

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 _____

- CTB 792
 - VF Petroleum, Inc
 24010
 well
 - State AP #2
 30-025-20979
 - mid VAC & STATE #1
 30-025-42457
 POOL
 - Vellum, ABU
 REEF
 61780

- [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.

Eric Sprinkle Print or Type Name.	 Signature	Petroleum Engineer Title	6-06-16 Date
		eric@vfpetroleum.com E-mail Address	

PMAM 1615 85 9448

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

RECEIVED

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

2016 JUN -6 P 3:43

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: V-F Petroleum Inc.
OPERATOR ADDRESS: P. O. Box 1889, Midland, TX 79702
APPLICATION TYPE:

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

LEASE TYPE: Fee State Federal

Is this an Amendment to existing Order? Yes No If "Yes", please include the appropriate Order No. _____
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

(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. Vacuum; Abo Reef [61780]
(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) Well Test

(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.

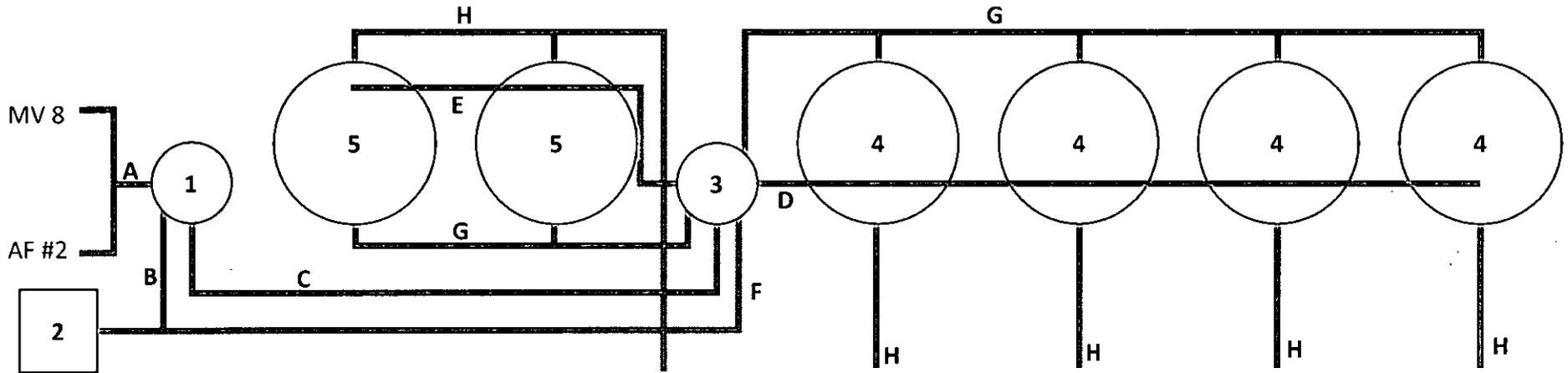
(E) ADDITIONAL INFORMATION (for all application types)
Please attach sheets with the following information

(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: *Eric Sprinkle* TITLE: Petroleum Engineer DATE: 6/01/16
TYPE OR PRINT NAME: Eric Sprinkle TELEPHONE NO.: 432-683-3344
E-MAIL ADDRESS: eric@vfpetroleum.com

State AF #2 and Mid-Vac 8 State #1
 Comingled Battery
 O; Sec 8, T-18S; R-35E



- 1. 2 Phase Separator
- 2. Gas Meter
- 3. Gun Barrel
- 4. Oil Tank
- 5. Water Tank

- A. Oil, Gas, and Water Production; from Wells to 2 Phase Separator
- B. Gas; from 2 Phase Separator to Gas Meter
- C. Oil and Water; from Phase Separator to Gun Barrel
- D. Oil; from Gun Barrel to Oil Tanks
- E. Water; from Gun Barrel to Water Tanks
- F. Gas; from Gun Barrel to Gas Meter
- G. BSW line; from Tanks to Gun Barrel
- H. Sales Lines; from Tanks to Trucks

