

DATE IN <u>10-7-09</u>	SUSPENSE	ENGINEER <u>Brooks</u>	LOGGED IN <u>10/8/09</u>	TYPE <u>SD</u>	PTG-W APP NO. <u>0928137987</u>
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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



VPR Operating
(266091)

SFPRR #25
200905

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] *SFPRR #25 Vertical Producer*

- [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 _____

2009 OCT -7 P 1:14
 RECEIVED OGD

[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 (offset working Interest Owners)

[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.

James R. Huling

Print or Type Name

Signature

Agent

Title

10/05/2009

Date

James@vproperating.com
 e-mail Address

VPR OPERATING, LLC

October 6, 2009

Mr. David Brooks
Environmental and Geological Services Bureau
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: SFPRR #25
1,320' FSL & 50' FEL; Sec. 28, T9S-R37E; Lea County, NM

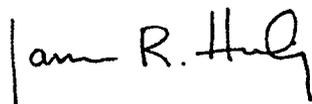
Dear Mr. Brooks:

Please find attached an administrative application to drill an infill location in the West Sawyer San Andres Pool. The SFPRR #25 is one of two additional wells proposed in the 80-acre spacing unit that is currently drilled on 40-acres. This well is proposed as a non-standard and simultaneous dedication location.

The West Sawyer San Andres Pool is currently developed on 40-acre spacing and has only produced primary reserves. VPR Operating, LLC has studied this field including a 3-D simulation model. We have plans to test remaining primary on 20-acre development followed by pilot testing patterns by converting some of the existing producers to injection. The SFPRR #25 is one of the initially proposed locations of this plan. If the infill locations and pilot are successful we will ultimately unitize the field for secondary operations. Additionally we plan to commence with changing the spacing/acreage dedication to allow drilling of four wells on 80-acres. However, we have an opportunity to commence drilling with a viable rig as soon as permits are approved. Since the process of changing the spacing will take approximately 30-days, we hope to obtain an administratively approved permit this week to allow us to spud on or about October 15, 2009. Please find attached a map illustrating the proposed location with respect to existing locations.

If you have any questions or would like to discuss VPR Operating's plans or the attached please feel welcome to call me at (817) 923-8323, or via e-mail at james@vproperating.com

Respectfully,



James R. Huling
VPR Operating, LLC

District I
1625 N. French Dr., Hobbs NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		San Andres		³ Pool Name	
⁴ Property Code		⁵ Property Name				⁶ Well Number	
SFPRR						25	
⁷ OGRID No.		⁸ Operator Name				⁹ Elevation	
266091		VPR OPERATING, LLC				3971'	

¹⁰Surface Location

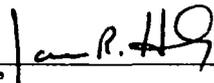
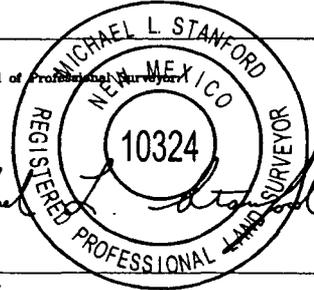
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	28	9 S	37 E		1320	South	50	East	Lea

