

DATE IN 10/24/12	SUSPENSE	ENGINEER WOTS	LOGGED IN	TYPE DHC	APPROV. PLWTS 1231951397
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Lost Date
12/3/12

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
☒ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

- [D] Other: Specify _____

- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ☐ Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
[B] ☐ Offset Operators, Leaseholders or Surface Owner
[C] ☐ Application is One Which Requires Published Legal Notice
[D] ☒ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
[F] ☐ Waivers are Attached

- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

- [4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Spence Laird
Print or Type Name

Spence Laird
Signature

Regulatory Analyst
Title

10/22/12
Date

slaird@sandridgeenergy.com
e-mail Address

2012 OCT 24 P 12:39
RECEIVED OOD

District I
1625 N. French Drive, Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised August 1, 2011

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

APPLICATION TYPE
☒ Single Well
☐ Establish Pre-Approved Pools
EXISTING WELLBORE
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

SandRidge Expl. & Prod., LLC 123 Robert S. Kerr Ave., Oklahoma City, OK 73102
Operator Address
LC-062170A Parcell Federal 8 Sec 8 T21S R38E Lea
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 270265 Property Code 309281 API No. 30-025-40488 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	San Andres	Drinkard	Abo
Pool Code	39330	19190	62700
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	4300' - 4500'	6,794' - 6,816'	7,310 - 7,498
Method of Production (Flowing or Artificial Lift)	Artificial Lift	Artificial Lift	Artificial Lift
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)	✓	2942 OK for End	3465 OK for FRAD
Oil Gravity or Gas BTU (Degree API or Gas BTU)	32 deg	32 deg	32 deg
Producing, Shut-In or New Zone	New Zone (not perfed yet)	New Zone	Producing
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: Est. future rates Rates: 10 bod 5 mcf 20 bow	Date: 10/01/2012 Rates: 5 bod 0 mcf 40 bow	Date: 09/08/2012 Rates: 11 bod 0 mcf 65 bow
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 35 % 100 %	Oil Gas 25 % 0 %	Oil Gas 40 % 0 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ No ☐
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes ☐ No ☐
Are all produced fluids from all commingled zones compatible with each other? Yes ☒ 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 ☒ No ☐
NMOCD Reference Case No. applicable to this well: _____

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 Spence Laird TITLE Regulatory Analyst DATE 10/17/2012
TYPE OR PRINT NAME Spence Laird TELEPHONE NO. (405) 429-6518
E-MAIL ADDRESS slaird@sandridgeenergy.com

Jones, William V., EMNRD

From: Spence Laird <slaird@sandridgeenergy.com>
Sent: Monday, December 03, 2012 9:12 AM
To: Jones, William V., EMNRD
Cc: Ezeanyim, Richard, EMNRD; Gonzales, Elidio L, EMNRD; Mull, Donna, EMNRD
Subject: RE: Downhole Commingle Applications from SandRidge Exploration & Production, LLC

Here is the info you requested for wells, 30-025-40487 & 40488.

40487 (Elliott Federal #4):	Static	Frac Gradient	
ABO	3178 psi	1.00 psi/ft	
Drinkard	2938psi	1.00 psi/ft	Will not frac due to average reservoir pressure

gradient 0.433 psi/ft

40488 (Parcell Federal #8):	Static	Frac Gradient	
ABO	3165 psi	1.03 psi/ft	
Drinkard	2942psi	0.71 psi/ft	

SandRidge is no longer looking to move forward with the other two wells. If you need anything further on these wells please let me know. Thank you for looking at these wells and I appreciate your help!

Spence Laird

From: Jones, William V., EMNRD [<mailto:William.V.Jones@state.nm.us>]
Sent: Wednesday, November 14, 2012 5:15 PM
To: Spence Laird
Cc: Ezeanyim, Richard, EMNRD; Gonzales, Elidio L, EMNRD; Mull, Donna, EMNRD
Subject: Downhole Commingle Applications from SandRidge Exploration & Production, LLC

Hello Mr. Laird,

The C-107A form sometimes requires "Bottomhole Pressure" information depending on depth ranges of the perforations being commingled down hole.