Battery Location: 32.7560, -103.4779

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-20979		² Pool Code 61780		³ Pool Name Vacuum: Abo Reef	
⁴ Property Code		⁵ Property Name State AF			⁶ Well Number 2
⁷ OGRID No. 24010		⁸ Operator Name V-F Petroleum Inc.			⁹ Elevation 3,944'

¹⁰ Surface Location

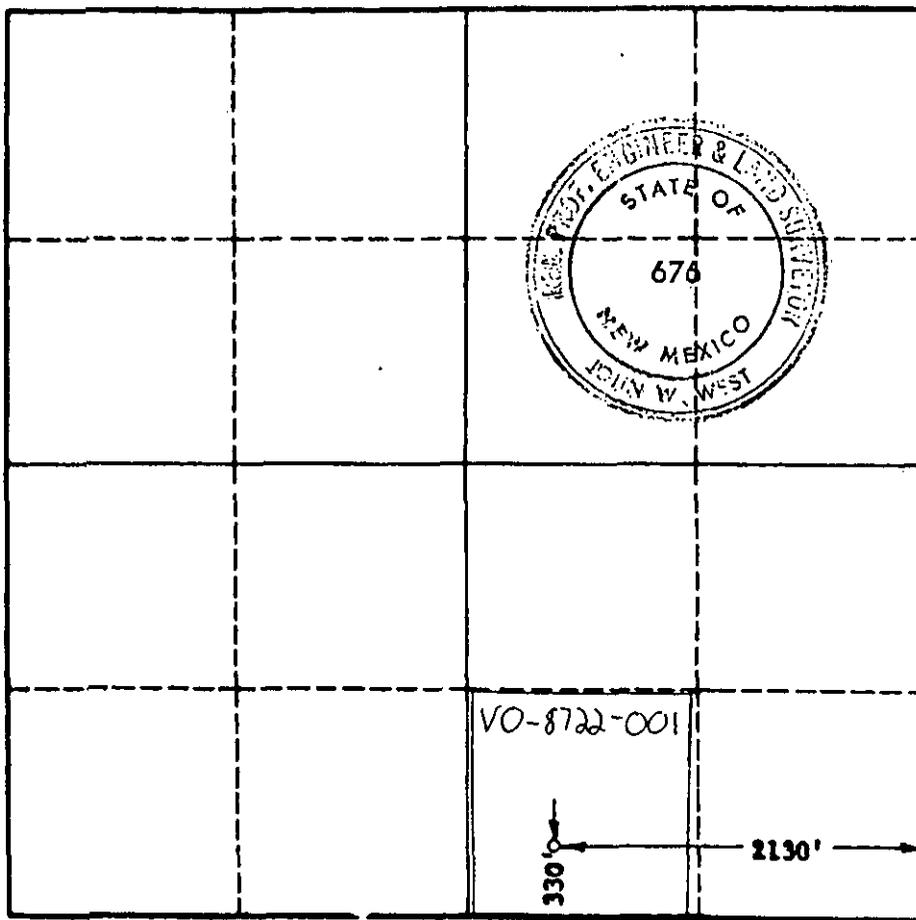
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	8	18-S	35-E		330	South	2310	East	Lea

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 40	¹³ Joint or Infill N	¹⁴ Consolidation Code	¹⁵ 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.



¹⁷ 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.

Eric Sprinkle 01/23/15
Signature Date

Eric Sprinkle
Printed Name

eric@vfbpetroleum.com
E-mail Address

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 Surveyed DECEMBER 10, 1963
Registered Professional Engineer and/or Land Surveyor, JOHN W. WEST
<i>John W. West</i> Certificate No. N. M. - P. E. & L. S. NO. 676

0 330 660 990 1320 1650 1980 2310 2640 2000 1600 1200 800

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

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-42457	Pool Code 61780	Pool Name Vacuum; Abo Reef
Property Code	Property Name MID-VAC STATE 8	Well Number 1
OGRID No. 24010	Operator Name V-F Petroleum Inc.	Elevation 3946'

