

ERNIE L. HEGWER CO.

Oil & Gas Operator
P.O. Box 1637
Hobbs, N.M. 88240



Office (505) 393-6327
Cellular (505) 390-8596
Fax: (505) 393-8182

December 8, 1998

RE: DHC Edith Butler #5
Unit Letter F SEC 18, T-22-S, R-38-E
Lea County, N.M.

To; All Offset Operators

We are filing application to downhole commingle the production from the Paddock, Blinebry and Brunson Drinkard Abo on the above referenced well. If you have any questions please call me at (505) 393-6327.

Sincerely,

Ernie L. Hegwer

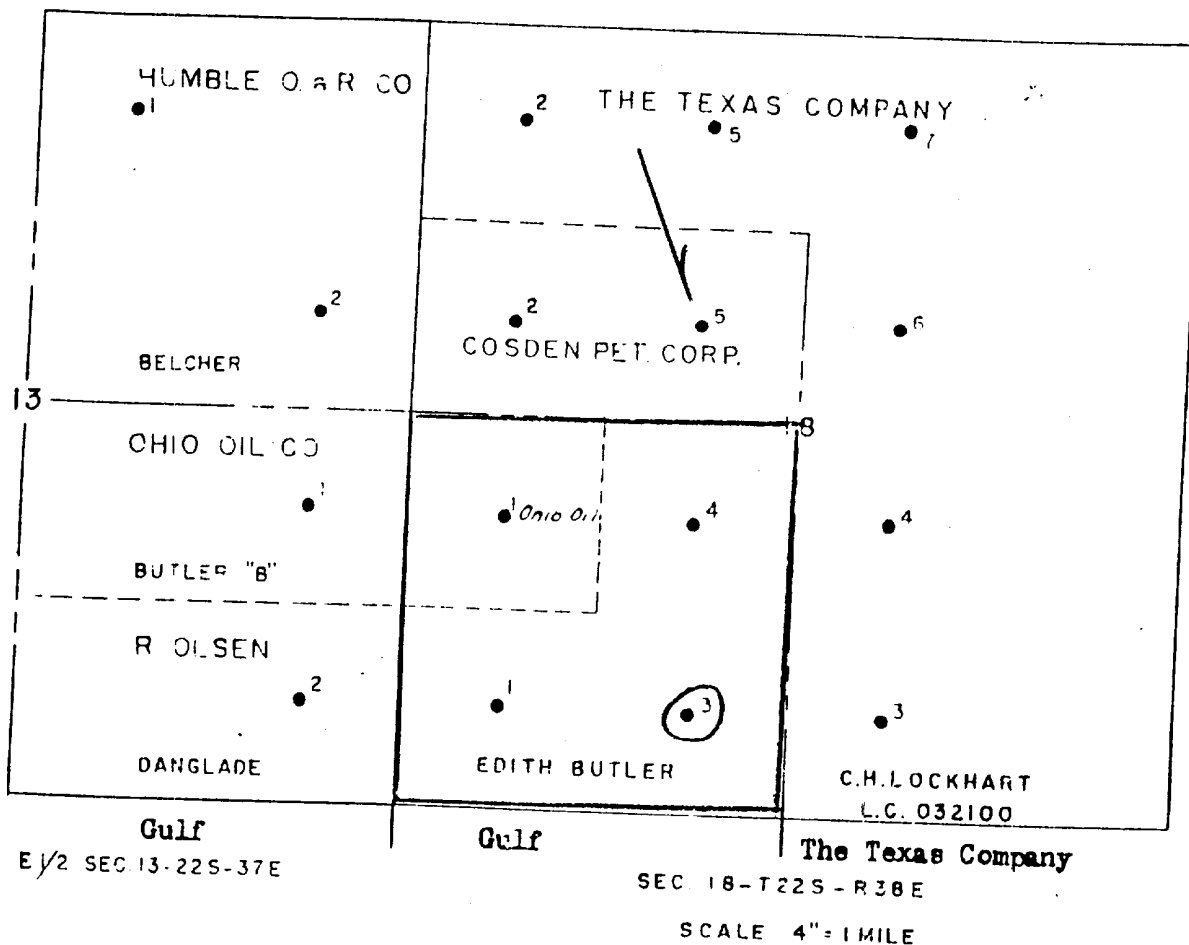
Dec 8, 1998

EXHIBIT 1

DHC Edith Butler #5
Unit Letter F. Sec 18, T-22-S, R-38-E
Lea County, N.M.

