

DATE IN 1/12/09	SUSPENSE	ENGINEER W. JONES	LOGGED IN 1/12/09	TYPE DHC	APP NO. PKAA0901260562
--------------------	----------	----------------------	----------------------	-------------	---------------------------

RECEIVED

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

2009 JAN 12 PM 1:33 - Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



30-025-38748
Ling Federal 4
Fasken Oil
151416

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.

<u>Kim Tyson</u>	<u>Kim Tyson</u>	<u>Regulatory Analyst</u>	<u>1-9-09</u>
Print or Type Name	Signature	Title	Date
		<u>kimt@forl.com</u>	
		e-mail Address	

DHC-4143

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 Hondo Road, Aztec, NM 87410

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

APPLICATION FOR DOWNHOLE COMMINGLING

Fasken Oil and Ranch, Ltd. 303 W. Wall St., Ste. 1800, Midland, TX 79701

Operator Address
Ling Federal 4 J, Sec. 31, T19S, R34E Lea
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 151416 Property Code 18167 API No. 30-025-38748 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
	<u>UNDER</u>		<input checked="" type="checkbox"/>
Pool Name	Quail Ridge (Atoka)		Quail Ridge (Morrow)
Pool Code	96485 <input checked="" type="checkbox"/>		83280 <input checked="" type="checkbox"/>
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	12,515'-12,523' Perforated		13,187'-13,207' Perforated
Method of Production (Flowing or Artificial Lift)	Flowing		Flowing under packer w/check valve
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 10% of the depth of the top perforation in the upper zone)	6850 psi		450 psi
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1100		1100
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: Estimate Rates: 200 mcfd + 3 bpd	Date: Rates:	Date: Estimate Rates: 600 mcfd + 1 bpd (Condensate)
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 75 % 25 %	Oil Gas % %	Oil Gas 25 % 75 %

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 Kim Tyson TITLE Regulatory Analyst DATE 1-9-09
TYPE OR PRINT NAME Kim Tyson TELEPHONE NO. (432) 687-1777
E-MAIL ADDRESS kimt@for1.com

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

☐ AMENDED REPORT

16				<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 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><u>Kim Tyson</u> 1-9-09 Signature Date</p> <p>Kim Tyson Printed Name</p> <p>kimt@forl.com</p>
		#1		
#2		#4	2310'	<p>¹⁸SURVEYOR 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 _____ Signature and Seal of Professional Surveyor: _____</p> <p>Certificate Number _____</p>
		1660'		

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 30-025-38748		² Pool Code 83280		³ Pool Name Quail Ridge; Morrow	
⁴ Property Code		⁵ Property Name Ling Federal			⁶ Well Number 4
⁷ OGRID No. 151416		⁸ Operator Name Fasken Oil and Ranch, Ltd.			⁹ Elevation 3623'

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
J	31	19S	34E		1660'	South	2310'	East	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 320		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.

16					
¹⁷ OPERATOR CERTIFICATION <i>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.</i> Signature: <u>Kim Tyson</u> Date: <u>1-9-09</u> Printed Name: <u>Kim Tyson</u> Email: <u>kimt@forl.com</u>					
¹⁸ SURVEYOR CERTIFICATION <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> Date of Survey: _____ Signature and Seal of Professional Surveyor: _____ Certificate Number: _____					