The four recently submitted applications from SandRidge in Lea County do require this.

The four APIs are:

30-025-40488
30-025-40487
30-025-40434
30-025-40362

Please ask your engineer for an estimate of Static Reservoir Pressures for each of the reservoirs being targeted for production in each of these wells.

Then do the following check:

Within any one well, if the largest of the pressure numbers they give you is divided by the shallowest perforation and that number is greater than 0.65, then ask that engineer to provide a statement as to whether this upper interval would be subject to down hole fracturing if the well were shut in.

For your reference, below is the pertinent Rule:
19.15.12.11 DOWNHOLE COMMINGLING:

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Wednesday, November 14, 2012 4:15 PM
To: slaird@sandridgeenergy.com
Cc: Ezeanyim, Richard, EMNRD; Gonzales, Elidio L, EMNRD; Mull, Donna, EMNRD
Subject: Downhole Commingle Applications from SandRidge Exploration & Production, LLC

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For your reference, below is the pertinent Rule:

19.15.12.11 DOWNHOLE COMMINGLING:

A. The director may grant an exception to 19.15.12.9 NMAC to permit the commingling of multiple producing pools in existing or proposed well bores when the following conditions are met.

....(3) The bottom perforation of the lower zone is within 150 percent of the depth of the top perforation in the upper zone and the lower

zone is at or below normal pressure with normal pressure assumed to be 0.433 psi per foot of depth. If the pools to be commingled are not within

this vertical interval, then evidence is required to demonstrate that commingling will not result in shut-in or flowing well bore pressures in excess

of any commingled pool's fracture parting pressure. The fracture parting pressure is assumed to be 0.65 psi per foot of depth unless the applicant

submits other measured or calculated pressure data acceptable to the division.

You could just email this info to me and I can then complete the requested permits.

Thank You,

William V. Jones, P.E.

505-476-3448W 505-476-3462F
Engineering Bureau, Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

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505-476-3448W 505-476-3462F

Engineering Bureau, Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240
DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210
DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410
DISTRICT IV
11885 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102
Revised July 16, 2010
Submit to Appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-40488	Pool Code 62700	Pool Name Warty; Abo
Property Code 309281	Property Name PARCELL FEDERAL	
OGRID No. 270265	Operator Name SANDRIDGE E&P, LLC	Well Number 8
		Elevation 3565'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	8	21-S	38-E		1485	SOUTH	1375	EAST	LEA

Bottom Hole Location If Different From Surface

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	Consolidation Code	Order No.						

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

<p>GEODETIC COORDINATES NAD 27 NME SURFACE LOCATION Y=544342.2 N X=887131.8 E LAT.=32.490243° N LONG.=103.077816° W</p>	<p>OPERATOR CERTIFICATION I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Karen Sharp</i> 8-1-11 Signature Date KAREN SHARP Printed Name ksharp@sandridgeenergy.com E-mail Address</p> <p>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.</p> <p>MAY 31, 2011 Date of Survey Signature & Seal of Professional Surveyor: RONALD J. ELDSON NEW MEXICO 3239 Certificate Number Gary G. Eldson 12641 DSS JWSC W.O.: 11.11.1209</p>
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DISTRICT I
1825 N. FRENCH DR., HOBBS, NM 88240

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410

DISTRICT IV
11885 S. ST. FRANCIS DR., SANTA FE, NM 87505

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Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
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Santa Fe, New Mexico 87505

Form C-102
Revised July 16, 2010
Submit to Appropriate
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-40488	Pool Code 62700	Pool Name Drinkard
Property Code 309281	Property Name PARCELL FEDERAL	Well Number 8
OGRID No. 270265	Operator Name SANDRIDGE E&P, LLC	Elevation 3565'

