

# ERNIE L. HEGWER CO.

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



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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

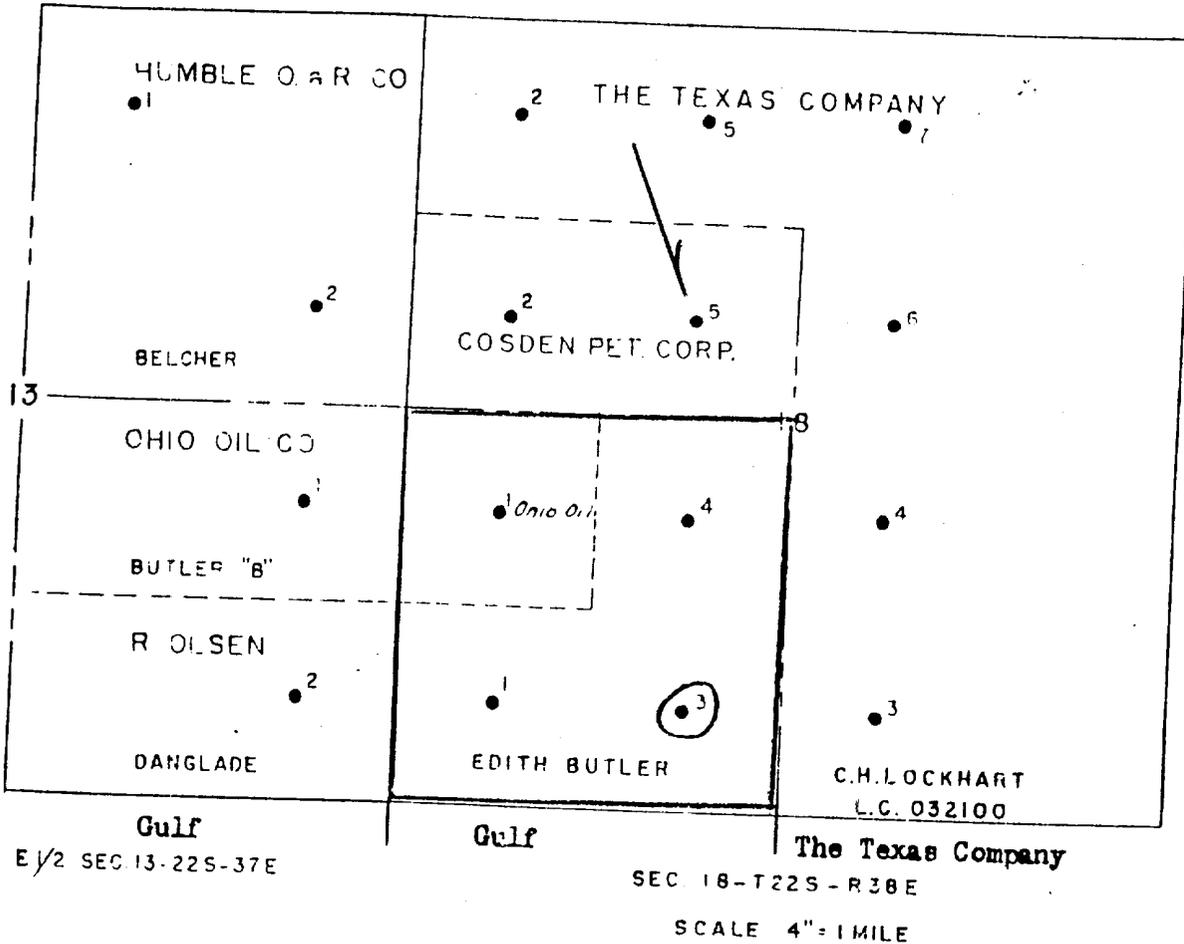
Dec 8, 1998

**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 88240

OIL CONSERVATION DIVISION  
2040 Pacheco St.  
Santa Fe, NM 87505

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO. <b>30-025-12123</b>
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 <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>	7. Lease Name or Unit Agreement Name <b>EDITH BUTLER</b>
2. Name of Operator <b>ERDIE L. HEWLER Co</b>	8. Well No. <b>#5</b>
3. Address of Operator <b>P.O. Box 1637</b>	9. Pool name or Wildcat <b>PADDOCK/BURNING/PADDOCK SOUTH</b>
4. Well Location Unit Letter <b>F</b> : <b>1980</b> Feet From The <b>FML</b> Line and <b>1980</b> Feet From The <b>FWL</b> Line Section <b>18</b> Township <b>T-22-S</b> Range <b>R-38-E</b> NMPM <b>LEA</b> County	10. Elevation (Show whether DF, RKB, RT, GR, etc.) <b>3353 D.F.</b>

