

DATE IN 12/18/2013	SUSPENSE	ENGINEER Re	LOGGED IN 12/19/2013	TYPE D-CTB	APP NO. PMAM 1335455 503
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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 _____

~~PLC~~
 TARCO Energy
 OGRID 279579
 CTB
 Sec 2, 18S 27E
 - Br Ad State
 - Blake State

[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.

JOE L. TARVER Joe L. Tarver MANAGER 12-9-2013
 Print or Type Name Signature Title Date
 TARCO ENERGY, L.C. JOE@TARCOsupply.com
 e-mail Address

Tarco Energy, LC
12403 CR 2300
Lubbock, TX 79423
(806) 787 5138

Interest Ownership
State Lease - 202975

State Lease -- 202975

Lease name – Brad State

Operator – Tarco Energy LC

Legal Description: T18S, R27E, N.M.P.M.
Section 2: Lot 3 (NE1/4NW1/4),
Containing 40.60 acres

Title to Surface and Mineral Estates (subject to State Lease 2029-75)
State of New Mexico -----100%

Title to Operating Rights (Working Interest) in State Lease 2029-75

- (a) Surface to 1430 feet subsurface-
 - William Blake Tarver-----331/3 %
 - James Bradford Tarver-----331/3 %
 - Sterling Blane Tarver----- 331/3 %

- (b) Below 1430 feet Subsurface
(Not Reported herein and not a part of this lease)

Note: the net revenue interest of the operating rights owners is 83.5 %

Overriding Royalties Burdening State Lease B-1483-26:

Claud Hearn ----- 2 %
Cloie J. Sutton ----- 1 %
David Wardle ----- 1 %

Tarco Energy, LC

12403 CR 2300

Lubbock, TX 79423

(806) 787 5138

JOE@TARCOsupply.COM

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December 9, 2013

NMOCD Engineering
ATT: Philip R. Goetze
1220 South St. Francis DR.
Santa Fe, NM 87505

RE: Tarco Energy LC

Brad State - T18S, R27E, Section 2: Lot 3 (NE1/4NW1/4) 40.60 Acres

Blake State - T18S, R27E, Section 2: Lot 2 (NW1/4NE1/4) 40.46 Acres

Surface Commingling

Dear Mr. Goetze,

Tarco is seeking to commingle production from the Blake State to the facility at the Brad State.

- 1.) All production will be metered before entering tank battery facility.
- 2.) State Land office is being sent a copy of this application.
- 3.) Find attached diagram of operations:
 - a.) Plat of Leases and wells
 - b.) Diagram of tank facility
 - c.) Brad State ownership
 - d.) Blake state ownership
 - e.) CERTIFIED MAIL to State Land Office - Receipt

Should you need anything further please call **(806) 787 5138**.

Thanks,



Joe Tarver

E-mail - *JOE@TARCOsupply.COM*

Tarco Energy, LC
12403 CR 2300
Lubbock, TX 79423
(806) 787 5138

Interest Ownership
State Lease B-1483-26

State Lease -- B-1483-26

Lease name – Blake State

Operator – Tarco Energy LC

Legal Description: T18S, R27E, N.M.P.M.
Section 2: Lot 2 (NW1/4NE1/4),
Containing 40.46 acres

Title to Surface and Mineral Estates (subject to State Lease B-1483-26)

State of New Mexico -----100%

Title to Operating Rights (Working Interest) in State Lease B-1483-26:

- (a) Surface to 1430 feet subsurface-
- | | |
|----------------------------|----------|
| William Blake Tarver----- | 33 1/3 % |
| James Bradford Tarver----- | 33 1/3 % |
| Sterling Blane Tarver----- | 33 1/3 % |
- (b) Below 1430 feet Subsurface
(Not Reported herein and not a part of this lease)

Note: the net revenue interest of the operating rights owners is 71 %

Overriding Royalties Burdening State Lease B-1483-26:

