

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.

Melanie Reyes

Engineer Assistant

1/24/12

Print or Type Name

Signature

Title

Date

melanie.reyes@resacaexploitation.com
 e-mail Address



January 24, 2012

New Mexico Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505
Attention: Engineering Department

Re: Application to Downhole Commingle
Jalmat/Langlie Mattix Pools
Cooper Jal Unit #123,129,147
Unit Letter D, F, E; Sec. 19; T24S, R37E
Lea County, New Mexico

Resaca Operating Company respectfully requests administrative approval to downhole commingle the Jalmat and the Langlie Mattix Pools within the subject wellbores. Currently, the wells have been approved for Re-Entry. Notification of offset operators is not an issue given the fact that Resaca offsets all of the wells.

Downhole Commingling these wells will provide a more economical and efficient means of production. It will allow complete development of the productive capacity on the subject lease by allowing both pools to be artificially lifted simultaneously. This will extend the life of both completions, thereby preventing waste.

The subject wells meet all of the requirements of Rule 303 (C). All produced fluids from other downhole commingled wells have entered a common production facility with no fluid compatibility problems.

Resaca also requests the allocation of production for each pool be deferred until a stabilized production rate is established. Production will then be allocated to the Jalmat and Langlie Mattix Pools. Tests for both pools will be reported on the Subsequent Sundry Reports. If you have any questions, please contact Domingo Carrizales at (432) 580-8500.

Sincerely,

Domingo Carrizales
District Engineer

cc: NMOCD/Hobbs; BLM/ Carlsbad

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

Resaca Operating Company 1331 Lamar Street, Suite 1450 Houston, TX 77010

Operator Address
Cooper Jal Unit 129 F-19-24S-37E Lea

Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 263848 Property Code 306443 API No. 30-025-11152 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Jalmat		Langlie Mattix
Pool Code	33820		37240
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	Not Completed Yet		Not Completed Yet
Method of Production (Flowing or 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)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)	37.7 Degree API		37.7 Degree API
Producing, Shut-In or 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: Rates:	Date: Rates:	Date: Rates:
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 % %	Oil Gas % %	Oil Gas % %

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 MAR TITLE Engineer Assistant DATE 1/12/2012

TYPE OR PRINT NAME Melanie Reyes TELEPHONE NO. (432) 580-8500

E-MAIL ADDRESS melanie.reyes@resacaexploitation.com

District I
1625 N. French Dr., Hobbs, NM 88240
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1301 W. Grand Avenue, Artesia, NM 88210
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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 October 12, 2005
Submit to Appropriate District Office
State Lease- 4 Copies
Fee Lease- 3 Copies

RECEIVED
DEC 12 2011

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-11152	Pool Code 33820	Pool Name JALMAT;TAN-YATES-7 RVRS (OIL)
Property Code 306443	Property Name COOPER JAL UNIT	Well Number 129
OGRID No. 263848	Operator Name RESACA OPERATING CO.	Elevation 3302.0'

Surface Location

UT or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	19	24 SOUTH	37 EAST, N.M.P.M.		1653'	NORTH	1583'	WEST	LEA

