

21. June.07 DATE IN	SUSPENSE	W. Sones ENGINEER	22. June.07 LOGGED IN	DHC TYPE	PCLP0717345479 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



RECEIVED

JUN 21 2007

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

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

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.

Eddy W Seay

Print or Type Name

Signature

Agent

Title

seay04@leaco.net

e-mail Address

6/18/2007

Date

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
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 Hrazon Road, Aztec NM 87410

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

APPLICATION FOR DOWNHOLE COMMINGLING

PETROHAWK OPERATING COMPANY

1000 LOUISIAN, STE 5600, HOUSTON, TX 77002

DHC-3915

Operator

Address

STATE A A/C-1

92

D-11-23S-36E

LEA

Lease

Well No

Unit Letter-Section-Township-Range

County

OGRID No 194849

Property Code 302432

API No 30-025-09317

Lease Type

Federal

☒ State

Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	JALMAT; TAN-Y-7R GAS		LANGLIE MATTIX; 7R-Q-GB
Pool Code	79240		37240
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	2970-3434		3450-3624
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)			
Producing, Shut-In or New Zone	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)	see attached supporting data		DEC 2006
	Date	Date	Date
	Rates	Rates	Rates
			63.6 mcf/gpd 0.8 bopd
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required)	Oil 9.6 Gas 30.61 %	Oil Gas %	Oil 90.4 Gas 69.39 %

81L

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

Eddy W Seay

TITLE AGENT

DATE 6/18/2007

TYPE OR PRINT NAME Eddy W Seay

TELEPHONE NO (505) 392-2236

E-MAIL ADDRESS seay04@leaco.net

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
1220 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, NM 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-09317	² Pool Code 79240	³ Pool Name JALMAT;TANS-YATES-7 RIVERS (GAS)
⁴ Property Code 302432	⁵ Property Name STATE A A/C-1	⁶ Well Number 92
⁷ OGRID No. 194849	⁸ Operator Name PETROHAWK OPERATING COMPANY	⁹ Elevation

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
D	11	23S	36E		660	NORTH	660	WEST	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 480	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No. NSL-2723-E (SD)
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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 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 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Eddy W Seay</i> 4/18/2007 Signature Date Eddy W Seay Agent Printed Name</p>
	<p>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</p> <p>Date of Survey Signature and Seal of Professional Surveyor</p>
	<p>Certificate Number</p>

District I
1625 N. French Dr., Hobbs, NM 88240
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1301 W. Grand Avenue, Artesia, NM 88210
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Form C-102
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Submit to Appropriate District Office
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-09317	² Pool Code 37240	³ Pool Name LANGLIE MATTIX; 7 RIVERS-QUEEN-GRAYBURG
⁴ Property Code 302432	⁵ Property Name STATE A A/C-1	⁶ Well Number 92
⁷ OGRID No. 194849	⁸ Operator Name PETROHAWK OPERATING COMPANY	⁹ Elevation

¹⁰ Surface Location

UL or lot no. D	Section 11	Township 23S	Range 36E	Lot Idn	Feet from the 660	North/South line NORTH	Feet from the 660	East/West line WEST	County LEA
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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	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 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 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division</p> <p><i>Eddy W Seay</i> 6/18/2007 Signature Date Eddy W Seay Agent Printed Name</p>
				<p>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.</p>
				<p>Date of Survey Signature and Seal of Professional Surveyor</p>
				<p>Certificate Number</p>

FORM	TOP		
		STATE A A/C-1 #92 WELLBORE DIAGRAM PETROHAWK OPERATING CO.	
		SU-T-R 11D-23S-36E API #: 30-025-09317	
		POOL: LANGLIE MATTIX; 7 RVRS-QUEEN-GREYBURG	
		CO, ST: LEA, NEW MEXICO	LAND TYPE: STATE
		STATUS: ACTIVE	ACREAGE 40.12
		LATEST RIG WORKOVER:	
		DIAGRAM REVISED: 6/15/2004 BY RSL	
		Found Calcium Carbonate scale in Aug 1985	
		Cored 3,603-3,695'	
		TOC @ 2,250' by Temp Surv.	
		TD 3,693'	
		8 5/8" @ 303' w/300 sx Cmt	
		TANSILL 2,794' (file pick)	
		YATES 2,970'	
		7 RVRS 3,169'	
		QUEEN 3,534'	
		LOGS Sonic 9/60	
		TAN-YATES-7 RVRS ZONE HISTORY 10/6/99 Prepared to R/C Yates & found csg leak in 5 1/2" csg	
		OPPORTUNITY	
		LANGLIE MATTIX (LWR 7RVRS-QUEEN) HISTORY 9/3/60 Spud. 9/60 Initial Completion. Open hole completion 3,643-93' Frac w/10,000 gal oil & 10,000# sand. IP 232 BOPD, 348 BWPD 3/62 PB to 3,635' w/pea gravel & hydromite. Perforated 3,621-25' Acidized w/500 gal. Frac w/10,000 gal oil & 10,000# sand. (95% wtr cut) IP 4 BOPD, 95% wtr 4/64 Set CIBP @ 3,630'. Sqzd perms 3,621-25' w/100 sx. Perforated 3,573-3,624' Acidized 750 gal. Frac w/25,000 gal oil & 25,000# sand. Perforated 3,450-72' Acidized w/1500 gal. Frac w/20,000 gal gel & 30,000# sand. Pull RBP between perms. IP 2 BO, 91 BW, 360 MCF	
		Perfs: 3450, 57, 3500, 05, 19, 24, 27, 37, 52, 72' Perfs: 3573, 87, 95, 99, 3603, 09, 24' Perfs: 3,621-25', sqzd w/100 sx on 4/64 CIBP @ 3,630' on 4/64 PB to 3,635' w/pea gravel & hydromite 5 1/2" @ 3,643' w/250 sx Cmt	

☒

Well File

☒

OCD

CURRENT

State A A/C-1 # 92
Supporting Data for Commingling Permit

Petrohawk Operating Company is proposing to add additional perforations in the Jalmat;Tansill-Yates- 7 Rivers Gas pool and frac these perforations and then commingle the new pay with the Langlie Mattix;7 Rivers-Queen-Grayburg pool.

Reservoir Pressures

According to fluid level surveys performed on 04/27/2007 the reservoir pressures in both the Langlie Mattix (measured in State A A/C-1 # 92) and the Jalmat pool (measured in the State A A/C-1 # 62) is less than 250 psi. There was no significant fluid build up in the well and surface shut in pressure were less than 30 psi.

Proposed Allocation

The proposed allocation is based on the performance of wells offsetting the # 92 well. The State A A/C-1 62 is producing only from the Jalmat pool and the State A A/C-1 # 92 produces only from the Langlie Mattix pool.

Date	State A A/C-1 # 62			State A A/C-1 # 92		
	Oil, bbls	Gas, mcf	Water, bbls	Oil, bbls	Gas, mcf	Water, bbls
Aug-06	0	1034	62	3	2372	31
Sep-06	0	1034	60	0	2159	30
Oct-06	0	1015	69	0	2358	42
Nov-06	0	928	30	20	2174	120
Dec-06	5	856	62	24	1970	31
TOTALS	5	4867	283	47	11033	254
Percent of Combined Total	9.6%	30.6%	52.7%	90.4%	69.4%	47.3%