

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-107-B
Revised August 1, 2011

OIL CONSERVATION DIVISION

1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original
application to the Santa Fe
office with one copy to the
appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Fasken Oil and Ranch, Ltd.

OPERATOR ADDRESS: 6101 Holiday Hill Road, Midland TX 79707

APPLICATION TYPE:

☐ Pool Commingling ☐ Lease Commingling ☒ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingling)

LEASE TYPE: ☐ Fee ☒ State ☐ Federal

Is this an Amendment to existing Order? ☒ Yes ☐ No If "Yes", please include the appropriate Order No. CTB-682
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
☒ Yes ☐ No

(A) POOL COMMINGLING

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
Laguna Valley; Morrow (79900)	See attachment				
Lea; Bone Spring, South (37580)					

- (2) Are any wells producing at top allowables? ☐ Yes ☒ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No.
(4) Measurement type: ☒ Metering ☐ Other (Specify)
(5) Will commingling decrease the value of production? ☐ Yes ☒ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING

Please attach sheets with the following information

- (1) Pool Name and Code.
(2) Is all production from same source of supply? ☐ Yes ☐ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No
(4) Measurement type: ☐ Metering ☐ Other (Specify)

(C) POOL and LEASE COMMINGLING

Please attach sheets with the following information

- (1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

- (1) Is all production from same source of supply? ☒ Yes ☐ No
(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location.
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
(3) Lease Names, Lease and Well Numbers, and API Numbers.

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

SIGNATURE: Addison Long

TITLE: Regulatory Analyst

DATE: 12-15-16

TYPE OR PRINT NAME Addison Long

TELEPHONE NO.: 432-687-1777

E-MAIL ADDRESS: addisonl@forl.com

KZ

(A) Pool Commingling Attachment

(1) Pool Names and Codes	API	Gravities / BTU of Non-Commingled Production	Volumes BO/MCFPD
Laguna Valley; Morrow (79900)	30-015-38440	54 / 1.164	1 BO & 60 MCFPD
Lea; Bone Spring, South (37580)	30-015-40361	42.8 / 1.38	60 BO & 95 MCFPD
Lea; Bone Spring, South (37580)	30-015-40531	42.8 / 1.3097	107 BO & 220 MCFPD
Lea; Bone Spring, South (37580)	30-015-40942	42.8 / 1.3097	125 BO & 241 MCFPD
Lea; Bone Spring, South (37580)	30-015-41366	42.8 / 1.3097	103 BO & 204 MCFPD

