

PNRM0430146529

C-103 Received 10-25-2004
DHC No. Assigned 10-27-2004

Order Number HOB-0099		API Number 30-025-25107		Operator 24010 V-F Petroleum Inc.		County Lea	
Order Date 		Well Name 11529 Hudson Federal		Number 001		Location	
						K UL	15 Sec
						17S T (+Dir)	32E R (+Dir)
Pool 1	43250	Maljamar Abo	Oil % 26%	Gas % 28%			
Pool 2	04480	Baish Wolfcamp	74%	72%			
Pool 3							
Pool 4							
Comments: Work completed effective _____ Work cancelled effective _____ Supplement _____							

10-27-2004
Posted to
RYB m.l

DOWNHOLE COMMINGLE CALCULATIONS:

30-025-25107

HOB-00

OPERATOR: V-F Petroleum Inc.

PROPERTY NAME: Hudson Federal

WNULSTR: 1-K, 15-17-32

		ALLOWABLE AMOUNT		
43250	SECTION I: POOL NO. 1	<u>Maljamar Abo</u>	<u>310</u>	<u>1240</u> MCF <u>4000</u>
04480	POOL NO. 2	<u>Baish Wolfcamp</u>	<u>355</u>	<u>710</u> MCF <u>2000</u>
	POOL NO. 3	_____	_____	_____ MCF
	POOL NO. 4	_____	_____	_____ MCF
		POOL TOTALS	<u>665</u>	<u>1950</u>

		Oil	Gas
	SECTION II: POOL NO. 1	<u>Maljamar Abo</u>	<u>26%</u>
	POOL NO. 2	<u>Baish Wolfcamp</u>	<u>74%</u>
	POOL NO. 3	_____	_____
	POOL NO. 4	_____	_____

Oil Gas

26% 28%

$74\% \times 665 = 492.10$ 72%

	<u>OIL</u>	<u>GAS</u>
SECTION III:	<u>$310 \div 74\% = 418.92 (419)$</u>	_____
SECTION IV:	<u>$419 \times 26\% = 108.94 (109)$</u>	_____
	<u>$419 \times 74\% = 310.06 (310)$</u>	_____
	_____	_____
	_____	_____

N.M. Oil Cons. Division
1625 N. French Dr.

Hobbs NM 88240

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Form 3160-5
(June 1990)

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

5. Lease Designation and Serial No.
LC-054687

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.
HUDSON FEDERAL #1

9. API Well No.
30-025-25107

10. Field and Pool, or Exploratory Area
MALJAMAR ABO

11. County or Parish, State
LEA, NM

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
V-F PETROLEUM INC.

3. Address and Telephone No.
P.O. BOX 1889, MIDLAND, TEXAS 79702 (432) 683-3344

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1,980' FSL & 1,980' FWL (UNIT K) SECTION 15, T-17-S, R-32-E

12. CHECK APPROPRIATE BOX(S) 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"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other DOWN HOLE COMINGLE
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

- DRILL OUT BRIDGE PLUGS AND CEMENT CAPS AT 8,950' AND 9,650'.
- RETURN TO PRODUCTION WITH PRODUCTION DOWNHOLE COMINGLED FROM BAISH WOLECAM 9,747' - 10,123' AND MALJAMAR ABO 8,774' - 8,912'.

Per R-11363

Subject to
Like Approval
by State

Approval Also Subject To Filing A Subsequent
Report Of Downhole Commingling After
The Work Has Been Completed.



RECEIVED
OCT 21 AM 9:12

DHC Order No.
HOB-0099

14. I hereby certify that the foregoing is true and correct

Signed S. K. Lawls Title VICE PRESIDENT Date 10/12/04

(This space for Federal or State office use)

Approved by _____ Title _____ Date OCT 21 2004

Conditions of approval, if any:

OCT 27 2004

Title 18 U.S.C. Section 1001, makes 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.

*See Instruction on Reverse Side.

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

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

V-F PETROLEUM INC.

P.O. BOX 1889, MIDLAND, TEXAS 79702

Operator

HUDSON FEDERAL

Address

#1 1,980' FSL & 1,980' FWL (UNIT K)
SECTION 15, T17-S, R-32-E

LEA

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 024010 Property Code 011529 API No. 30-025-25107 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	MALJAMAR ABO		BAISH WOLFCAMP
Pool Code	43250		{ 4480 }
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	8,774' - 8,912'		9,747' - 10,123'
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)	NA		NA
Oil Gravity or Gas BTU (Degree API or Gas BTU)	40.9° API / 1258 BTU		36.3° API / 1502 BTU
Producing, Shut-In or New Zone	PRODUCING		SI
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: 09/01/04 Rates: 0 WATER 1 BOPD OIL 1 MCFD GAS	Date: Rates:	Date: 09/17/96 Rates: 1 WATER 2.75 BOPD OIL 2.5 MCFD GAS
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil 26 % Gas 28 %	Oil % Gas %	Oil 74 % Gas 72 %

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.

