District I ve, Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

×

x, NM 87410 District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy, Minerals and Natural Resources Department

Oil Conservation Division

APPLICATION FOR DOWNHOLE COMMINGLING

1220 South St. Francis Dr. Santa Fe, New Mexico 87505

APPLICATION TYPE ____Single Well No Establish Pre-Approved Pools EXISTING WELLBORE Yes No

| SDG Resources | Box | 1390 | Montr | ose, | Colorado | 81 402 |
|-----------------|----------|---------|----------------|----------|----------|--------|
| Operator | | | Address | | | |
| Cooper Jal Unit | 119 | Р | 18 | 24S | 37E | Lea |
| Lease | Well No. | Unit Le | etter-Section- | Township | o-Range | County |

OGRID No. 193003 Property Code 29159 API No. 30-025-11144 Lease Type: ____Federal ____State X Fee

| DATA ELEMENT | UPPER ZONE | INTERMEDIATE ZO | DNE LOWER | ZONE |
|--|--|---------------------|--------------------------|------------------|
| Pool Name | Jalmat, Tans, Y, 7 R | | Langlie Ma 7 R, Queen | |
| Pool Code | 33820 | | | |
| Top and Bottom of Pay Section (Perforated or Open-Hole Interval) | open hole from 34 perfs 2980' to 34 | 38! to 3854! 38! | | |
| Method of Production (Flowing or Artificial Lift) | artificial lift - | pumping unit | | |
| Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone) | not applicable | | | |
| Oil Gravity or Gas BTU (Degree API or Gas BTU) | 35.0 | | 35.0 | |
| Producing, Shut-In or New Zone | new | | re-entry a | & new |
| Date and Oil/Gas/Water Rates of | P & A | | | |
| Last Production. (Note: For new zones with no production history, | Date: | Date: | Date: | |
| applicant shall be required to attach production estimates and supporting data.) | see attached Rates: decline curve | Rates: | Rates: | |
| Fixed Allocation Percentage (Note: If allocation is based upon something other | Oil Gas | Oil Gas | Oil | Gas * see |
| than current or past production, supporting data or explanation will be required.) | % % | % % | | _% att |

ADDITIONAL DATA

| Are all working, royalty and overriding royalty interests identical in all commingled zones? If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? | Yes <u>X</u> Yes | No No |
|---|---------------------|----------|
| Are all produced fluids from all commingled zones compatible with each other? | Yes_X | No |
| Will commingling decrease the value of production? | Yes | _ No |
| If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? | Yes | _ NoNA |
| NMOCD Reference Case No. applicable to this well: no reference established to date | | |
| 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 working, royalty and overriding royalty interests for uncommon interest cases.

Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools

List of all operators within the proposed Pre-Approved Pools

Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application. Bottomhole pressure data.

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

| SIGNATURE Elli | W. Ann | TITLE | Agent | DATE_11-05-02 |
|--------------------|---------------|-------|-------|-----------------------------|
| TYPE OR PRINT NAME | Eddie W. Seay | | TE | ELEPHONE NO. (505) 392-2236 |

* Fixed Allocation Percentage:

Will isolate each zone separately, run 24 hr. test. The test data will be presented to the OCD District Supervisor for allocation of % after zones are tested.

ATTACHMENTS:

C-102 Production Curve Production Data The allocation will be based on test of each zone.



| | State of New Mexico 625 N. French Dr., Hobbs, NM 88240 Energy, Minerals & Natural Resources Department | | | | | | tment | | Revised A | Form C-102 August 15, 2000 | |
|------------------|--|--------------------|---------------------|---|----------|-----------------------|------------------|---------------------|---|-------------------------------|----------------------|
| 1 1 1 1 | <u>District II</u> 811 South First, Ar <u>District III</u> 1000 Rio Brazos Ro <u>District IV</u> 2040 South Pachecc | L, Aztec, NN | 4 87410 NM 87505 | OIL CONSERVATION DIVISION 2040 South Pacheco Santa Fe. NM 87505 /ELL LOCATION AND ACREAGE DEDICATION | | | | | Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies AMENDED REPORT PLAT | | |
| [| 30-025- | PI Number ///44 | T | | Pool Cod | | | Pool Na e Mattix | me 10 | Qn- | -GB |
| | Property C 029159 | iode | . | | | | | | | | 'ell Number 119 |
| | OGRID N 193003 | | | Operator Name SDG Resources | | | | | ··· | | Elevation 3303 DF |
| i | | | | | | ¹⁰ Surface | Location | | | | |
| f | UL or lot so. | Section | Towaship | Range | Lot Ide | Feet from the | North/South line | Feet from the | Eas | t/West line | County |
| | Р | 18 | 24S . | 37E | | 660 | South | 660 | Ea | st | Lea |
| L | | | | - ^п В | ottom H | ole Location It | f Different From | Surface | | | |
| | UL or lot po. | Section | Township | Range | Lot Ide | Feet from the | North/South line | Feet from the | Eas | t/West line | County |
| | Dedicated Acres | Joint o | r Infill C | l | Code C | Jerder No. | | | . | L | |

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

| 16 | | | OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. May Mar A Signature |
|----|--|--------------------|--|
| | | | Gaye Heard Printed Name Agent Tak 09/24/02 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 |
| | | 660 FEL TSJ 099 | Signature and Seal of Professional Surveyor: |