

DATE IN 7/21/08	SUSPENSE	ENGINEER W Jones	LOGGED IN 7/21/08	DHC TYPE 4062	APP NO. PKUR0820355198
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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 *NSL-5560*
- 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

RECEIVED
2008 JUL 21 PM 2 51

[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 *MLR* Production Assistant 7-21-08
 Print or Type Name Signature Title Date

reyesm@odessa.teai.com
 e-mail Address

Cooper Jal Unit #503

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator **Torch Energy Services, Inc.**

3a. Address
1331 Lamar, Suite 1450 Houston, TX 77010

3b. Phone No. (include area code)
432-580-8500

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**1332' FSL & 1207' FWL
 Sec. 18, T24S, R37E**

5. Lease Serial No.
NM-12612

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
Cooper Jal Unit- NM 070926X

8. Well Name and No.
Cooper Jal Unit #503

9. API Well No.
30-025-38330

10. Field and Pool, or Exploratory Area
Langlie Mattix

11. County or Parish, State
Lea, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other DHC Well
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

- 1.) Move in, rig up pulling unit (Closed Loop System).
- 2.) Perforate Jalmat (Tansill, Yates & Upper 7 Rivers) 2920'-3300', 3 JSPF, 120 degree phasing
- 3.) Acidize all perfs w/ 190 barrels 15% NEFE HCL Acid, 12,000#'s Salt, 80 Tons CO2.
- 4.) Run 24 hour production test to determine allocation percentage split between Jalmat & Langlie Mattix.
- 5.) Downhole Commingle Jalmat & Langlie Mattix.
- 6.) Rig down, move off Pulling Unit, clean location, clean & dispose of pit fluids.

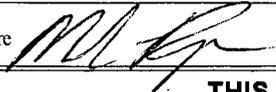
* Filing C-107A to get DHC Approval

14. I hereby certify that the foregoing is true and correct
 Name (Printed/Typed)

Melanie Reyes

Title **Production Assistant**

Signature



Date

7/8/08

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title

Date

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

District II
1301 W. Grand Avenue, Artesia, NM 88210

Oil Conservation Division

APPLICATION TYPE

District III
1000 Rio Brazos Road, Aztec, NM 87410

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

Single Well
Establish Pre-Approved Pools
EXISTING WELLBORE
Yes No

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

APPLICATION FOR DOWNHOLE COMMINGLING

Torch Energy Services, Inc. 1331 Lamar, Suite 1450 Houston, TX 77010 **DHE-4062**

Operator Address
Cooper Jal Unit 503 L-18-T24S-R37E Lea

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

OGRID No. 241401 Property Code 302966 API No. 30-025-38330 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)	3310-3313' Not Completed Yet		3353'-3655'
Method of Production (Flowing or Artificial Lift)			Artificial Lift
Bottomhole Pressure <small>(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)</small>			
Oil Gravity or Gas BTU (Degree API or Gas BTU)			37.7 API
Producing, Shut-In or New Zone			Producing
Date and Oil/Gas/Water Rates of Last Production. <small>(Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)</small>	Date: Rates:	Date: Rates:	Date: 5/18/07 Rates: 1 BOPD, 38 MCFPD
Fixed Allocation Percentage <small>(Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)</small>	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 Melanie Reyes TITLE Production Assistant DATE 7/8/08

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

E-MAIL ADDRESS reyesm@odessa.teai.com

DISTRICT I
1425 N. French Dr., Hobbs, NM 88240

DISTRICT II
1301 W. Grand Ave., Artesia, NM 88210

DISTRICT III
1000 Rio Bravo Rd., Artesia, NM 87410

DISTRICT IV
1250 St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-1021
Revised October 12, 2005

Submit to Appropriate District Office
State License-4 copies
Fee License-3 copies

