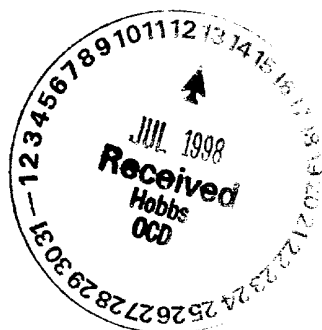
[Signature]
Signature
Dianne Sumrall
Printed Name
Production Administrator
Title
6/12/98
Date

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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.

January 15, 1998
Date of Survey
Signature and Seal of Professional Surveyor.

[Signature]
MICHAEL L. STANFORD
NEW MEXICO
REGISTERED PROFESSIONAL LAND SURVEYOR
10324
Certificate Number 10324



DISTRICT I P.O. Box 1980, Hobbs, NM 88240	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 3-12-96 APPROVAL PROCESS: ☒ Administrative ☐ Hearing EXISTING WELLBORE ☒ YES ☐ NO
DISTRICT II 811 South First St., Artesia, NM 88210		
DISTRICT III 1000 Rio Brazos Rd, Aztec, NM 87410	APPLICATION FOR DOWNHOLE COMMINGLING	

Operator Collins & Ware, Inc. Address 508 West Wall, Suite 1200, Midland, Texas 79701

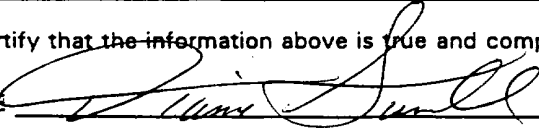
Lease Pearl Well No. 001 Unit J, Sec. 13, T20S, R38E County Lea

OGRID NO. 004874 Property Code 22325 API NO. 30-025-34275 Spacing Unit Lease Types: (check 1 or more)
Federal ☐ State ☐ (and/or) Fee ☒

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zones	Lower Zone
1. Pool Name and Pool Code	House; Blinebry, South 33225		Wildcat ABO
2. Top and Bottom of Pay Section (Perforations)	6018 - 6165		7353 - 7480
3. Type of production (Oil or Gas)	Oil		Oil
4. Method of Production (Flowing or Artificial Lift)	RHBC Pump		RHBC Pump
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a. (Current) 2530	a.	a. 1933
	b. (Original)	b.	b.
6. Oil Gravity (° API) or Gas BTU Content	36.5 API 1271 MMBTU		36.5 API Gas - TSTM
7. Producing or Shut-In?	Producing		Producing
Production Marginal? (yes or no) • 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 • If Producing, give date and oil/gas/ water rates of recent test (within 60 days)	Yes		Yes
	Date: Rates:	Date: Rates:	Date: Rates:
	Date: 5/12/98 Rates: 12 BOPD 28 MCFPD 26 BWPD	Date: Rates:	Date: 2/28/98- swab Rates: 3 BOPD 21 BWPD Gas- TSTM
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 80 % Gas: 100 %	Oil: % Gas: %	Oil: 20 % Gas: 0 %

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 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. NMOCD 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 Production Admin. DATE 6/12/98