OFFSET OPERATORS

1. Texaco Exploration & Production
P.O. Box 3109
Midland, TX 79702



I, Charles P. Miller a licensed surveyor of the State of New Mexico, hereby certify that I have surveyed for COSDEN PETROLEUM CORPORATION the location sites shown upon its property as platted herewith. I certify further that the offset locations shown to Cosden Petroleum Corporation; as platted herewith; are to the best of my knowledge correctly located.

In witness whereof I hereunto affix my hand and seal this 10th day of July 1954.

Charles P. Miller

(There are no direct offsets to the South boundary of Cosden Petroleum Corporation's Butler lease)

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240DISTRICT II
P.O. Drawer DD, Artesia, NM 88210DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, NM 87505

WELL API NO.	30-025-12123	
5. Indicate Type of Lease	STATE <input type="checkbox"/>	FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.		

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"
(FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:

OIL
WELL ☒GAS
WELL ☐

OTHER

2. Name of Operator

ERDIE L. HEUER Co

3. Address of Operator

P.O. Box 1637

4. Well Location

Unit Letter F : 1980 Feet From The FHL Line and 1980 Feet From The FHL LineSection 18Township T-22-SRange R-38-E

NMPM

LEA County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)

3353 D.F.

7. Lease Name or Unit Agreement Name

8. Well No.

#5

9. Pool name or Wildcat

PADDOCK/BURROCK/BOHLEN DEIRAKTAD
P.O. SOUTH

11.

Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☒PLUG AND ABANDON ☐TEMPORARILY ABANDON ☐CHANGE PLANS ☐PULL OR ALTER CASING ☐OTHER: ☐

SUBSEQUENT REPORT OF:

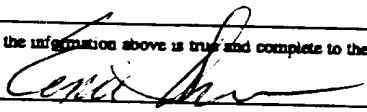
REMEDIAL WORK ☐ ALTERING CASING ☐COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐CASING TEST AND CEMENT JOB ☐OTHER: ☐

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

PLAN TO DRILL OUT BRIDGE PLUGS @ 6050', 6340', & 6865'. pump
ALL ZONES VIA ROD PUMP.
DHC FILED 12-9-98.

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

SIGNATURE



TITLE

OILPATER

DATE

12-8-98

TYPE OR PRINT NAME

ERDIE L. HEUER

TELEPHONE NO.

505-343-6321

(This space for State Use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-1
Revised October 18, 19
Instructions on b
Submit to Appropriate District Off
State Lease - 4 Cop
Fee Lease - 3 Cop

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <u>30-025-12123</u>		Pool Code <u>19210-46314-96313</u>		Pool Name <u>PRODUCER - BLUEBERRY - BRUNSON DEWATER AND SUR</u>		
Property Code <u>21579</u>		Property Name <u>EDITH BUTLER</u>				Well Number <u>5</u>
OGRID No. <u>07508</u>		Operator Name <u>ERNIE L. HEZNER CO</u>				Elevation <u>3353 OF</u>

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<u>F</u>	<u>18</u>	<u>22S</u>	<u>38E</u>		<u>1980</u>	<u>NORTH</u>	<u>1980</u>	<u>WEST</u>	<u>LEA</u>