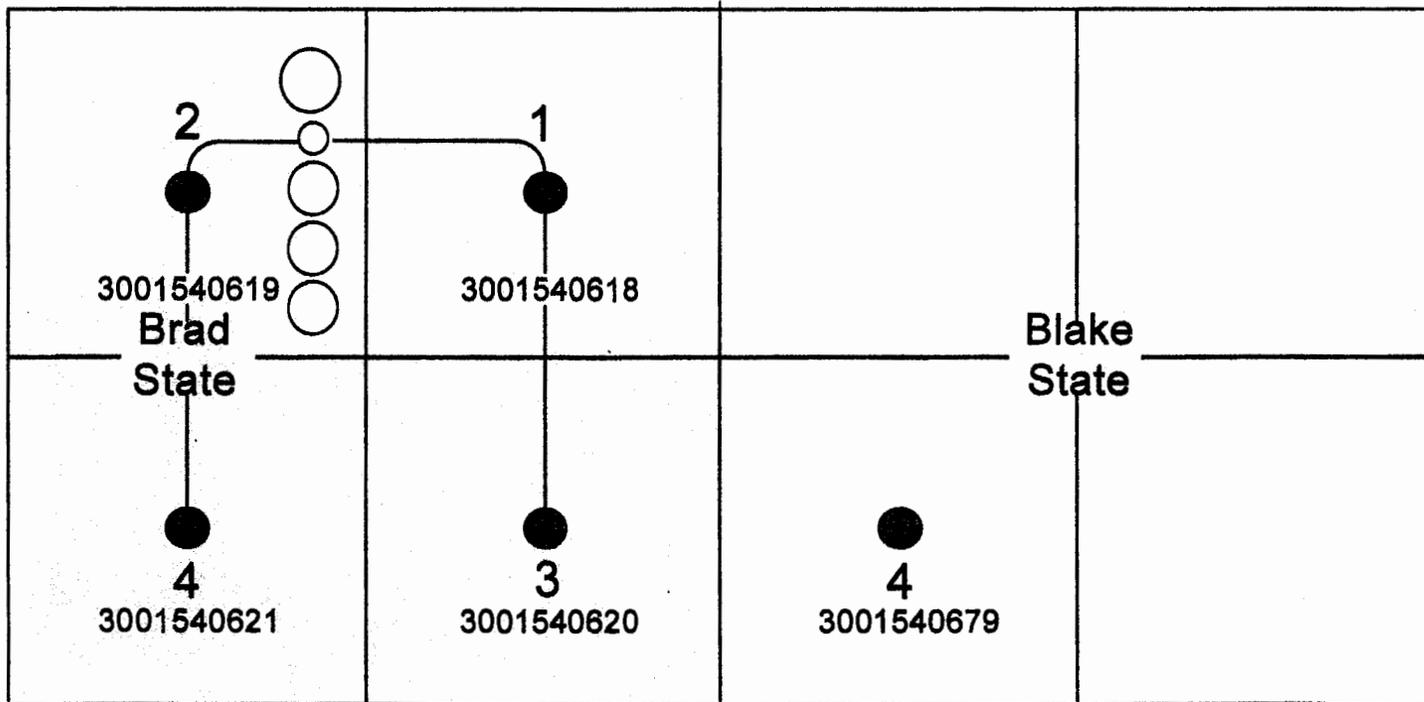
Claud Hearn -----	2 %
Cloie J. Sutton -----	1 %
David Wardle -----	1 %
Thomas W. Pettit -----	12.5 %

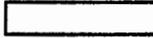
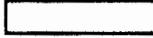
Tarco Energy, L.C. OGRID Number 279579
12403 CR 2300
Lubbock, Texas 79423

Proposed Surface Commingling
Empire: Yates Seven Rivers (22230)

