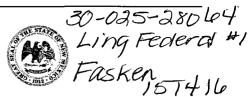
MEW MEXICO OIL CONSERVATION DIVISION

2009 JUN 15 PM 1 34 - Engineering Bureau -



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•		1220 South St. Francis Drive, Sant	a Fe, NM 87505	asken 157411			
		ADMINISTRATIVE APPL					
,. TH	IS CHECKLIST IS N	IANDATORY FOR ALL ADMINISTRATIVE APPLICA WHICH REQUIRE PROCESSING AT T	TIONS FOR EXCEPTIONS TO DIVISION RULES AN	D REGULATIONS			
Applic	DHC-Dow PC-Pe	s: ndard Location] [NSP-Non-Standard F rhole Commingling] [CTB-Lease Co ool Commingling] [OLS - Off-Lease S [WFX-Waterflood Expansion] [PMX- [SWD-Salt Water Disposal] [IPI	Proration Unit] [SD-Simultaneous Dedic mmingling] [PLC-Pool/Lease Commi storage] [OLM-Off-Lease Measureme Pressure Maintenance Expansion]	ngling] nt]			
[1]	TYPE OF A	PPLICATION - Check Those Which A	pply for [A]	7,			
	[A]	Location - Spacing Unit - Simultaneo  NSL NSP SD	us Dedication				
	Check [B]	COne Only for [B] or [C]  Commingling - Storage - Measureme  DHC CTB PLC	nt PC OLS OLM				
	[C]	Injection - Disposal - Pressure Increased WFX PMX SWD					
	[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 of	or Surface Owner				
	[C]	Application is One Which Requi	ires Published Legal Notice				
	[D]	Notification and/or Concurrent A U.S. Bureau of Land Management - Commissione	Approval by BLM or SLO rof Public Lands, State Land Office				
	[E]	For all of the above, Proof of No	tification or Publication is Attached, and	l/or,			
	[F]	Waivers are Attached					
[3]		CURATE AND COMPLETE INFOR ATION INDICATED ABOVE.	RMATION REQUIRED TO PROCES	SS THE TYPE			
	al is <mark>accurate</mark> a		ation submitted with this application for ge. I also understand that <b>no action</b> will submitted to the Division.				
	Note	: Statement must be completed by an individu	al with managerial and/or supervisory capacity				
K <b>i</b> m	Tyson	Rim Turan	Regulatory Analyst	6-11-09			
Print or	Type Name	Signature	Title kimt@forl.com	Date			
			e-mail Address				

Injection Permit Checklist (7/8/08) IPI 345 Permit Date UIC Qtr SWD/1142WFX # Wells | Well Name: Ling Fed well No. 1 API Num: (30-) 025-28064 Spud Date: 12/1982 New/Old: New/Old: New/Old: 1982) Contact Kim Tyson RULE 40 Compliance (Wells) wall Operator Address: 300 West. Current Status of Well: 5 WD Lled is a My now bas Wdklanned Tubing Size/Depth: Cement Cement Top and Determination Sizes Hole.....Pipe Sx or Cf Method Depths 450 Sxs 1338 Circulate 17/2 4081 1214 95/5 5221 Existina Intermediate 13690 51/2 0255xs Existina Long String Total Depth 3690 PBTD 55 DV Tool 9367 Open Hole Well File Reviewed After Conversion \_\_\_\_ Elogs in Imaging File: \_\_\_ Diagrams: Before Conversion, Formation Producing (Yes/No) Intervals: Depths Above (Name and Top) Above (Name and Top) Injection.... 5679 1497 - PSI Max. WHIP Interval TOP: Injection..... **830**3 Open Hole (Y/N) Interval BOTTOM: Deviated Hole? Below (Name and Top) \_\_ Salt Depths \_\_\_\_\_\_/95~6 ' Sensitive Areas: Capitan Reef # Edga Cliff House \_ .... Potash.Area.(R-111-P) Potash-Lessee Noticed? Fresh Water: Depths: 275 Ogellala Analysis Included (Y/N): Affirmative Statement Wells(Y/N) Salt Water: Injection Water Types: BS and Mary Consultation \_\_\_\_ Hydrócarbon Potential \_ Injection Interval.....Water Analysis: Notice: Newspaper(Y/N)\_\_\_\_Surface Owner \_\_\_ \_Mineral Owner(s)\_ RULE 701B(2) Affected Parties: \_ Area of Review: Adequate Map (Y/N) \_\_\_\_ and Well List (Y/N) Active Wells \_\_\_\_\_ Num Repairs \_\_\_\_\_ Producing in Injection Interval in AOR .P&A Wells \_\_\_\_\_ Num Repairs \_\_\_\_\_ All Wellbore Diagrams Included? Questions to be Answered: Required Work on This Well: \_\_\_ Request Sent AOR Repairs Needed: Request Sent Reply: Request Sent ...