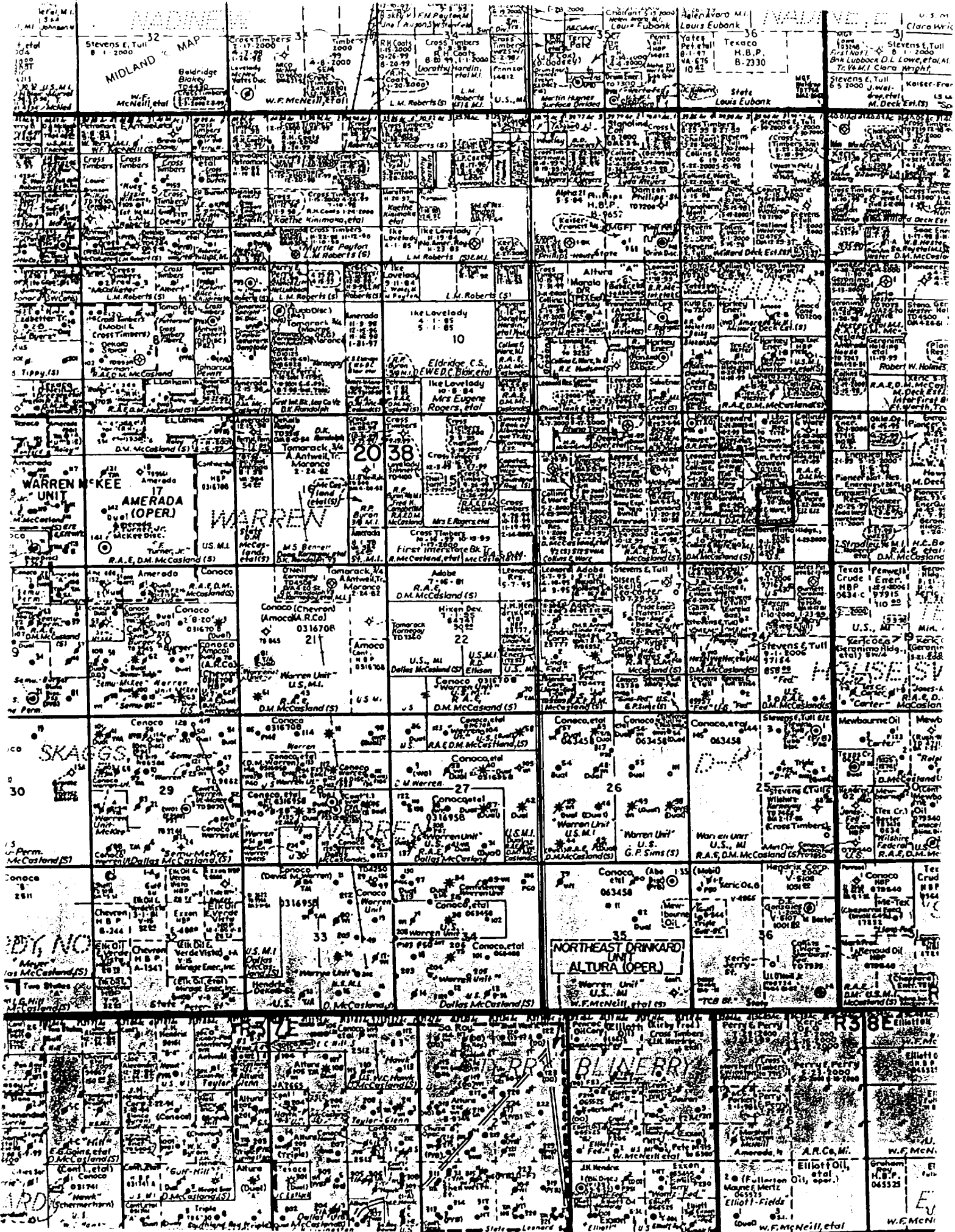
TYPE OR PRINT NAME Dianne Sumrall TELEPHONE NO. (915) 687-3435

**OFFSET OPERATORS TO
COLLINS & WARE, INC.
PEARL #1**

Leonard Resource Investment Corporation
415 W. Wall Street
Midland, Texas 79701

M W Petroleum Corporation
2000 Post Oak Blvd.
Suite 100
Houston, Texas 77056

Xeric Oil & Gas Corporation
200 N. Loraine
Suite 1000
Midland, Texas 79702



File No. A-1195A

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RECEIVED
JAN 10 1971
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District I
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District III
1000 Rio Bravos Rd., Aztec, NM 87410

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Energy, Minerals & Natural Resources Department

