

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 _____

- DHC
 - v-f Petroleum, Inc
 24010
 web
 Ariz State #3
 30-025-27005
 Pod
 - Dean; Pennu-
 upper Penn
 16720
 - Dean; Devonian

- [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

Eric Sprinkle Print or Type Name	 Signature	Petroleum Engineer Title	06/27/2017 Date
		eric@vfpetroleum.com e-mail Address	

District I
1625 N. French Drive Hobbs, NM 88240

District II
811 S. First St Artesia, NM 8821

District III
1000 Rio Brazos Road Artec, 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-107A
Revised August 1 2011

Oil Conservation Division
1220 South St Francis Dr
Santa Fe, New Mexico 87505

APPLICATION TYPE
 Single Well
 Establish Pre-Approved Pools
 EXISTING WELL BORE
 Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

V-F Petroleum Inc. P O Box 1889, Midland, TX 79702
Operator Address

Arco State I **L-35-T56S-R65E** **Lea**
Lease Well No Unit Letter-Section-Township-Range County

OGRID No 24010 Property Code 11524 API No 30-025-27005 Lease Type Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Dean Permo Upper Penn		Dean Devonian
Pool Code	16720		16530
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	11,481 - 11,544		13,650 - 13,692
Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
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)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)	45°		52°
Producing, Shut-In or New Zone	Producing		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 1/22/17 Rates 3 BO/D, 3 MCF/D		To Be Determined
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required)	To Be Determined		To Be Determined

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 Eric Sprinkle TITLE Petroleum Engineer DATE 06/27/17

TYPE OR PRINT NAME Eric Sprinkle TELEPHONE NO (432) 683-3344

E-MAIL ADDRESS eric@vfpetroleum.com

V-F Petroleum Inc.

500 W Texas, Suite 350, Midland, Texas 79701
Mailing Address P O Box 1889, Midland, TX 79702

432-683-3344
E-mail enc@vfpetroleum.com

FAX 432-683-3352
www.vfpetroleum.com

June 29, 2017

NMOCD
Attention Mike McMillan
1220 South St Francis Drive
Santa Fe, NM 87505

C-107A to Commingle two Pools

Arco State #1
30-025-27005
Sec 35, T-15-S, R-36-E
Lea County, New Mexico

Dear Mr McMillan,

The Arco State #1 was completed in the Dean, Permo Upper Penn (16720) on 4/1/1986. On 1/6/2017, the OCD approved the attached C-103 to recomplete this well into the Dean; Devonian (16530) The well currently produces about 3 BOPD and 3 MCFPD from the Permo Upper Penn Interests in these two pools are identical

The production allocations will be calculated using the current Permo Upper Penn production and a stabilized test of the Devonian. We plan to submit these calculations and resulting allocations to the district office after the well has been on line for about 2 months

Please contact me at 432-683-33443 should you have any questions

Very truly yours,



Eric Sprinkle
Petroleum Engineer

V-F Petroleum Inc.

500 W Texas, Suite 350, Midland, Texas 79701
Mailing Address P O Box 1889, Midland, TX 79702

432-683-3344
E-mail skl@vfpetroleum.com

FAX 432-683-3352
www.vfpetroleum.com

June 27, 2017

Michael McMillan
Engineering and Geological Services Bureau
Oil Conservation Division

DHC Application
Arco State #1
30-025-27005
Sec 35, T-15-S, R-36-E
Lea County, New Mexico

Dear Mr McMillan,

V-F Petroleum Inc is filing an application to down hole comingle the Permo Penn and Dean zone in the Arco State #1. (30-025-27005) The ownership is identical in both zones of this well thus not requiring notification of DHC Application

