

6/29/2017 DATE IN	SUSPENSE	MAm ENGINEER	6/29/2017 LOGGED IN	DHC TYPE	Dynam1718V56373 APP NO
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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

Eric Sprinkle
Print or Type Name

Eric Sprinkle
Signature

Petroleum Engineer
Title

06/27/2017
Date

eric@vfpetroleum.com
e-mail Address

- DHC
- v-f Petroleum, Inc
24010
Web
Arco State #3
30-025-27005
Pod
- Dean's Pennu-
upper Penn
16720
- Dean's Devonian

District I
1625 N. French Drive Hobbs, NM 88240

District II
811 S. First St. Artesia, NM 88211

District III
1000 Rio Brazos Road. Artec, 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 August 1, 2011

APPLICATION TYPE

Single Well

Establish Pre-Approved Pools

EXISTING WELL BORE

Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

V-F Petroleum Inc.

Operator

P.O. Box 1889, Midland, TX 79702

Address

Arco State

1

L-35-T56S-R65E

Lea

Lease

Well No

Unit Letter-Section-Township-Range

County

OGRID No 24010 Property Code 11524 API No 30-025-27005 Lease Type Federal x State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Dean Permo Upper Penn		Dean Devonian
Pool Code	16720		16530
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	11,481 - 11,544		13,650 - 13,692
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)	45°		52°
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 1/22/17 Rates 3 BO/D, 3 MCF/D		To Be Determined
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	To Be Determined		To Be Determined

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?

Yes x 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 x No

Will commingling decrease the value of production?

Yes No x

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 x No

NMOC 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 Eric Sprinkle TITLE Petroleum Engineer DATE 06/27/17

TYPE OR PRINT NAME Eric Sprinkle TELEPHONE NO (432) 683-3344

E-MAIL ADDRESS eric@vfpetroleum.com

V-F Petroleum Inc.

500 W Texas, Suite 350, Midland, Texas 79701
Mailing Address P O Box 1889, Midland, TX 79702

432-683-3344
E-mail enc@vfpetroleum.com

FAX 432-683-3352
www.vfpetroleum.com

June 29, 2017

NMOCD
Attention Mike McMillan
1220 South St Francis Drive
Santa Fe, NM 87505

C-107A to Commingle two Pools

Arco State #1
30-025-27005
Sec 35, T-15-S, R-36-E
Lea County, New Mexico

Dear Mr McMillan,

The Arco State #1 was completed in the Dean, Permo Upper Penn (16720) on 4/1/1986.
On 1/6/2017, the OCD approved the attached C-103 to recomplete this well into the Dean; Devonian (16530) The well currently produces about 3 BOPD and 3 MCFPD from the Permo Upper Penn
Interests in these two pools are identical

The production allocations will be calculated using the current Permo Upper Penn production and a stabilized test of the Devonian. We plan to submit these calculations and resulting allocations to the district office after the well has been on line for about 2 months

Please contact me at 432-683-33443 should you have any questions

Very truly yours,



Eric Sprinkle
Petroleum Engineer

V-F Petroleum Inc.

500 W Texas, Suite 350, Midland, Texas 79701
Mailing Address P O Box 1889, Midland, TX 79702

432-683-3344
E-mail skl@vfpetroleum.com

FAX 432-683-3352
www.vfpetroleum.com

June 27, 2017

Michael McMillan
Engineering and Geological Services Bureau
Oil Conservation Division

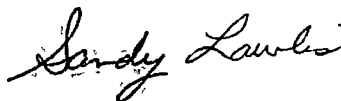
DHC Application

Arco State #1
30-025-27005
Sec 35, T-15-S, R-36-E
Lea County, New Mexico

Dear Mr McMillan,

V-F Petroleum Inc is filing an application to down hole comingle the Permo Penn and Dean zone in the Arco State #1. (30-025-27005) The ownership is identical in both zones of this well thus not requiring notification of DHC Application