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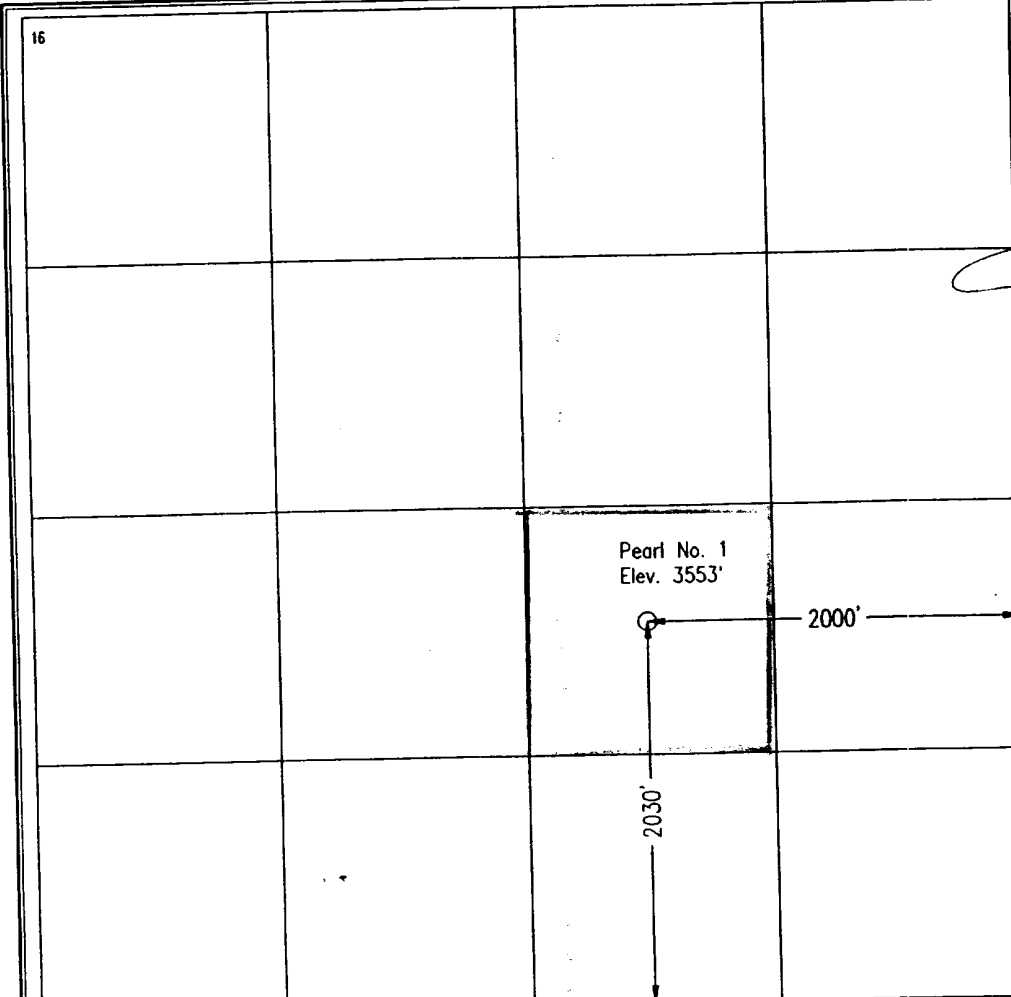
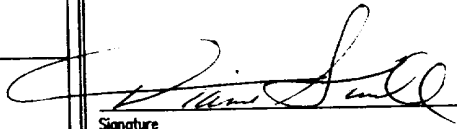
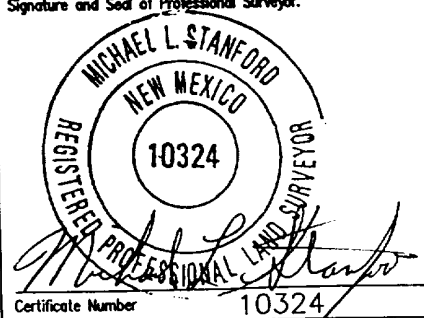
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					Signature 	
					Printed Name Dianne Sumrall Title Production Administrator Date 6/12/98	
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				I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.		
				Date of Survey January 15, 1998		
				Signature and Seal of Professional Surveyor. 		

11 Miles North of Eunice, New Mexico.

File No. A-1195A