

21. June.07 DATE IN	SUSPENSE	W. Sones ENGINEER	22. June.07 LOGGED IN	DHC TYPE	PLP0717345479 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



RECEIVED

JUN 21 2007

**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

Oil Conservation Division  
 1220 S. St. Francis Drive  
 Santa Fe, NM 87505

**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.**

Eddy W Seay		Agent	6/18/2007
Print or Type Name	Signature	Title	Date
		seay04@leaco.net	
		e-mail Address	

District I  
1625 N French Drive Hobbs, NM 88240  
District II  
1301 W Grand Avenue, 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 June 10, 2003

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

PETROHAWK OPERATING COMPANY 1000 LOUISIAN, STE 5600, HOUSTON, TX 77002  
Operator STATE A A/C-1 92 Address D-11-23S-36E LEA  
Lease Well No Unit Letter-Section-Township-Range County  
OGRID No 194849 Property Code 302432 API No 30-025-09317 Lease Type Federal  State  Fee

DHC-3915

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	JALMAT; TAN-Y-7R GAS		LANGLIE MATTIX; 7R-Q-GB
Pool Code	79240		37240
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	2970-3434		3450-3624
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)			
Producing, Shut-In or New Zone	NEW ZONE		PRODUCING
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)	see attached supporting data		DEC 2006
	Date	Date	Date
	Rates	Rates	Rates
			63.6 mcf/gpd 0.8 bopd
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required)	Oil 9.6 % Gas 30.61 %	Oil % Gas %	Oil 90.4 % Gas 69.39 %

81L

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 Eddy W Seay TITLE AGENT DATE 6/18/2007  
TYPE OR PRINT NAME Eddy W Seay TELEPHONE NO (505) 392-2236  
E-MAIL ADDRESS seay04@leaco.net

District I  
1625 N. French Dr., Hobbs, NM 88240  
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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

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-025-09317		<sup>2</sup> Pool Code 79240		<sup>3</sup> Pool Name JALMAT;TANS-YATES-7 RIVERS (GAS)	
<sup>4</sup> Property Code 302432		<sup>5</sup> Property Name STATE A A/C-1			<sup>6</sup> Well Number 92
<sup>7</sup> OGRID No. 194849		<sup>8</sup> Operator Name PETROHAWK OPERATING COMPANY			<sup>9</sup> Elevation