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

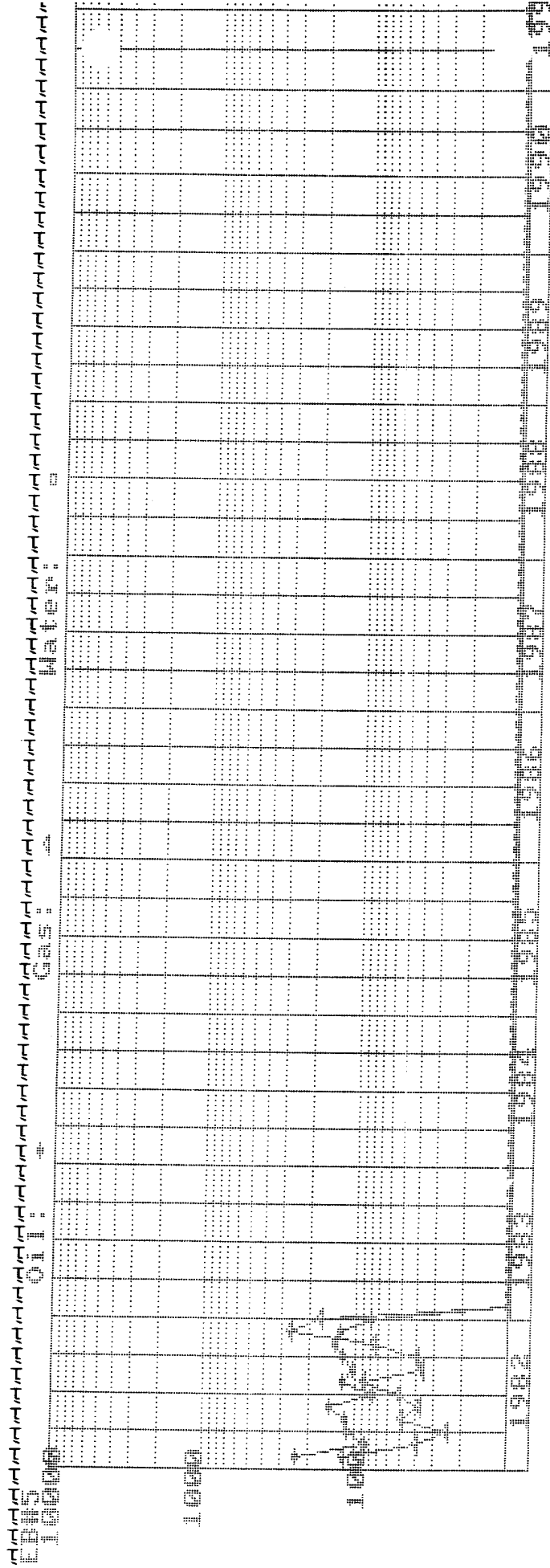
Dedicated Acres <u>40</u>	Joint or Infill <u>NO</u>	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