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input checked="" type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER: <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	OTHER: <input type="checkbox"/>

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 *Ernie L. Hewler* TITLE **OPERATOR** DATE **12-8-98**

TYPE OR PRINT NAME **ERDIE L. HEWLER** TELEPHONE NO. **505-343-6329**

(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

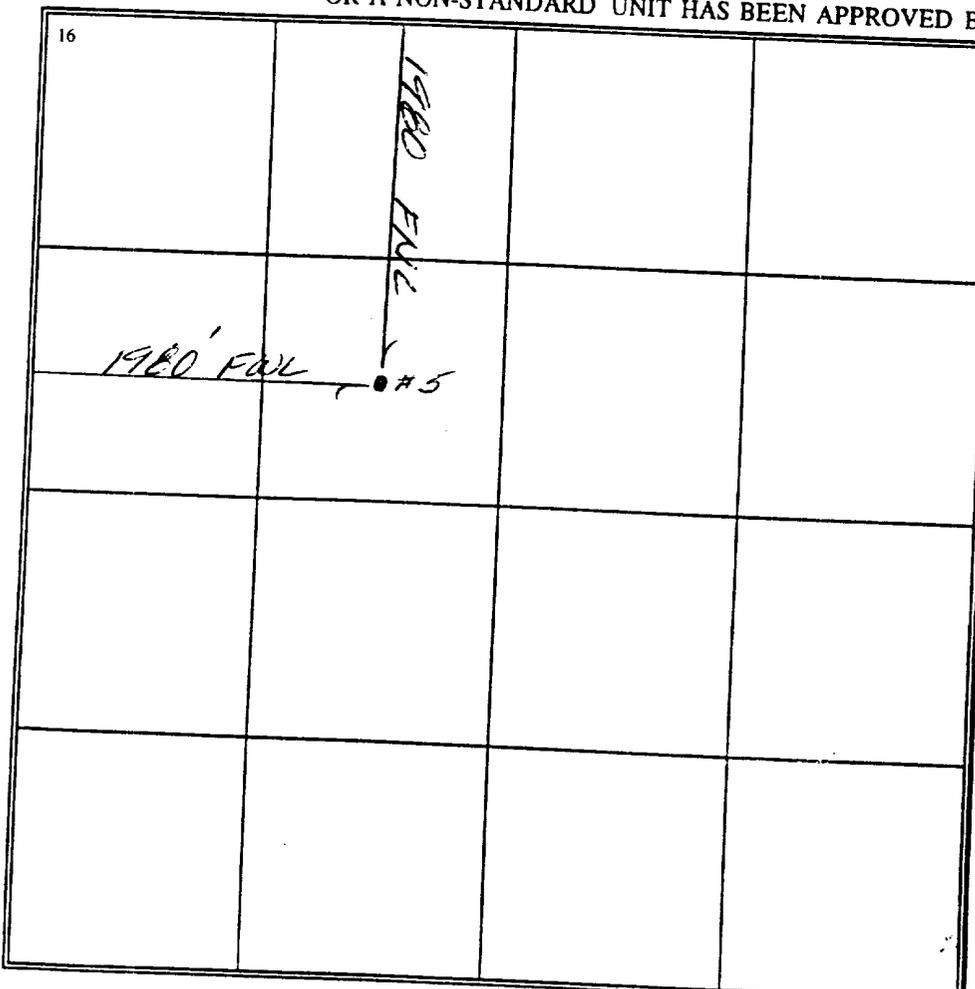
API Number 30-025-12123		Pool Code 19210-46314-96313		Pool Name PRODUCER-BLUEBERRY-BRUNSON DEWATERED AND SEPAR		
Property Code 21579		Property Name EDITH BUTLER				Well Number 5
GRID No. 07508		Operator Name ERNIE L. HEZNER Co				Elevation 3353 OF

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

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 40	Joint or Infill NO	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