Surface Location

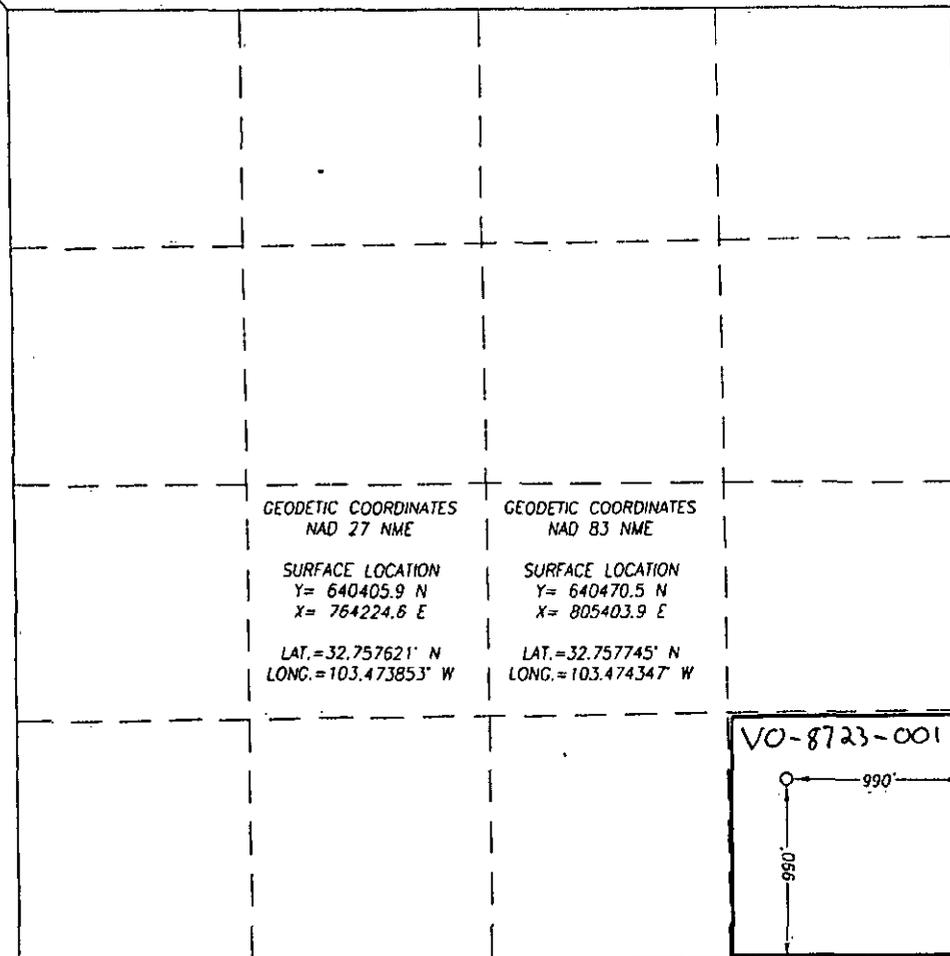
UL or lot No.	Section	Township	Range	Lot (dn)	Feet from the	North/South line	Feet from the	East/West line	County
P	8	18-S	35-E		990	SOUTH	990	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot (dn)	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 40	Joint or Infill N	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



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.

Eric Sprinkle 2/23/15
Signature Date

Eric Sprinkle
Printed Name

eric@vfpetroleum.com
E-mail Address

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.

FEBRUARY 2, 2015
Date of Survey

Ronald J. Eidson
Signature & Seal of Professional Surveyor

3239
Certificate Number Gary G. Eidson 12641
Ronald J. Eidson 3239

LST. JWSC W.O. 15,11.0112

V-F Petroleum Inc.

500 W. Texas, Suite 350, Midland, Texas 79701
Mailing Address: P.O. Box 1889, Midland, TX 79702

432-683-3344
E-mail: eric@vfpetroleum.com

FAX: 432-683-3352
www.vfpetroleum.com

June 1, 2016

Working Interest Owners

Commingling Application Notification

State AF #2 & Mid-Vac 8 State #1
Sec 8, T-18-S, R-35-E
Lea County, NM

V-F Petroleum Inc. ("V-F") hereby requests your approval to surface commingle production from the State AF #2 (API: 30-025-20979) and the Mid-Vac 8 State #1 (API: 30-025-42457), all located in the S/2 of Section 8, Township 18 South, Range 35 East, Lea County, New Mexico. V-F plans to commingle production from said wells into the existing battery located at the State AF #2 location. V-F is planning to allocate monthly production using periodic well tests.

V-F believes that commingling will not decrease the value of production from each well. Additionally, V-F believes commingling will prevent waste and lower future costs by utilizing the same tank battery equipment for both wells.

Please be aware that the working interest ownership is not identical among the wells, and therefore, in order to commingle production from each well at the surface and account for each well's production in the manner proposed above, V-F must first notify the affected interest owners. Please sign and return one copy of this letter as acknowledgement of your approval of the proposed commingling of these wells. You must file any objections in writing with the division's Santa Fe office within 20 days of receiving this letter.

Very truly yours,



Eric Sprinkle
Petroleum Engineer

Approval

If you agree with this recommendation, please indicate so by signing and returning one copy of this notification to V-F by fax at 432-683-3352, e-mail to eric@vfpetroleum.com or mail.

Company _____

Date _____

Approved by _____

Title _____

E-Mail Address _____

Application to Surface Commingle

Section 8, T-18-S, R-35-E

Wells to be surface commingled:

State AF #2
30-025-20979
VO-8722-001

Mid-Vac 8 State #1
30-025-42457
VO-8723-001

Affected Interest Owners:

Ameristate Partners LLC
Double Eagle Equity, LP
Fuel Products, Inc.
Gahr Energy Company
HFLP E&P LLC
Mark Nearburg
Pear Resources
SMK Investments, LLC
William Watson, Inc.

V-F Petroleum Inc.

500 W. Texas, Suite 350, Midland, Texas 79701

Mailing Address: P.O. Box 1889, Midland, TX 79702

432-683-3344

E-mail: eric@vfpetroleum.com

FAX: 432-683-3352

www.vfpetroleum.com

June 21, 2016

Michael McMillan
Engineering and Geological Services Bureau
Oil Conservation Division

Commingling Application

State AF #2 & Mid-Vac 8 State #1

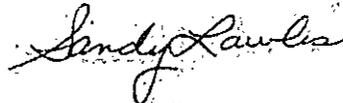
Sec 8, T-18-S, R-35-E

Lea County, New Mexico

Dear Mr. McMillan,

The owners of Fuel Products, Inc. and Gahr Energy Company, which have interest in the State AF #2 and the Mid-Vac 8 State #1, are both affiliated with V-F Petroleum Inc. and were notified by hand delivery of the application to commingle.

Very Truly Yours



Sandra K. Lawlis
Vice President & Controller

SKL/es

Production Summary Report						
API: 30-025-20979						
STATE AF #002						
Printed On: Tuesday, June 21 2016						
		Production				
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	
2015	[61780] VACUUM;ABO REEF	May	479	0	0	
2015	[61780] VACUUM;ABO REEF	Jun	478	0	0	
2015	[61780] VACUUM;ABO REEF	Jul	295	0	1430	
2015	[61780] VACUUM;ABO REEF	Aug	330	0	1530	
2015	[61780] VACUUM;ABO REEF	Sep	374	0	3090	
2015	[61780] VACUUM;ABO REEF	Oct	294	0	2188	
2015	[61780] VACUUM;ABO REEF	Nov	283	82	1026	
2015	[61780] VACUUM;ABO REEF	Dec	206	225	792	
2016	[61780] VACUUM;ABO REEF	Jan	237	202	737	
2016	[61780] VACUUM;ABO REEF	Feb	168	206	886	
2016	[61780] VACUUM;ABO REEF	Mar	244	213	926	
2016	[61780] VACUUM;ABO REEF	Apr	2	143	460	
Cumulative Production:			3390	1071	13065	

Production Summary Report						
API: 30-025-42457						
MID VAC 8 STATE #001						
Printed On: Tuesday, June 21 2016						
		Production				
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	
2015	[61780] VACUUM;ABO REEF	Oct	179	24	547	
2015	[61780] VACUUM;ABO REEF	Nov	623	203	256	
2015	[61780] VACUUM;ABO REEF	Dec	480	329	198	
2016	[61780] VACUUM;ABO REEF	Jan	555	327	184	
2016	[61780] VACUUM;ABO REEF	Feb	391	263	222	
2016	[61780] VACUUM;ABO REEF	Mar	248	214	232	
2016	[61780] VACUUM;ABO REEF	Apr	333	215	115	
Cumulative Production:			2809	1575	1754	

7014 3490 0000 0965 1502

115
130

06/01/16

STATE OF
MID-VAC COMM.

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

1. Article Addressed to:

AMERISTATE PARTNERS LLC
710 DRAGON
LAKEWAY, TEXAS 78734

A. Agent

B. by

C. Date of Delivery

D. Item below: Yes No

A. Type

Restricted Delivery

Mail Restricted Delivery

Collect on Delivery

Delivery Restricted Delivery

Insured Delivery

Article Number
7014 3490 0000 0965 1502

PS Form 3811, July 2015 PSN 7530-02-000-9083 Domestic Return Receipt

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:

DOUBLE EAGLE EQUITY, LP
1401 BALLINGER STREET, SUITE
FORT WORTH, TEXAS 76102

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address below? Yes No

A.

Restricted Delivery

Mail Restricted Delivery

Collect on Delivery

Delivery Restricted Delivery

Insured Delivery

Priority Mail Express

Registered Mail™

Registered Mail Restricted Delivery

Return Receipt for Merchandise

Signature Confirmation™

Signature Confirmation Restricted Delivery

Article Number (Domestic Mail Only)
9590 9402 1345 5285 5994 42

2. Article Number (Foreign Mail Only)
7014 3490 0000 0965 1476

PS Form 3811, July 2015 PSN 7530-02-000-9083 Domestic Return Receipt

STATE OF
MID-VAC COMM.

7014 3490 0000 0965 1476

7014 3490 0000 0965 1476

Postage
Carrier Fee
Return Receipt Fee (Signature Confirmation)

Postmark
AF
JMM

- 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

1. Article Addressed to:

HFLP E&P LLC
P.O. BOX 8122
MIDLAND, TEXAS 79708

A. Agent

B. by

C. Date of Delivery

D. Is delivery address below? Yes No

A.

Restricted Delivery

Mail Restricted Delivery

Collect on Delivery

Delivery Restricted Delivery

Insured Delivery

Priority Mail Express

Registered Mail™

Registered Mail Restricted Delivery

Return Receipt for Merchandise

Signature Confirmation™

Signature Confirmation Restricted Delivery

Article Number (Domestic Mail Only)
7014 3490 0000 0965 1489

PS Form 3811, July 2015 PSN 7530-02-000-9083 Domestic Return Receipt

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:

MARK NEARBURG
710 DRAGON
LAKEWAY, TEXAS 78734

A. Agent

B. by

C. Date of Delivery

D. Is delivery address below? Yes No

A.

Restricted Delivery

Mail Restricted Delivery

Collect on Delivery

Delivery Restricted Delivery

Insured Delivery

Priority Mail Express

Registered Mail™

Registered Mail Restricted Delivery

Return Receipt for Merchandise

Signature Confirmation™

Signature Confirmation Restricted Delivery

Article Number (Domestic Mail Only)
7014 3490 0000 0965 1472

PS Form 3811, July 2015 PSN 7530-02-000-9083 Domestic Return Receipt

7014 3490 0000 0965 1472

Postage
Certified Fee
Return Receipt Fee (Signature Confirmation)
Postmark
AF
JMM