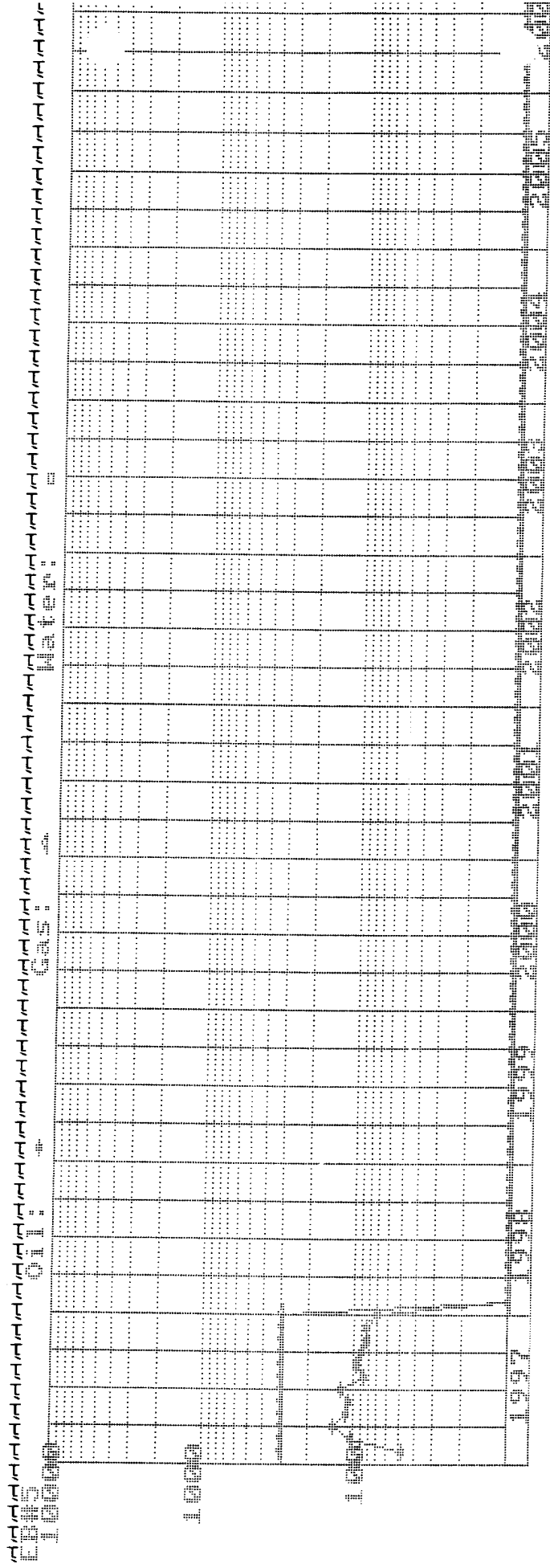
<div>16</div> <p>1980 FAL</p> <p>1980 FAL</p> <p>#5</p>				<div>17 OPERATOR CERTIFICATION</div> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><u>Ernie L. Hezner</u> Signature <u>ERNIE L. HEZNER</u> Printed Name <u>OPERATOR</u> Title <u>DECEMBER 8, 1998</u> Date</p>	
				<div>18 SURVEYOR CERTIFICATION</div> <p>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.</p> <p>Date of Survey Signature and Seal of Professional Surveyer:</p>	
				Certificate Number	

