

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 _____

*5/6/2004
 talked w/
 Trent Brown
 505-399-8231
 trent@brown.com
 yahoo.com*

- [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.

Gave Heard	<i>Gave Heard</i>	Agent	4/26/04
Print or Type Name	Signature	Title	Date
		<i>gheard@oilreportsinc.com</i>	
		e-mail Address	

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

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

APPLICATION FOR DOWNHOLE COMMINGLING

EXISTING WELLBORE
 Yes No

C. W. Trainer c/o Oil Reports & Gas Services, Inc. 1008 W. Broadway, Hobbs, NM 88240

Operator Address
Lakey Com 1 L-20-23S-28E Eddy
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 003474 Property Code _____ API No. 30-015-23351 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	WILDCAT Strawn <i>Goa</i>		JUNES North Loving - <i>ATOKA</i>
Pool Code			80694
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	11,083-11,329		11,330-12,035
Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
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)	1.025		1.080
Producing, Shut-In or New Zone	New Zone		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: Rates:	Date: Rates:	Date: Rates:
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	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 Gaye Heard TITLE Agent DATE 4/7/04

TYPE OR PRINT NAME Gaye Heard TELEPHONE NO. (505) 393-2727

E-MAIL ADDRESS gheard@oilreportsinc.com

FIRST YEAR PRODUCTION FOR WELLS NEAR THE LAKEY COM #1

CW TRAINER
CARTER #1
API 3001524105
YR 1982- 492 MCFD
17-23s-28e

CONCHO EXPL
CARTER GAS COM #1
API 3001522779
YR 1980- 4 BOPD, 417 MCFD
18-23s-28e

BIRD CREEK
CARRASCO 18 #1
API 3001524708
YR 1993- 1 BOPD, 129 MCFD
18-23s-28e

MNA ENTERPRISES
OGDEN #1
API 3001524206
YR 1983- 97 MCFD
29-23s-28e

OXY/USA
BRANTLEY A COM #1 API
API 3001523458
YR 1989- 156 MCFD
7-23s-28e

The Lakey #1 has no production history of production from the Strawn or Atoka. The previous list of wells are close to the Lakey #1 in location and producing zones. This is the required documentation of production for the downhole commingling request.

Mineral/Royalty Ownership

W/2 Sec. 20, T-23-S, R-28-E
Eddy County, New Mexico

Albert Carter, DBA
Carter Farms

NW/4
All

Charles A. Cassidy
Mildred D. Lakey
Earl Cochell, Jr.
Robert J. Jones
Charles R. Jones
Delilia May Jones Jackson
Mary Jones Leonard
Marie Jones Jordan
Maxine Jones Lammerman

SW/4
1/3 int.
1/6 int.
1/6 int.
1/18 int.
1/18 int.
1/18 int.
1/18 int.
1/18 int.
1/18 int.

RECEIVED
JUN 2 1980
O. C. D.
ARTESIA, OFFICE

District I
1625 N. French Dr., 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

Form C-101
Revised June 10, 2003

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

Submit to appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address C. W. TRAINER C/O OIL REPORTS & GAS SERVICES, INC. 1008 W. BROADWAY, HOBBS, NM 88240		² OGRID Number 003474
		³ API Number 30 - 015-23351
³ Property Code	⁵ Property Name LAKEY COM	⁶ Well No. 1

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	20	23S	28E		2280	SOUTH	660	WEST	EDDY

⁸ Proposed 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
L	20	23S	28E		2280	SOUTH	660	WEST	EDDY

⁹ Proposed Pool 1 NORTH LOVING	¹⁰ Proposed Pool 2 UNDESIGNATED STRAWN
--	--

¹¹ Work Type Code E	¹² Well Type Code O	¹³ Cable/Rotary PULLING UNIT	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3060'
¹⁶ Multiple NO	¹⁷ Proposed Depth 12,622	¹⁸ Formation ATOKA	¹⁹ Contractor UNKNOWN	Spud Date ASAP