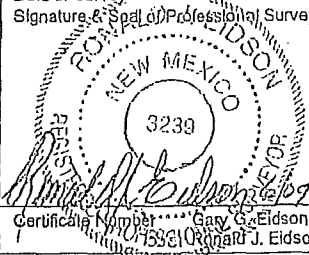
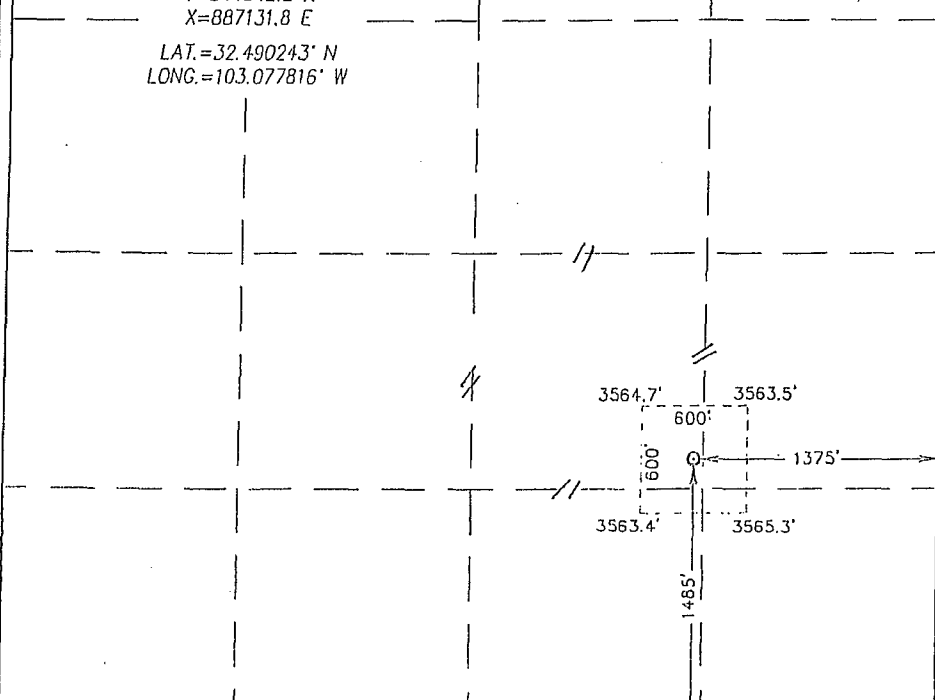
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	8	21-S	38-E		1485	SOUTH	1375	EAST	LEA

Bottom Hole Location If Different From Surface

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Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.						

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<p>GEODETIC COORDINATES NAD 27 NME</p> <p>SURFACE LOCATION Y=544342.2 N X=887131.8 E</p> <p>LAT.=32.490243° N LONG.=103.077816° W</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Karen Sharp</i> 8-1-11 Signature Date</p> <p>KAREN SHARP Printed Name</p> <p>ksharp@sandridgeenergy.com E-mail Address</p>	
	<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>MAY 31, 2011 Date of Survey</p> <p>Signature & Seal of Professional Surveyor:  </p> <p>Certificate Number: Gary G. Eldson 12641 Gary G. Eldson J. Eldson 3239</p> <p>DSS JWSC W.O.: 11.11.1209</p>	
		

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1625 N. FRENCH DR., HOBBS, NM 88240

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State of New Mexico
Energy, Minerals & Natural Resources Department
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Form C-102
Revised July 16, 2010
Submit to Appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-40488	Pool Code 62700	Pool Name San Andres
Property Code 309281	Property Name PARCELL FEDERAL	Well Number 8
OGRID No. 270265	Operator Name SANDRIDGE E&P, LLC	Elevation 3565'