17 OPERATOR CERTIFICATION  
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

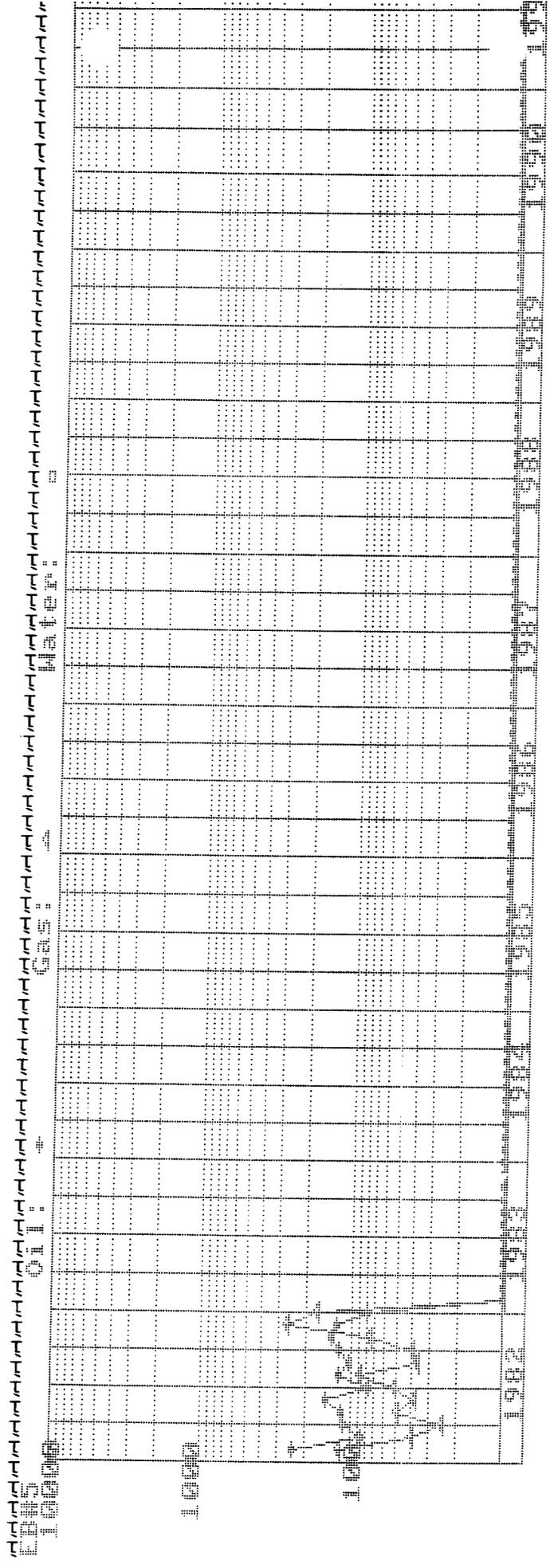
Signature  
 ERNIE L. HEZNER  
 Printed Name  
 OPERATOR  
 Title  
 DECEMBER 8, 1998  
 Date

18 SURVEYOR CERTIFICATION  
 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.

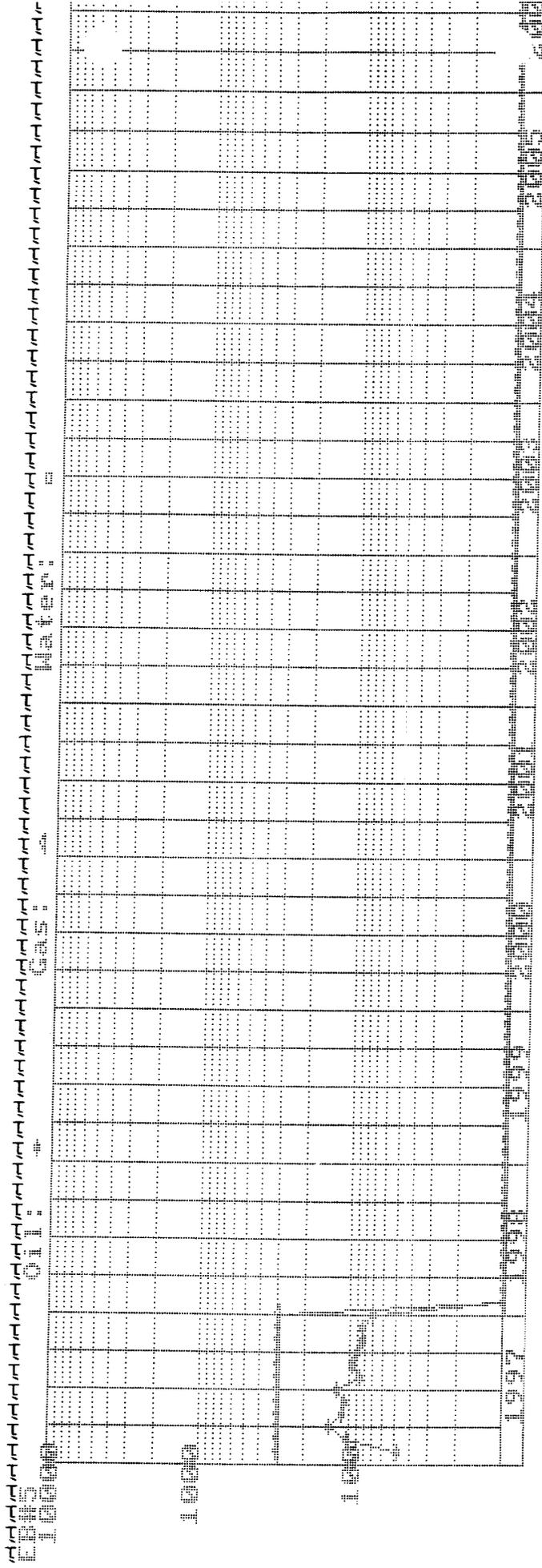
Date of Survey  
 Signature and Seal of Professional Surveyor:  
 Certificate Number

