



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

4/24/97

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

GOVERNOR

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

MC _____
DHC X _____
NSL _____
NSP _____
SWD _____
WFX _____
PMX _____

DHC-1564

Gentlemen:

I have examined the application for the:

Santa Fe Energy Res Inc Mesa Verde b Federal
Operator Lease & Well No. Unit S-T-R

#14-C-b-24s-32c

#7-B-b-24s-32c

and my recommendations are as follows:

OK

Yours very truly,

Jerry Sexton
Supervisor, District 1

/ed

EXHIBIT "B" - CASE NO. 11353, ORDER NO. R-10470-A

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

811 South First St., Artesia, NM 85210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-6429Form C-107-A
New 3-12-96

APPROVAL PROCESS

☒ Administrative ☐ Hearing

EXISTING WELLBORE

☒ YES ☐ NO

APPLICATION FOR DOWNHOLE COMMINGLING

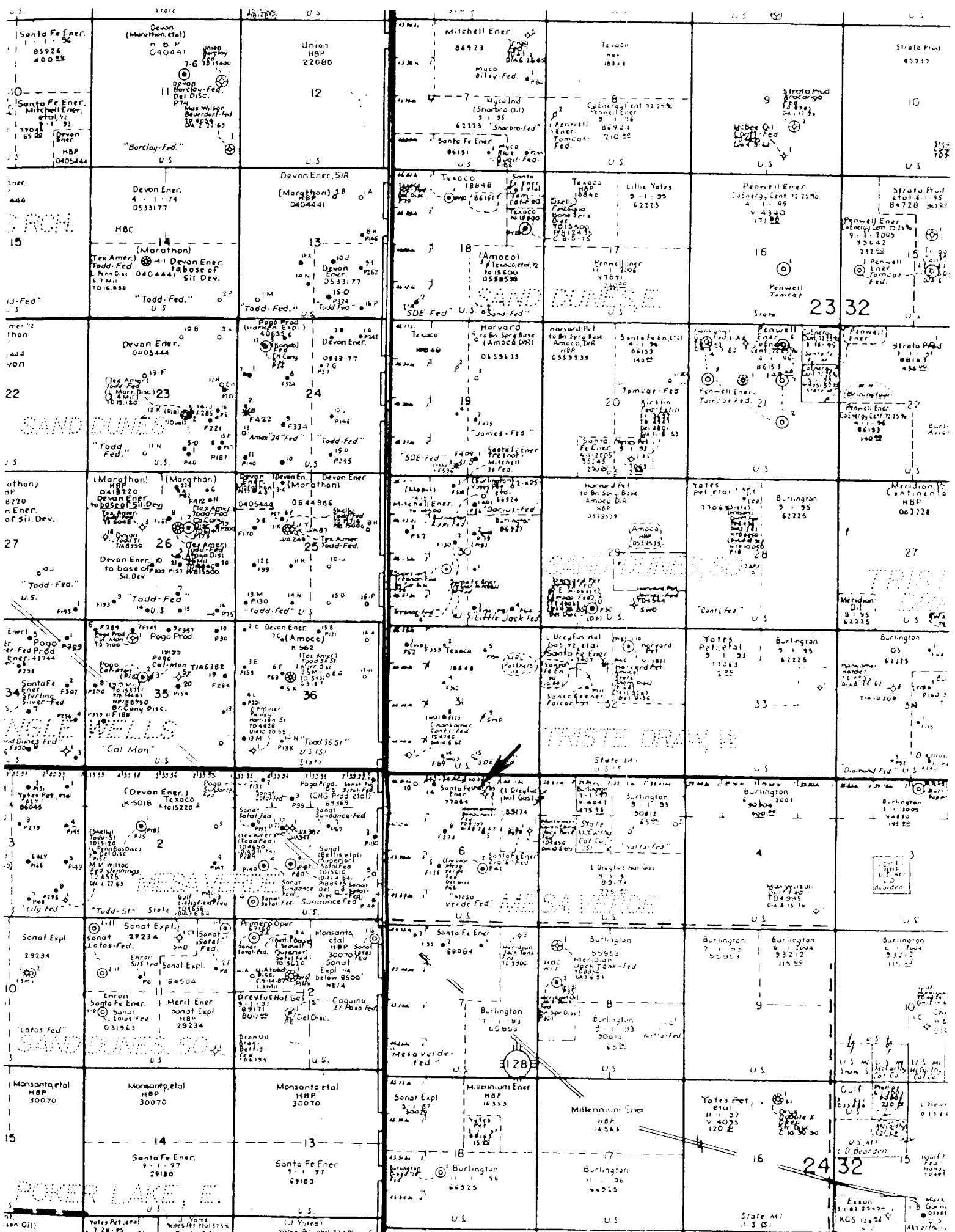
Operator: Santa Fe Energy Resources, Inc. 550 W. Texas, Suite 1330, Midland, TX 79701
Mesa Verde "6" Federal #7 (B), Sec. 6, T-24S, R-32E Lea Co.
Lease Well No. Unit Tr. Sec. Twp. Rge. County
OGRID NO. 020305 Property Code 017129 API NO. 30-025-32613 Spacing Unit Lease Types (check 1 or more)
Federal ☒ State ☐ Land/own Fee ☐