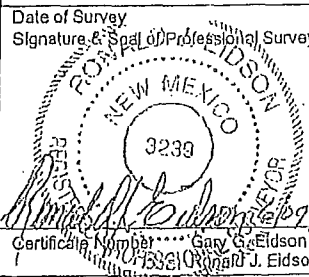
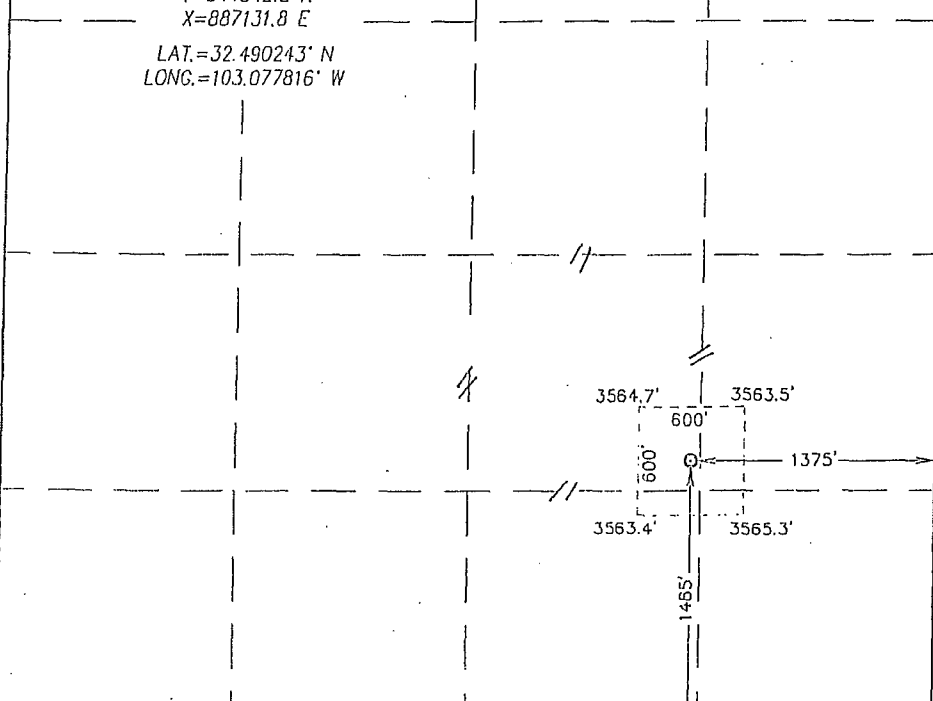
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Bottom Hole Location If Different From Surface

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Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.						

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	<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>MAY 31, 2011</p> <p>Date of Survey</p> <p>Signature & Seal of Professional Surveyor:  </p> <p>Certificate Number: Gary G. Eldson 12641 Gary G. Eldson 3239</p> <p>DSS JWSC W.O.: 11.11.1209</p>	
		

Parcell Federal #8

30-025-40488

Lea Co., NM

Downhole Commingle – No production curve explanation:

SandRidge Expl. & Prod., LLC does not have a production curve for any of the three zones due to the amount of time they have been productive. Two zones have been productive (Abo & Drinkard) only long enough to get tests for this application and the other (San Andres) has not been perforated yet. This well was spud on 7/20/2012.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires: January 31, 2004

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. LC062170-A
2. Name of Operator SandRidge Expl. & Prod., LLC		6. If Indian, Allottee or Tribe Name
3a. Address 123 Robert S Kerr Ave., OKC, OK 73102	3b. Phone No. (include area code) 405-429-6518	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1485' FSL & 1375' FEL UL J of Sec 8 - 21S - 38E		8. Well Name and No. Parcell Federal #8
		9. API Well No. 30-025-40488
		10. Field and Pool, or Exploratory Area Wantz; Abo, Drinkard & San Andres
		11. County or Parish, State Lea, NM

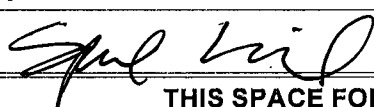
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Downhole Commingl
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

SandRidge Expl. & Prod., LLC respectfully requests the right to downhole commingle the approved ABO formation with the Drinkard and the San Andres formations. Sandridge has mineral rights to all three formations and would like to produce these available minerals in the most effective manner possible (please see attachments for further information regarding this DHC).

Thank you for your time.

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Spence Laird		Title Regulatory Analyst
Signature 		Date 10/16/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____	Title _____	Date _____
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office _____	

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)