Rate/Time Graph

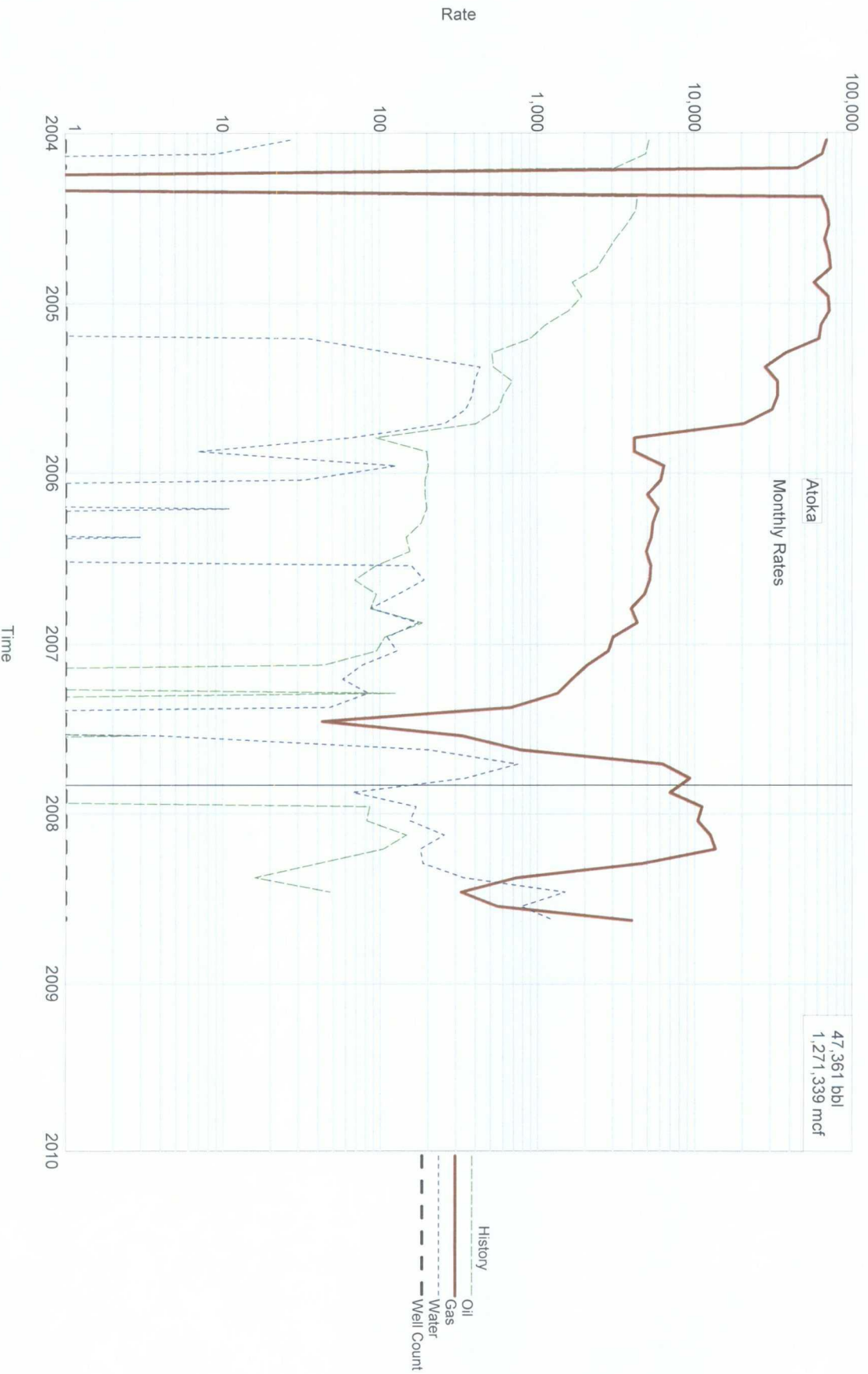
Lease Name: LAGUNA DEEP UNIT (7)
County, ST: LEA, NM
Location: 36E 19S 33E E2 SW NW