COPY

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 S.K. Lawlis TITLE VICE PRESIDENT DATE 10/12/04

TYPE OR PRINT NAME S.K. LAWLIS TELEPHONE NO. (432) 683-3344

E-MAIL ADDRESS sandy@vfpetroleum.com

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION

COPY

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

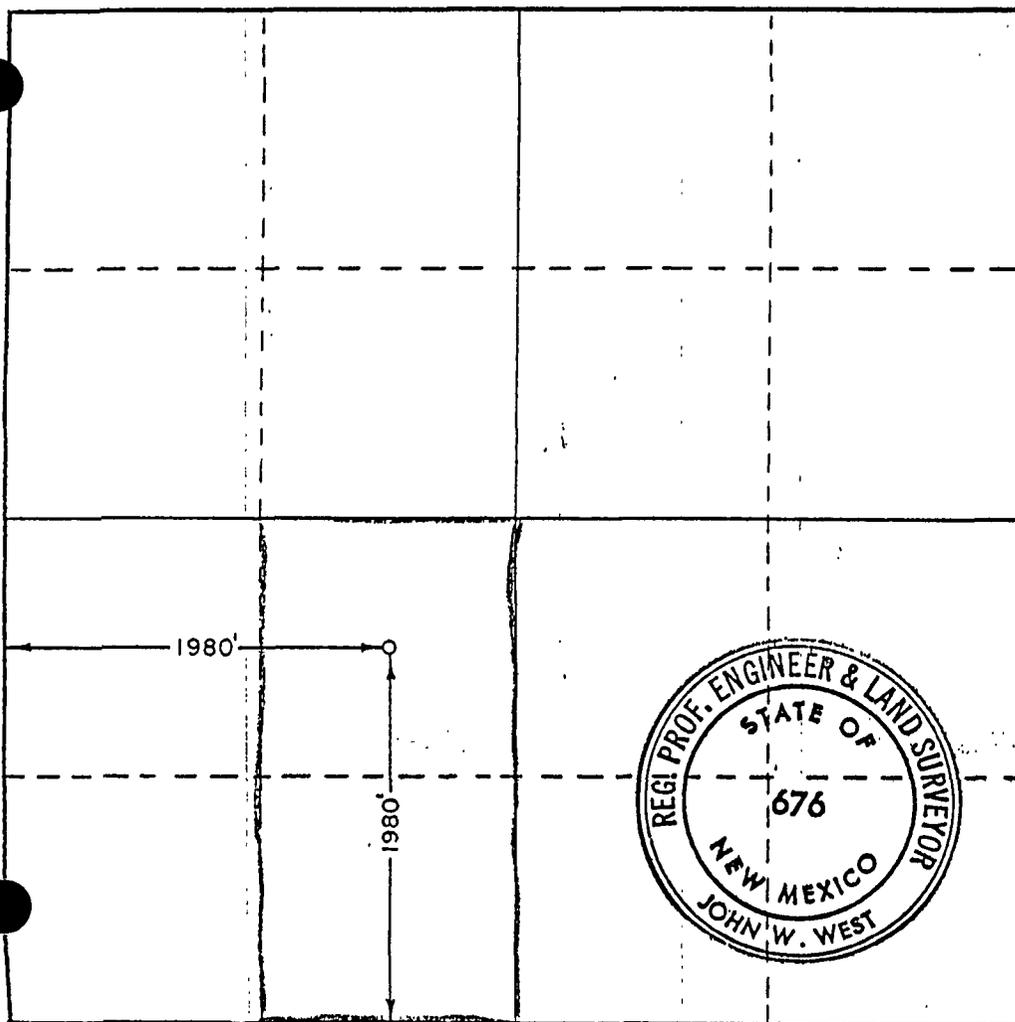
Operator V-F Petroleum Inc.		Lease Hudson Federal			Well No. 1
Unit Letter K	Section 15	Township 17 South	Range 32 East	County Lea	
Actual Footage Location of Well: 1980 feet from the South line and 1980 feet from the West line					
Ground Level Elev. 4038.5	Producing Formation Abo		Pool Maljamar	Dedicated Acreage: 80 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No . If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



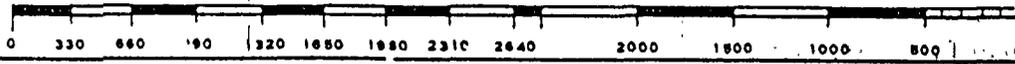
CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name: *R. A. Britt* R. A. Britt
 Position: Engineer
 Company: Kirby Exploration Company
 Date: July 30, 1975

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 knowledge and belief.