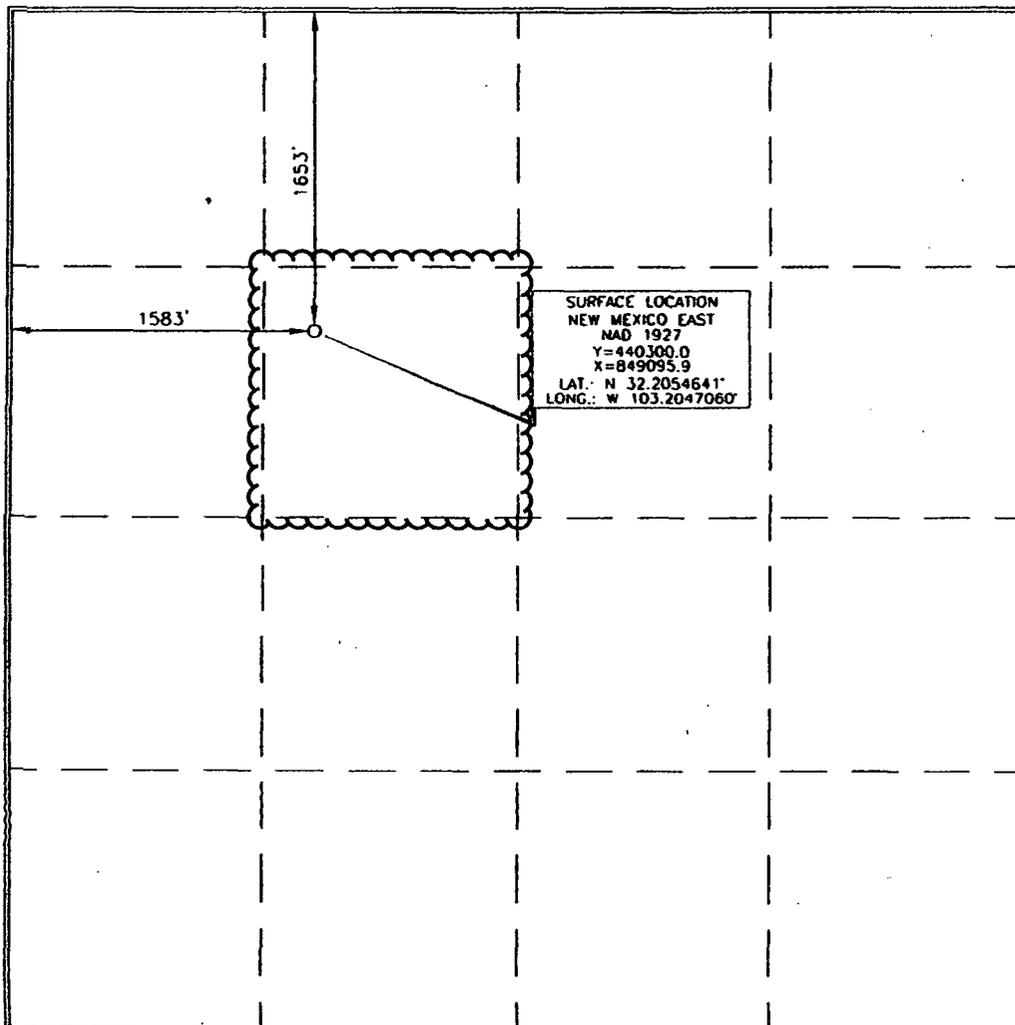
Bottom Hole Location If Different From Surface

UT 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.
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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.

Well is shown in NMOCD records at 1650 FNL & 1587 FWL.



OPERATOR CERTIFICATION

I hereby certify that the information contained 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Brian Wood 6-11-11
Signature Date

BRIAN WOOD

Printed Name

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.

APR 11 2011
Date of Survey

Signature and Seal of Professional Surveyor

Tommy J. Paul 4/25/2011
Certificate Number 15079

WOF 110411WL-1 (KA)

DEC 13 2011

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HOBBS OCD
DEC 12 2011

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-11152	Pool Code 37240	LANGLIE MATTIX:7 RVRS-Q-GRAYBURG
Property Code 306443	Property Name COOPER JAL UNIT	Well Number 129
OGRID No. 263848	Operator Name RESACA OPERATING CO.	Elevation 3302.0'