1136/52

# FASKEN OIL AND RANCH, LTD.

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

2009 JUN 8 PM 1 12

(432) 687-1777 kimt@forl.com

> Kim Tyson Regulatory Analyst

June 4, 2009

New Mexico Oil Conservation Division 1220 South St. Francis Drive Santa Fe. NM 87505

Attn: Terry Warnell,

Re: Ling Federal #1
API # 30-025-28064
Lease # NM-14496
Delaware Mountain Group Pool
Lea County

Dear Mr. Warnell,

On 5-21-09 Fasken Oil and Ranch, Ltd. performed a step rate test on the Ling Federal No. 1 to increase the injection allowable. I submitted the original and three copies to the Oil Conservation Division in Hobbs on 5-22-09. I did not realize that I needed to send the original to the Oil Conservation Division in Santa Fe.

The engineer did some more calculations and based on the step rate analysis, Fasken Oil and Ranch, Ltd. request that the maximum allowable bottom hole pressure for the Ling Federal No. 1 be equal to 4,485 psi bottom hole and 1547 psi surface.

I have attached an amended step rate test as well as the original one that I submitted only to the Oil Conservation Division in Hobbs. Sorry for any confusion that might have been caused by this.

Thank you for your help concerning this matter.

If you have any questions please call or e-mail me.