Very Truly Yours



Sandra K Lawlis
Vice President & Controller

SKL/es

District I
1625 N French Dr Hobbs NM 88240
Phone (575) 393-6161 Fax (575) 393 0720
District II
811 S First St Artesia NM 88210
Phone (575) 748-1283 Fax (575) 748 9720
District III
1000 Rio Brazos Road Aztec, NM 87410
Phone (505) 334 6178 Fax (505) 334 6170
District IV
1220 S, St. Francis Dr, Santa Fe, NM 87505
Phone (505) 476-3460 Fax (505) 476 3462

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 August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-27005	² Pool Code 16720	³ Pool Name Dean Permo-Penn
⁴ Property Code 11524	⁵ Property Name Arco State	⁶ Well Number 1
⁷ OGRID No 24010	⁸ Operator Name V-F Petroleum Inc	⁹ Elevation 3,879' KB

¹⁰ Surface Location

UI or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	35	15-S	36-E		1,980	S	660	W	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 40	¹³ Joint or Infill N	¹⁴ Consolidation Code	¹⁵ 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>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief and that this organization either owns a working interest or released 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 a mineral or working interest or to a voluntary pooling, agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Eric Sprinkle</i> 06-27-17 Signature Date</p> <p>Eric Sprinkle Printed Name</p> <p>eric@vfpetroleum.com E-mail Address</p>
				<p>¹⁸ SURVEYOR CERTIFICATION</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>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>Certificate Number</p>

District I
1625 N. French Dr., Hobbs NM 88240
Phone (575) 393 6161 Fax (575) 393 0720
District II
811 S First St. Artesia NM 88210
Phone (505) 748 1283 Fax (575) 748-9720
District III
1000 Rio Brazos Road Artesia NM 87410
Phone (505) 334 6178 Fax (505) 334-6170
District IV
1220 S St Francis Dr. Santa Fe NM 87505
Phone (505) 476 3460 Fax (505) 476 3462

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 August 1, 2011
Submit one copy to appropriate
District Office
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-27005		² Pool Code 16530	³ Pool Name Dean Devonian
⁴ Property Code 11524	⁵ Property Name Arco State		⁶ Well Number 1
⁷ OGRID No 24010	⁸ Operator Name V-F Petroleum Inc		⁹ Elevation 3,879' KB

¹⁰ Surface Location

UL or lot no L	Section 35	Township 15-S	Range 36-E	Lot Idn	Feet from the 1,980	North/South line S	Feet from the 660	East/West line W	County Lca
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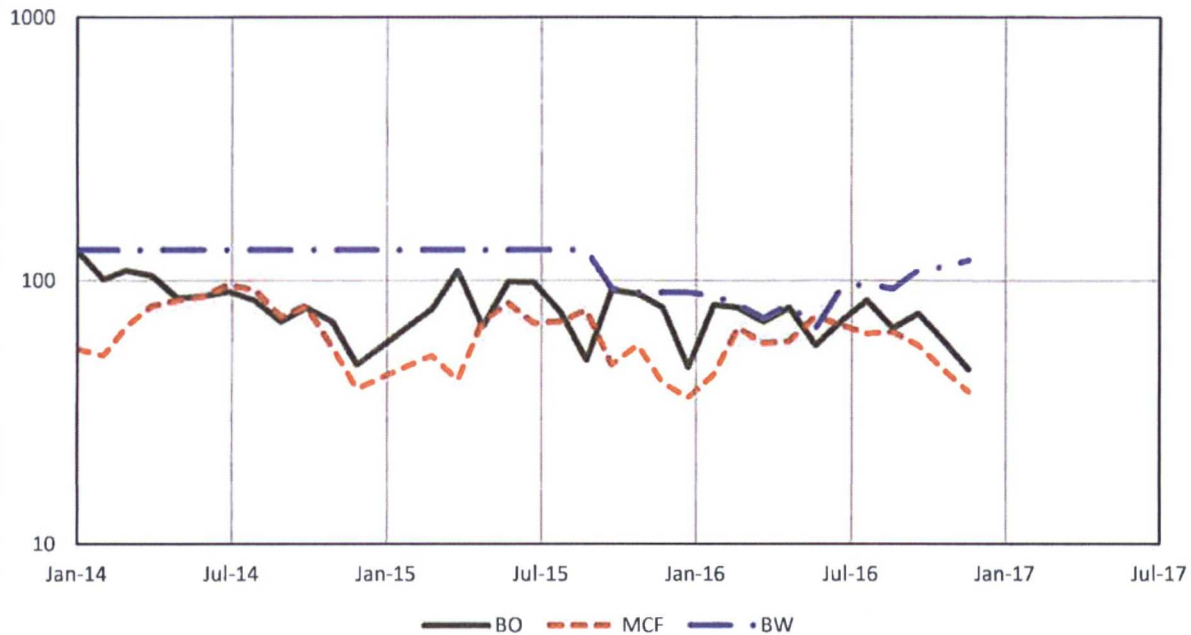
¹¹ Bottom Hole Location If Different From Surface

