

RECEIVED: 11/02/2018	REVIEWER: MAM	TYPE: DHC	APP NO: DMA/1830641385
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & 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

Applicant: V-F Petroleum Inc.

OGRID Number: 24010

Well Name: Graham #1

API: 30-025-27538

Pool: Caudill; Atoka

Pool Code: 96231

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION
 INDICATED BELOW**

NOV 02 2018 10:46

1) **TYPE OF APPLICATION:** Check those which apply for [A]

A. Location - Spacing Unit - Simultaneous Dedication

☐ NSL☐ NSP (PROJECT AREA)☐ NSP (PRORATION UNIT)☐ SD

DHC-4858

B. Check one only for [I] or [II]

[I] Commingling - Storage - Measurement

☒ DHC☐ CTB☐ PLC☐ PC☐ OLS☐ OLM

[II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX☐ PMX☐ SWD☐ IPI☐ EOR☐ PPR2) **NOTIFICATION REQUIRED TO:** Check those which apply.A. ☐ Offset operators or lease holdersB. ☐ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☐ Notification and/or concurrent approval by SLOE. ☐ Notification and/or concurrent approval by BLMF. ☒ Surface ownerG. ☒ For all of the above, proof of notification or publication is attached, and/or,H. ☐ No notice required**FOR OCD ONLY**☐

Notice Complete

☐Application
Content
Complete

3) **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

10/29/2018

Date

Print or Type Name

432-683-3344

Phone Number

Signature

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, 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-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 WELLBORE
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

V-F Petroleum Inc. P.O. Box 1889, Midland, TX 79702
Operator Address
Graham 1 L-9-15S-36E Lea
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 24010 Property Code 11528 API No. 30-025-27538 Lease Type: Federal State X Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Caudill; Permo Upper Penn		Caudill; Atoka
Pool Code	10830		96231
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	10,183' – 10,665'		11,893' – 11,964'
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)	40° API 1450 BTU		48° API 1150 BTU
Producing, Shut-In or New Zone	New Zone		Producing
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.)	Estimated 30 BO/D 90 MCF/D 30 BW/D		Date: 9/7/18 0 BO/D 30 MCF/D 0 BW/D
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: 75% Water: 100%		Oil: 0% Gas: 25% Water: 0%

ADDITIONAL DATA

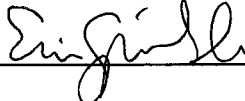
Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ No ☐
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes ☐ No ☐
Are all produced fluids from all commingled zones compatible with each other? Yes ☒ 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  TITLE Petroleum Engineer DATE 10/29/18
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: eric@vfpetroleum.com

FAX: 432-683-3352
www.vfpetroleum.com

October 29, 2018

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

C-107A to Commingle two Pools

Graham #1
30-025-27538
Sec 9, T-15-S, R-36-E
Lea County, New Mexico

Dear Mr. McMillan,

The Graham #1 was completed in the Caudill, Atoka (96231) in 7/1993. In 6/2018, the OCD approved the attached C-101 to add the Caudill, Permo Upper Penn (10830) to the well. The well currently produces about 30 MCFPD from the Atoka. Interests in these two pools are identical.

The production allocations will be calculated using the current Atoka production and a stabilized test of the Permo Upper Penn. 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 432-683-3344 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: sandy@vfpetroleum.com

FAX: 432-683-3352
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October 29, 2018

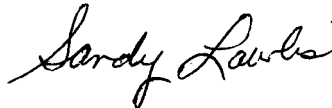
Michael McMillan
Engineering and Geological Services Bureau
Oil Conservation Division

DHC Application
Graham #1
30-025-27538
Sec 9, T-15-S, R-36-E
Lea County, New Mexico

Dear Mr. McMillan,

V-F Petroleum Inc. is filing an application to down hole commingle the Permo Upper Penn and Atoka zones in the Graham #1 (30-025-27538). The ownership is identical in both zones of this well thus not requiring notification of DHC Application.

Very Truly Yours



Sandra K. Lawlis
Vice President & Controller

SKL/es

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: eric@vfpetroleum.com

FAX: 432-683-3352
www.vfpetroleum.com

October 29, 2018

Mr. Larry Motsch
175 Linden Street
Rockville Centre, NY 11570

DHC Application

Graham #1
30-025-27538
Sec 9, T-15-S, R-36-E
Lea County, New Mexico

Dear Mr. Motsch,

This letter will serve as notification that V-F Petroleum Inc. is filing an application to down hole commingle the Permo Upper Penn and Atoka zones in the Graham #1 (30-025-27538). Please see the attached copy of the OCD Form C-107A for the proposed down hole comingling. Comingling the zones will allow V-F Petroleum Inc. to economically produce oil and gas reserves from both intervals.