Project: c:\program files\hbs energy\powertools v9.0\ling fed.mdb

Operator: GRUY PETROLEUM MANAGEMENT COMPANY
Field Name: QUAIL RIDGE

Date: 1/2/2009
Time: 10:59 AM

LAGUNA DEEP UNIT - QUAIL RIDGE



Rate/Time Graph

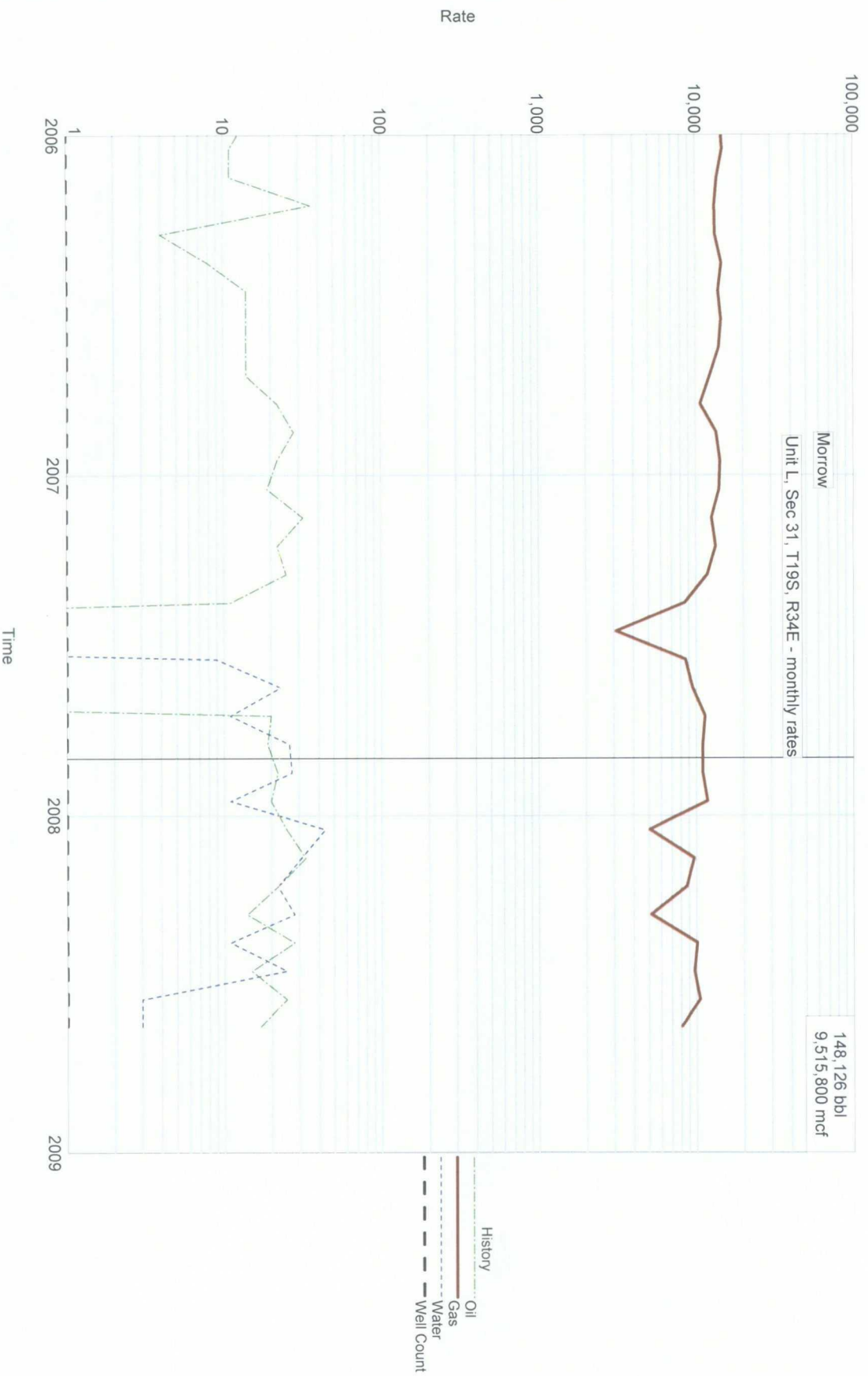
Project: c:\program files\lms energy\powerools v9.0\ling fed.mdb

Date: 1/2/2009
Time: 11:04 AM

Lease Name: LING FEDERAL (2)
County, ST: LEA, NM
Location: 31 19S 34E NW SW

Operator: FASKEN OIL AND RANCH LTD
Field Name: QUAIL RIDGE

LING FEDERAL - QUAIL RIDGE



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

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.

