

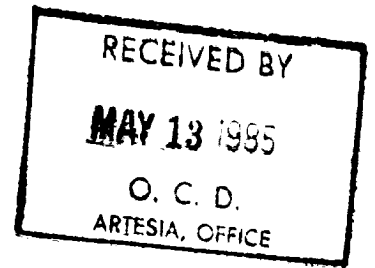
for your records—

Thanks,

Jackie Payne



Diamondback Financial Corporation



INTERIM COLLECTION NOTICE

Pursuant to 18 DFR 273.202 to make interim collection under
Section 503 of NGPA of 1978 (NGPA).

We submit:

Filing date May 9, 1985

For NGPA Section 103

For gas sales from the Red Twelve State #3
(name of well)

Located at: I - 5 - 175 - 29E -
Eddy County, NM

Michael Payne
Secretary, Treasurer

OIL CONSERVATION DIVISION

Form C-132
Revised 5-10-81STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

P O BOX 2088

SANTA FE, NEW MEXICO 87501

APPLICATION FOR WELLHEAD
PRICE CEILING CATEGORY DETERMINATION

1. FOR DIVISION USE ONLY:

DATE COMPLETE APPLICATION FILED _____

DATE DETERMINATION MADE _____

WAS APPLICATION CONTESTED? YES _____ NO _____

NAME(S) OF INTERVENOR(S), IF ANY: _____

RECEIVED BY

MAY 13 1985

O. C. D.
ARTESIA, OFFICE

5A. Indicate Type of Lease

STATE ☒FEE ☐

5. State Oil & Gas Lease No.

B-7596

7. Unit Agreement Name

8. Farm or Lease Name

RED TWELVE STATE

9. Well No.

3

10. Field and Pool, or Wildcat

CAVE - GB - SA

12. County

Eddy

2. Name of Operator

Diamondback Petroleum, Inc. ✓

3. Address of Operator

P.O. Box 2938, Ruidoso, N.M. 88345

4. Location of Well

UNIT LETTER

I

LOCATED

2310

FEET FROM THE

SOUTH

LINE

AND

330

FEET FROM THE

EAST

LINE OF SEC.

5

TWP.

17S

RGE.

29E

N.M.

11. Name and Address of Purchaser(s)

WELL CATEGORY INFORMATION

Check appropriate box for category sought and information submitted.

1. Category(ies) Sought (By NGPA Section No.) 103

2. All Applications must contain:

- ☐ a. C-101 APPLICATION FOR PERMIT TO DRILL, DEEPEN OR PLUG BACK
- ☐ b. C-105 WELL COMPLETION OR RECOMPLETION REPORT
- ☐ c. DIRECTIONAL DRILLING SURVEY, IF REQUIRED UNDER RULE 111
- ☐ d. AFFIDAVITS OF MAILING OR DELIVERY

3. In addition to the above, all applications must contain the items required by the applicable rule of the Division's "Special Rules for Applications For Wellhead Price Ceiling Category Determinations" as follows:

A. NEW NATURAL GAS UNDER SEC. 102(c)(1)(B) (using 2.5 Mile or 1000 Feet Deeper Test)

☐ All items required by Rule 14(1) and/or Rule 14(2)

B. NEW NATURAL GAS UNDER SEC. 102(c)(1)(C) (new onshore reservoir)

☐ All items required by Rule 15

C. NEW ONSHORE PRODUCTION WELL

☒ All items required by Rule 16A or Rule 16B

D. DEEP, HIGH-COST NATURAL GAS, TIGHT FORMATION NATURAL GAS, AND PRODUCTION ENHANCEMENT NATURAL GAS

☐ All items required by Rule 17(1), Rule 17(2) or Rule 17(3), or Rule 17(4)

E. STRIPPER WELL NATURAL GAS

☐ All items required by Rule 18I HEREBY CERTIFY THAT THE INFORMATION CONTAINED
HEREIN IS TRUE AND COMPLETE TO THE BEST OF MY
KNOWLEDGE AND BELIEF.

Diamondback Petroleum, Inc.