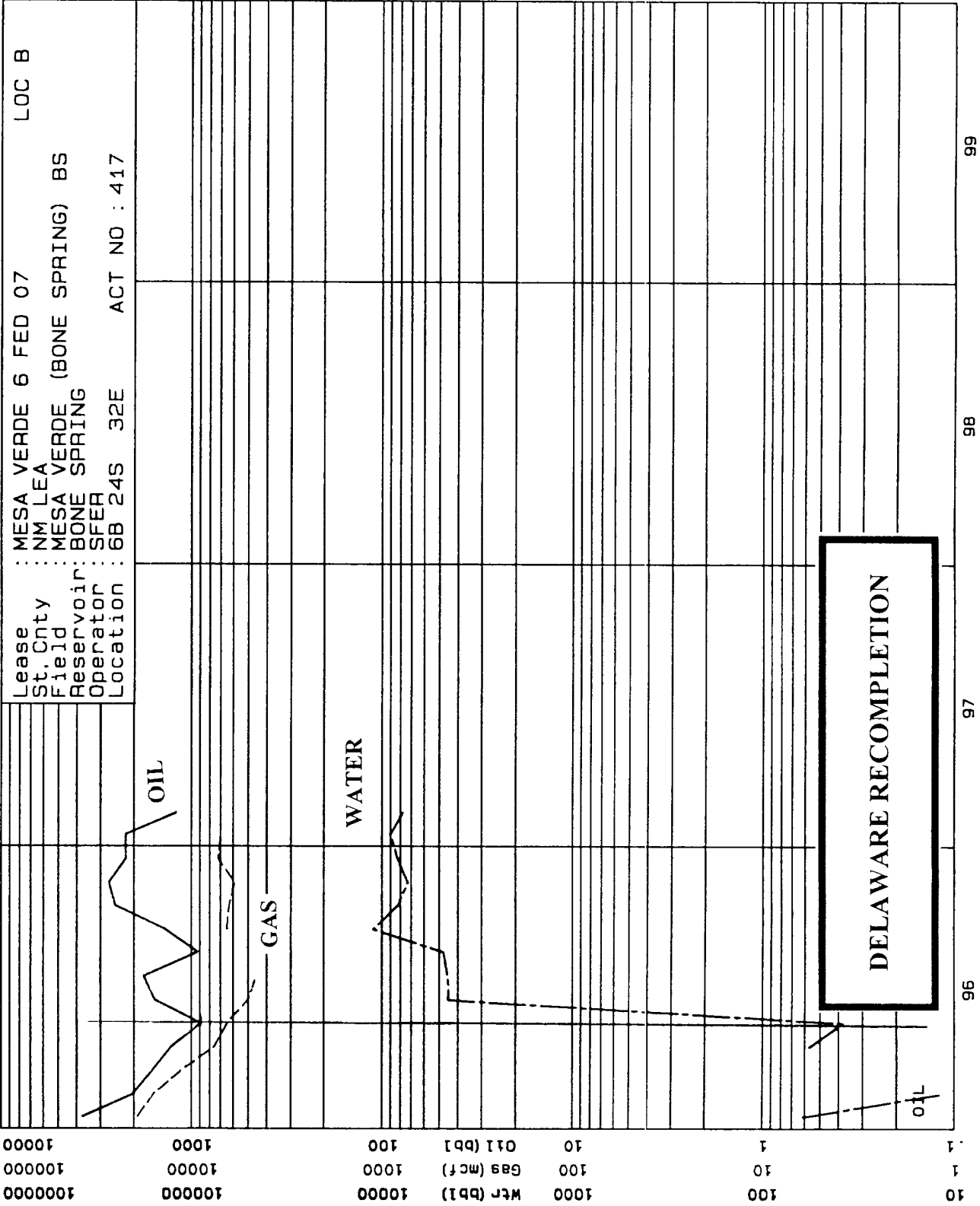
The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zones	Lower Zone
1. Pool Name and Pool Code	Mesa Verde (Delaware) 96191		Mesa Verde (Bone Spring) 96229
2. Top and Bottom of Pay Section (Perforations)	7209'-7231'		8579'-8608'
3. Type of production (Oil or 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) 2000 b. (Original)	a. b.	a. 1540 b.
6. Oil Gravity (°API) or Gas BTU Content	40°		42°
7. Producing or Shut-In?	Producing		Shut-in
Production Marginal? (yes or no)	No		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	Date: Rates:	Date: Rates:	Date: 5/1/96 Rates: 30 BO, 200 MCFG, 1 BW
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: 4/8/97 Rates: 20 BO, 109 MCFG, 60 BW	Date: Rates:	Date: Rates:
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 40 % Gas: 35 %	Oil: % Gas: %	Oil: 60 % Gas: 65 %