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
		SEE	ORIGINAL	COMPLETION	

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary. SET ABOVE GROUND TANKS AS WORKOVER PITS. MIRU PULLING UNIT. BOP TEST TO 10,000#, USE HYDRIL, PULL & TEST TBG. RUN RETAINER & SQZ CMT INTO PERFS @ 6346'-6370'. RU REVERSE UNIT, DRL OUT RETAINER & CMT. DRL OUT CIBP & CMT @ 11,300' & CO TO 7343'. DRL OUT CMT & OTIS W.B. PKR @ 11,940. DRL OUT CMT & CIBP @ 12,300' TO CO TO 12,579'. RUN TDT LOG & PLAN TO PERF ATOKA INTERMITTANTLY 11,330'-12,036' & STRAWN INTERMITTENTLY 11,083'-11,329' OR BASED ON TDT LOG. NO H2S CONTINGENCY PLAN NEEDED. ACDZ & SWAB ACID. RIH W/PKR. PUT WELL ON PROD. PLEASE CONSIDER THIS C-101 AS APPLICATION PERSUANT TO 19.15.2.50 (PITS AND BELOW GRADE TANKS).

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Gaye Heard</i>	OIL CONSERVATION DIVISION	
	Approved by:	
Printed name: GAYE HEARD	Title:	
Title: AGENT	Approval Date:	Expiration Date:
E-mail Address: gheard@oilreportsinc.com		
Date: 3/18/04	Phone: 505/393-2727	Conditions of Approval: Attached <input type="checkbox"/>

Well History Record

CURRENT WELLBORE STATUS

30-015-23351 ^{CDM} JEE Well

WELL: LAKEY #1

LOCATION: UNIT L, 2280' FSL X 440' FW

NW/4 OF SEC. 20 - T235 - R28E, EN

SPUD DATE: 6-15-80

COMPL DATE: 10-29-80

T.D.: 12,622 P.B.T.D.: 6400

FIELD: NORTH LOVING (BONE SPRING)

ZONES: BONE SPRING

PERFS: 6346 - 6370'

ELEVATIONS: 3060' GL & 3076' KA

DELAWARE SAND 2400

BONE SPRING 6052

WOLF CAMP 8936

STRAWN 11,083'

ATOKA 11,330'

MORROW 12,036'

- ORIGINAL P.B.T.D. OF 12579'

10-10-80: PORE MORROW 12408-12416'

12419-12426'

12498-12505'

9-18-81: SET CROP AT 72300' CAP W/

35' CEMENT, NEW P.B.T.D. = 12265'

9-20-81: PORE UPPER MORROW 12080-99'

12170-181'

5-83: SET PLUG IN PACKER AT 11940'

AND ABANDON U. MORROW

5/5/83: PORE ATOKA AT 11397-353'

11/17/89: CAP OTIS WB PACKER

AT 11940' WITH 35' CEMENT

SET CROP (50) AT 94300'

AND CAP WITH 35' CEMENT

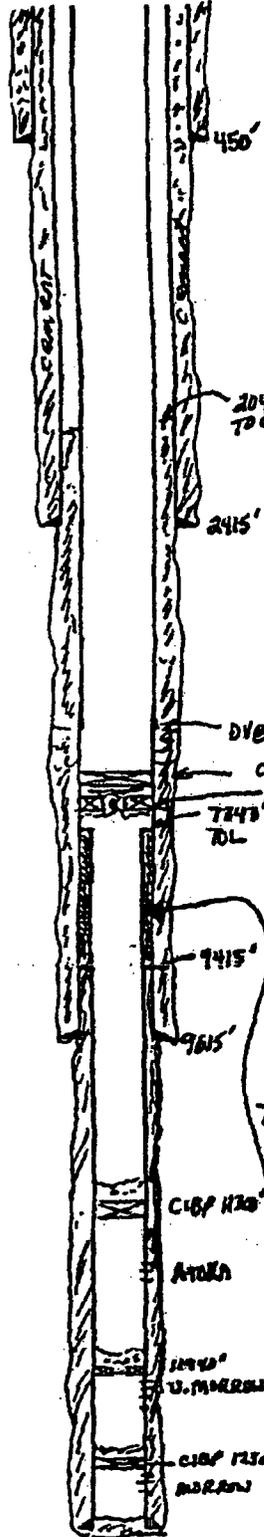
Recomplete to Bone

Spring 6346-6370'