NAME OF APPLICANT (Type or Print)

Jackie Payne

SIGNATURE OF APPLICANT

Title SECRETARY-Treasurer

Date May 9, 1985

FOR DIVISION USE ONLY

☐ Approved☐ DisapprovedThe information contained herein includes all
of the information required to be filed by the
applicant under Subpart B of Part 274 of the
FERC regulations.

EXAMINER

U.S. DEPARTMENT OF ENERGY
Federal Energy Regulatory Commission
Washington, D.C. 20426

**APPLICATION FOR DETERMINATION OF THE MAXIMUM LAWFUL
PRICE UNDER THE NATURAL GAS POLICY ACT (NGPA)**
(Sections 102, 103, 107 and 108)

PLEASE READ BEFORE COMPLETING THIS FORM:

General Instructions:

Complete this form if you are applying for price classification under sections 102, 103, 107 or 108 of the NGPA. A separate application is required for each well. If any reservoir qualifies for a category which differs from the category applicable to the producing well, separate applications must be made for the producing well and the reservoir. Complete each appropriate item on the reverse side of this page. The code numbers used in items 4.0 and 6.0 can be obtained from the Buyer/Seller Code Book. If there is more than one purchaser or contract, identify the additional information in the space below. Enter any additional remarks in the space below.

Submit the completed application to the appropriate Jurisdictional Agency as listed in title 18 of the CFR, part 270.103. If there are any questions, call (202) 275-4539.

Specific Instructions for Item 2.0, Type of Determination:

<u>Section of NGPA</u>	<u>Category Code</u>	<u>Description</u>
102	1	New OCS Lease
102	2	New onshore well (2.5 mile test)
102	3	New onshore well (1,000 feet deeper test)
102	4	New onshore reservoir
102	5	New reservoir on old OCS Lease
103	—	New onshore production well
107	—	High cost natural gas
108	—	Stripper well

Other Purchasers/Contracts:

<u>Contract Date</u> (Mo. Day Yr.)	<u>Purchaser</u>	<u>Buyer Code</u>
<u>3-13-84</u>	<u>Acroco, INC.</u>	<u>004273</u>
_____	_____	_____
_____	_____	_____

Remarks:

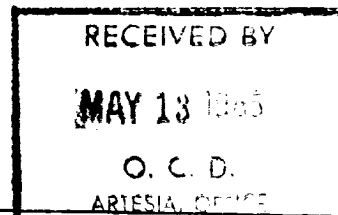
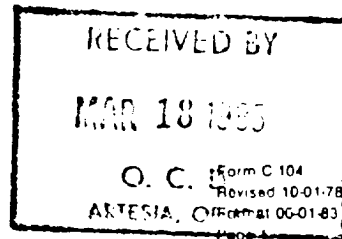
1.0 API well number: (If not available, leave blank. 14 digits.)	<u>30-015-24989</u>			
2.0 Type of determination being sought: (Use the codes found on the front of this form.)	<u>103</u> Section of NGPA		_____ Category Code	
3.0 Depth of the deepest completion location: (Only needed if sections 103 or 107 in 2.0 above.)	<u>3550</u> feet			
4.0 Name, address and code number of applicant: (35 letters per line maximum. If code number not available, leave blank.)	<u>Diamondback Petroleum, Inc</u> Name _____ Seller Code <u>P.O. Box 2938</u> Street <u>Ruidoso,</u> City <u>N.M.</u> State <u>88345</u> Zip Code			
5.0 Location of this well: [Complete (a) or (b).] (a) For onshore wells (35 letters maximum for field name.)	<u>Cave Pool Field</u> Field Name <u>Eddy</u> County <u>N.M.</u> State			
(b) For OCS wells:	<u>- 0 -</u> Area-Name <u>- 0 -</u> Block Number Date of Lease: <u>- 0 -</u> Mo. Day Yr. <u>- 0 -</u> OCS Lease Number			
(c) Name and identification number of this well: (35 letters and digits maximum.)	<u>RED TWELVE STATE #3 - I-5-17-29</u>			
(d) If code 4 or 5 in 2.0 above, name of the reservoir: (35 letters maximum.)	<u>- 0 -</u>			
6.0 (a) Name and code number of the purchaser: (35 letters and digits maximum. If code number not available, leave blank.)	<u>Conoco, INC.</u> Name <u>004273</u> Buyer Code			
(b) Date of the contract:	<u>3-13-84</u> Mo. Day Yr.			
(c) Estimated annual production:	<u>2.5</u> MMcf.			
	(a) Base Price (\$/MMBTU)	(b) Tax	(c) All Other Prices [Indicate (+) or (-).]	(d) Total of (a), (b) and (c)
7.0 Contract price: (As of filing date. Complete to 3 decimal places.)	MAXIMUM AMOUNT ALLOWED BY LAW. -.-.-	-.-.-	-.-.-	-.-.-
8.0 Maximum lawful rate: (As of filing date. Complete to 3 decimal places.)	MAXIMUM AMOUNT ALLOWED BY LAW. -.-.-	-.-.-	-.-.-	-.-.-
9.0 Person responsible for this application:	<u>Diamondback Petroleum, INC.</u> Name <u>Sec/Treasurer</u> Title <u>Michelle Payne</u> Signature <u>May 9, 1985</u> Date Application is Completed <u>505-258-5886</u> Phone Number			

