

DATE 10/24/12	SUSPENSE	ENGINEER WJS	LOGGED IN	DHC 4596	PWTJ 1231951241
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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

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.

Spence Laird  
Print or Type Name

*Spence Laird*  
Signature

Regulatory Analyst  
Title

10/22/12  
Date

slaird@sandridgeenergy.com  
e-mail Address

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

District II  
811 S. First St., 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 August 1, 2011

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

SandRidge Expl. & Prod., LLC  
Operator

123 Robert S. Kerr Ave., Oklahoma City, OK 73102  
Address

LC-069048 Elliott Federal 4 Sec 9 T21S R38E Lea  
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 270265 Property Code 38680 API No. 30-025-40487 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	San Andres	Drinkard Pool	Abo
Pool Code	39330	19190	62700
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	4300' - 4500'	6,785' - 6,795'	7,340 - 7,522
Method of Production (Flowing or Artificial Lift)	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)	OK	2938 OK	3178 = OK
Oil Gravity or Gas BTU (Degree API or Gas BTU)	32 deg	32 deg	32 deg
Producing, Shut-In or New Zone	New Zone (not perfed yet)	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.)	Date: Est. future rates Rates: 20 bod 10 mcf 40 bow	Date: 10/01/2012 Rates: 25 bod 0 mcf 80 bow	Date: 09/08/2012 Rates: 53 bod 65 mcf 109 bow
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 20 % 20 %	Oil Gas 26 % 0 %	Oil Gas 54 % 80 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?  
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?

Yes ☒ No ☐  
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 Spence Laird TITLE Regulatory Analyst DATE 10/17/2012

TYPE OR PRINT NAME Spence Laird TELEPHONE NO. ( 405 ) 429-6518

E-MAIL ADDRESS slaird@sandridgeenergy.com

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  
11885 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

Form C-102  
Revised July 16, 2010  
Submit to Appropriate  
District Office

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number <b>30-035-40487</b>	Pool Code <b>62700</b>	Pool Name <b>Wantz; Abo</b>
Property Code <b>38680</b>	Property Name <b>ELLIOTT</b>	Well Number <b>4</b>
OGRID No. <b>270265</b>	Operator Name <b>SANDRIDGE E &amp; P, LLC</b>	Elevation <b>3565'</b>

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>4</b>	<b>9</b>	<b>21-S</b>	<b>38-E</b>		<b>1285</b>	<b>SOUTH</b>	<b>580</b>	<b>EAST</b>	<b>LEA</b>

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

Dedicated Acres <b>45.32</b>	Joint or Infill	Consolidation Code	Order No.
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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>GEODETIC COORDINATES NAD 27 NME SURFACE LOCATION Y=544185.6 N X=890746.3 E LAT.=32.489695° N LONG.=103.066102° W</p> <p>DETAIL</p>	<p>LOT 1</p> <p>45.46 AC.</p> <p>LOT 2</p> <p>45.41 AC.</p> <p>LOT 3</p> <p>45.37 AC.</p> <p>LOT 4</p> <p>45.32 AC.</p>	<p>LEA CO., NM</p> <p>ANDREWS CO., TX</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Karen Sharp</i> 8-1-11 Signature Date</p> <p><i>Karen Sharp</i> Printed Name</p> <p><i>ksharp@sandridgeenergy.com</i> E-mail Address</p> <p><b>SURVEYOR CERTIFICATION</b></p> <p>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><b>MAY 31, 2011</b></p> <p>Date of Survey</p> <p>Signature &amp; Seal of Professional Surveyor:</p> <p><i>GARY G. EIDSON</i></p> <p>NEW MEXICO 12641 RECEIVED JUL 10 2011</p> <p>Certificate Number: Gary G. Eidson 12641 Professional Seal: Gary G. Eidson 3239</p> <p>DSS JWSC W.O.: 11.11.1210</p>
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Revised July 16, 2010  
Submit to Appropriate  
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☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number <u>30-025-40487</u>	Pool Code <u>19190</u>	Pool Name <u>Drinkard</u>
Property Code <u>38680</u>	Property Name <u>ELLIOTT</u>	Well Number <u>4</u>
OGRID No. <u>270265</u>	Operator Name <u>SANDRIDGE E &amp; P, LLC</u>	Elevation <u>3565'</u>

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	9	21-S	38-E		1285	SOUTH	580	EAST	LEA

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

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
<u>45.32</u>			

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

**GEODETIC COORDINATES**  
NAD 27 NME  
**SURFACE LOCATION**  
Y=544185.6 N  
X=890746.3 E  
LAT.=32.489695° N  
LONG.=103.066102° W

**DETAIL**

**OPERATOR CERTIFICATION**  
I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Karen Sharp 8-1-11  
Signature Date  
Karen Sharp  
Printed Name  
Ksharp@sandridgeenergy.com  
E-mail Address

**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.

MAY 31, 2011  
Date of Survey  
Signature & Seal of Professional Surveyor:  
  
Certificate Number... Gary C. Eidson 12641  
DSS JWSC W.O.: 11.11.1210

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Form C-102  
Revised July 16, 2010  
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☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number <b>30-025-40487</b>	Pool Code <b>39330</b>	Pool Name <b>San Andres</b>
Property Code <b>38680</b>	Property Name <b>ELLIOTT</b>	Well Number <b>4</b>
GRID No. <b>270265</b>	Operator Name <b>SANDRIDGE E &amp; P, LLC</b>	Elevation <b>3565'</b>

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	9	21-S	38-E		1285	SOUTH	580	EAST	LEA

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
Dedicated Acres <b>45.32</b>	Joint or Infill	Consolidation Code	Order No.						

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**SURFACE LOCATION**  
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*Karen Sharp* 8-1-11  
Signature Date  
Karen Sharp  
Printed Name  
Ksharp@sandridgeenergy.com  
E-mail Address

**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.

MAY 31, 2011

Date of Survey  
Signature & Seal of Professional Surveyor:

Certificate Number: Gary C. Eidson 12641  
Randy S. Eidson 3239  
DSS JWSC W.O.: 11.11.1210

Elliott Federal #4

30-025-40487

Lea Co., NM

**Downhole Commingle – No production curve explanation:**

SandRidge Expl. & Prod., LLC does not have a production curve for any of the three zones due to the amount of time they have been productive. Two zones have been productive (Abo & Drinkard) only long enough to get tests for this application and the other (San Andres) has not been perforated yet. This well was spud on 7/8/2012.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0135  
Expires: January 31, 2004

**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 **SandRidge Expl. & Prod., LLC**

3a. Address  
**123 Robert S Kerr Ave., OKC, OK 73102**

3b. Phone No. (include area code)  
**405-429-6518**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**1285' FSL & 580' FEL of Sec 9 - 21S - 38E**

5. Lease Serial No.  
**LC 069048**

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.  
**Elliott Federal #4**

9. API Well No.  
**30-025-40487**

10. Field and Pool, or Exploratory Area  
**Wantz; Abo, Drinkard & San Andres**

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 <b>Downhole Commingle</b>
	<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 recompleat 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 recompleat 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.)

**SandRidge Expl. & Prod., LLC respectfully requests the right to downhole commingle the approved ABO formation with the Drinkard and the San Andres formations. Sandridge has mineral rights to all three formations and would like to produce these available minerals in the most effective manner possible (please see attachments for further information regarding this DHC).**

Thank you for your time.

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

**Spence Laird**

Title **Regulatory Analyst**

Signature

*Spence Laird*

Date

**10/16/2012**

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Title

Date

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.

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)