

DISTRICT I
P.O. Box 1880, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

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

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

OIL CONSERVATION DIVISION

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

APPROVAL PROCESS:

☒ Administrative ☐ Hearing

DISTRICT III
1000 Rte Marcos Rd, Aztec, NM 87410

APPLICATION FOR DOWNHOLE COMMINGLING

EXISTING WELLBORE

☒ YES ☐ NO

Meridian Oil Inc. P.O. Box 51810 Midland, Texas 79710-1810
OGRID# _____ Address _____
Diamondtail '34' Federal # 3 G, Sec. 34, T23S, R32E Lea
CASE# _____ WELL NO. _____ UNIT LIT. - SEC - TWP - RGE _____ CUMULY _____
OGRID NO. 26485 Property Code 016781 API NO. 30-025-33020 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	Triste Draw Delaware 59930		Wildcat Bone Spring
2. Top and Bottom of Pay Section (Perforations)	8370'-8528'		9900'-9912'
3. Type of production (Oil or Gas)	Oil		Oil
4. Method of Production (Flowing or Artificial Lift)	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) 1110 b. (Original) 2947	a. b.	a. 1500 b. 2975
6. Oil Gravity (°API) or Gas BTU Content	41.3546		40
7. Producing or Shut-In?	Producing		Below CIBP
Production Marginal? (yes or no)	Yes		Yes
* If Shut-In, give date and oil/gas/water rates of last production	Date: Rates:	Date: Rates:	Date: 1/2/96 Rates: 10 oil, 38 mcf, 28 water
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: 5/5/96 Rates: 57 oil, 86 mcf, 96 water	Date: Rates:	Date: Rates:
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 90 % Gas: 80 %	Oil: % Gas: %	Oil: 10 % Gas: 20 %

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 Donna Williams TITLE Regulatory DATE 7/10/96

TYPE OR PRINT NAME Donna Williams TELEPHONE NO. (919) 688-6943

DHC-1331
8/26/96