POOL 7950
11/13/2000
251

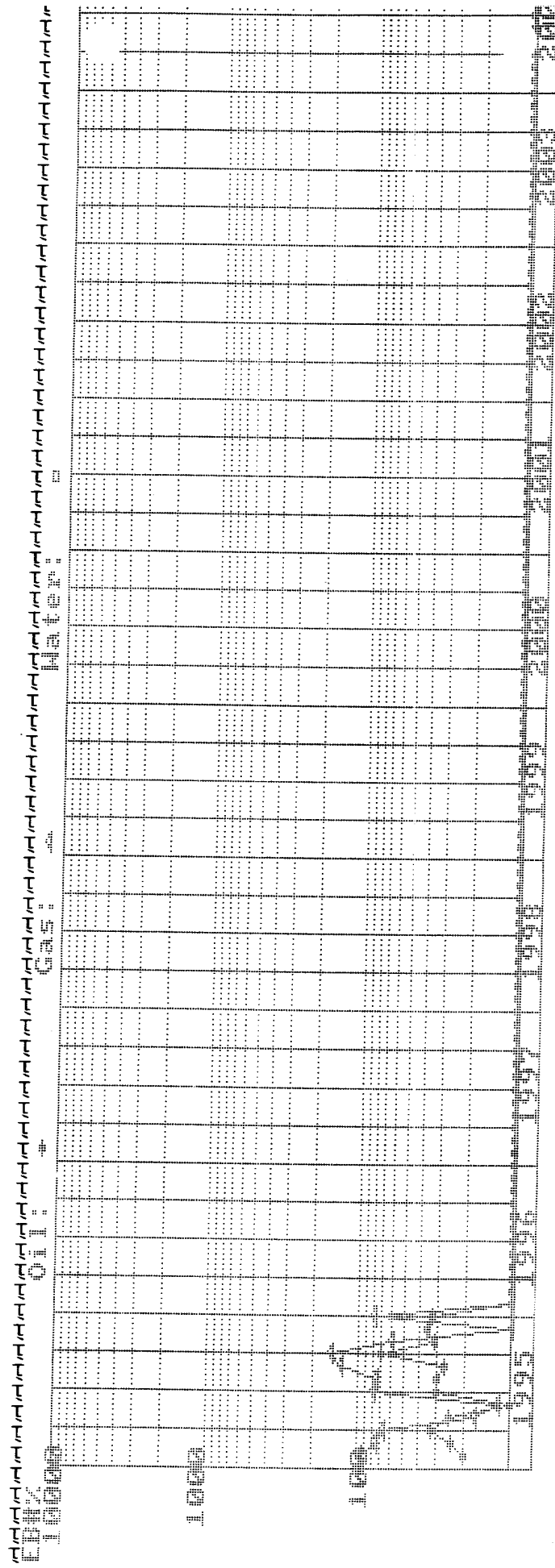
PRODUCTION CURVE
 EDITH BUTLER #5
 1982 PRODUCTION HISTORY
 BEINE 13124



Production Curve
 EDITED BY: J. S.
 1997 PRODUCTION HISTORY
 PAGE 1



PRODUCTION CURVE
 EDITH BUTLER #5
 1995 PRODUCTION HISTORY
 BEANSAN DEMONSTRATION AREA SUMMIT



DISTRICT I
P.O. Box 1980, Hobbs, NM 88240
DISTRICT II
811 South First St., Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd. Artesia, NM 87410

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 ☐

APPLICATION FOR DOWNHOLE COMMINGLING

Operator ERDIE L. HEZNER 6
Address P.O. Box 1637 Hobbs, NM 88240
County LEA

Well No. EDITH BUTLER #5
Unit Loc. - Sec - Twp - Rge F SEC 18, T-22-S, R-38-E

OGRID NO. 07508 Property Code 21579 API NO. 810-025-12123 Spacing Unit Lease Types: (check 1 or more)
Federal ☐ State ☐ Landlord Fee ☒

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zones	Lower Zone
1. Pool Name and Pool Code	<u>PADONK 49210</u>	<u>BLUEBERRY 96314</u>	<u>BRADSON DRINKARD A20 30M 96313</u>
2. Top and Bottom of Pay Section (Perforations)	<u>5154-5233</u>	<u>5628-5730</u>	<u>6410-7127</u>
3. Type of production (Oil or Gas)	<u>OIL</u>	<u>OIL</u>	<u>OIL</u>
4. Method of Production (Flowing or Artificial Lift)	<u>AL</u>	<u>AL</u>	<u>FLOW</u>
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a. (Current) <u>400</u> b. (Original)	a. <u>400</u> b.	a. <u>485</u> b.
6. Oil Gravity (° API) or Gas BTU Content	<u>37B</u>	<u>38.0</u>	<u>38.0</u>
7. Producing or Shut-In?	<u>P</u>	<u>SI</u>	<u>SI</u>
Production Marginal? (yes or no)	<u>Y</u>	<u>Y</u>	<u>Y</u>
• 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: <u>10-98</u> Rates: <u>30IL 30MCF</u>	Date: <u>5-83</u> Rates: <u>50IL 30MCF</u>	Date: <u>1-96</u> Rates: <u>30IL-30MCF</u>
• If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: Rates:	Date: Rates:	Date: Rates:
8. Fixed Percentage Allocation Formula - % for each zone	Oil: <u>27 %</u> Gas: <u>33 %</u>	Oil: <u>46 %</u> Gas: <u>33 %</u>	Oil: <u>27 %</u> Gas: <u>34 %</u>

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?
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 Ernie L. Hezner TITLE OPERATOR DATE 12-8-98

TYPE OR PRINT NAME ERDIE L. HEZNER TELEPHONE NO. (505) 393-6327