Date Surveyed: July 29, 1975
 Registered Professional Engineer and/or Land Surveyor: *John W. West*
 Certificate No. 676



NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the center line of the section.

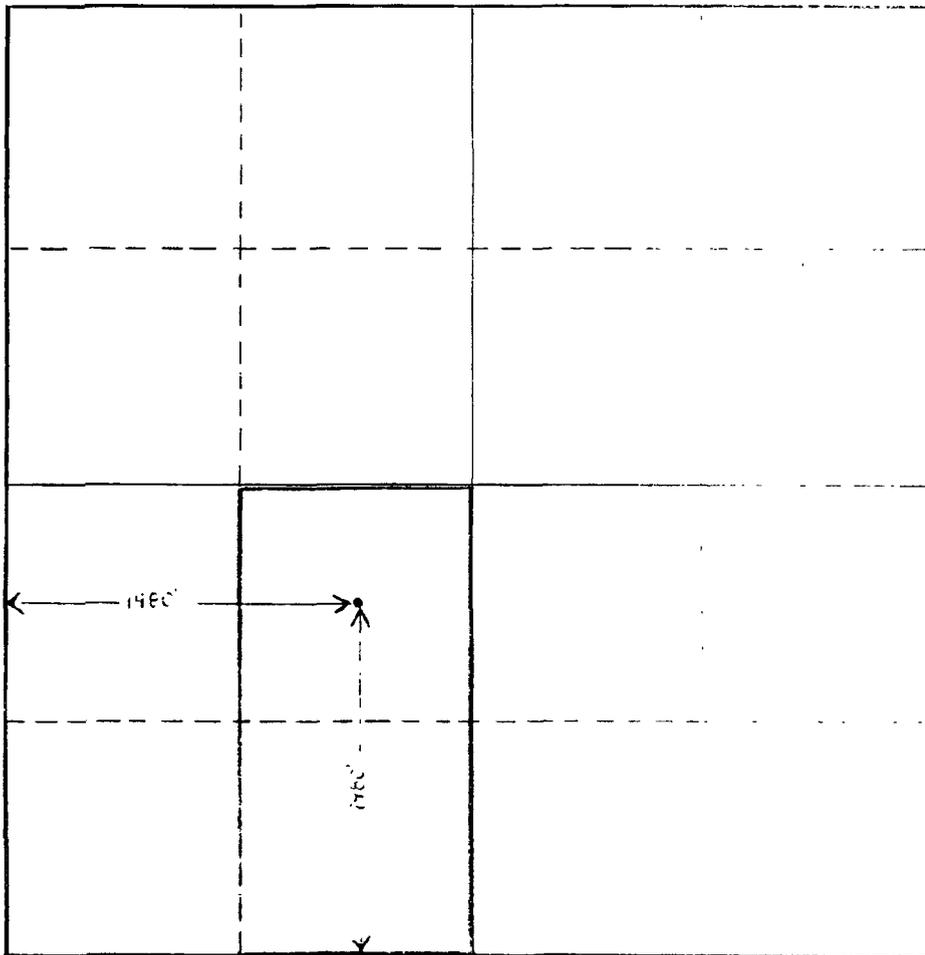
Operator Kirby Exploration Company		Lease No. Hudson Federal		Well No. 1
Unit Letter K	Section 15	Township 17 South	Range 32 East	County Lea
Actual Footage Location of Well: 1980 feet from the South line and 1980 feet from the West line				
Ground Level Elev. 4038.5	Producing Formation Baish Wolfcamp	Depth Baish	Dedicated Acreage: 80 Acres	

- Outline the acreage dedicated to the subject well by showing the boundary marks on the plat below.
- If more than one lease is dedicated to the well, outline each lease and the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc.

Yes No If answer is "yes," type of consolidation: _____

If answer is "no," list the owners and tract descriptions which have been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, effective to all interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Ronald A. Britton

Name
Ronald A. Britton

Profession
Engineer

Company
Kirby Exploration Company

Date
January 6, 1976

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 knowledge and belief.

Date Surveyed _____

Registered Professional Engineer
and/or Licensed Surveyor

Platificate No. _____