Yours truly,

Kimberley A. Tyson Regulatory Analyst

Submit, 3 Copies To	o Appropriate Distric		State of New N			n C-103
District I		Energy	, Minerals and Na	atural Resources		27, 2004
	., Hobbs, NM 88240				WELL API NO.	
District II 1301 W. Grand Av	e., Artesia, NM 8821	$_{0}$ OIL $_{0}$	CONSERVATIO	N DIVISION	30-025-28064 5. Indicate Type of Lease	
District III		1	220 South St. Fr	rancis Dr.	STATE FEE	ו
	d., Aztec, NM 87410		Santa Fe, NM	87505	6. State Oil & Gas Lease No.	<u> </u>
District IV 1220 S. St. Francis 87505	Dr., Santa Fe, NM				NM-14496	
	SUNDRY NO	TICES AND R	EPORTS ON WEL	LS	7. Lease Name or Unit Agreement	Name
			L OR TO DEEPEN OR ERMIT" (FORM C-101)		Ling Federal	
PROPOSALS.)	ll· Oil Well	Gas Well	Other SWD		8. Well Number 1	
<ol> <li>Type of We</li> <li>Name of Op</li> </ol>		Gas well 🗵	7 Other SMD		9. OGRID Number	·
Fasken Oil and					151416	
3. Address of 0					10. Pool name or Wildcat	
	suite 1800, Midla	nd, TX 79701			Delaware Mountain Group	
4. Well Location	*					
Unit L		: 1980'	feet from the	North line and	1980' feet from the East	line
Section			Township 19S	Range 34	_	
Section				OR, RKB, RT, GR, etc.)		Lea
		TI. Elevativ	3629.6° (3629.6° )			
Pit or Below-grade	Tank Application	or Closure	3027.0	OK .	the commentation of the section of	COD- C
Pit type			ance from nearest fres	h water well Dist:	ance from nearest surface water	
Pit Liner Thicknes				· <del></del>	nstruction Material	
Tit Liner Tineknes						
	12. Check	k Appropriate	Box to Indicate	Nature of Notice,	Report or Other Data	
	NOTICE OF	INTENTION	TO:	SUBS	SEQUENT REPORT OF:	
	MEDIAL WORK [		ABANDON [	REMEDIAL WORK		ing □
TEMPORARIL		CHANGE F	<del></del> -	COMMENCE DRIL	<del></del> -	
PULL OR ALTE	-	MULTIPLE		CASING/CEMENT		Ш
OTHER:					Rate Test - Amended	$\boxtimes$
					give pertinent dates, including estir	
		work). SEE RU	ILE 1103. For Mul	tiple Completions: Att	ach wellbore diagram of proposed c	ompletion
	npletion.					
5-21-09						
PH Gray WI an	d Basic kill truck	and RIW to 685	in' ES with BHP bo	omb. Ran step rate test	as follows:	
KU Gray W L an	d Basic Kill truck	and KIW 10 06.	OU ES WILLI BEF DU	ino. Kan step rate test	as follows:	
RATE BPM	Date	Time	BH Press	Surface Pressure	Temperature	
0	5/20/2009	10:00 AM	2938	0	111.0°	
0.5	5/20/2009	10:30 AM	4281	1100	110.8	
1	5/20/2009	11:00 AM	4480	1280	109.8	
1.5	5/20/2009	11:30 AM	4549	1400	108.7	
2	5/20/2009	12:00 PM	4587	1550	107.2	
2.5	5/20/2009	12:30 PM	4593	1740	104.4	
		ISIP	4485	1547		
				test. SICP- 850 psi at e	end of test, bled pressure down and o	casing
dead with tubing	at 1090 psi. Ple	ase see attached	test summary.			
I haraby cartify t	hat the informati	on aboua ia tmia	and aamplata ta tha	hoot of my lenguelodos	and haliaf to a great	
grade tank has been	nat the informati vwill be constructed	on above is true for closed accordin	and complete to the	s Dest of fifty knowledge	e and belief. I further certify that any pi or an (attached) alternative OCD-approved	t or below-
						. p.a
SIGNATURE_	Kim Vynon	·	TITLE_	Regulatory Analyst	DATE <u>6-4</u>	-09
Type or print nar			E-mail address:	kimt@forl.com	Telephone No. (432) 687-1777	
For State Use O	<u>only</u>					
A DDD OVED ET	7.		CENTURE TO		<b>~</b>	
APPROVED BY Conditions of Ap	hrovol (if and)		IIILE_		DATE	
Conditions of AL	oprovar (11 ally):					

Fasken Oil & Ranch, Ltd. Ling Federal No. 1 S31, T19S, R33E Lea County, New Mexico

## Ling Federal No. 1 Step-Rate Test Summary

A step rate test was performed on the Ling Federal No. 1 well located in Section 31, Township 19S, Range 33E of Lea County, New Mexico in an effort to determine the fracture parting pressure of the Delaware injection zone. The test was performed on May 20, 2009 from 10:00 a.m. to 12:30 p.m. MST, with Mark Whitaker of the NMOCD witnessing the last 15 minutes of the test.

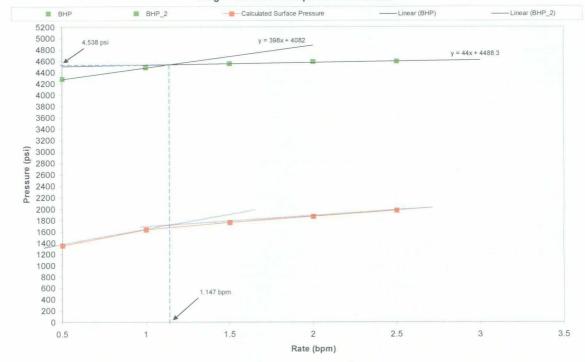
Gray wireline ran a pressure bomb to 6850', which recorded both bottom hole pressure and bottom hole temperature throughout the step-rate test. A pressure transducer installed in the injection line recorded surface pressures and temperatures

The initial static bottomhole pressure was measured at 2938 psi, while the static surface pressure was 0 psi. Five step-rate intervals of injecting produced water were eventually performed with the results shown below:

Rate (bpm)	Time	Bottom Hole Pressure (psi)	Measured Surface Pressure (psi)	Temperature (deg F)	Estimated Friction Pressure (psi)	Calculated Surface Pressure (psi)
0	10:00 AM	2938	0	111.0	0	0
0.5	10:30 AM	4281	1100	110.8	0	1343
1	11:00 AM	4480	1280	109.8	85	1627
1.5	11:30 AM	4549	1400	108.7	142	1753
2	12:00 PM	4587	1550	107.2	210	1859
2.5	12:30 PM	4593	1740	104.4	312	1967
	ISIP	4485	1176			1547

As depicted above, five step-rate intervals were performed with each step lasting exactly 30 minutes each. The instantaneous shut down pressure was 4,485 psi, which calculates to a 1,547 psi surface pressure and represents the minimum fracture parting pressure of this Delaware reservoir. The actual formation parting pressure observed during the test was 4,538 psi, which is within 1.17% of the observed ISIP. A graphical representation of the formation parting pressure and accompanying calculations are shown below:

Ling Federal No. 1 Step Rate Test Results



As shown above, the slope of the bottom hole pressure line changed while pumping the 1 bpm stage. To calculate the parting pressure, a straight line was fitted to the differing slopes for the bottomhole pressure curve. To figure out a theoretical parting injection rate, the linear equations for each line were set equal to each other in order to find the rate corresponding to the intersection point.

$$y = 398x + 4082 = 44x + 4488.3$$
  
 $x = 1.147$  bpm

After finding the parting injection rate, the corresponding formation parting pressure was calculated by using the rate solved for above:

$$y = (398 * 1.147) + 4082$$
  
 $y = 4,538 \text{ psi}$ 

Furthermore, a graphical presentation of bottom hole pressure, surface pressure, bottomhole temperature, injection rate, and cumulative injection volume versus time is shown below:



In conclusion, we feel that this step-rate test successfully determined the actual formation parting pressure of the subject Delaware reservoir and is equal to 4485 psi bottomhole and 1547 psi surface. Therefore, Fasken Oil and Ranch, Ltd. request that the maximum allowable surface injection pressure for the Ling Federal No. 1 be raised from 1135 psi to 1547 psi.

Office			•	Mexico	Form C-1	
Office District I		Energy	y, Minerals and N	atural Resources	May 27, 20	004
	Or., Hobbs, NM 88240				WELL API NO. 30-025-28064	
	Ave., Artesia, NM 8821	IO OIL (	CONSERVATIO	ON DIVISION	5. Indicate Type of Lease	
District III		1	1220 South St. F.	rancis Dr.	STATE FEE	
	Rd., Aztec, NM 87410	)	Santa Fe, NM	87505	6. State Oil & Gas Lease No.	
District IV	eis Dr., Santa Fe, NM			0,000	NM-14496	
87505	7.5 Dr., Sunta : 0, 1111				1 111/1-14490	
	SUNDRY NO	OTICES AND R	EPORTS ON WEL	LS	7. Lease Name or Unit Agreement Name	—— е
			L OR TO DEEPEN OR		,	•
	SERVOIR. USE "API	PLICATION FOR P	ERMIT" (FORM C-101	) FOR SUCH	Ling Federal	
PROPOSALS.)		6 W II S	7 04 000		8. Well Number	
	ell: Oil Well	Gas Well 2	Other SWD			
2. Name of C					9. OGRID Number	_
Fasken Oil an					151416	
3. Address of					10. Pool name or Wildcat	
303 W. Wall,	Suite 1800, Midla	nd, TX 79701			Delaware Mountain Group	
4. Well Loca	tion					
Unit	Letter <u>G</u>	: 1980'	feet from the	North line and	1980' feet from the East line	
Secti	on 31		Township 19S	Range 34	E NMPM County Lea	
		11. Elevati	on (Show whether L	OR, RKB, RT, GR, etc.)		
			3629.6'			
Pit or Below-grad	le Tank Application	or Closure				
Pit type			tance from nearest fres	h water well Dista	ance from nearest surface water	
					<del></del>	
Pit Liner Thickne	ess: r	nil Below-Gr	ade Tank: Volume	bbls; Cor	nstruction Material	
	12. Checl	k Appropriate	Box to Indicate	Nature of Notice, I	Report or Other Data	
				1		
	NOTICE OF			SUBS	SEQUENT REPORT OF:	
PERFORM RI	EMEDIAL WORK [	PLUG AND	ABANDON 🗌	REMEDIAL WORK		
TEMPORARIL	_Y ABANDON [	☐ CHANGE F	PLANS 🗌	COMMENCE DRIL	LING OPNS.□ PAND A □	
PULL OR ALT	TER CASING [	MULTIPLE	COMPL	CASING/CEMENT	JOB 🗌	
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OTHER:				OTHER: Step I	Rate Test	ጃ_
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# FASKEN OIL AND RANCH, LTD.

