

DATE <u>3/24/03</u>	SUSPENSE <u>NA</u>	ENGINEER <u>WJ</u>	LOGGED IN <u>RN</u>	TYPE <u>DHC</u>	APP NO. <u>PKRVO308056484</u>
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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.

Jimmy D. Carlile
 Print or Type Name

Jimmy D. Carlile
 Signature

Regulatory Affairs
 Title

2/25/03
 Date

jimmyc@forl.com
 e-mail Address

FASKEN OIL AND RANCH, LTD.

303 WEST WALL AVENUE, SUITE 1800
MIDLAND, TEXAS 79701-5116

(915) 687-1777

Jimmy D. Carlile
Regulatory Affairs Coordinator

February 26, 2003

Mr. David Catanach
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Dear Mr. Catanach,

Re: Fasken Oil and Ranch, Ltd.
Indian Hills Com No. 1
Downhole Commingle Application

Enclosed is Fasken Oil and Ranch, Ltd.'s application to downhole commingle the Indian Hills Com No. 1 in the Undesignated Indian Basin Upper Penn (Associated), Indian Basin Strawn, and the Undesignated Seven Rivers Hills Atoka Pools. Each of these zones is a marginal as stand alone recompletions. The only way to recover these reserves in an economic manner is to downhole commingle the wellbore.

Please give me a call if you have any questions concerning this application.

Yours truly,



Jimmy D. Carlile
Regulatory Affairs Coordinator

District I
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District II
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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 May 15, 2000

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

Fasken Oil and Ranch, Ltd. 303 West Wall, Suite 1800, Midland, TX 79701

Operator Address
Indian Hills Com 1 J, Sec. 8, T21S, R24E Eddy
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 151416 Property Code 018235 API No. 30-015-20195 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Undesignated Indian Basin Upper Penn (Associated)	Indian Basin Strawn Gas	Undesignated Seven Rivers Hills Atoka Gas
Pool Code	33685	79035	96714
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	8708' - 8747'	8831' - 9158'	9468' - 9474'
Method of Production (Flowing or Artificial Lift)	flowing	flowing	flowing
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)	3300 psi	3500 psi	3600 psi
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1000 BTU	1000 BTU	1000 BTU
Producing, Shut-In or New Zone	New zone	New zone	New zone
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: March 2003 Rates: 60 MCFPD	Date: March 2003 Rates: 100 MCFPD	Date: March 2003 Rates: 40 MCFPD
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil 100 % Gas 30 %	Oil % Gas 50 %	Oil % Gas 20 %

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 Jimmy D. Carlile TITLE Regulatory Affairs Coord. DATE 2/25/03
TYPE OR PRINT NAME Jimmy D. Carlile TELEPHONE NO. (915) 687-1777

Fasken Oil and Ranch, Ltd.

Indian Hills Com No. 1

Application for Downhole Commingling

Additional Data

Production curves for these zones are not available as these are all new completions in this well. Each of these zones is non-commercial in and of themselves, and we anticipate total production from all three zones to be only 200 MCFPD.

Estimated production rates for each zone follow. These estimates are based on porosity-thickness in each zone and shows as we drilled through each zone.

Undesignated Indian Basin Upper Penn (Associated)	60 MCFPD
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Indian Basin Strawn	100 MCFPD
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Undesignated Seven Rivers Hills Atoka	40 MCFPD
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Our suggested allocation method is based on porosity-thickness in each zone.

All working, royalty and overriding interests in this well are common and therefore, no notice is required.

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

Form C-102
Revised August 15, 2000
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-20195	² Pool Code	³ Pool Name Undesignated Indian Basin Upper Penn (Associated)
⁴ Property Code 018235	⁵ Property Name Indian Hills Com	⁶ Well Number 1
⁷ OGRID No. 151416	⁸ Operator Name Fasken Oil and Ranch, Ltd.	⁹ Elevation 4100.8'

¹⁰ Surface Location

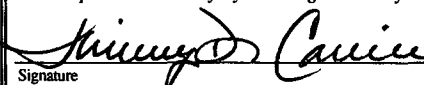
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	8	21S	24E		1650	south	1750	east	Eddy

¹¹ 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

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No. RNM-021
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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	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature Jimmy D. Carlile Printed Name Regulatory Affairs Coordinator Title February 25, 2003 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 Signature and Seal of Professional Surveyor: Certificate Number			

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-20195	² Pool Code 79035	³ Pool Name Indian Basin Strawn
⁴ Property Code 018235	⁵ Property Name Indian Hills Com	⁶ Well Number 1
⁷ OGRID No. 151416	⁸ Operator Name Fasken Oil and Ranch, Ltd.	⁹ Elevation 4100.8'

¹⁰ Surface Location

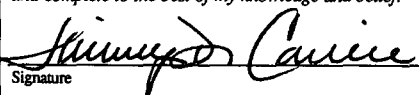
UL or lot no. J	Section 8	Township 21S	Range 24E	Lot Idn	Feet from the 1650	North/South line south	Feet from the 1750	East/West line east	County Eddy
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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				Date of Survey Signature and Seal of Professional Surveyor:
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WELL LOCATION AND ACREAGE DEDICATION PLAT

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⁴ Property Code 018235	⁵ Property Name Indian Hills Com	⁶ Well Number 1
⁷ OGRID No. 151416	⁸ Operator Name Fasken Oil and Ranch, Ltd.	⁹ Elevation 4100.8'

¹⁰ Surface Location

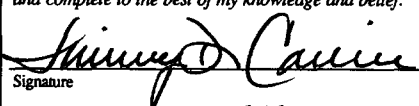
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