

ABOVE THIS LINE FOR DIVISION USE ONLY

3911

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 _____

RECEIVED

JUN 13 2007

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

[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.

Sheik Vaughn
 Print or Type Name

Sheik Vaughn
 Signature

Production Analyst 5-1-07
 Title Date

svaughn@petrohawk.com
 e-mail Address

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 and Natural Resources

Oil Conservation Division

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

Form C-107A
Revised June 10, 2003

APPLICATION TYPE

Single Well

Establish Pre-Approved Pools

EXISTING WELLBORE

Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

Operator **PETROHAWK OPERATING COMPANY** Address **1000 LOUISIAN, SUITE 5600 HOUSTON, TEXAS 77002**
Lease **STATE A A/C 1** Well No **# 16** Unit Letter-Section-Township-Range **A 11 23S 36E 1EA** County **LEA**

OGRID No **194849** Property Code **302432** API No **30-025-09309** Lease Type Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Jalmat Tansill Yates SR (Pro Gas)		Langlie Mattix Seven RQ
Pool Code	79240		27240
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	2850-3485'		3485'-3824'
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	Producing		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 see attached Rates	Date Rates	Date see attached Rates
	supporting data		supporting data
Fixed Allocation Percentage (Note If allocation is based upon something other than current or past production, supporting data or explanation will be required)	Oil 0 % Gas 62 %	Oil % Gas %	Oil 100 % Gas 38 %

Are all working, overriding, and royalty interests identical in all commingled zones? Yes No
If not, have all working, overriding, and royalty interests 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 all offset operators
- Notification list of working, overriding, and royalty interests for uncommon interest cases
- Any additional statements, data, or documents required to support commingling

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 Sheila Vaughn TITLE Production Analyst DATE 5/24/07

TYPE OR PRINT NAME Sheila Vaughn TELEPHONE NO. (832) 369-2109

E-MAIL svaughn@petrohawk.com

State A A/C-1 #16
Supporting Data for Commingling Permit

Petrohawk Operating Company is proposing to clean out the State A A/C-1 #16 to its original depth of 3,824', complete and stimulate the well in the both the Jalmat; Tansill-Yates-7 Rivers (Pro Gas) pool and the Langlie Mattix; 7 Rivers-Queen-GB pool. The #16 currently produces only 7 MCFPD. Production will increase after being stimulated, therefore using the current production rate would not yield the most accurate allocation.