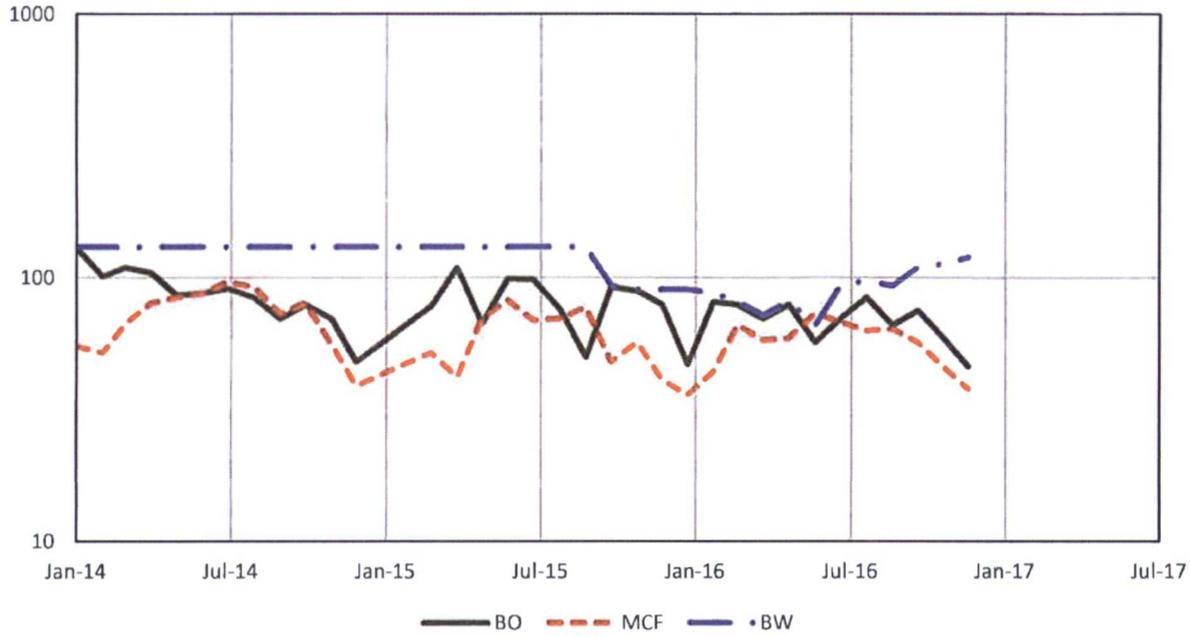
Very Truly Yours



Sandra K Lawls
Vice President & Controller

SKL/es

V-F Petroleum Inc.
 ARCO STATE #1
 API: 30-025-27005
 [16720] DEAN;PERMO UPPER PENN



Month	BO	MCF	BW
1/14	129	55	130
2/14	101	52	130
3/14	109	67	130
4/14	104	80	130
5/14	86	84	130
6/14	87	87	130
7/14	91	96	130
8/14	84	92	130
9/14	70	73	130
10/14	79	80	130
11/14	70	56	130
12/14	48	39	130
1/15	0	19	130
2/15	11	46	130
3/15	78	52	130
4/15	109	42	130
5/15	67	70	130
6/15	99	82	130

Month	BO	MCF	BW
7/15	98	69	130
8/15	76	70	130
9/15	50	77	130
10/15	92	48	93
11/15	89	57	90
12/15	79	41	90
1/16	47	36	90
2/16	81	44	87
3/16	79	66	81
4/16	70	58	72
5/16	79	59	81
6/16	57	73	66
7/16	70	68	93
8/16	84	63	97
9/16	66	64	93
10/16	75	57	109
11/16	59	46	112
12/16	46	38	119

V-F Petroleum Inc.

500 W Texas, Suite 350, Midland, Texas 79701
Mailing Address P O Box 1889, Midland, TX 79702

432-683-3344
E-mail skl@vfpetroleum.com

FAX 432-683-3352
www.vfpetroleum.com

June 27, 2017

Aubrey Dunn
Commissioner of Public Lands
P O Box 1148
Santa Fe, New Mexico 87504

DHC Application

Arco State #1
30-025-27005
Sec 35, T-15-S, R-36-E
Lea County, New Mexico

Dear Mr Dunn,

V-F Petroleum Inc is filing an application to down hole comingle the Permo Penn and Dean zone in the Arco State #1 (30-025-27005) Please see the attached copy of the OCD Form C-107A for the proposed down hole comingling Approval of the application will allow V-F Petroleum Inc to economically produce oil and gas reserves from both intervals I believe that all the information necessary to approve the application is enclosed If any additional information is needed, please contact me by phone at 432-683-3344 or by email at eric@vfpetroleum.com. Also included is the \$150 application fee.

Very Truly Yours



Eric Sprinkle
Petroleum Engineer

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Domestic Mail Only	
For delivery information, visit our website at www.usps.com ®	
OFFICIAL USE	
Certified Mail Fee	0.46
Postage	6.56
Total Postage and Fees	
\$7.02	
Date of Mailing: 06/29/17	
Postmark: ARCO STATE COMMUN	
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$3.35
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<input type="checkbox"/> Certified Mail Restricted Delivery	2.75
<input type="checkbox"/> Adult Signature Required	
<input type="checkbox"/> Adult Signature Restricted Delivery	
COMMISSIONER OF PUBLIC LANDS	
P.O. BOX 1148	
SANTA FE, NM 87504	
PS Form 3800, April 2015 PSN 2530-02-000-9072-2 © See Reverse for Instructions	