

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:**

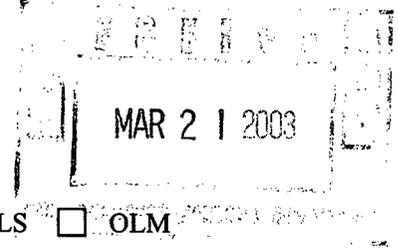
- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]**  
**[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]**  
**[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]**  
**[WFX-Waterflood Expansion] [PMX-Pressure 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  
 Print or Type Name

*Jimmy D. Carlile*  
 Signature

Regulatory Affairs  
 Title

2/25/03  
 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

Jimmy D. Carlile  
Regulatory Affairs Coordinator

February 26, 2003

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

Dear Mr. Catanach,

Re: Fasken Oil and Ranch, Ltd.  
Indian Hills Com No. 1  
Downhole Commingle Application

Enclosed is Fasken Oil and Ranch, Ltd.'s application to downhole commingle the Indian Hills Com No. 1 in the Undesignated Indian Basin Upper Penn (Associated), Indian Basin Strawn, and the Undesignated Seven Rivers Hills Atoka Pools. Each of these zones is a marginal as stand alone recompletions. The only way to recover these reserves in an economic manner is to downhole commingle the wellbore.

Please give me a call if you have any questions concerning this application.

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

District III  
1000 Rio Brazos Road, Aztec, NM 87410

Single Well  
 Establish Pre-Approved Pools  
EXISTING WELLBORE

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

APPLICATION FOR DOWNHOLE COMMINGLING

Yes  No

Fasken Oil and Ranch, Ltd. 303 West Wall, Suite 1800, Midland, TX 79701  
Operator Address

Indian Hills Com 1 J, Sec. 8, T21S, R24E Eddy  
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 151416 Property Code 018235 API No. 30-015-20195 Lease Type:  Federal  State  Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name <input checked="" type="checkbox"/>	Undesignated Indian Basin Upper Penn (Associated)	<input checked="" type="checkbox"/> Indian Basin Strawn Gas	<input checked="" type="checkbox"/> Undesignated Seven Rivers Hills Atoka Gas
Pool Code	33685	79035 <input checked="" type="checkbox"/>	96714
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	8708' - 8747'	8831' - 9158'	9468' - 9474'
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)	3300 psi	3500 psi	3600 psi
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1000 BTU	1000 BTU	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: March 2003 Rates: 60 MCFPD	Date: March 2003 Rates: 100 MCFPD	Date: March 2003 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 100 % Gas 30 %	Oil % Gas 50 %	Oil % Gas 20 %

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 Jimmy D. Carlile TITLE Regulatory Affairs Coord. DATE 2/25/03  
 TYPE OR PRINT NAME Jimmy D. Carlile TELEPHONE NO. (915) 687-1777

# **Fasken Oil and Ranch, Ltd.**

## **Indian Hills 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 total production from all three zones to be only 200 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.

Undesignated Indian Basin Upper Penn (Associated)	60 MCFPD
Indian Basin Strawn	100 MCFPD
Undesignated Seven Rivers Hills 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.

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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 August 15, 2000  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-015-20195		<sup>2</sup> Pool Code		<sup>3</sup> Pool Name Undesignated Indian Basin Upper Penn (Associated)	
<sup>4</sup> Property Code 018235		<sup>5</sup> Property Name Indian Hills Com			<sup>6</sup> Well Number 1
<sup>7</sup> OGRID No. 151416		<sup>8</sup> Operator Name Fasken Oil and Ranch, Ltd.			<sup>9</sup> Elevation 4100.8'

<sup>10</sup> 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	8	21S	24E		1650	south	1750	east	Eddy

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No. RNM-021
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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

16	<b><sup>17</sup> OPERATOR CERTIFICATION</b>		
	<i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>		
	 Signature Jimmy D. Carlile Printed Name Regulatory Affairs Coordinator Title		
	Date February 25, 2003 Date		
	<b><sup>18</sup> SURVEYOR CERTIFICATION</b>		
	<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			

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**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-015-20195		<sup>2</sup> Pool Code 79035		<sup>3</sup> Pool Name Indian Basin Strawn	
<sup>4</sup> Property Code 018235		<sup>5</sup> Property Name Indian Hills Com			<sup>6</sup> Well Number 1
<sup>7</sup> OGRID No. 151416		<sup>8</sup> Operator Name Fasken Oil and Ranch, Ltd.			<sup>9</sup> Elevation 4100.8'

<sup>10</sup> Surface Location

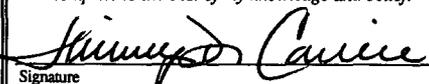
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				<p><sup>18</sup> SURVEYOR CERTIFICATION</p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p>
				<p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>
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**WELL LOCATION AND ACREAGE DEDICATION PLAT**

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<sup>4</sup> Property Code 018235		<sup>5</sup> Property Name Indian Hills Com			<sup>6</sup> Well Number 1
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**U.S. Postal Service**  
**CERTIFIED MAIL RECEIPT**  
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OFFICIAL

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Certified Fee	2.37/
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Restricted Delivery Fee (Endorsement Required)	
<b>Total Postage &amp; Fees</b>	<b>\$ 6.03/</b>



Sent To  
**BUREAU OF LAND MANAGEMENT**  
 Street, Apt. No.;  
 or PO Box No. **2909 W 2<sup>ND</sup> ST**  
 City, State, ZIP+ **ROSWELL NM 88201**