

District I  
1625 N. French Drive, Hobbs, NM 88240  
District II  
811 S. First St., Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St Francis Dr, Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107-B  
Revised August 1, 2011

OIL CONSERVATION DIVISION  
1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

HOBBS OCD  
DEC 30 2016  
RECEIVED

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Fasken Oil and Ranch, Ltd.  
OPERATOR ADDRESS: 6101 Holiday Hill Road, Midland TX 79707  
APPLICATION TYPE:

Pool Commingling  Lease Commingling  Pool and Lease Commingling  Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE:  Fee  State  Federal

Is this an Amendment to existing Order?  Yes  No If "Yes", please include the appropriate Order No. CTB-682  
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling  
 Yes  No

(A) POOL COMMINGLING  
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
Laguna Valley; Morrow (79900)	See attachment				
Lea; Bone Spring, South (37580)					

(2) Are any wells producing at top allowables?  Yes  No  
(3) Has all interest owners been notified by certified mail of the proposed commingling?  Yes  No.  
(4) Measurement type:  Metering  Other (Specify)  
(5) Will commingling decrease the value of production?  Yes  No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING  
Please attach sheets with the following information

(1) Pool Name and Code.  
(2) Is all production from same source of supply?  Yes  No  
(3) Has all interest owners been notified by certified mail of the proposed commingling?  Yes  No  
(4) Measurement type:  Metering  Other (Specify)

(C) POOL and LEASE COMMINGLING  
Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT  
Please attached sheets with the following information

(1) Is all production from same source of supply?  Yes  No  
(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)  
Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.  
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.  
(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.  
SIGNATURE:  TITLE: Regulatory Analyst DATE: 12-15-16  
TYPE OR PRINT NAME Addison Long TELEPHONE NO.: 432-687-1777  
E-MAIL ADDRESS: addisonl@forl.com



(A) Pool Commingling Attachment

(1) Pool Names and Codes	API	Gravities / BTU of Non-Commingled Production	Volumes BO/MCFPD
Laguna Valley; Morrow (79900)	30-015-38440	54 / 1.164	1 BO & 60 MCFPD
Lea; Bone Spring, South (37580)	30-015-40361	42.8 / 1.38	60 BO & 95 MCFPD
Lea; Bone Spring, South (37580)	30-015-40531	42.8 / 1.3097	107 BO & 220 MCFPD
Lea; Bone Spring, South (37580)	30-015-40942	42.8 / 1.3097	125 BO & 241 MCFPD
Lea; Bone Spring, South (37580)	30-015-41366	42.8 / 1.3097	103 BO & 204 MCFPD