NON-COMMERCIAL &

SHUT-IN

11/60/12016'



Surface	16" : 65"
Gr	K-55 @ 450'
Cmt.wl	750 Sxs.
TOC	SURFACE
Hole Size	20"
Max Mud Wt.	8.6
DEEP SURFACE PIPE	10 3/4" : 40.5"
Gr	K-55 @ 2415'
Cmt.wl	1875' 3X LTB 3051 CLASS C Sxs.
TOC	SURFACE
Hole Size	14 3/4"
Max Mud Wt.	10.1
INTERMEDIATE	7 5/8" : 29.7"
Gr	N-80 @ 9615'
Cmt.wl	① 500 + 310 SXS ② 700 + 100 SXS Sxs.
TOC	2040'
Hole Size	9 1/2"
Max Mud Wt.	9.5
7 5/8" DV TOOL AT 5934'	
DE-BACK LINER	5" : 18"
Gr	N-80 @ 7343-9415'
Cmt.wl	220 Sxs.
TOC	7343'
DE-BACK LINER	5" : 23.2"
Gr	N-80 @ 9415-12621'
Cmt.wl	500 SXS Sxs.
TOC	9415'
Hole Size	6 1/2"
Max Mud Wt.	12.2

(over)

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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 June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-23351		² Pool Code	³ Pool Name UNDESIGNATED STRAWN
⁴ Property Code	⁵ Property Name LAKEY COM		⁶ Well Number 1
⁷ OGRID No 003474.	⁸ Operator Name C. W. TRAINER		⁹ Elevation 3060

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
L	20	23S	28E		2280	SOUTH	660	WEST	EDDY

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
L	20	23S	28E		2280	SOUTH	660	WEST	EDDY

¹² Dedicated Acres 320	¹³ Joint or Infill NO	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>¹⁷ OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p><i>Gaye Heard</i> Signature</p> <p>GAYE HEARD Printed Name</p> <p>AGENT gheard@oilreportsinc.com Title and E-mail Address</p> <p>3/18/04 Date</p>
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>Certificate Number</p>

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Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised June 10, 2003
Submit to Appropriate District Office
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Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-23351	² Pool Code 80694	³ Pool Name NORTH LOVING Atoka
⁴ Property Code	⁵ Property Name LAKEY COM	⁶ Well Number 1
⁷ OGRID No. 003474	⁸ Operator Name C. W. TRAINER	⁹ Elevation 3060'

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
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	<p>¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Gaye Heard</i> Signature</p> <p>GAYE HEARD Printed Name</p> <p>AGENT</p> <p>Title and E-mail Address</p> <p>3/18/04 Date</p>



ARMSTRONG GAS LABS, INC.

P.O. Box 988
 Monahans, Texas 79756
 (915) 943-8844 (FAX) 943-8855

GAS ANALYSIS REPORT

Analysis No.: 13414.bpr
 Customer: El Paso Field Services

Component	Mol. %	BTU	SG	GPM
Nitrogen	0.9211	0.000	0.009	
Methane	96.5248	977.156	0.535	
CO2	0.3718	0.000	0.006	
Ethane	1.7821	31.258	0.018	0.471
H2S	0.0000	0.000	0.000	
Propane	0.2428	6.123	0.004	0.067
Iso-Butane	0.0310	1.010	0.001	0.010
Butane	0.0411	1.344	0.001	0.013
Iso-Pentane	0.0186	0.748	0.000	0.007
Pentane	0.0092	0.370	0.000	0.003
Hexanes C6+	0.0777	3.995	0.003	0.034
Hydrogen	N/A			
Helium	N/A			
Oxygen	N/A			
CO	N/A			
Ideal Totals	100.0000	1022.000	0.576	0.605