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 Gary L. Travis Sr. Reservoir/Evaluations
TITLE Engineer DATE April 18, 1997
TYPE OR PRINT NAME Gary L. Travis TELEPHONE NO. (915) 686-6613





DISTRICT I
P. O. Box 1980
Hoobs, NM 88241-1980

DISTRICT II
P. O. Drawer DD
Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd.
Aztec, NM 87410

DISTRICT IV
P. O. Box 2088
Santa Fe, NM 87507-2088

State of New Mexico
Energy, Minerals, and Natural Resources Department

Form C-102
Revised 02-10-94

Instructions on back

Submit to the Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

OIL CONSERVATION DIVISION
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-32613	2 Pool Code 96191	3 Pool Name Mesa Verde Delaware
4 Property Code 017129	5 Property Name MESA VERDE '6' FEDERAL	6 Well Number 7
7 OGRID No. 020305	8 Operator Name SANTA FE ENERGY RESOURCES, INC.	9 Elevation 3568'

10 SURFACE LOCATION

UL or lot no. B	Section 6	Township 24 SOUTH	Range 32 EAST, N.M.P.M.	Lot Ida	Feet from the 660'	North/South line NORTH	Feet from the 2540'	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 Ida	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 WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN
CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

660'	2540'
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OPERATOR CERTIFICATION

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

Signature
James P. "Phil" Stinson

Printed Name
James P. "Phil" Stinson

Title

Agent for Santa Fe Energy

Date
6-15-95 4/18/97

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
JUNE 12, 1995

Signature and Seal of
Professional Surveyor

V. LYNN
BEZNER
NO. 7920

Certified by
V. L. BEZNER, R.S. #7920

JOB #39987 7 47 SW 1 c/c

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☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

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4 Property Code 017129	5 Property Name MESA VERDE '6' FEDERAL	6 Well Number 7
7 OGRID No. 020305	8 Operator Name SANTA FE ENERGY RESOURCES, INC.	9 Elevation 3568'

10 SURFACE LOCATION

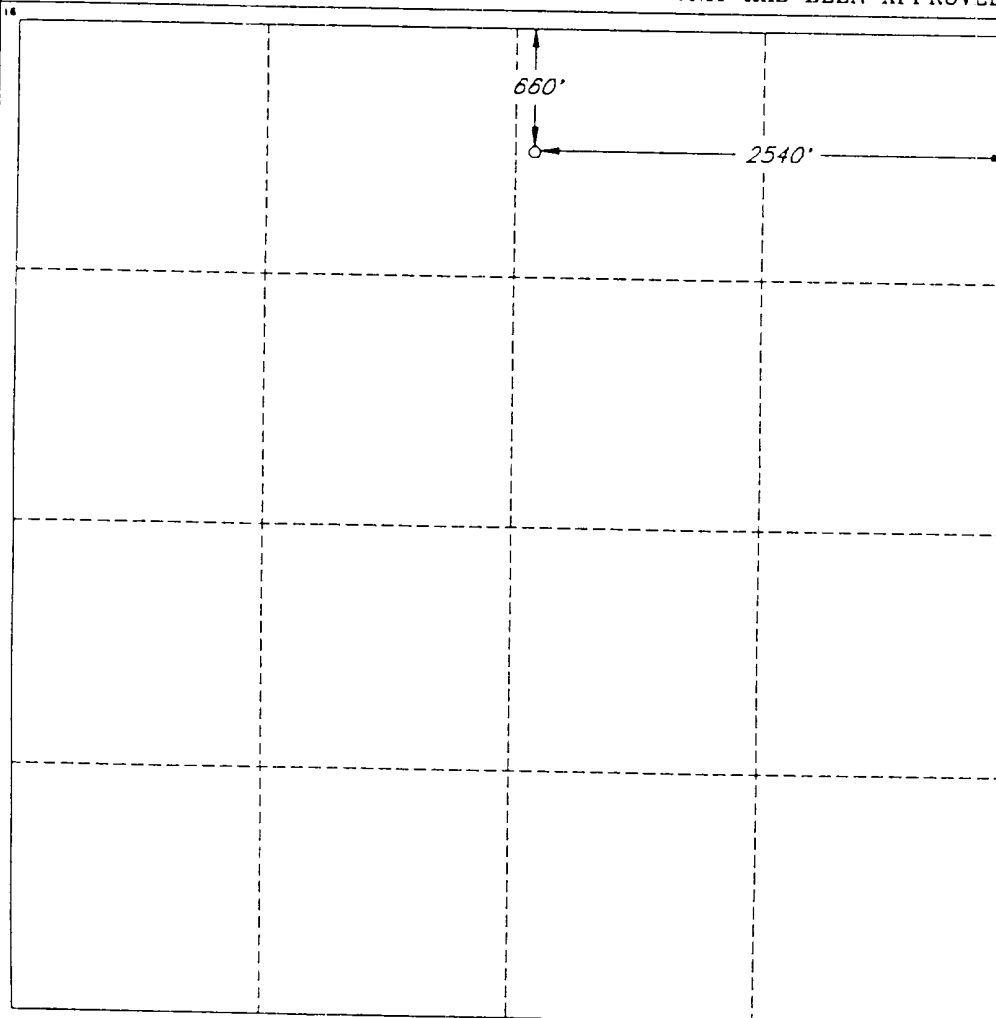
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to the best of my knowledge and belief.

Signature
James P. "Phil" Stinson

Printed Name
James P. "Phil" Stinson

Title
Agent for Santa Fe Energy

Date
6-15-95 4/18/97

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best of my belief.

Date of Survey
JUNE 12, 1995

Signature and Seal
Professional Surveyor

V. LYNN
BEZNER
NO. 7920

Certification
V. L. BEZNER
R.E.S. #7920

NOTIFICATION LIST OF OFFSET OPERATORS

**Santa Fe Energy Resources
Application for Administrative Approval
Downhole Commingling
Mesa Verde "6" Federal #7
Sec. 6, T-24-S, R-32-E
Lea County, New Mexico**

1. Texaco Inc.
P.O. Box 3109
Midland, TX 79702
2. Burlington Resources
P.O. Box 51810
Midland, TX 79710-1810
3. Sonat Exploration Co.
110 W. Louisiana
Midland, TX 79701
4. Devo Energy Corporation
20 N. Broadway, Ste. 1500
Oklahoma City, OK 73102-8260