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NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



26 2004

CONSERVATION
DIVISION

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.

<u>Jimmy D. Carlile</u> Print or Type Name	<u><i>Jimmy D. Carlile</i></u> Signature	<u>Regulatory Affairs Coordinator</u> Title	<u>2/3/04</u> Date
		<u>jimmyc@forl.com</u> e-mail Address	

District I
1625 N. French Drive, Hobbs, NM 88240

District II
1301 W. Grand Avenue, 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-107A
Revised June 10, 2003

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

Operator Fasken Oil and Ranch, Ltd. 303 West Wall, Suite 1800 Midland, TX 79701
Address

Laguna "16" State 1 P 16 20S 32E Lea
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 151416 Property Code 32342 API No. 30-025-36437 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Wildcat (Strawn)		Wildcat (Morrow)
Pool Code	97225		96070
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	12008' - 12016'		12970' - 12986'
Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
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)	6550 psi		5700 psi
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1000 BTU		1000 BTU
Producing, Shut-In or New Zone	New Zone		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: Rates: 0/500/0	Date: Rates:	Date: Rates: 0/250/0
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 67 % 67 %	Oil Gas % %	Oil Gas 33 % 33 %

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.

Regulatory Affairs

SIGNATURE Jimmy D. Carlile TITLE Coordinator DATE 2/3/04
 TYPE OR PRINT NAME Jimmy D. Carlile TELEPHONE NO. (432) 687-1777
 E-MAIL ADDRESS jimmyc@for1.com

Fasken Oil and Ranch, Ltd.

Laguna "16" State No. 1

Application for Downhole Commingling

Additional Data

Production curves for the Morrow and Strawn zones are not available since these are new completions in this well. Each zone is considered marginal. Combining two marginal zones will provide a more reasonable economic return. The combined total anticipated production from both zones is estimated to be 750 MCFPD.

Estimated production rates for the Morrow are based on DST data. Estimated production rates for the Strawn are based on porosity-thickness compared to the Morrow. The estimated gas and condensate rates and suggested percentages are as follows:

Strawn	250 mcf/d	33%	1 bcpd	33%
Morrow	500 mcf/d	67%	2 bcpd	67%

All working, royalty and overriding interests in this well are common and therefore, no notice is required.

Well File
Extra Maps

DISTRICT I
1626 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-36437	Pool Code 97225	Pool Name Wildcat (Strawn)
Property Code 32342	Property Name LAGUNA "16" STATE	Well Number 1
OGRID No. 151416	Operator Name FASKEN OIL & RANCH, LTD.	Elevation 3512'

Surface Location

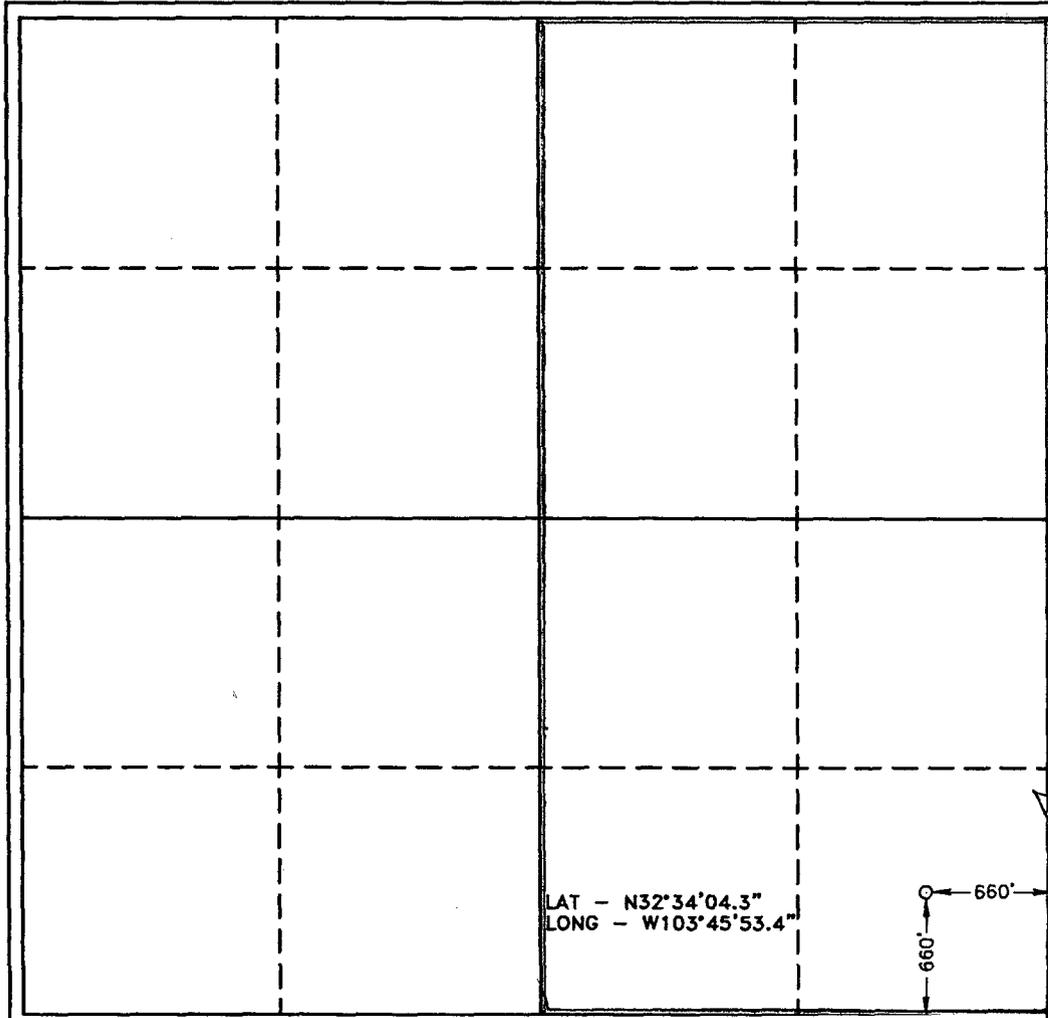
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	16	20 S	32 E		660	SOUTH	660	EAST	LEA