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 40	¹³ Joint or Infill N	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

				¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or 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 a mineral or working interest or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature Date 06-27-17 Eric Sprinkle Printed Name eric@vfpetroleum.com E-mail Address
				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.
				Date of Survey Signature and Seal of Professional Surveyor
				Certificate Number

V-F Petroleum Inc.
 ARCO STATE #1
 API: 30-025-27005
 [16720] DEAN;PERMO UPPER PENN



Month	BO	MCF	BW
1/14	129	55	130
2/14	101	52	130
3/14	109	67	130
4/14	104	80	130
5/14	86	84	130
6/14	87	87	130
7/14	91	96	130
8/14	84	92	130
9/14	70	73	130
10/14	79	80	130
11/14	70	56	130
12/14	48	39	130
1/15	0	19	130
2/15	11	46	130
3/15	78	52	130
4/15	109	42	130
5/15	67	70	130
6/15	99	82	130

Month	BO	MCF	BW
7/15	98	69	130
8/15	76	70	130
9/15	50	77	130
10/15	92	48	93
11/15	89	57	90
12/15	79	41	90
1/16	47	36	90
2/16	81	44	87
3/16	79	66	81
4/16	70	58	72
5/16	79	59	81
6/16	57	73	66
7/16	70	68	93
8/16	84	63	97
9/16	66	64	93
10/16	75	57	109
11/16	59	46	112
12/16	46	38	119

V-F Petroleum Inc.

500 W Texas, Suite 350, Midland, Texas 79701
Mailing Address P O Box 1889, Midland, TX 79702

432-683-3344
E-mail skl@vfpetroleum.com

FAX 432-683-3352
www.vfpetroleum.com

June 27, 2017

Aubrey Dunn
Commissioner of Public Lands
P O Box 1148
Santa Fe, New Mexico 87504

DHC Application

Arco State #1
30-025-27005
Sec 35, T-15-S, R-36-E
Lea County, New Mexico

Dear Mr Dunn,

V-F Petroleum Inc is filing an application to down hole comingle the Permo Penn and Dean zone in the Arco State #1 (30-025-27005) Please see the attached copy of the OCD Form C-107A for the proposed down hole comingling Approval of the application will allow V-F Petroleum Inc to economically produce oil and gas reserves from both intervals I believe that all the information necessary to approve the application is enclosed If any additional information is needed, please contact me by phone at 432-683-3344 or by email at eric@vfpetroleum.com. Also included is the \$150 application fee.

Very Truly Yours



Eric Sprinkle
Petroleum Engineer

7016 3010 0000 9824 5602

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Postage	6.56
Total Postage and Fees	
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P.O. BOX 1148	
SANTA FE, NM 87504	
PS Form 3800, April 2015 PSN 7530-02-000-9072-2 See Reverse for Instructions	

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