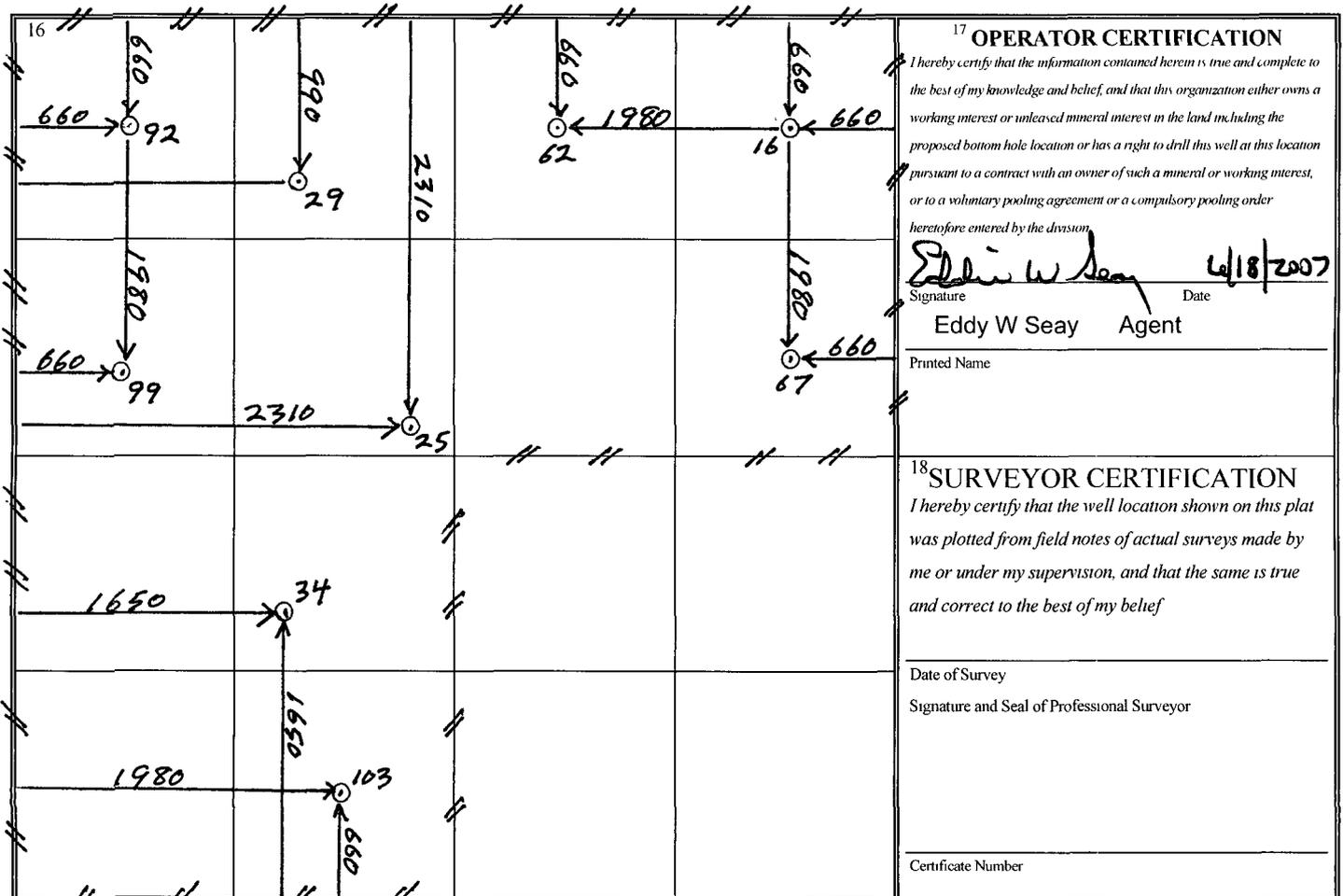
<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	11	23S	36E		660	NORTH	660	WEST	LEA

<sup>11</sup> 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
<sup>12</sup> Dedicated Acres 480		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> Order No. NSL-2723-E (SD)			

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.





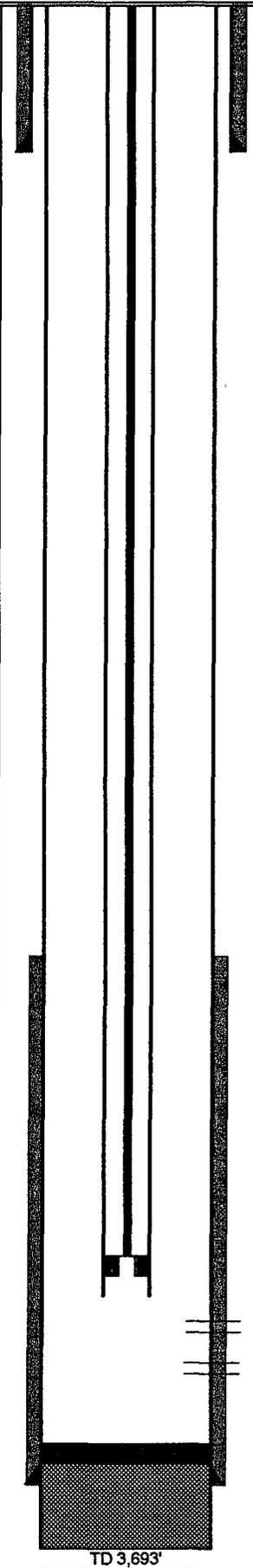
FORM TOP

TANSILL 2,794'  
(file pick)

YATES 2,970'

7 RVRS 3,169'

QUEEN 3,534'



8 5/8" @ 303'  
w/300 sx Cmt

Found Calcium Carbonate  
scale in Aug 1985

Cored 3,603-3,695'

TOC @ 2,250' by Temp Surv.