T18S, R27E, N.M.P.M.
Section 2: Lot 3 (NE1/4NW1/4),
containing 40.60 acres

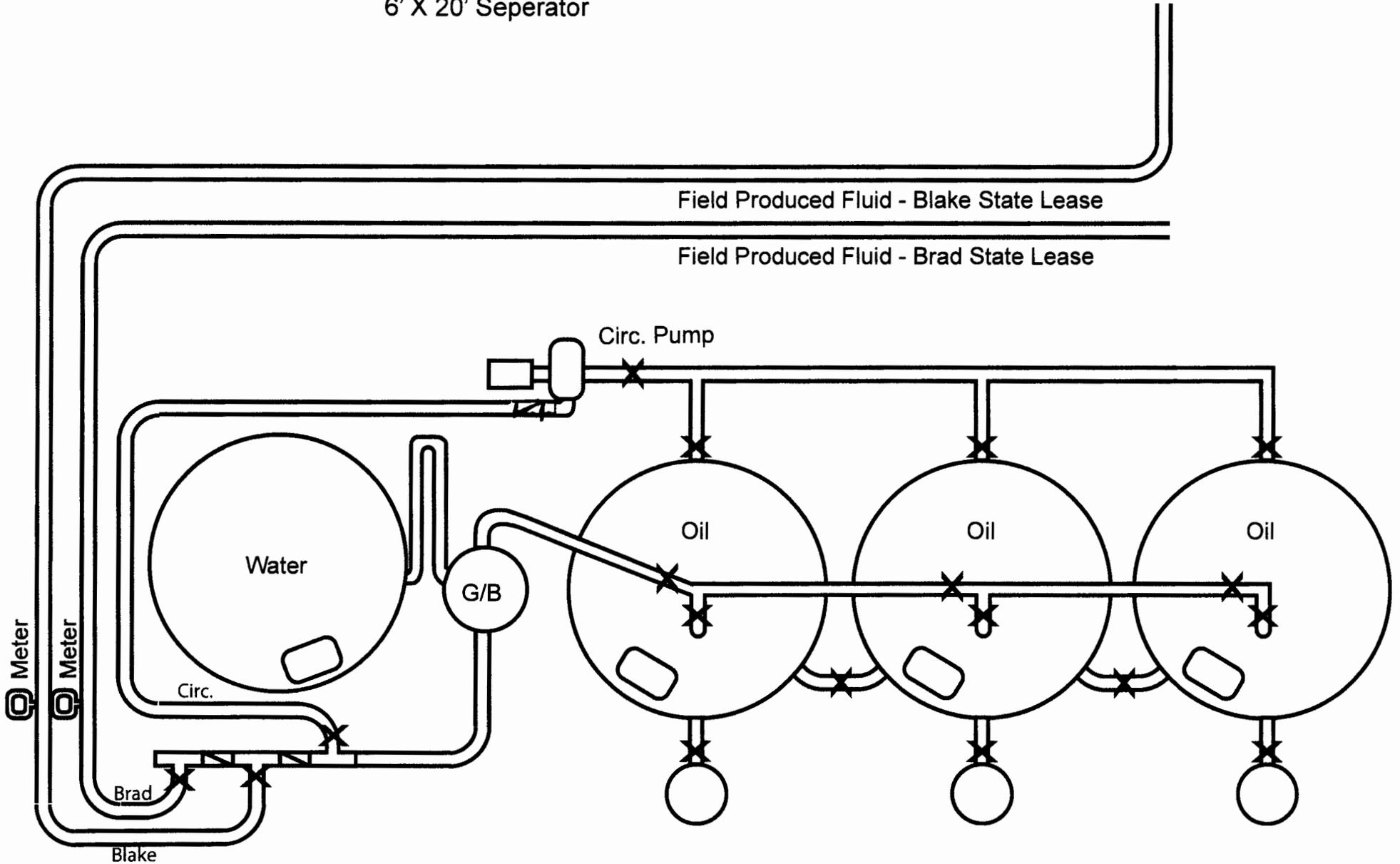
T18S, R27E, N.M.P.M.
Section 2: Lot 2 (NW1/4NE1/4),
containing 40.46 acres



-  State Lease #B-1483-26
-  State Lease #2029-75
-  Producer

Tarco Energy, LC
Empire: Seven Rivers {22230}
Storage Facility, Containing - 210 BBL X 3 Oil Storage
210 BBL X 1 Water Storage
6' X 20' Separator

Legal Location:
Eddy County, NM
T18S, R27E, N.M.P.M.
Section 2: Lot 3 (NE1/4NW1/4)