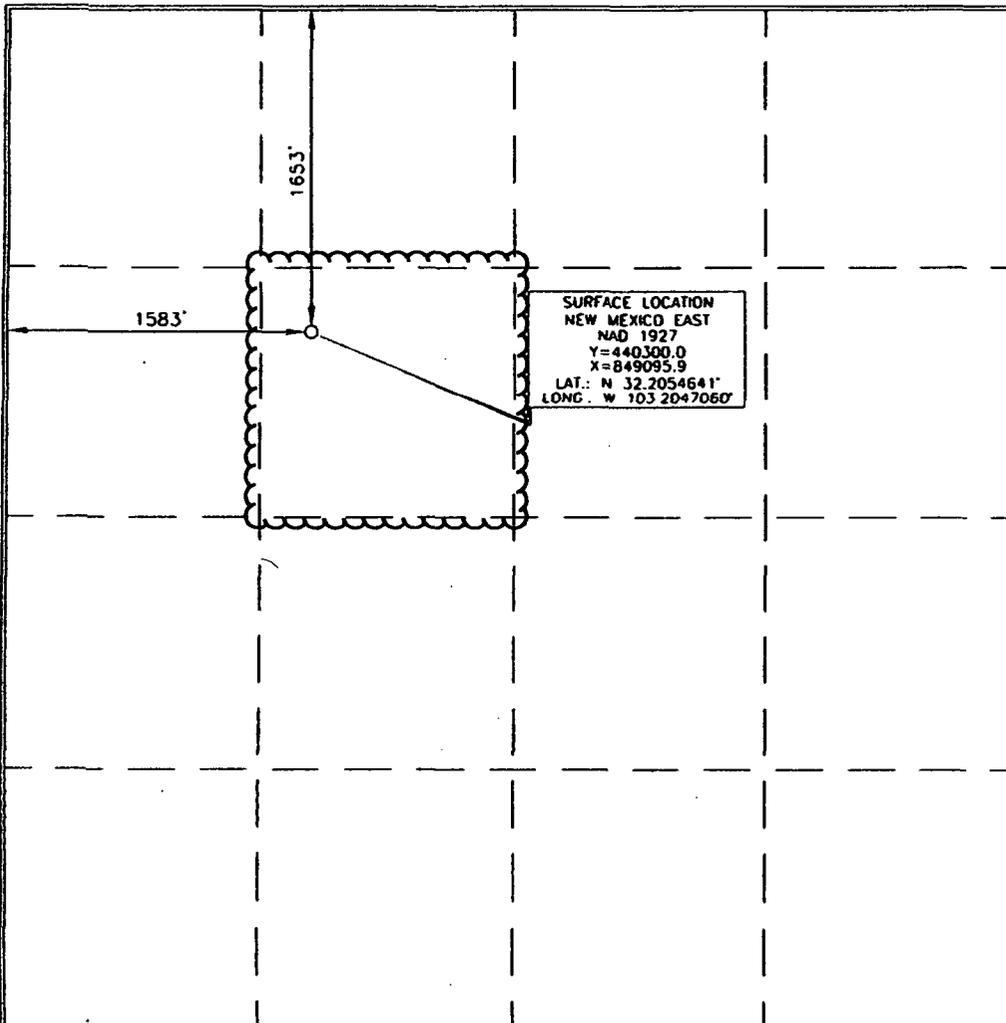
Surface Location

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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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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Brian Wood 6-11-11
Signature Date

BRIAN WOOD

Printed Name

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of a prior survey made by me or under my supervision and that the same is true and correct to the best of my belief.

15079
APRIL 11, 2011
Date of Survey
Signature and Seal of Professional Surveyor

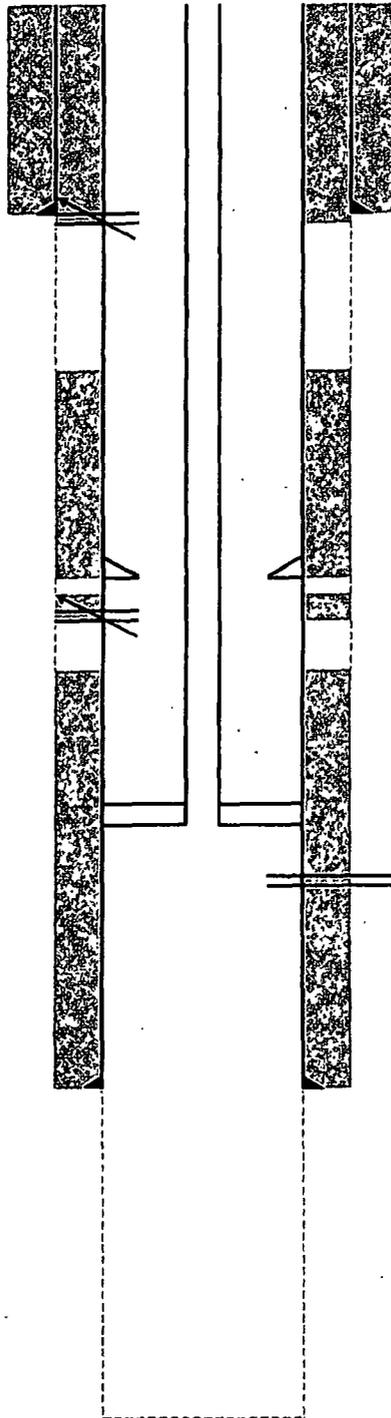
Tommy J. Reed 4/23/2011
Certificate Number 15079

PROPOSED WELLBORE SCHEMATIC

Operator: Resaca Operating Co.
 Well Name: Cooper Jal #129
 Well Location: 1650' FNL, 1587' FWL
 Calls: F
 Unit: 19
 Section: 24S
 Township: 37E
 Range: 37E

perf sqz holes @ 400'
 sqz 155 sx cmt, circulated to surface

perf sqz holes @ 1300'
 sqz 50 sx cmt



Total Depth (ft) 3730

Surface Casing

Hole Size (in)	Unknown
Casing Size (in)	8 5/8
Casing Weight (ppf)	Unknown
Setting Depth (ft)	330
Amount Cement (sx)	175
Top of Cement (ft)	Unknown
TOC Method	-----

DV Tool

Depth (ft)	Unknown
Amount Cement (sx)	100
Top of Cement (ft)	Unknown
TOC Method	-----

Production Tubing

Tubing Size (in)	2 7/8
Tubing Weight (ppf)	6.5
TAC Depth (ft)	3000
Setting Depth (ft)	3000

Perforations

Top (ft)	3018
Bottom (ft)	3372

Production Casing

Hole Size (in)	Unknown
Casing Size (in)	5 1/2
Casing Weight (ppf)	Unknown
Setting Depth (ft)	3386
Amount Cement (sx)	200
Top of Cement (ft)	Unknown
TOC Method	-----

Open Hole

Hole Size (in)	4 3/4
Top (ft)	3386
Bottom (ft)	3730