16-20S-34E

State of New Mexico

LEASE No. 36547  
QUAIL STATE 16 #1

State of New Mexico

QUAIL STATE 16 #2

QUAIL STATE 16 STATE CO #3H

# 36547

QUAIL STATE 16 STATE #4H

# 36547

#36941  
QUAIL STATE #8H

State of New Mexico

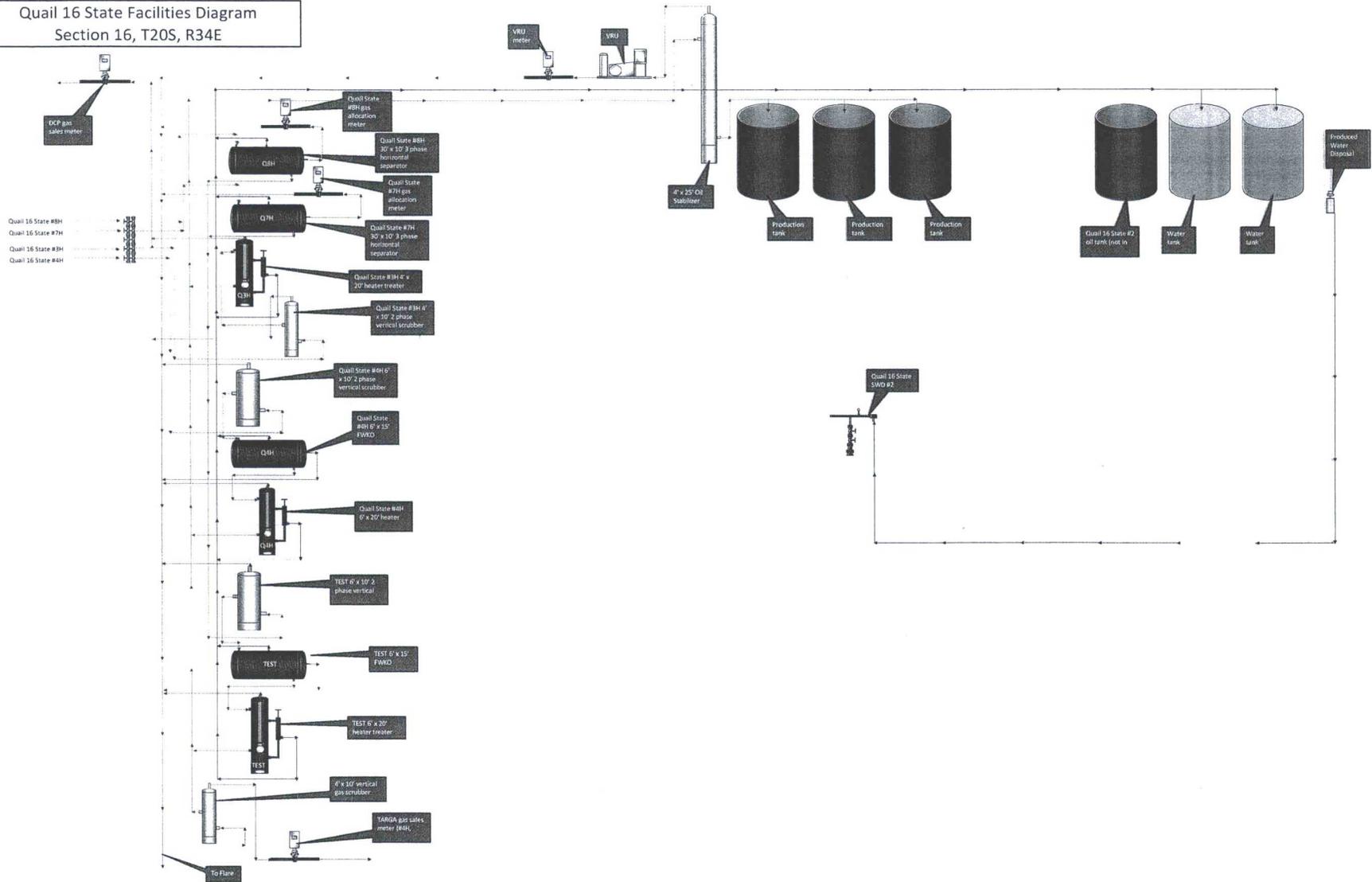
QUAIL STATE 16 STATE #7H  
# 36941



Well Identification Information Attachment for Section E. 3

<u>Lease</u>	<u>Well Name</u>	<u>API No.</u>	<u>Lease No.</u>	<u>Unit Letter</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>County</u>	<u>SHL</u>	<u>BHL</u>
Quail "16" State	Quail "16" State 1	30-025-38440	36547	G	16	20S	34E	Lea	1980' FNL & 1420' FEL	Same as SHL
Quail "16" State	Quail "16" State 3H	30-025-40361	36547	M	16	20S	34E	Lea	660' FSL & 300' FWL	UL-D; 381' FNL & 379' FWL
Quail "16" State	Quail "16" State 4H	30-025-40531	36547	N	16	20S	34E	Lea	200' FSL & 1650' FWL	UL-C; 339' FNL & 1601' FWL
Quail "16" State	Quail "16" State Com 7H	30-025-40942	38941	P	16	20S	34E	Lea	200' FSL & 225' FEL	UL-A; 330' FNL & 330' FEL
Quail "16" State	Quail "16" State Com 8H	30-025-41366	38941	O	16	20S	34E	Lea	262' FSL & 2080' FEL	UL-B; 330' FNL & 2080' FEL

Quail 16 State Facilities Diagram  
Section 16, T20S, R34E



**Fasken Oil and Ranch, Ltd.**  
**Surface Commingling Amended Application for Quail "16" State No. 1, 3H, 4H,**  
**7H and 8H**  
**List of Notified Parties**

J. Cleo Thompson &  
James C. Thompson, Jr., L.P.  
325 N. St. Paul, Suite 4300  
Dallas, TX 75201  
Attn: Kathy Brotherton

Lincoln Oil & Gas, LLC  
701 Three Cross  
Roswell, NM 88201  
Attn: Bill Bradshaw

Marshall & Winston, Inc.  
P.O. Box 50880  
Midland, TX 79710  
Attn: Kevin Hammit

Caza Petroleum  
10077 Grogan's Mill Road, Suite 200  
The Woodlands, TX 77380  
Attn: Jay Brown

Read & Stevens, Inc.  
400 N. Pennsylvania, Suite 1000  
Roswell, NM 88202  
Attn: Derik Smith

Chevron U.S.A. Inc.  
6301 Deauville Blvd.  
Midland, TX 79706  
Attn: Todd Meade

CLM Production Company  
P.O. Box 881  
Roswell, NM 88201  
Attn: John Maxey

New Mexico State Land Office  
P.O. Box 1148  
Santa Fe, NM 87504-1148  
Attn: Mr. Pete Martinez