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

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PRODUCTION OFFICE	☐

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

REQUEST FOR ALLOWABLE
AND
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS



I. Operator J.E.M. Resources Inc. Diamondback Petroleum, Inc.
Address P.O. Box 2938 Ruidoso NM 88345
Reason(s) for filing (Check proper box)
☒ New Well ☐ Recompletion ☐ Change in Ownership
Change in Transporter of:
☐ Oil ☐ Dry Gas ☐ Casinghead Gas ☐ Condensate
Other (Please explain) Change in Operator from J.E.M. Resources Inc. to Diamondback Petroleum, Inc.

If change of ownership give name and address of previous owner No change in ownership - still Diamondback Petroleum, Inc.

II. DESCRIPTION OF WELL AND LEASE

Lease Name <u>Red Twelve State</u>	Well No. <u>3</u>	Pool Name, including Formation <u>Cave GB/SA</u>	Kind of Lease <u>State, Federal or Fee State</u>	Lease No. <u>B-7596</u>
Location Unit Letter <u>I</u> ; <u>2310</u> Feet From The <u>South</u> Line and <u>330</u> Feet From The <u>East</u> Line of Section <u>5</u> Township <u>17S</u> Range <u>29E</u> , N.M.P.M. Eddy County				

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil ☒ or Condensate ☐ <u>Navajo Crude Oil Purchasing Co.</u>	Address (Give address to which approved copy of this form is to be sent) <u>N. Freeman, Artesia NM 88210</u>	
Name of Authorized Transporter of Casinghead Gas ☒ or Dry Gas ☐ <u>Conoco</u>	Address (Give address to which approved copy of this form is to be sent) <u>P.O. Box 2197 Houston TX 77001</u>	
If well produces oil or liquids, give location of tanks.	Unit <u>I</u>	Sec. <u>5</u>
	Twp. <u>17S</u>	Rge. <u>29E</u>
	Is gas actually connected?	When
	<u>Yes</u>	<u>11-1-84</u>

If this production is commingled with that from any other lease or pool, give commingling order number: _____

NOTE: Complete Parts IV and V on reverse side if necessary.

VI. CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given is true and complete to the best of my knowledge and belief.

Jackie Payne
(Signature)
Secretary - Treasurer
(Title)
3-15-84
(Date)

OIL CONSERVATION DIVISION

APPROVED MAR 18 1985, 19_____
BY _____ Original Signed By
Leslie A. Clements
TITLE _____ Supervisor District II

This form is to be filed in compliance with RULE 1104.
If this is a request for allowable for a newly drilled or deepener well, this form must be accompanied by a tabulation of the deviation tests taken on the well in accordance with RULE 111.
All sections of this form must be filled out completely for allowable on new and recompleted wells.
Fill out only Sections I, II, III, and VI for changes of owner, well name or number, or transporter, or other such change of condition.
Separate Forms C-104 must be filed for each pool in multiply completed wells.