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

> (432) 687-1777 kimt@forl.com

> > Kim Tyson Regulatory Analyst

June 11, 2009

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

Attn: Terry Warnell

Re: Additional data requested for the Ling Federal No. 1 Step Rate Test API # 30-025-28064
Lease # NM-14496
Delaware Mountain Group Pool
Lea County

Dear Mr. Warnell,

Enclosed is the additional data that was requested concerning the Step Rate Test for the Ling Federal No. 1. A step rate test summary is attached that states the particulars of the well and the well test, the details of the existing pressure limit, and the new pressure limit that Fasken Oil and Ranch, Ltd. is requesting. There is also an Administrative Checklist Application attached as well.

Please feel free to contact me by phone or email if any additional data is needed.

Thank you for your help concerning this matter.

Yours truly,

Rimberley A. Tyson Regulatory Analyst Fasken Oil & Ranch, Ltd. Ling Federal No. 1 S31, T19S, R33E Lea County, New Mexico

# Ling Federal No. 1 Step-Rate Test Summary

A step rate test was performed on the Ling Federal No. 1 well located in Section 31, Township 19S, Range 33E of Lea County, New Mexico in an effort to determine the fracture parting pressure of the Delaware injection zone. The test was performed on May 20, 2009 from 10:00 a.m. to 12:30 p.m. MST, with Mark Whitaker of the NMOCD witnessing the last 15 minutes of the test.

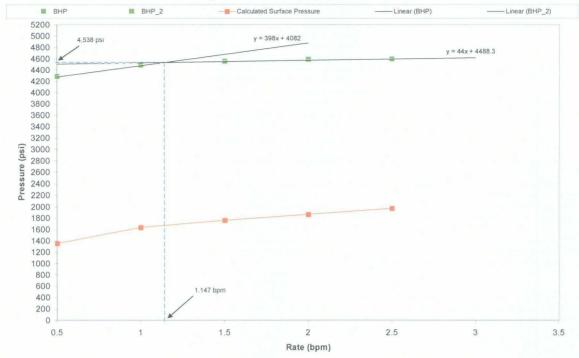
Gray wireline ran a pressure bomb to 6850', which recorded both bottom hole pressure and bottom hole temperature throughout the step-rate test. A pressure transducer installed in the injection line recorded surface pressures and temperatures

The initial static bottomhole pressure was measured at 2938 psi, while the static surface pressure was 0 psi. Five step-rate intervals of injecting produced water were eventually performed with the results shown below:

Rate (bpm)	Time	Bottom Hole Pressure (psi)	Measured Surface Pressure (psi)	Temperature (deg F)	Estimated Friction Pressure (psi)	Calculated Surface Pressure (psi)
0	10:00 AM	2938	0	111.0	0	0
0.5	10:30 AM	4281	1100	110.8	0	1343
1	11:00 AM	4480	1280	109.8	85	1627
1.5	11:30 AM	4549	1400	108.7	142	1753
2	12:00 PM	4587	1550	107.2	210	1859
2.5	12:30 PM	4593	1740	104.4	312	1967
	ISIP	4485	1176			1547

As depicted above, five step-rate intervals were performed with each step lasting exactly 30 minutes each. The instantaneous shut down pressure was 4,485 psi, which calculates to a 1,547 psi surface pressure and represents the minimum fracture parting pressure of this Delaware reservoir. The actual formation parting pressure observed during the test was 4,538 psi, which is within 1.17% of the observed ISIP. A graphical representation of the formation parting pressure and accompanying calculations are shown below:

Ling Federal No. 1 Step Rate Test Results



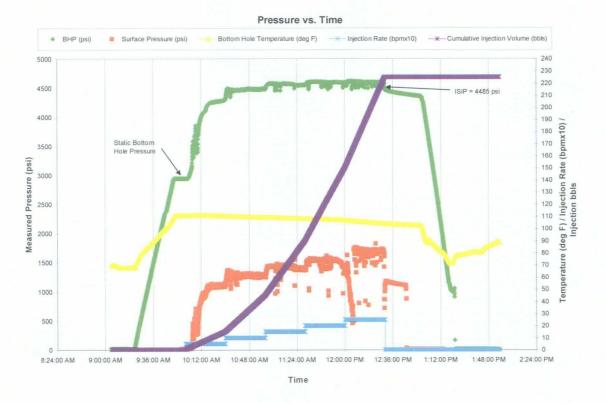
As shown above, the slope of the bottom hole pressure line changed while pumping the 1 bpm stage. To calculate the parting pressure, a straight line was fitted to the differing slopes for the bottomhole pressure curve. To figure out a theoretical parting injection rate, the linear equations for each line were set equal to each other in order to find the rate corresponding to the intersection point.

$$y = 398x + 4082 = 44x + 4488.3$$
  
 $x = 1.147 \text{ bpm}$ 

After finding the parting injection rate, the corresponding formation parting pressure was calculated by using the rate solved for above:

$$y = (398 * 1.147) + 4082$$
  
 $y = 4,538 \text{ psi}$ 

Furthermore, a graphical presentation of bottom hole pressure, surface pressure, bottomhole temperature, injection rate, and cumulative injection volume versus time is shown below:

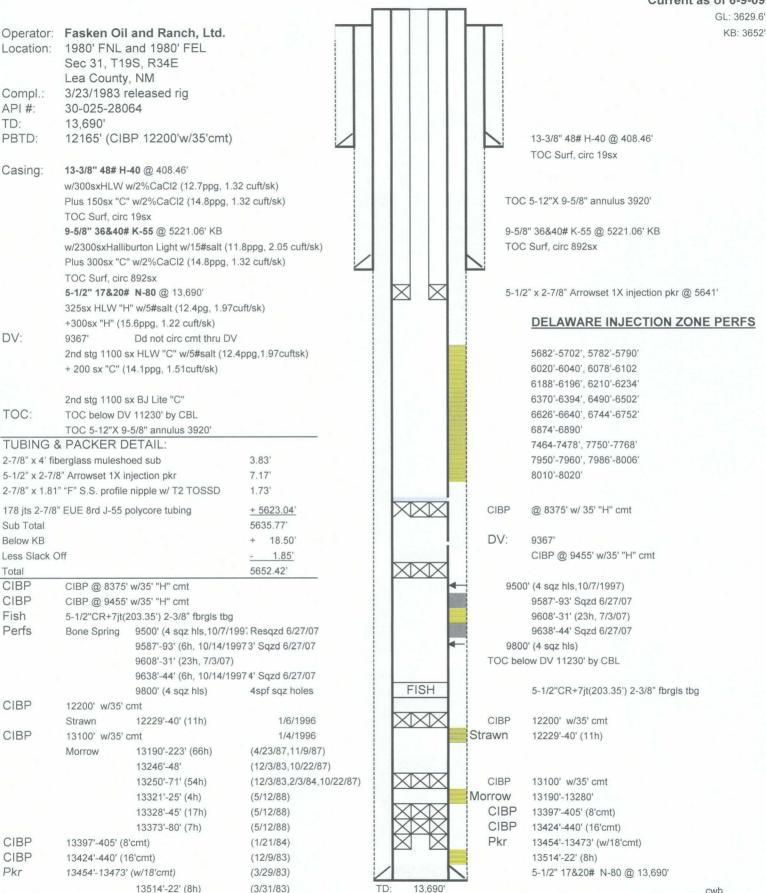


In conclusion, we feel that this step-rate test successfully determined the actual formation parting pressure of the subject Delaware reservoir and is equal to 4485 psi bottomhole and 1547 psi surface. Therefore, Fasken Oil and Ranch, Ltd. request that the maximum allowable surface injection pressure for the Ling Federal No. 1 be raised from 1135 psi to 1547 psi.

### Current as of 6-9-09

9-14-07

Ling\_Federal\_1\_Current\_WBD.xls



Hole Sizes: 17-1/2" 408'

12-1/4" 400'-5222'

8-3/4" 13,690"