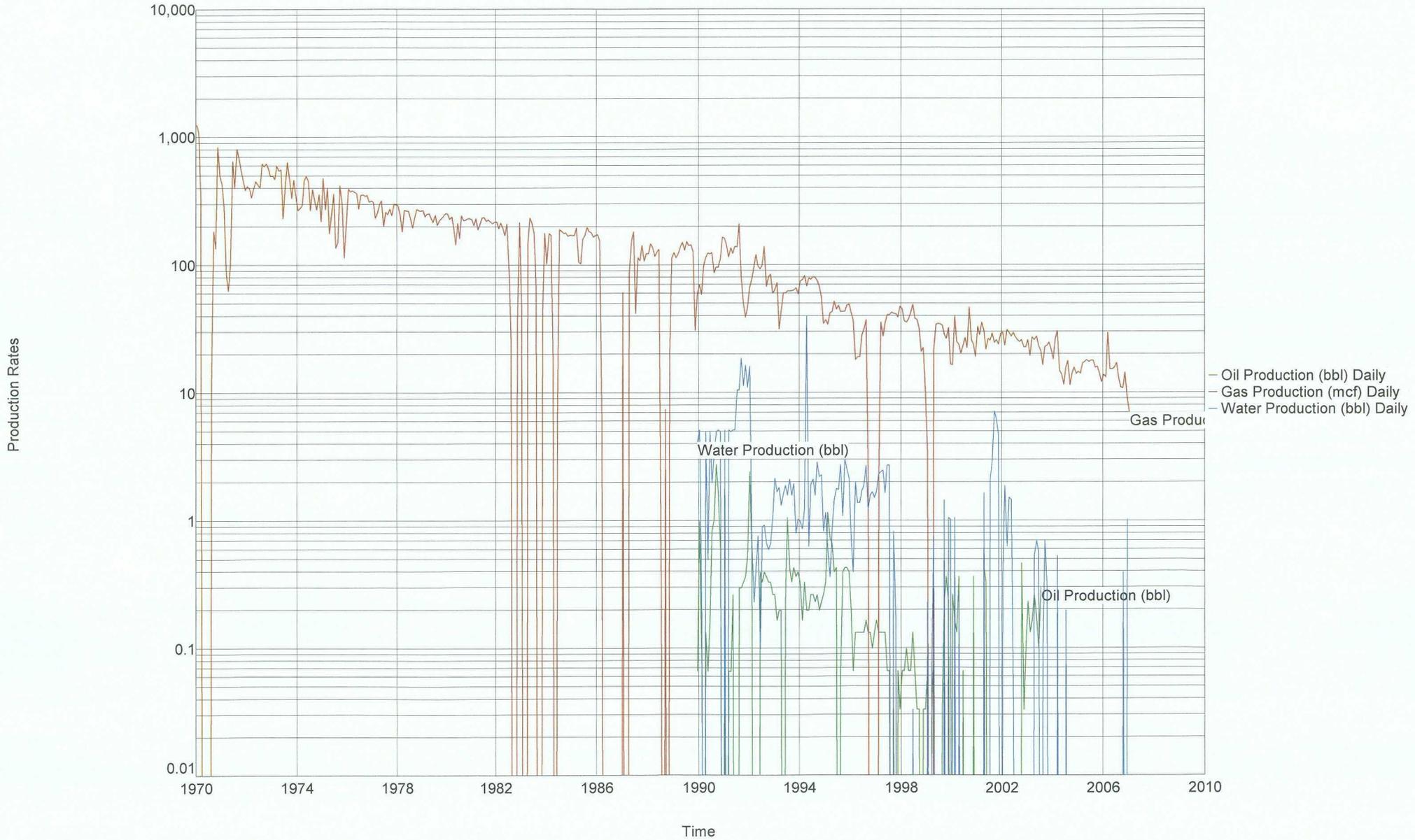
The proposed allocation is based on the performance of wells offsetting the #16. The State A A/C-1 #58 is a recently recompleted well producing only from the Jalmat pool and the State A A/C-1 #92 produces only from the Langlie Mattix pool.

Date	State A A/C-1 #58			State A A/C-1 #92		
	Oil, bbls	Gas, Mcf	Water, bbls	Oil, bbls	Gas, Mcf	Water, bbls
Aug-06	0	3,255	775	3	2,372	31
Sep-06	0	4,318	660	0	2,159	30
Oct-06	0	4,238	436	0	2,358	42
Nov-06	0	3,683	660	20	2,174	120
Dec-06	0	2,769	527	24	1,970	31
Totals	0	18,263	3,058	47	11,033	254

Percent of Combined Total	0.0%	62.3%	92.3%	100.0%	37.7%	7.7%
----------------------------------	-------------	--------------	--------------	---------------	--------------	-------------

Lease Name: STATE A A C 1
County, State: LEA, NM
Operator: PETROHAWK OPERATING COMPANY
Field: JALMAT
Reservoir: TANSILL-YATES-SEVEN
Location: 11 23S 36E

JALMAT, STATE A A C 1 16



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-102
Revised June 10, 2003

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-09309		² Pool Code 79240		³ Pool Name Jalmat;Tan, Yates, 7-rvrs (Gas)	
⁴ Property Code 302432		⁵ Property Name State A A/C 1			⁶ Well Number 16
⁷ OGRID No. 194849		⁸ Operator Name Petrohawk Operating Company			⁹ Elevation 3436' Gr

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
A	11	23S	36E		660	NORTH	660	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 480		¹³ Joint or Infill /		¹⁴ Consolidation Code /		¹⁵ Order No. /			

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

	<p>¹⁶</p>	<p>¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>Sheila Vaughn</i> Signature Sheila Vaughn Printed Name Production Analyst svaughn@petrohawk.com Title and E-mail Address 5/25/2007 Date</p>
	<p>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.</p> <p>Date of Survey Signature and Seal of Professional Surveyer</p> <p>Certificate Number</p>	