Producer: C.W. TRAINER
 Well / Sta. Name: CARTER FARMS A COM #1
 Sta. No.: 58981
 Formation:
 Field
 County

Spot / Composite: SPOT
 Date / Time On:
 Date / Time Off: 09/28/01
 Date to Lab: 10/04/01
 Date Analyzed: 10/05/01
 Effective Date:

Sample Press. (PSIG): 329
 Line Press. (PSIG): 329
 Sample Temp. (F): 83
 Fl. Gas Temp. (F): 83
 Amb. Temp. (F):

Del. Tr.: EPFS
 Sampled By: CN
 Cylinder No.:

Field H2S (PPM): 0.0
 Field H2S (Grains): 0.0

Pressure Base: 14.73
 Temp. Base: 60

Z Factor (Dry): 0.99790

Dry BTU (Real): 1024.15
 Sat. BTU (Real): 1007.53
 H2O (# / mmol): N/L
 As Del. BTU (Real):

Sp. Gravity (Rea): 0.5768
 Field Gravity:
 Lab Gravitometer: 0.577

GPM (Ethane): 0.605
 GPM (Propane): 0.134

GPA 214b / 2172

Remarks:

Post-it® Fax Note	7671	Date	3/6/02	# of Pages	2
To	Mike Banschbach	From	Danny Miller		
Co./Dept.		Co.	EPFS		
Phone #	915-686-7709	Phone #	505-885-7219		
Fax #	915-686-7097	Fax #			



ARMSTRONG GAS LABS, INC.

P.O. Box 989
Monahans, Texas 79756
(915) 943-8844 (FAX) 943-8856

GAS ANALYSIS REPORT

Analysis No.: 13416.bpr
Customer: El Paso Field Services

<u>Component</u>	<u>Mol. %</u>	<u>BTU</u>	<u>SG</u>	<u>GPM</u>
Nitrogen	0.7258	0.000	0.007	
Methane	92.3822	935.219	0.512	
CO2	0.3388	0.000	0.005	
Ethane	4.2538	75.454	0.044	1.137
H2S	0.0000	0.000	0.000	
Propane	1.0289	25.899	0.016	0.283
Iso-Butane	0.2632	8.579	0.005	0.086
Butane	0.2990	9.777	0.006	0.094
Iso-Pentane	0.1506	8.039	0.004	0.055
Pentane	0.1012	4.066	0.003	0.037
Hexanes C6+	0.4585	23.572	0.015	0.200
Hydrogen	N/A			
Helium	N/A			
Oxygen	N/A			
CO	N/A			
Ideal Totals	100.0000	1088.605	0.816	1.892

Producer: C.W. TRAINER
Well / Sta. Name: GUITAR STATE #1
Sta. No.: 58343
Formation:
Field:
County:

Spot / Composite: SPOT
Date / Time On:
Date / Time Off: 09/28/01
Date to Lab: 10/04/01
Date Analyzed: 10/05/01
Effective Date:

Sample Press. (PSIG): 345
Line Press. (PSIG): 345
Sample Temp. (F): 101
Fl. Gas Temp. (F): 101
Amb. Temp. (F):

Del. To: EPFS
Sampled By: CN
Cylinder No.:

Field H2S (PPM): 0.0
Field H2S (Grains): 0.0

Pressure Base: 14.73
Temp. Base: 60

Z Factor (Dry): 0.99750

Dry BTU (Real): 1091.33
Sat. BTU (Real): 1073.58
H2O (# / mmcf): N/L
As Del. BTU (Real):
Sp. Gravity (Real): 0.6173
Field Gravity:
Lab Gravitometer: 0.617
GPM (Ethane+): 1.892
GPM (Propane+): 0.755

GPA 2145 / 2177

Remarks: