

DATE: 9/16/02	SUSPENSE: NA	ENGINEER: WJ	LOGGED IN: MV	TYPE: DHC	APP NO.: 226047325
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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



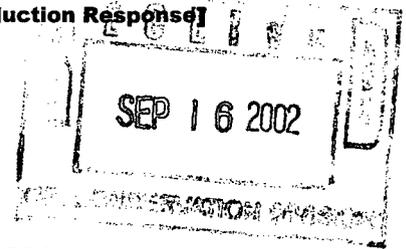
ADMINISTRATIVE APPLICATION CHECKLIST

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.

Jimmy D. Carlile		Regulatory Affairs	9/9/02
Print or Type Name	Signature	Coordinator	Date
		jimmyc@forl.com	
		e-mail Address	

FASKEN OIL AND RANCH, LTD.

303 WEST WALL AVENUE, SUITE 1800
MIDLAND, TEXAS 79701-5116

(915) 687-1777

September 9, 2002

Mr. David Catanach
New Mexico Oil Conservation Division
Engineering Bureau
1220 South St. Francis Drive
Santa Fe, NM 87505

Dear Mr. Catanach,

Re: Fasken Oil and Ranch, Ltd.
Application for Downhole Commingling
Howell "29" Com No. 1
Eddy County, NM 87505

Attached is Fasken Oil and Ranch, Ltd.'s application for downhole commingling for the Howell "29" Com No. 1 well located in Eddy County. The three zones in this well to be completed are all non-commercial in and of themselves, and therefore, must be downhole commingled for reserves to be recovered. Working, royalty and overriding royalty interests are common in this well.

If you have any questions concerning this application please give me a call at (915) 687-1777.

Yours truly,



Jimmy D. Carlile
Regulatory Affairs Coordinator

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised May 15, 2000

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

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

District III
1000 Rio Brazos Road, Aztec, NM 87410

APPLICATION FOR DOWNHOLE COMMINGLING

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

Fasken Oil and Ranch, Ltd. 303 West Wall, Suite 1800 Midland, TX 79701
Operator Address
Howell "29" Com No. 1 G, Sec. 29, T20S, R25E Eddy
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 151416 Property Code 028914 API No. 30-015-21140 Lease Type: X Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	<i>UNDA</i> Dagger Draw Upper Penn, South	<i>UNDA</i> Indian Basin Strawn, North	Wildcat (Atoka)
Pool Code	15475	97013	-----
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	8318' - 8442'	8568' - 8576'	8913' - 9038'
Method of Production (Flowing or Artificial Lift)	Flowing	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)	50 API/1000 BTU	50 API/1000 BTU	50 API/1000 BTU
Producing, Shut-In or New Zone	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: See Attached Rates: 40 MCFPD	Date: See Attached Rates: 20 MCFPD	Date: See Attached Rates: 40 MCFPD
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil 40 % Gas 40 %	Oil 20 % Gas 20 %	Oil 40 % Gas 40 %

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

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 Jimmy D. Carlile TITLE Regulatory Affairs Coord. DATE 9/9/02
TYPE OR PRINT NAME Jimmy D. Carlile TELEPHONE NO. (915) 687-1777

Fasken Oil and Ranch, Ltd.

Howell "29" Com No. 1

Application for Downhole Commingling

Additional Data

Production curves for these zones are not available as these are all new completions in this well. Each of these zones is non-commercial in and of themselves, and we anticipate a total production from all three zones to be only 100 MCFPD.

Estimated production rates for each zone follow. These estimates are based on porosity thickness in each zone and shows as we drilled through each zone.

Dagger Draw Upper Penn, South	40 MCFPD
Indian Basin Strawn, North	20 MCFPD
Wildcat (Atoka)	40 MCFPD

Our suggested allocation method is based on porosity thickness in each zone.

All working, royalty and overriding interests in this well are common and therefore, no notice is required.

District I
 1625 N. French Dr., Hobbs, NM 88240
District II
 811 South First, Artesia, NM 88210
District III
 1000 Rio Brazos Rd., Aztec, NM 87410
District IV
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals & Natural Resources

Form C-102
 Revised March 17, 1999

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-21140		² Pool Code 15475		³ Pool Name Dagger Draw Upper Penn, South	
⁴ Property Code 028914		⁵ Property Name Howell "29" Com			⁶ Well Number 1
⁷ OGRID No. 151416		⁸ Operator Name Fasken Oil and Ranch, Ltd.			⁹ Elevation 3542'

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
G	29	20S	25E		1980	north	2310	east	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

¹² Dedicated Acres 320	¹³ Joint or Infill	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>⁶</p>	<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>Signature <i>Jimmy D. Carlile</i></p> <p>Printed Name Jimmy D. Carlile</p> <p>Title Regulatory Affairs Coordinator</p> <p>Date September 9, 2002</p>

Certificate Number

District I
 1625 N. French Dr., Hobbs, NM 88240
District II
 811 South First, Artesia, NM 88210
District III
 1000 Rio Brazos Rd., Aztec, NM 87410
District IV
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State of New Mexico
 Energy, Minerals & Natural Resources

Form C-102
 Revised March 17, 1999

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 2040 South Pacheco
 Santa Fe, NM 87505

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-21140	² Pool Code -----	³ Pool Name Wildcat (Atoka)
⁴ Property Code 028914	⁵ Property Name Howell "29" Com	
⁷ OGRID No. 151416	⁸ Operator Name Fasken Oil and Ranch, Ltd.	⁶ Well Number 1
⁹ Elevation 3542		

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
G	29	20S	25E		1980'	north	2310	east	Eddy

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

State of New Mexico
Energy, Minerals & Natural Resources

Form C-102
Revised March 17, 1999

District II
811 South First, Artesia, NM 88210

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-21140	² Pool Code 97013	³ Pool Name Indian Basin Strawn, North
⁴ Property Code 028914	⁵ Property Name Howell "29" Com	
⁷ OGRID No. 151416	⁶ Operator Name Fasken Oil and Ranch, Ltd.	⁸ Well Number 1
		⁹ Elevation 3542'

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
G	29	20S	25E		1980'	north	2310'	east	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

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					<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 Surveyer:</p>
					Certificate Number

7001 0320 0004 3745 3379

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

Postage	\$ 0.60
Certified Fee	2.30/
Return Receipt Fee (Endorsement Required)	1.75/
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 4.65/



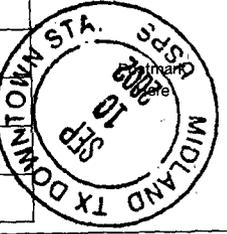
Sent To **NEW MEXICO STATE LAND OFFICE**
 Street, Apt. No., or PO Box No. **PO BOX 1148**
 City, State, ZIP+4 **SANTA FE NM 87504-1148**

7001 0320 0004 3745 3386

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

Postage	\$ 1.28
Certified Fee	\$ 2.30/
Return Receipt Fee (Endorsement Required)	\$ 1.75/
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 6.03



Sent To **BUREAU OF LAND MANAGEMENT**
 Street, Apt. No., or PO Box No. **2909 W SECOND ST**
 City, State, ZIP+4 **ROSWELL NM 88201**