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

**Lincoln Oil and Gas  
701 Three Cross  
Roswell, NM 88201  
Attn: Bill Bradshaw**



**9590 9403 0172 5120 7561 68**

2. Article Number (Transfer from service label)

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

*[Signature]*  Agent  
 Address

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type

- Adult Signature
- Adult Signature Restricted Delivery
- Certified Mail®
- Certified Mail Restricted Delivery
- Collect on Delivery
- Collect on Delivery Restricted Delivery
- Insured Mail
- Insured Mail Restricted Delivery (over \$500)
- Priority Mail Express®
- Registered Mail™
- Registered Mail Restricted Delivery
- Return Receipt for Merchandise
- Signature Confirmation™
- Signature Confirmation Restricted Delivery

PS Form 3811, April 2015 PSN 7530-02-000-9053

Domestic Return Receipt

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

**Read & Stevens, Inc.  
400 N. Pennsylvania, Suite 1000  
Roswell, NM 88202  
Attn: Derik Smith**



**9590 9403 0172 5120 7562 29**

2. Article Number (Transfer from service label)

**7014 0510 0000 1569 3963**

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

*[Signature]*  Agent  
 Address

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type

- Adult Signature
- Adult Signature Restricted Delivery
- Certified Mail®
- Certified Mail Restricted Delivery
- Collect on Delivery
- Collect on Delivery Restricted Delivery
- Insured Mail
- Insured Mail Restricted Delivery (over \$500)
- Priority Mail Express®
- Registered Mail™
- Registered Mail Restricted Delivery
- Return Receipt for Merchandise
- Signature Confirmation™
- Signature Confirmation Restricted Delivery

PS Form 3811, April 2015 PSN 7530-02-000-9053

Domestic Return Receipt

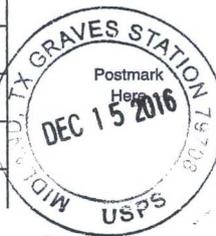
7014 0510 0000 1569 3970

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Postage	\$ .675
Certified Fee	3.30
Return Receipt Fee (Endorsement Required)	2.70
Restricted Delivery Fee (Endorsement Required)	
<b>Total Postage &amp; Fees</b>	<b>\$ 6.675</b>



Sent To **Marshall & Winston, Inc.**  
 Street, Apt. No. or PO Box No. **P.O. Box 50880**  
 City, State, ZIP **Midland, TX 79710**  
 Attn: Kevin Hammit

PS Form 3800

7014 0510 0000 1569 3956

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Return Receipt Fee (Endorsement Required)	2.70
Restricted Delivery Fee (Endorsement Required)	
<b>Total Postage &amp; Fees</b>	<b>\$ 6.675</b>



Sent To **CLM Production Company**  
 Street, Apt. No. or PO Box No. **P.O. Box 881**  
 City, State, ZIP **Roswell, NM 88201**  
 Attn: John Maxey

PS Form 3800

0000 1569 3925

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Return Receipt Fee (Endorsement Required)	2.70
Restricted Delivery Fee (Endorsement Required)	



Sent To  
 Street, Apt. No. or PO Box No.  
 City, State, ZIP  
 Attn:

PS Form 3800

9196 6951 0000 1569 3910

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Certified Fee	3.30
Return Receipt Fee (Endorsement Required)	2.70
Restricted Delivery Fee (Endorsement Required)	
<b>Total Postage &amp; Fees</b>	<b>\$ 6.675</b>



Sent To **Chevron U.S.A. Inc.**  
 Street, Apt. No. or PO Box No. **6301 Deauville Blvd.**  
 City, State, ZIP **Midland, TX 79706**  
 Attn: Todd Meade

PS Form 3800

9196 6951 0000 1569 3932

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Postage	\$ .675
Certified Fee	3.30
Return Receipt Fee (Endorsement Required)	2.70
Restricted Delivery Fee (Endorsement Required)	
<b>Total Postage &amp; Fees</b>	<b>\$ 6.675</b>



Sent To **Caza Petroleum**  
 Street, Apt. No. or PO Box No. **10077 Grogan's Mill Rd, Suite 200**  
 City, State, ZIP **The Woodlands, TX 77380**  
 Attn: Jay Brown

PS Form 3800

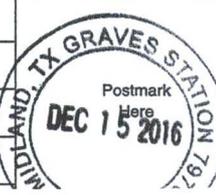
0000 1569 3987

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Postage	\$ .675
Certified Fee	3.30
Return Receipt Fee (Endorsement Required)	2.70
Restricted Delivery Fee (Endorsement Required)	



Sent To  
 Street, Apt. No. or PO Box No.  
 City, State, ZIP  
 Attn:

PS Form 3800

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	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



**HOBBS OCD**  
 DEC 30 2016

**RECEIVED**

**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.

Addison Long  
 Print or Type Name

Signature

Regulatory Analyst  
 Title

12-15-16  
 Date

addisonl@forl.com  
 e-mail Address