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr , Hobbs, NM 87240
 District II
 1301 W Grand Ave , 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 and Natural Resources

Form C-103
 May 27, 2004

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-025-09309
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. 302432
7. Lease Name or Unit Agreement Name: STATE A A/C-1
8. Well Number 016
9. OGRID Number 194849
10. Pool name or Wildcat JALMAT; TAN, YATES, 7-RVRS (GAS) 79240

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)

1. Type of Well:
 Oil Well Gas Well Other

2. Name of Operator
PETROHAWK OPERATING COMPANY

3. Address of Operator
1000 LOUISIANA, SUITE 5600, HOUSTON, TX 77002

4. Well Location
 Unit Letter **A** : **660** feet from the **NORTH** line and **660** feet from the **EAST** line
 Section **11** Township **23S** Range **36E** NMPM County **LEA**

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

Pit or Below-grade Tank Application or Closure

Pit type **N/A** Depth to Groundwater _____ Distance from nearest fresh water well **1000'+** Distance from nearest surface water **1000'+**

Pit Liner Thickness: **N/A** mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input checked="" type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

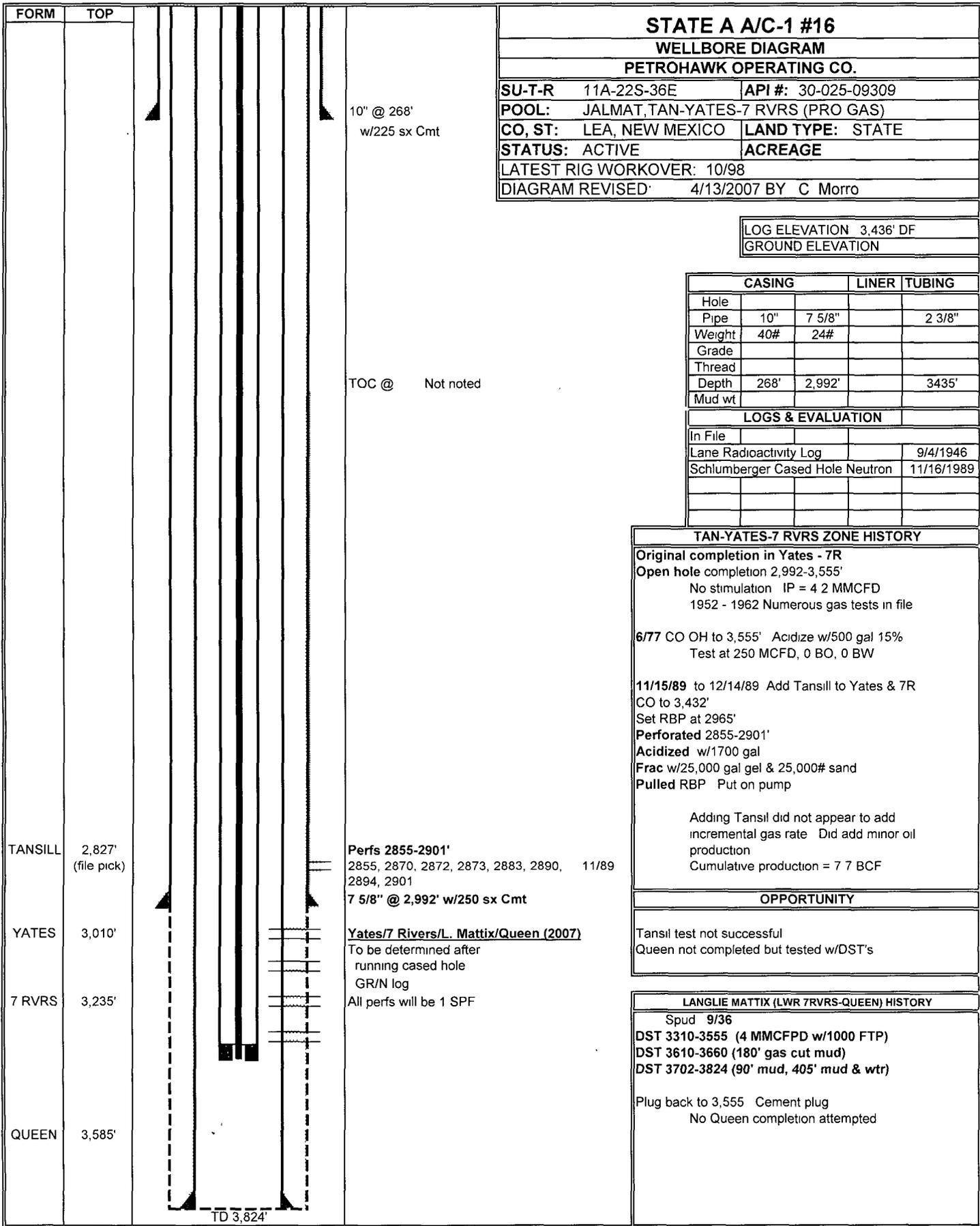
Clean out well to original TD of 3824' (Last check of PBID was in 1989, tagged at 3432')
 Run 4-1/2" casing and cement to surface.
 Perforate and fracture stimulate pay in Yates, Seven Rivers and Langlie Mattix.
 Put on Production