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

State of New Mexico
Energy, Minerals & Natural Resources

Form C-104
Revised October 15, 2009

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

Submit one copy to appropriate District Office

AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator name and Address Tarco Energy LC 12403 CR 2300 Lubbock, TX 79423		² OGRID Number 279579	
⁴ API Number 30-015-40618		³ Reason for Filing Code/ Effective Date NW	
⁵ Pool Name Yates-7-Rivers Red Lake; Gylor-Yates, NE ¹⁰⁷		⁶ Pool Code 96836	
⁷ Property Code 39400		⁸ Property Name BRAD STATE	
		⁹ Well Number #1	

II. ¹⁰ Surface Location

UI or lot no	Section	Township	Range	Lot Idn	Feet from the	North/Southine	Feet from the	East/West line	County
C	2	18S	27E		330	NORTH	2300	WEST	Eddy

¹¹ Bottom Hole Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	2	18S	27E		330	NORTH	2300	WEST	Eddy

¹² Lse Code	¹³ Producing Method Code	¹⁴ Gas Connection Date T B C	¹⁵ C-129 Permit Number N-A	¹⁶ C-129 Effective Date	¹⁷ C-129 Expiration Date
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III. Oil and Gas Transporters

¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	²⁰ O/G/W
278421	Hollyfrontier Refining and Marketing 303 W. Wall St, Suite 1200, Midland, TX 79701	O
221115	Frontier Field Services, LLC 4200 E. Skelly Drive, Suite 700 Tulsa, OK 74135	G
239284	Occidental Energy Marketing, Inc. 5 Greenway Plaza, Suite 110, Houston, TX 77046	O

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NMOCD ARTESIA

IV. Well Completion Data

²¹ Spud Date 8-27-2012	²² Ready Date 12-15-2012	²³ TD 525'	²⁴ PBDT 520'	²⁵ Perforations 411'-14,423'-26' 430'-35', 443'-51'	²⁶ DHC, MC
²⁷ Hole Size	²⁸ Casing & Tubing Size	²⁹ Depth Set	³⁰ Sacks Cement		
7-7/8	4 1/2 - 2 3/8	520'	105		

V. Well Test Data

³¹ Date New Oil 12-15-2012	³² Gas Delivery Date T B C	³³ Test Date 12-15-2012 12-16-2012	³⁴ Test Length 24 HR	³⁵ Tbg. Pressure	³⁶ Csg. Pressure
³⁷ Choke Size N-A	³⁸ Oil 7	³⁹ Water 10	⁴⁰ Gas T B C	⁴¹ Test Method GAUGE	

⁴² I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Joe Tarver*
Printed name: Joe Tarver
Title: President
E-mail Address: joe@WirelessTowLights.com
Date: 1-10-2013
Phone: (806) 795 - 2042

OIL CONSERVATION DIVISION
Approved by: *J.C. Shepard*
Title: *District II Geologist*
Approval Date: *2/5/13*

=====
SINGER STATION
LUBBOCK, Texas
794649998
4832230424-0099
12/12/2013 (800)275-8777 11:40:50 AM
=====

===== Sales Receipt =====
Product Sale Unit Final
Description Qty Price Price

@@ ~ SANTA FE NM 87501 \$5.70
Zone-3
Priority Mail 2-Day
1.70 oz.
Scheduled Delivery Day: Mon
12/16/13
Label #:9114901159818680324152
Includes \$50 insurance

Issue PVI: \$5.70

@@ ~ SANTA FE NM 87505 \$5.70
Zone-3
Priority Mail 2-Day
1.60 oz.
Scheduled Delivery Day: Mon
12/16/13
Label #:9114901159818680324176
Includes \$50 insurance

Issue PVI: \$5.70

Total: \$11.40

Paid by:
Debit Card \$11.40
Account #: XXXXXXXXXXXX6089
Approval #: 205543
Transaction #: 896
23903061067
Receipt#: 000957

@@ For tracking or inquiries go to
USPS.com or call 1-800-222-1811.

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