Very Truly Yours



Eric Sprinkle
Petroleum Engineer

U.S. Postal Service® CERTIFIED MAIL® RECEIPT Domestic Mail Only	
For delivery information, visit our website at www.usps.com ®	
OFFICIAL USE	
Postage \$ 3.45	10/11/18
Certified Fee \$ 2.75	Postmark Here
Return Receipt For (Endorsement Required)	DESC: GRAHAM
Restricted Delivery (Endorsement Required)	COMMINGLE
Total Postage & Fee \$ 6.20	
Sent To MR. LARRY MOTSCH 175 LINDEN STREET ROCKVILLE CENTRE, NY 11570	
PS Form 3800, July 2014 See Reverse for Instructions	

7014 3490 0000 0981 9520

District I

1625 N. French Dr., Hobbs, NM 88240
 Phone: (575) 393-6161 Fax: (575) 393-0720

District II

811 S. First St., Artesia, NM 88210
 Phone: (575) 748-1283 Fax: (575) 748-9720

District III

1000 Rio Brazos Road, Aztec, NM 87410
 Phone: (505) 334-6178 Fax: (505) 334-6170

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505
 Phone: (505) 476-3460 Fax: (505) 476-3462

Form C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

State of New Mexico**Energy Minerals and Natural Resources****Oil Conservation Division**☐ AMENDED REPORT**1220 South St. Francis Dr.****Santa Fe, NM 87505****WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number 30-025-27538	Pool Code 96231	Pool Name Caudill; Atoka
Property Code 11528	Property Name Graham	Well No. 1
OGRID No. 24010	Operator Name V-F Petroleum Inc.	Elevation 3942

Surface Location

UL - Lot L	Section 9	Township 15S	Range 36E	Lot Idn	Feet from 2310	N/S Line S	Feet From 430	E/W Line W	County Lea
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Bottom Hole Location If Different From Surface

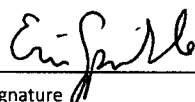
UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
Dedicated Acres 160		Joint or Infill		Consolidation Code		Order No.			

No allowable will be assigned to this completion until all interst have been consolidated or a non-standard unit has been approved by the division.

430			
2310			

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

 10/29/2018
 Signature Date

Eric Sprinkle
 Printed Name

eric@vfpetroleum.com
 E-mail Address

SURVEYOR CERTIFICATION

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.

Date of Survey
 Signature and Seal of Professional Surveyor.

Certificate Number

District I

1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

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Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
Dedicated Acres 40		Joint or Infill		Consolidation Code		Order No.			

No allowable will be assigned to this completion until all interrsts have been consolidated or a non-standard unit has been approved by the division.

430			
2310			

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Eric Sprinkle 6/6/2018
Signature Date