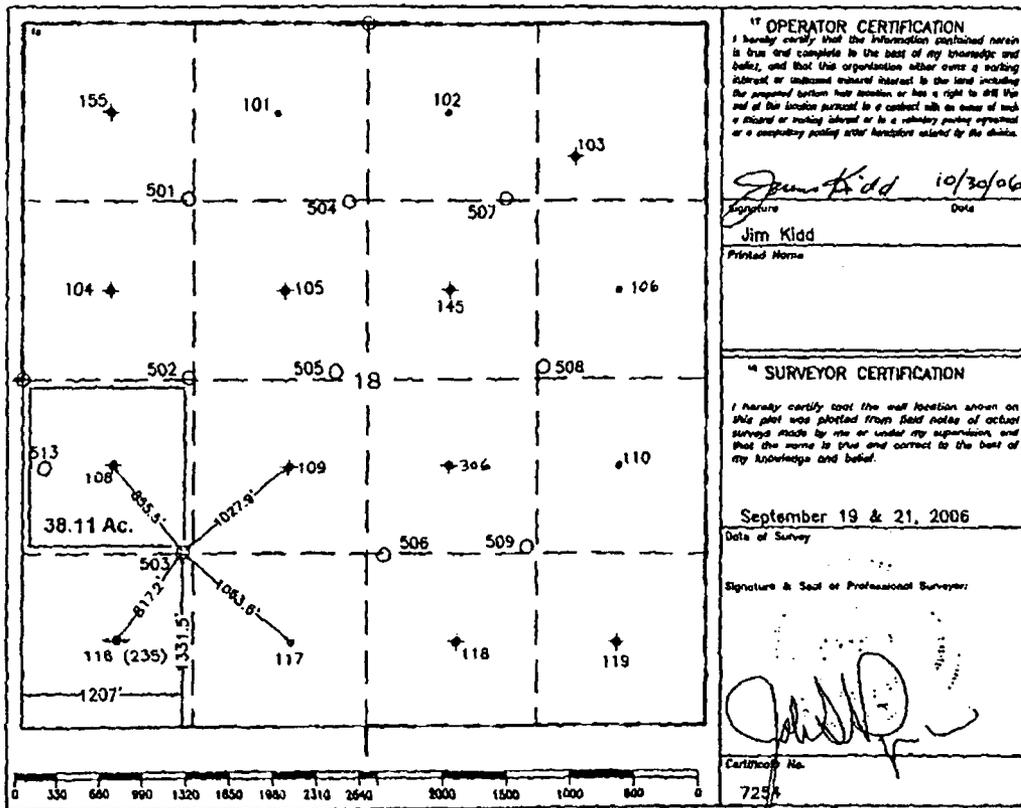
OIL CONSERVATION DIVISION
1220 South St. Francis Drive
Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

APN Number		Pool Code		Pool Name		
				Jolmat; Langlie Mattix		
Property Code		Property Name		Well Number		
		Cooper Jol Unit		503		
OGRM No. 183003		Operator Name		Elevation		
		TORCH ENERGY SERVICES, INC.		3305'		
Surface Location						
UL or lot no.	Section	Township	Range	Lot 1st	Feet from the North/South line	Feet from the East/West line
L	18	24-S	37-E		1331.5'	1207'
Bottom Hole Location if Different From Surface						
UL or lot no.	Section	Township	Range	Lot 1st	Feet from the North/South line	Feet from the East/West line
Total Acreage		Joint or In-It		Consolidation Code		Order No.
38.11						

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.



- = Staked Location
- = Producing Well
- ⊙ = Injection Well
- ◇ = Water Supply Well
- ◆ = Plugged & Abandon Well
- ⊗ = Found Section Corner, 2 or 3" Iron Pipe & GLO B.C.
- ⊙ = Found 1/4 Section Corner, 1" Iron Pipe & GLO B.C.

ADDITIONAL INFORMATION ON THE LOCATION

State Plane Coordinates		Easting 889865.03	
Northing 443340.21		Longitude 103°12'23.099"	
Latitude 32°12'49.665"	Zone North American Datum	Combined Grid Factor 0.99988900	Coordinate File Coop_Jol.Crd
East 1983/86	Drawing File Coop_Jol.Dwg	Field Book LEA #24, Pg. 3	



T O R C H
E N E R G Y S E R V I C E S , I N C .
A Subsidiary of Torch Energy Advisors

June 30, 2008

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

Attn: Mr. William Jones

Re: Cooper Jal Unit Ownership
 Lea County, New Mexico

Dear Mr. Jones,

Melanie Reyes forwarded to me an email that you sent to her regarding our downhole commingling applications. Please be advised that although the Cooper Jal Unit was approved for waterflooding by separate orders in both the Jalmat and the Langlie Mattix pools, the ownership in each wellbore within the unit is identical as the term is defined in Rule 303.

Please advise if you have any questions; I can be reached at (713) 756-1620.

Sincerely,

Randy Ziebarth
Vice President