OIL CONSERVATION DIVISION

Drawer 20 _____

DISTRICT OFFICE _____

Jan. thru Apr. 1955
NO. _____

SUPPLEMENT TO THE OIL PRORATION SCHEDULE

DATE January 2, 1955

PURPOSE ALLOWABLE ASSIGNMENT - NEW MEXICO

Effective January 1, 1955 an allowable of 60 barrels of oil per day is hereby assigned to J.E.M. Resources, Incorporated, Red Twelve Santa #3-I-5-17-29 in the Cave Grayburg-San Andres Pool.

L - S

MP - P

Jan. Total - 1800 bbls.
Feb. Total - 1800 bbls.
Mar. Total - 1800 bbls.
Apr. Total - 1800 bbls.

Perm. - San Andres
Perms. - 3-17-29 - 3400'
TD - 3500'
Comp. - 17-3-4

LAC:fc

JEM Resources, Inc.

NRC
CON

OIL CONSERVATION DIVISION



DISTRICT SUPERVISOR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

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O. C. D.
ARTESIA, OFFICE

OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

RECEIVED BY

MAY 13 1985

O. C. D.
ARTESIA, OFFICE

Form 05-01-83
Page 1

REQUEST FOR ALLOWABLE
AND
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

I. Operator
J.E.M. Resources Inc. ✓

Address
P.O. Box 2938 Ruidoso, NM 88345

Reason(s) for filing (Check proper box)

☒ New Well	Change in Transporter of:	☐ Dry Gas
☐ Recompletion	☐ Oil	☐ Condensate
☐ Change in Ownership	☐ Casinghead Gas	

Other (Please explain)

If change of ownership give name
and address of previous owner

II. DESCRIPTION OF WELL AND LEASE

Lease Name Red Twelve State	Well No. 3	Pool Name, including Formation Cave GB/SA	Kind of Lease State, Federal or Fee State	Lease No. B-7596
Location				
Unit Letter <u>I</u> : <u>2310</u> Feet From The <u>South</u> Line and <u>330</u> Feet From The <u>East</u>				
Line of Section <u>5</u> Township <u>17S</u> Range <u>29E</u> , NMPM, <u>Eddy</u> County				

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil ☒ or Condensate ☐	Address (Give address to which approved copy of this form is to be sent)	
Navajo Crude Oil Purchasing Co.	N. Freeman, Artesia NM 88210	
Name of Authorized Transporter of Casinghead Gas ☒ or Dry Gas ☐	Address (Give address to which approved copy of this form is to be sent)	
Conoco	P.O. Box 2197 Houston Tx. 77001	
If well produces oil or liquids, give location of tanks.	Unit I	Sec. 5
	Twp. 17S	Rge. 29E
	Is gas actually connected? <u>Yes</u>	

If this production is commingled with that from any other lease or pool, give commingling order number:

NOTE: Complete Parts IV and V on reverse side if necessary.

VI. CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given is true and complete to the best of my knowledge and belief.

(Signature)
Geologist

(Title)
12-14-84

(Date)

OIL CONSERVATION DIVISION

DEC 31 1984

APPROVED _____, 1984
BY _____
Original Signed By
Leslie A. Chimento
Supervisor, District II
TITLE _____

This form is to be filed in compliance with RULE 1106.

If this is a request for allowable for a newly drilled or deepened well, this form must be accompanied by a tabulation of the production tests taken on the well in accordance with rule 1111.

All sections of this form must be filled out completely for allowable on new and recompleted wells.

Fill out only Sections I, II, III, and VI for changes of owner, well name or number, or transporter, or other such change of conditions.

Separate Form C-104 must be filed for each pool in multiply completed wells.