Eric Sprinkle
Printed Name

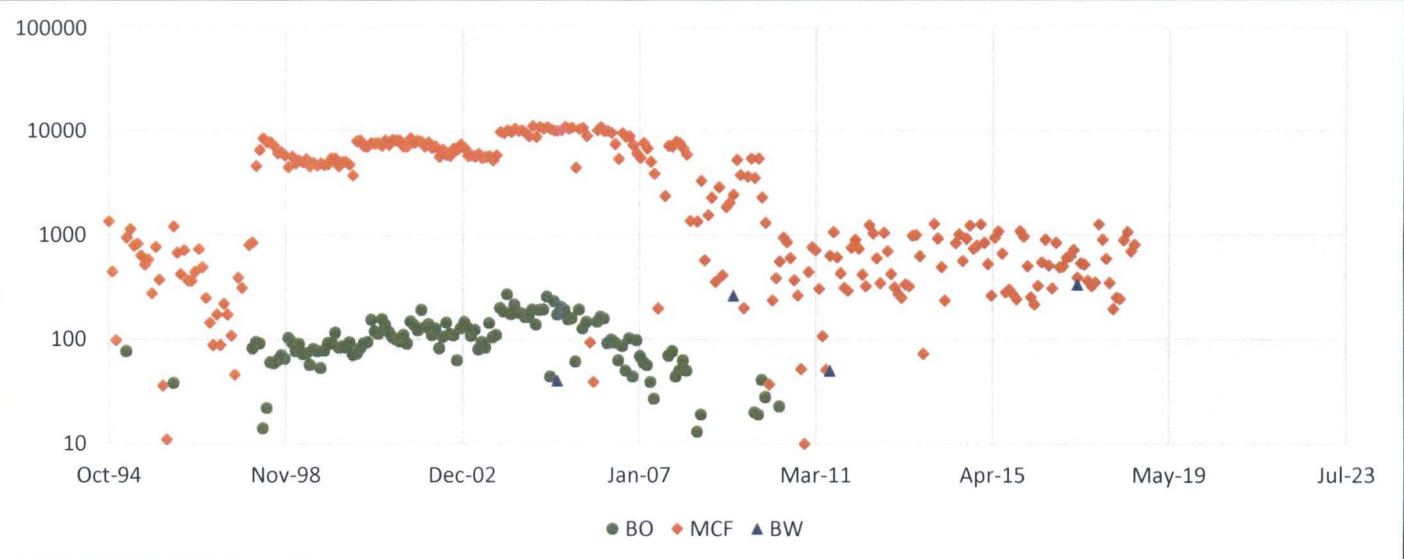
eric@vfpetroleum.com
E-mail Address

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Date of Survey
Signature and Seal of Professional Surveyor.

Certificate Number



BOPM	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
1994										0	0	0
1995	0	0	77	0	0	0	0	0	0	0	0	0
1996	0	0	0	38	0	0	0	0	0	0	7	0
1997	0	0	0	0	0	0	0	0	0	0	0	0
1998	0	82	94	91	14	22	60	59	63	70	65	103
1999	93	77	90	72	73	57	80	77	53	78	92	91
2000	115	83	85	83	93	71	73	82	91	94	153	119
2001	113	156	137	116	104	99	95	110	91	148	136	121
2002	190	130	140	109	127	82	105	144	111	108	63	127
2003	146	128	107	123	80	94	83	143	104	110	198	183
2004	269	173	214	179	176	162	163	191	138	190	192	255
2005	44	230	172	205	190	155	158	61	191	127	146	5
2006	6	147	164	158	92	99	93	63	86	50	102	44
2007	98	69	60	57	39	27	2	1	0	70	77	44
2008	50	63	50	0	1	13	19	0	0	0	0	0
2009	0	0	0	0	0	0	0	0	0	20	19	41
2010	28	1	2	0	23	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0	0	5	5	5
2014	0	0	0	0	0	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0	0	0	0	0	0
2016	0	0	0	0	0	0	0	0	0	0	0	0
2017	0	0	0	0	0	0	0	0	0	0	0	0
2018	0	0	0	0	0	0	0	0				

MCFPM	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
1994										1345	444	98
1995	7	3	942	1133	788	823	630	516	580	273	766	373
1996	36	11	0	1199	675	420	714	364	361	442	731	490
1997	248	144	88	172	88	218	172	108	46	390	309	0
1998	798	840	4581	6491	8400	7702	7697	7126	6051	6170	5808	4444
1999	5650	4837	5149	5007	5313	4548	4883	4628	4847	4671	4742	5424
2000	5384	4535	4989	4978	4720	3692	7865	8016	7107	6972	7573	7458
2001	7577	7139	7971	7278	8091	8020	8021	7042	7048	8411	7606	7934
2002	7784	7015	7656	6841	6961	5577	6552	5858	5732	6686	6533	7300
2003	6808	5717	5802	5625	6019	5423	5597	5684	5180	5784	9734	9454
2004	10073	9632	10521	9945	10072	9484	8777	11131	8667	10912	10430	10850
2005	10323	9983	9978	10136	10929	10388	10704	4410	10382	10648	8811	93
2006	39	10080	10885	9854	9892	9502	7403	5363	9459	8642	8796	7248
2007	6027	5475	7552	6728	5036	3845	197	0	2348	7144	7046	7748
2008	7562	6726	5902	1357	0	1335	3307	572	1543	2265	358	2860
2009	411	1849	2033	2430	5263	3759	198	3621	5402	3515	5385	2294
2010	1302	37	236	386	556	944	853	600	371	263	52	10
2011	443	763	714	304	107	51	631	1063	612	430	312	293
2012	758	900	738	418	323	1235	1039	595	346	1050	701	424
2013	316	272	249	338	324	988	999	627	73	0	0	1275
2014	924	492	235	3	0	837	1011	564	922	1230	738	791
2015	1269	840	525	263	943	1083	666	281	301	272	243	1090
2016	964	504	254	216	327	548	905	511	310	839	492	500
2017	606	622	717	391	535	521	364	325	353	1269	905	593
2018	350	196	251	245	888	1064	698	806				