Bottom 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

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

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



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Jimmy D. Carlile
Signature
Jimmy D. Carlile
Printed Name
Regulatory Affairs Coord.
Title
2/3/04
Date

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.

APRIL 24, 2003
Date Surveyed

GARY L. JONES
Signature & Seal of
Professional Surveyor

W.O. No. 3231A
Certificate No. GARY L. JONES 7977
BASIN SURVEYS

Well File
Extra Maps

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2040 South Pacheco
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

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Property Code 32342	Property Name LAGUNA "16" STATE	Well Number 1
OGRID No. 151416	Operator Name FASKEN OIL & RANCH, LTD.	Elevation 3512'

Surface Location

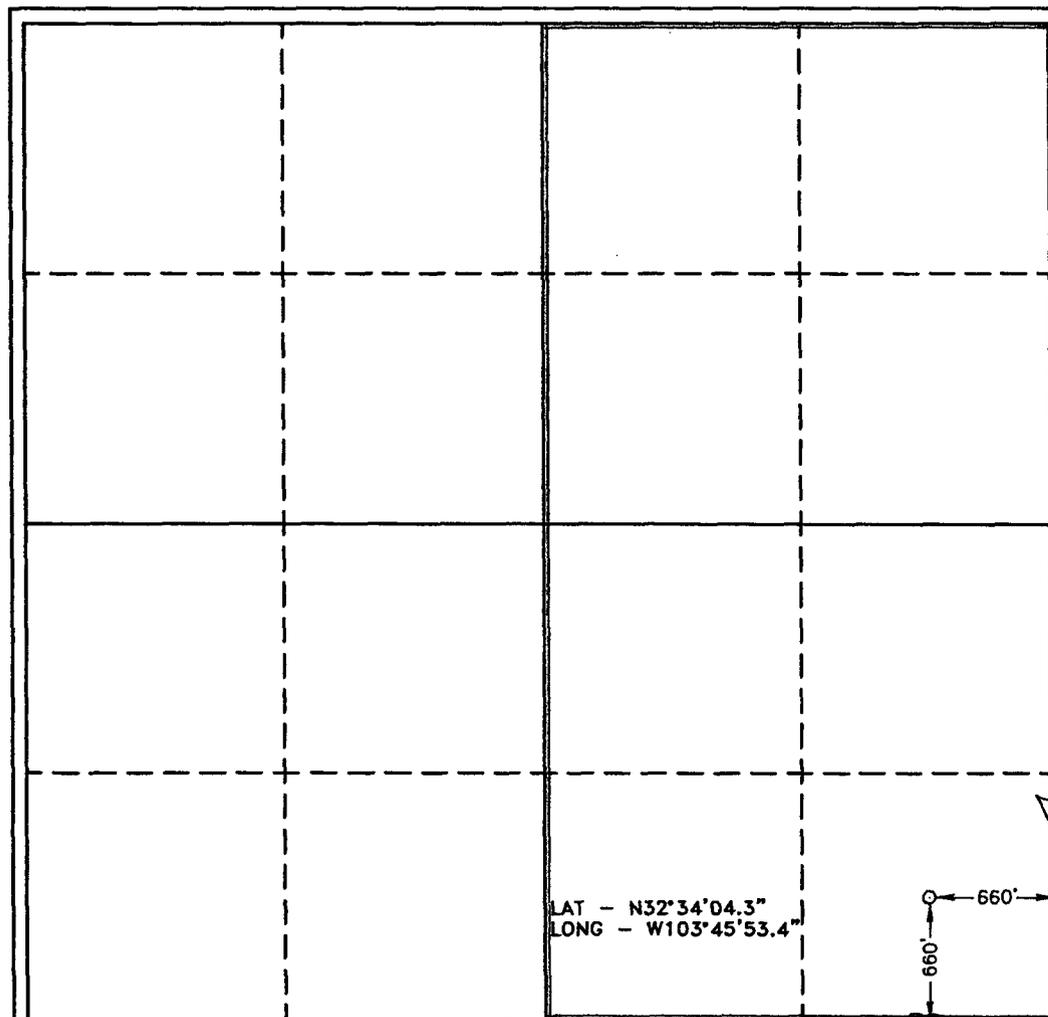
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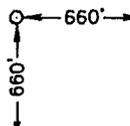
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Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

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LAT - N32°34'04.3"
LONG - W103°45'53.4"



OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Jimmy D. Carlile
Signature

Jimmy D. Carlile
Printed Name

Regulatory Affairs Coord.
Title

2/3/04
Date

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.

APRIL 24, 2003
Date Surveyed

Gay L. Jones
Signature & Seal of Professional Surveyor

Professional Surveyor
NEW MEXICO
7977

W.O. No. 3231A
Certificate No. GARY L. JONES 7977
PROFESSIONAL LAND SURVEYOR
BASIN SURVEYS