P 001 7950  
 1/13/2000  
 251

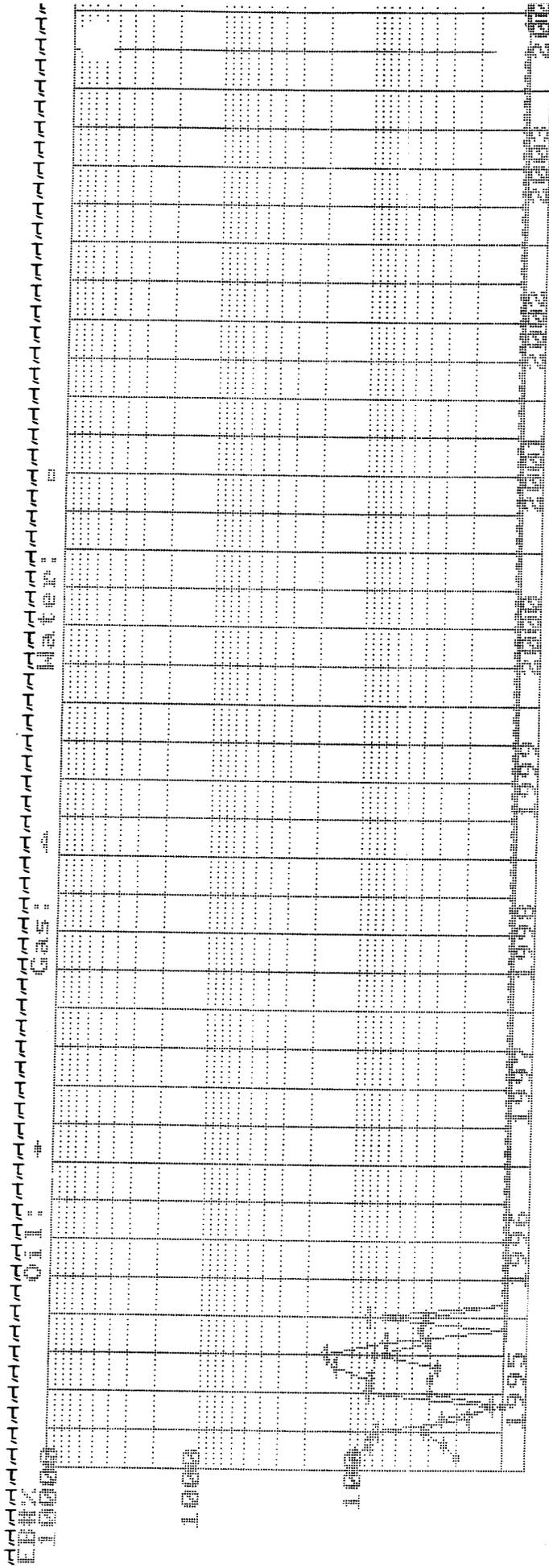
PRODUCTION CURVE  
 EDITH BUTLER #5  
 1982 PRODUCTION HISTORIC  
 BEINE 13124



PRODUCTION CURRENT  
 EDITH BURTON #5  
 1997 PRODUCTION HISTORY  
 PADDOCK



PRODUCTION CURVE  
 EDITH BUTLER #5  
 1995 PRODUCTION HISTORY  
 BEANSAN DEINEMO ABO SUMM



DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107-A  
New 3-12-86

DISTRICT II  
811 South First St., Artesia, NM 88210

OIL CONSERVATION DIVISION

APPROVAL PROCESS:  
Administrative Hearing

DISTRICT III  
1000 Pecos Plaza, Artesia, NM 87410

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

EXISTING WELLBORE  
YES NO

APPLICATION FOR DOWNHOLE COMMINGLING

Operator ERDIE L. HEZNER Co Address P.O. Box 1637 Hobbs, N.M. 88240  
Case EDITH BUTLER #5 Well No. F SEC 18, T-22-S, R-3B-E County LEA

OGRID NO. 07508 Property Code 21579 API NO. 810-075-12173 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>BLINDSBY 96314</u>	<u>BRADSON DRINKER 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>37.8</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 Hezner TITLE OPERATOR DATE 12-8-98  
TYPE OR PRINT NAME ERDIE L. HEZNER TELEPHONE NO. (505) 393-6327