

MESA VERDE "7" FEDERAL #2  
DOWN HOLE COMMINGLING REQUEST DATA

- 1) The total combined daily oil production from the zones will be less than 50 BOPD. The Bone Spring zone at 8600' had a stabilized production averaging 10 BOPD and the Delaware zone at 8300' currently produces 40 BOPD and is declining.
- 2) Both zones require artificial lift.
- 3) The Bone Spring zone produced 10 BWPD and the Delaware currently produces 100 BWPD but has been steadily declining.
- 4) The fluids are compatible with the oil 41 to 42 gravity in each zone.
- 5) The total value of the crude will not be reduced by commingling. The oil is currently commingled at the battery from the two intervals in different wells. Both zones have API gravity oil in the 41 to 42 degree range.
- 6) Ownership of the zones is common.
- 7) The commingling will not jeopardize the efficiency of the recovery operations. It will allow each zone to be produced to a lower level than if the zones were produced separately.