Perfs: 3450, 57, 3500, 05, 19, 24,  
27, 37, 52, 72'  
Perfs: 3573, 87, 95, 99, 3603, 09,  
24'  
Perfs: 3,621-25', sqzd w/100 sx on 4/64  
CIBP @ 3,630' on 4/64  
PB to 3,635' w/pea gravel & hydromite  
5 1/2" @ 3,643' w/250 sx Cmt

TD 3,693'

**STATE A A/C-1 #92**

**WELLBORE DIAGRAM**  
**PETROHAWK OPERATING CO.**

SU-T-R	11D-23S-36E	API #:	30-025-09317
POOL:	LANGLIE MATTIX;7 RVRS-QUEEN-GREYBURG		
CO, ST:	LEA, NEW MEXICO	LAND TYPE:	STATE
STATUS:	ACTIVE	ACREAGE	40.12
LATEST RIG WORKOVER:			
DIAGRAM REVISED: 6/15/2004 BY RSL			

LOG ELEVATION: 3,453' DF  
GROUND ELEVATION: 3,433'

	CASING	LINER	TUBING
Hole	12 1/4"	7 7/8"	
Pipe	8 5/8"	5 1/2"	2 3/8"
Weight	24#	14#	4.7#
Grade			
Thread			
Depth	303'	3,643'	3,554'
Mud wt			

LOGS			
Sonic			9/60

**TAN-YATES-7 RVRS ZONE HISTORY**

10/6/99 Prepared to R/C Yates & found csg leak  
in 5 1/2" csg

**OPPORTUNITY**

**LANGLIE MATTIX (LWR 7RVRS-QUEEN) HISTORY**

9/3/60 Spud. 9/60 Initial Completion.  
Open hole completion 3,643-93'  
Frac w/10,000 gal oil & 10,000# sand.  
IP 232 BOPD, 348 BWPD  
3/62 PB to 3,635' w/pea gravel & hydromite.  
Perforated 3,621-25'  
Acidized w/500 gal.  
Frac w/10,000 gal oil & 10,000# sand. (95% wtr cut)  
IP 4 BOPD, 95% wtr  
4/64 Set CIBP @ 3,630'. Sqzd perfs 3,621-25' w/100 sx.  
Perforated 3,573-3,624'  
Acidized 750 gal.  
Frac w/25,000 gal oil & 25,000# sand.  
Perforated 3,450-72'  
Acidized w/1500 gal.  
Frac w/20,000 gal gel & 30,000# sand. Pull RBP  
between perfs.  
IP 2 BO, 91 BW, 360 MCF

Well File  OGD

**CURRENT**

State A A/C-1 # 92  
Supporting Data for Commingling Permit

Petrohawk Operating Company is proposing to add additional perforations in the Jalmat;Tansill-Yates- 7 Rivers Gas pool and frac these perforations and then commingle the new pay with the Langlie Mattix;7 Rivers-Queen-Grayburg pool.

Reservoir Pressures

According to fluid level surveys performed on 04/27/2007 the reservoir pressures in both the Langlie Mattix (measured in State A A/C-1 # 92) and the Jalmat pool (measured in the State A A/C-1 # 62) is less than 250 psi. There was no significant fluid build up in the well and surface shut in pressure were less than 30 psi.

Proposed Allocation

The proposed allocation is based on the performance of wells offsetting the # 92 well. The State A A/C-1 62 is producing only from the Jalmat pool and the State A A/C-1 # 92 produces only from the Langlie Mattix pool.

Date	State A A/C-1 # 62			State A A/C-1 # 92		
	Oil, bbls	Gas, mcf	Water, bbls	Oil, bbls	Gas, mcf	Water, bbls
Aug-06	0	1034	62	3	2372	31
Sep-06	0	1034	60	0	2159	30
Oct-06	0	1015	69	0	2358	42
Nov-06	0	928	30	20	2174	120
Dec-06	5	856	62	24	1970	31
<b>TOTALS</b>	<b>5</b>	<b>4867</b>	<b>283</b>	<b>47</b>	<b>11033</b>	<b>254</b>
Percent of Combined Total	<b>9.6%</b>	<b>30.6%</b>	<b>52.7%</b>	<b>90.4%</b>	<b>69.4%</b>	<b>47.3%</b>