IV. COMPLETION DATA

Designate Type of Completion - (X)		Oil Well	Gas Well	New Well	Workover	Deepen	Plug Back	Same Reservoir	Drill. Prod.
		X		X					
Date Spudded 9-5-84	Date Compl. Ready to Prod. 10-3-84	Total Depth 3550		P.B.T.D. 3528					
Elevations (D.F., R.K.B., R.T., C.R., etc.) 3603 GR	Name of Producing Formation San Andres	Top Oil/Gas Pay 3004		Tubing Depth 3450					
Perforations 3004-3434 37 0.36 cal. shots							Depth Casing Shoe 3550		
TUBING, CASING, AND CEMENTING RECORD									
HOLE SIZE	CASING & TUBING SIZE		DEPTH SET		SACKS CEMENT				
12 1/4	8 5/8		350		350 sacks				
7 7/8	5 1/2		3550		850 sacks				
	6 3/8		3550						

V. TEST DATA AND REQUEST FOR ALLOWABLE (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours)

Date First New Oil Run To Tanks 10-20-84		Date of Test 11-28-84	Producing Method (Flow, pump, gas lift, etc.) Pump	
Length of Test 24	Tubing Pressure 0	Casing Pressure 20#	Choke Size 7/8"	
Actual Prod. During Test 310	Oil - Bbls. 60	Water - Bbls. 250	Gas - MCF 200	

GAS WELL

Actual Prod. Test - MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
Testing Method (pilot, back pr.)	Tubing Pressure (Shot-in)	Casing Pressure (Shot-in)	Choke Size

(3333:1 Gme)

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WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1. TYPE OF WELL ☒ OIL WELL ☐ GAS WELL ☐ DRY ☐ OTHER _____

2. TYPE OF COMPLETION
NEW WELL ☒ WORK OVER ☐ DEEPEN ☐ PLUG BACK ☐ DIFF. RESVR. ☐ OTHER _____

3. Name of Operator
J.E.M. Resources Inc. ✓

4. Address of Operator
P.O. Box 2938 Ruidoso, N.M. 88345

5. Location of Well
UNIT LETTER I LOCATED 2310 FEET FROM THE South LINE AND 330 FEET FROM East
TWP. 5 RGE. 17S NMPM 29E

15. Date Spudded 9-5-84 16. Date T.D. Reached 9-12-84 17. Date Compl. (Ready to Prod.) 10-3-84 18. Elevations (Ht., KKB, RT, GR, etc.) 3603 GR 19. Elev. Cas. Dr. 3604

20. Total Depth 3550 21. Plug Back T.D. 3528 22. If Multiple Compl., How Many _____ 23. Intervals Drilled By All Rotary Tools _____ Casing Tools _____

24. Producing Interval(s), of this completion - Top, Bottom, Name
3004-3434 San Andres

25. Well Intended for Survey _____

26. Type Electric and Other Logs Run
CNL/FDC/DLL

27. Well Well Cased _____

CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT CEMENTED
8 5/8	24#	350	12 1/4		
5 1/2	17#	3550	7 7/8	350 SXS	None
				850 SXS	None

28. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN

29. TUBING RECORD

SIZE	DEPTH SET	PACKER SET
2 5/8	3450	None

30. Perforation Record (Interval, size and number)

3004-3434 37 0.36 cal. shots

31. ACID, SHOT, FRACTURE, CEMENT SOLUBLE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND OF MATERIAL
3004-3434	5500 gal. 15% HCl
	130,000 gal. gel. wbr.
	243,000 gal. 10% HCl

PRODUCTION

32. First Production 10-20-84 Production Method (Flowing, gas lift, pumping - Size and type pump) Pump Well Temp (if known) _____

33. Test

Date of Test	Hours Tested	Choke Size	Length, Per Test Period	Oil - bbl.	Gas - MCF	Water - bbl.	Prod. - bbl.
11-23-84	24	7/8"		60	200	250	40.2 3333.1

34. Tubing Press.

Casing Pressure	Calculated 24-Hour Rate	Oil - bbl.	Gas - MCF	Water - bbl.
2.0"				

35. Disposition of Gas (Sold, used for fuel, vented, etc.) Sold

36. Disposition of Water (Sold, used for fuel, vented, etc.) _____

37. Logs Deviation Survey

This form is to be filled with the appropriate District Office of the Division not later than 30 days after the completion of the deepened well. It shall be accompanied by one copy of all electrical and radioactivity logs run on the well and a summary of all geophysical tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 30 through 34 shall be reported for each zone. This form is to be filed in quadruplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico

Northwestern New Mexico

T. Anhy _____	T. Canyon _____	T. Ojo Alamo _____	T. Penn. "D" _____
T. Salt _____ 295	T. Strawn _____	T. Kirtland-Fruitland _____	T. Penn. "C" _____
B. Salt _____ 660	T. Atoka _____	T. Pictured Cliffs _____	T. Penn. "D" _____
T. Yates _____	T. Miss _____	T. Cliff House _____	T. Leadville _____
T. 7 Rivers _____ 1000	T. Devonian _____	T. Menefee _____	T. Madison _____
T. Queen _____ 1635	T. Silurian _____	T. Point Lookout _____	T. Elbert _____
T. Grayburg _____ 2004	T. Montoya _____	T. Mancos _____	T. McCracken _____
T. San Andres _____ 2382	T. Simpson _____	T. Gallup _____	T. Ignacio Quartz _____
T. Glorieta _____	T. McKee _____	Base Greenhorn _____	T. Granite _____
T. Paddock _____	T. Ellenburger _____	T. Dakota _____	T. _____
T. Blinberry _____	T. Gr. Wash _____	T. Morrison _____	T. _____
T. Tubb _____	T. Granite _____	T. Todilto _____	T. _____
T. Drinkard _____	T. Delaware Sand _____	T. Entrada _____	T. _____
T. Abo _____	T. Bone Springs _____	T. Wingate _____	T. _____
T. Wolfcamp _____	T. _____	T. Chinle _____	T. _____
T. Penn. _____	T. _____	T. Permian _____	T. _____
T. Cisco (Bough C) _____	T. _____	T. Penn. "A" _____	T. _____

OIL OR GAS SANDS OR ZONES

No. 1, from _____ to _____	No. 4, from _____ to _____
No. 2, from _____ to _____	No. 5, from _____ to _____
No. 3, from _____ to _____	No. 6, from _____ to _____

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from _____ to _____	_____ feet
No. 2, from _____ to _____	_____ feet
No. 3, from _____ to _____	_____ feet
No. 4, from _____ to _____	_____ feet

FORMATION RECORD (Attach additional sheets if necessary)

From	To	Thickness in Feet	Formation	From	To	Thickness in Feet	Formation
0	295	295	Red clay + Caliche				
295	660	365	Salt				
660	1635	975	anhy; Dolomite				
1635	2004	369	Red sand + anhy				
2004	2382	378	Dolomite sands				
2382	3550	1168	Dolomite				

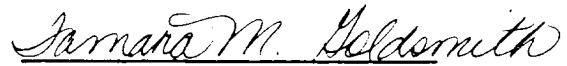
A F F I D A V I T

This is an affidavit that form C-132 and FERC Form NO. 121 has either been mailed or delivered to all working interest owners and to all parties to the gas purchase contract.


Jackie Payne, ~~Vice President~~
Secretary / Treasurer

This is to certify that the above named person, Jackie Payne, did personally appear before me and affix his signature this

9 day of May: 1984.


Notary Public

My Commission Expires:

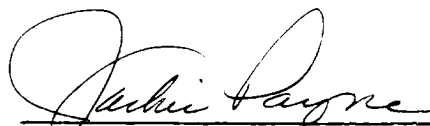
11-14-88

S T A T E M E N T

The surface drilling of the well for which we seek a determination was begun after February 19, 1977.

The well satisfies any applicable federal or state well-spacing requirements; and the well is not within a proration unit, which was in existence at the time the surface drilling of the well began; which was applicable to the reservoir from which such natural gas is produced; and which applied to any other well which either produced natural gas in commercial quantities or the surface drilling of which was begun before February 19, 1977, and was thereafter capable of producing natural gas in commercial quantities;

And that we have concluded that to the best of our information knowledge, and belief, the natural gas for which we seek a determination is produced from a new, onshore production well and the basis for such conclusion; that we have no knowledge of any other information not described in the application which is inconsistent with our conclusions.


Jackie Payne, ~~Vice-President~~.

Secretary - Treasurer

This is to certify that the above named person, Jackie Payne, did personally appear before me and affix his signature this

9 day of May, 1984.


Notary Public

My commission expires:

11-14-88