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

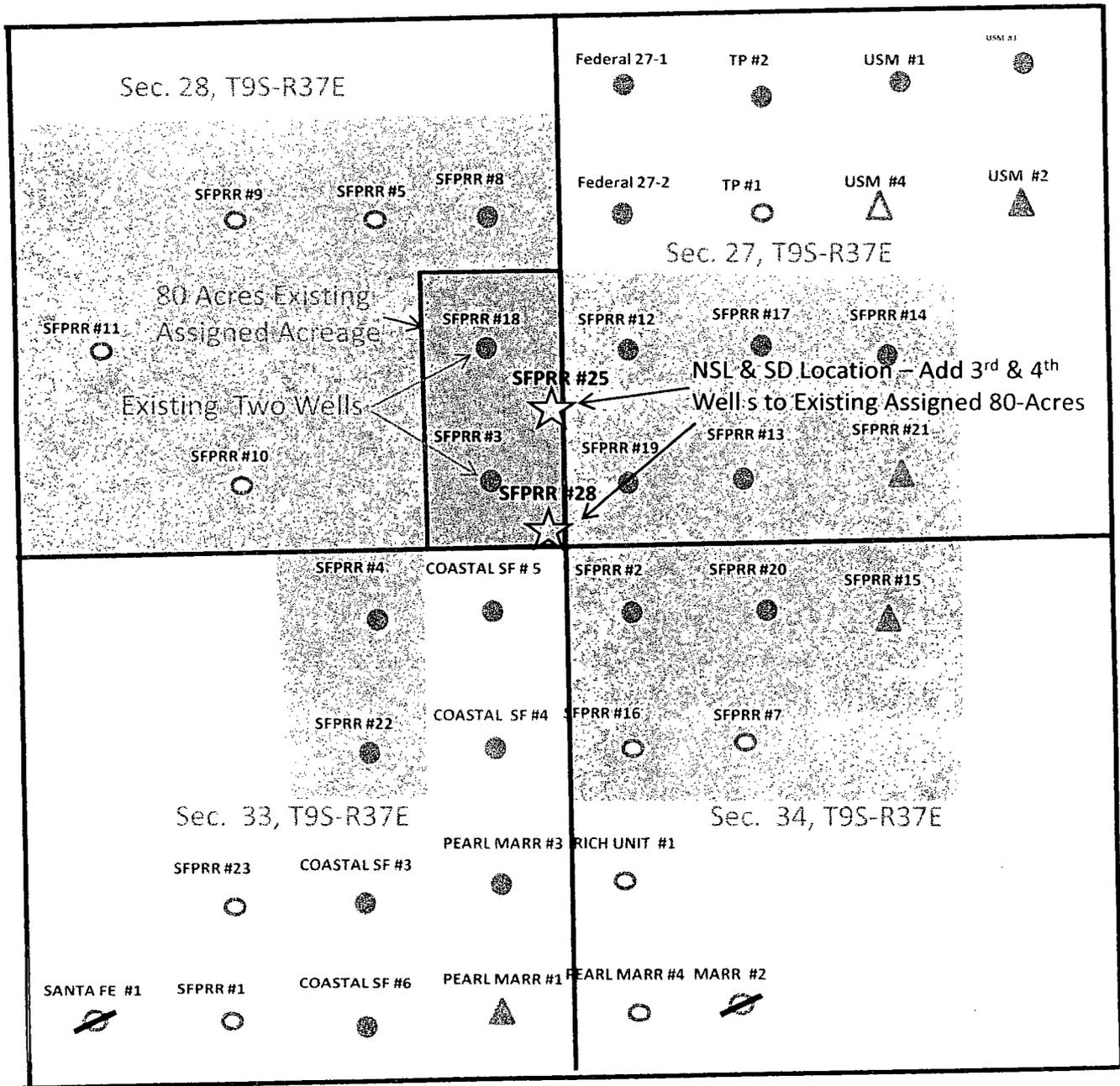
¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNIT ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16				¹⁷ OPERATOR CERTIFICATION	
				<i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>	
				 Signature	
				James R. Huling Printed Name	
			Agent / james@vproperating.com Title and E-mail Address		
			September 25, 2009 Date		
			¹⁸ SURVEYOR CERTIFICATION		
			<i>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.</i>		
			No. 25 Elev. 3971' NAD 83 NM East N= 912090 E= 902215 Lat.= 33° 30' 05.69" Long.= 103° 08' 58.21" 50' → 1320' 9-21-2009 Date of Survey		
			Signature and Seal of Professional Surveyor  10324 Certificate Number		

19.5 Miles NE of Tatum, New Mexico.

File No. A-4398



SFPRR #25 - 1,320' FSL & 50' FEL
 SFPRR #28 - 50' FSL & 50' FEL
 Sec. 28 T9S-R37E
 Administrative Application
 NSL and SD
 "Add 3rd & 4th Well to Existing 80-Acre Spacing"

- ACTIVE PRODUCER
- SI PRODUCER
- P&A'd PRODUCER
- ACTIVE SWD
- SI SWD
- P&A'd SWD

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Tuesday, October 13, 2009 10:58 AM
To: 'James@vproperating.com'
Cc: Hill, Larry, EMNRD
Subject: SFPRR Well No. 25: NSL Application

Dear Mr. Huling

The referenced application was issued today, but dated October 8, under order nos. NSL-6097 and SD-200905.

The original will be posted on the Division's website.

Sincerely
David K. Brooks