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan

SIGNATURE *Sheila Vaughn* TITLE Production Analyst DATE 05/25/07
 E-mail address: svaughn@petrohawk.com
 Type or print name Sheila Vaughn Telephone No. 832-369-2109

For State Use Only

APPROVED BY _____ TITLE _____ DATE _____
 Conditions of Approval, if any:



STATE A A/C-1 #16
WELLBORE DIAGRAM
PETROHAWK OPERATING CO.

SU-T-R	11A-22S-36E	API #: 30-025-09309
POOL:	JALMAT, TAN-YATES-7 RVRS (PRO GAS)	
CO, ST:	LEA, NEW MEXICO	LAND TYPE: STATE
STATUS:	ACTIVE	ACREAGE
LATEST RIG WORKOVER: 10/98		
DIAGRAM REVISED: 4/13/2007 BY C Morro		

LOG ELEVATION	3,436' DF
GROUND ELEVATION	

	CASING	LINER	TUBING
Hole			
Pipe	10"	7 5/8"	2 3/8"
Weight	40#	24#	
Grade			
Thread			
Depth	268'	2,992'	3435'
Mud wt			

10" @ 268'
w/225 sx Cmt

TOC @ Not noted

LOGS & EVALUATION			
In File			
Lane Radioactivity Log			9/4/1946
Schlumberger Cased Hole Neutron			11/16/1989

TAN-YATES-7 RVRS ZONE HISTORY

Original completion in Yates - 7R
Open hole completion 2,992-3,555'
 No stimulation IP = 4 2 MMCFD
 1952 - 1962 Numerous gas tests in file

6/77 CO OH to 3,555' Acidize w/500 gal 15%
 Test at 250 MCFD, 0 BO, 0 BW

11/15/89 to 12/14/89 Add Tansill to Yates & 7R
 CO to 3,432'
 Set RBP at 2965'
Perforated 2855-2901'
Acidized w/1700 gal
Frac w/25,000 gal gel & 25,000# sand
Pulled RBP Put on pump

Adding Tansil did not appear to add incremental gas rate Did add minor oil production
 Cumulative production = 7 7 BCF

OPPORTUNITY

Tansil test not successful
 Queen not completed but tested w/DST's

LANGLIE MATTIX (LWR 7RVRS-QUEEN) HISTORY

Spud 9/36
DST 3310-3555 (4 MMCFPD w/1000 FTP)
DST 3610-3660 (180' gas cut mud)
DST 3702-3824 (90' mud, 405' mud & wtr)

Plug back to 3,555 Cement plug
 No Queen completion attempted

TANSILL 2,827'
(file pick)

YATES 3,010'

7 RVRS 3,235'

QUEEN 3,585'

Perfs 2855-2901'
 2855, 2870, 2872, 2873, 2883, 2890, 11/89
 2894, 2901
7 5/8" @ 2,992' w/250 sx Cmt

Yates/7 Rivers/L. Mattix/Queen (2007)
 To be determined after running cased hole
 GR/N log
 All perfs will be 1 SPF

TD 3,824'