16-20S-34E

State of New Mexico

LEASE No. 36547
QUAIL STATE 16 #1

State of New Mexico

QUAIL STATE 16 #2

QUAIL 16 STATE CO #3H

36547

QUAIL 16 STATE #4H
36547

36941
QUAIL STATE #8H

State of New Mexico

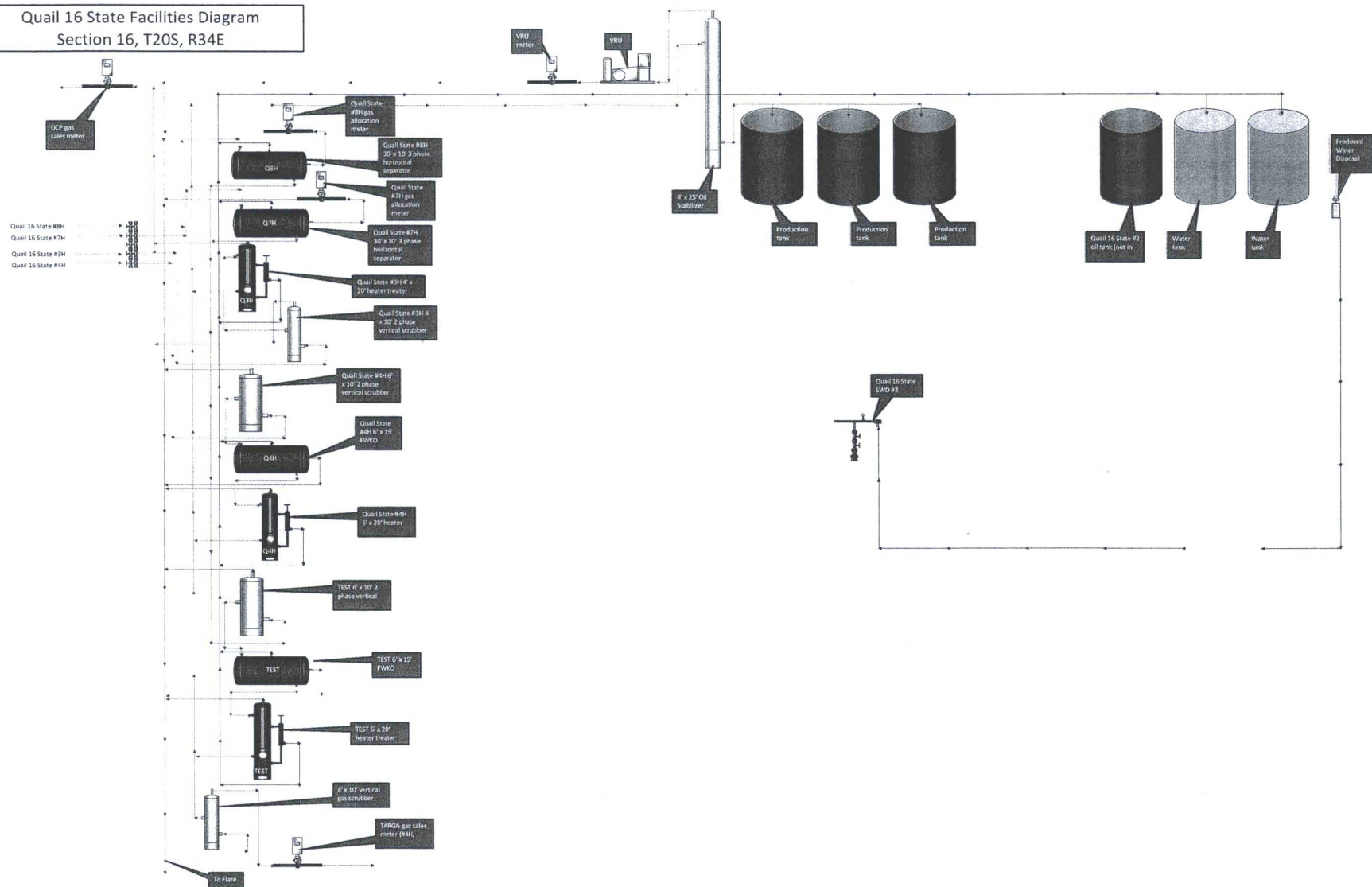
QUAIL 16 STATE #7H
36941



Well Identification Information Attachment for Section E. 3

<u>Lease</u>	<u>Well Name</u>	<u>API No.</u>	<u>Lease No.</u>	<u>Unit Letter</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>County</u>	<u>SHL</u>	<u>BHL</u>
Quail "16" State	Quail "16" State 1	30-025-38440	36547	G	16	20S	34E	Lea	1980' FNL & 1420' FEL	Same as SHL
Quail "16" State	Quail "16" State 3H	30-025-40361	36547	M	16	20S	34E	Lea	660' FSL & 300' FWL	UL-D; 381' FNL & 379' FWL
Quail "16" State	Quail "16" State 4H	30-025-40531	36547	N	16	20S	34E	Lea	200' FSL & 1650' FWL	UL-C; 339' FNL & 1601' FWL
Quail "16" State	Quail "16" State Com 7H	30-025-40942	38941	P	16	20S	34E	Lea	200' FSL & 225' FEL	UL-A; 330' FNL & 330' FEL
Quail "16" State	Quail "16" State Com 8H	30-025-41366	38941	O	16	20S	34E	Lea	262' FSL & 2080' FEL	UL-B; 330' FNL & 2080' FEL

Quail 16 State Facilities Diagram
Section 16, T20S, R34E



Fasken Oil and Ranch, Ltd.
Surface Commingling Amended Application for Quail "16" State No. 1, 3H, 4H,
7H and 8H
List of Notified Parties

J. Cleo Thompson &
James C. Thompson, Jr., L.P.
325 N. St. Paul, Suite 4300
Dallas, TX 75201
Attn: Kathy Brotherton

Lincoln Oil & Gas, LLC
701 Three Cross
Roswell, NM 88201
Attn: Bill Bradshaw

Marshall & Winston, Inc.
P.O. Box 50880
Midland, TX 79710
Attn: Kevin Hammit

Caza Petroleum
10077 Grogan's Mill Road, Suite 200
The Woodlands, TX 77380
Attn: Jay Brown

Read & Stevens, Inc.
400 N. Pennsylvania, Suite 1000
Roswell, NM 88202
Attn: Derik Smith

Chevron U.S.A. Inc.
6301 Deauville Blvd.
Midland, TX 79706
Attn: Todd Meade

CLM Production Company
P.O. Box 881
Roswell, NM 88201
Attn: John Maxey

New Mexico State Land Office
P.O. Box 1148
Santa Fe, NM 87504-1148
Attn: Mr. Pete Martinez

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Lincoln Oil and Gas
701 Three Cross
Roswell, NM 88201
Attn: Bill Bradshaw