5. Lease Serial No.
NM-14496

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
Fasken Oil and Ranch, Ltd.

3a. Address
303 West Wall St., Suite 1800, Midland, TX 79701

3b. Phone No. (include area code)
432-687-1777

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

8. Well Name and No.
Ling Federal No. 4

9. API Well No.
30-025-38748

10. Field and Pool or Exploratory Area
Quail Ridge (Morrow) & Quail Ridge (Atoka)

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1660' FSL & 2310' FEL, Sec. 31, T19S, R34E

11. Country or Parish, State
Lea, New Mexico

12. CHECK THE 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 Downhole
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Commingle
	<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 must 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 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Fasken Oil and Ranch, Ltd. proposes to Downhole Commingle the Quail Ridge (Morrow) & the Quail Ridge (Atoka) pending approval from the NMOCD.

Please see attached procedure.

14. I hereby certify that the foregoing is true and correct.

Name (Printed/Typed)

Kim Tyson

Title Regulatory Analyst

Signature

Kim Tyson

Date 01/09/2009

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)

Fasken Oil and Ranch, Ltd.
Ling Federal No. 4
1660' FSL & 2310' FEL
Sec 31, T19S R34E

OBJECTIVE:		DHC Morrow with Atoka
WELL DATA:		
13-3/8" 54.5#K55&48# H40 casing:	Set at 1586.5' KB. Cmt w/600 sx "C" w/ 2% CaCl ₂ (13.5 ppg, 1.74 cuft/sx) + 400 sx "C" w/ 2% CaCl ₂ (14.8 ppg, 1/32 ft ³ /sx).	
9-5/8" 40# HCK55&36#J55 csg:	Set at 5172.2' KB, DV @ 3480.66' KB, Cmt 1 st stage 400sx HLC (12.6ppg, 2.013ft ³ /sx)+300sx "C" (14.8ppg, 1.32 cuft/sk). Circ 61 sx thru DV. 2 nd stage 1200sx HLC (12.6ppg, 2.01ft ³ /sx) +300sx "C" (14.8ppg, 1.32 cuft/sk). 9-5/8" TOC surf, circ 154sx	
5-1/2" 17#&20# N-80:	Set at 13,569.67' KB, DV @ 10,662' KB, Cmt 1 st stage 270sx Econocem "H" Modified (11.9ppg, 2.45cuft/sk) + 375 sx Super "H" Mod (13.2 ppg, 1.63 ft ³ /sx), Circ mudflush thru DV. Cmt 2 nd stage 860sx Halliburton Lite "H" (12.4 ppg, 2.03 ft ³ /sx) + 380sx Super "H" Modified (13.2 ppg, 1.63 ft ³ /sx). 5-1/2" TOC 3463' by Temp	
Packer:	Marker jts (drlg tally): 11.87' @13,097.55', 11.50' @ 9208.42' 2-3/8" WL re-entry guide, 15 jts- 2-3/8" EUE 8rd N-80 tubing, 5-1/2" Arrowset 10K packer at 12690' in 20 pts compression with TOSSD w/1.875" "X" profile nipple w/ EOT @ 13,140'. No packer fluid above the packer.	
Tubing:	2-3/8" EUE 8rd N-80.	
Perfs:	Morrow 13190'-13216'.	
TD:	13,577'	
PBTD:	13,240' CIBP	

1. RU slick line and set flow through check valve in 1.875" "X" profile nipple.
2. RUPU. NDWH and NU BOP.
3. Release tubing from TOSSD and pull tubing to 12400'.
4. Pump 24 bbl 3% KCL water with clay stabilizer down tubing.
5. ND BOP and NUWH.
6. RUWL and lubricator RIW with Gamma gun/CCL and 1-11/16" strip gun and perforate Atoka 1 JSPF @ 12,516'-12,524' (9 holes).
7. After evaluating flow rate, place well on sales line.
8. RDPU and clean wellhead and location. A frac procedure will follow after further evaluation if needed.

CWB
1-8-09