9590 9403 0172 5120 7561 68

2. Article Number (Transfer from service label)

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent
☐ Addre

B. Received by (Printed Name)

C. Date of Deli

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

- | | |
|---|--|
| <input type="checkbox"/> Adult Signature | <input type="checkbox"/> Priority Mail Express® |
| <input type="checkbox"/> Adult Signature Restricted Delivery | <input type="checkbox"/> Registered Mail™ |
| <input checked="" type="checkbox"/> Certified Mail® | <input type="checkbox"/> Registered Mail Restricti
Delivery |
| <input type="checkbox"/> Certified Mail Restricted Delivery | <input type="checkbox"/> Return Receipt for
Merchandise |
| <input type="checkbox"/> Collect on Delivery | <input type="checkbox"/> Signature Confirmation™ |
| <input type="checkbox"/> Collect on Delivery Restricted Delivery | <input type="checkbox"/> Signature Confirmation
Restricted Delivery |
| <input type="checkbox"/> Insured Mail | |
| <input type="checkbox"/> Insured Mail Restricted Delivery
(over \$500) | |

PS Form 3811, April 2015 PSN 7530-02-000-9053

Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Read & Stevens, Inc.
400 N. Pennsylvania, Suite 1000
Roswell, NM 88202
Attn: Derik Smith



9590 9403 0172 5120 7562 29

2. Article Number (Transfer from service label)

7014 0510 0000 1569 3963

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent
☐ Adresse

B. Received by (Printed Name)

C. Date of Deliver

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

- | | |
|---|--|
| <input type="checkbox"/> Adult Signature | <input type="checkbox"/> Priority Mail Express® |
| <input type="checkbox"/> Adult Signature Restricted Delivery | <input type="checkbox"/> Registered Mail™ |
| <input checked="" type="checkbox"/> Certified Mail® | <input type="checkbox"/> Registered Mail Restricti
Delivery |
| <input type="checkbox"/> Certified Mail Restricted Delivery | <input type="checkbox"/> Return Receipt for
Merchandise |
| <input type="checkbox"/> Collect on Delivery | <input type="checkbox"/> Signature Confirmation™ |
| <input type="checkbox"/> Collect on Delivery Restricted Delivery | <input type="checkbox"/> Signature Confirmation
Restricted Delivery |
| <input type="checkbox"/> Insured Mail | |
| <input type="checkbox"/> Insured Mail Restricted Delivery
(over \$500) | |

PS Form 3811, April 2015 PSN 7530-02-000-9053

Domestic Return Receipt

7014 0510 0000 1569 3970

CERTIFIED MAIL™ RECEIPT
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For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$.675
Certified Fee	3.30
Return Receipt Fee (Endorsement Required)	2.70
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 6.675



Sent To **Marshall & Winston, Inc.**
Street, Apt. No. or PO Box No. **P.O. Box 50880**
City, State, ZIP **Midland, TX 79710**
Attn: Kevin Hammit

PS Form 3800

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
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OFFICIAL USE

Postage	\$.675
Certified Fee	3.30
Return Receipt Fee (Endorsement Required)	2.70
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 6.675



Sent To **CLM Production Company**
Street, Apt. No. or PO Box No. **P.O. Box 881**
City, State, ZIP **Roswell, NM 88201**
Attn: John Maxey

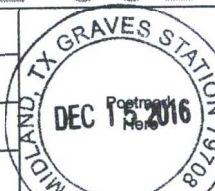
PS Form 3800

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Certified Fee	3.30
Return Receipt Fee (Endorsement Required)	2.70
Restricted Delivery Fee (Endorsement Required)	



0000 1569 3925

7014 0510 0000 1569 3916

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OFFICIAL USE

Postage	\$.675
Certified Fee	3.30
Return Receipt Fee (Endorsement Required)	2.70
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 6.675



Sent To **Chevron U.S.A. Inc.**
Street, Apt. No. or PO Box No. **6301 Deauville Blvd.**
City, State, ZIP **Midland, TX 79706**
Attn: Todd Meade

PS Form 3800

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Postage	\$.675
Certified Fee	3.30
Return Receipt Fee (Endorsement Required)	2.70
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 6.675



Sent To **Caza Petroleum**
Street, Apt. No. or PO Box No. **10077 Grogan's Mill Rd, Suite 200**
City, State, ZIP **The Woodlands, TX 77380**
Attn: Jay Brown

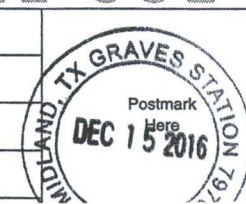
PS Form 3800

U.S. Postal Service™
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(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$.675
Certified Fee	3.30
Return Receipt Fee (Endorsement Required)	2.70
Restricted Delivery Fee (Endorsement Required)	



0000 1569 3987

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
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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



HOBBS OCD
 DEC 30 2016

RECEIVED

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.

Addison Long
 Print or Type Name

Signature

Regulatory Analyst
 Title

12-15-16
 Date

addisonl@forl.com
 e-mail Address