

# New Mexico Energy, Minerals and Natural Resources Department

**Bill Richardson**  
Governor

**Jim Noel**  
Cabinet Secretary

**Karen W. Garcia**  
Deputy Cabinet Secretary

**HOBBS OCD**

**JUN 17 2011**

**Mark Fesmire**  
Division Director  
Oil Conservation Division



**RECEIVED**

Administrative Order DHC-4302

Order Date: 7/30/2010

Application Reference Number: pTGW1018257778

PLANTATION OPERATING LLC  
4700 W. SAM HOUSTON PKWY N., SUITE 140  
HOUSTON, TX 77041

Attention: Kimberly Faldyn

SILVER OAK Well No. 001  
API No: 30-025-38642  
Unit B, Section 6, Township 19 South, Range 35 East, NMPM  
Lea County, New Mexico

Pool:	SCHARB;BONE SPRING	Oil 55610
Names:	UNDES. SCHARB;WOLFCAMP	Oil 55640
	WILDCAT DELAWARE	Oil 91771

Reference is made to your recent application for an exception to Rule 12.9A. of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 12.11A., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with Division 12.11A.(6), the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

Assignment of allowable and allocation of production from the well shall be as follows:

SCHARB;BONE SPRING Pool	Pct Gas: 33	Pct Oil: 33
Wildcat Delaware Pool	Pct Gas: 34	Pct Oil: 34
UNDES. SCHARB;WOLFCAMP Pool	Pct Gas: 33	Pct Oil: 33

Oil Conservation Division \* 1220 South St. Francis Drive

\* Santa Fe, New Mexico 87505

\* Phone: (505) 476-3440 \* Fax (505) 476-3462\* <http://www.emnrd.state.nm.us>



REMARKS: The operator shall notify the Division's district office upon implementation of commingling operations.

Pursuant to Rule 12.11B., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

  
MARK E. FESMIRE, P.E.  
Acting Director

MEF/wvj

cc: Oil Conservation Division – Hobbs  
State Land Office - Oil, Gas, and Minerals Division

DATE IN <b>7-1-10</b>	SUSPENSE	ENGINEER <b>WJ.</b>	LOGGED IN <b>7-1-10</b>	TYPE <b>DH</b>	APP NO <b>1018257778</b>
-----------------------	----------	---------------------	-------------------------	----------------	--------------------------

ABOVE THIS LINE FOR DIVISION USE ONLY

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



**Plantation**  
237788  
**Silver OKK #1**

## ADMINISTRATIVE APPLICATION CHECKLIST **30-025-38672**

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.**

Kimberly Faldyn

Print or Type Name

*Kimberly Faldyn*  
Signature

Engineering Tech

Title

6/30/2010

Date

kfaldyn@plantationpetro.com  
e-mail Address



## Plantation Petroleum Companies

Plantation Petroleum Holdings IV, LLC; Plantation Operating, LLC

**Kimberly Faldyn**  
Engineering Tech

4700 W. Sam Houston Pkwy N., Ste 140  
Houston, TX 77041  
Tel: (281) 296-7222  
Fax: (281) 298-2333

**June 30, 2010**

### SENT VIA FEDERAL EXPRESS

State of New Mexico  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505

Attn: Mr. William Jones

**RE: Filing C-107A for Plantation Operating, LLC**  
**Application for Downhole Commingling**  
**Silver Oak #1**  
**Lea County, NM**

Dear Mr. Jones,

Attached please find Form C-107A for Plantation Operating, LLC. The Silver Oak #1 was previously DHC (DHC-4050) in the Scharb; Bone Spring and the Scharb; Wolfcamp zones beginning August 2008. Then in October 2009, the well was recompleted to the Delaware; Wildcat pool where it is currently still producing. Once commingling is approved, we plan to drill out the cmt and CIBP to open up existing Scharb; Bone Spring and Scharb; Wolfcamp perms. All interests are equal in the commingled zones and the produced fluids are compatible. The well name, its location, and all attachments included are listed below:

<u>Well Name</u>	<u>Attachments</u>
Silver Oak #1 B-Sec 6, T19S, R35E Lea County, NM	C-107A, C-102 for Bone Spring, C-102 for Wolfcamp, C-102 for Delaware

A copy of this application has been forwarded to the NMOCD in Hobbs, NM. Should you have any questions or need additional information, please feel free to call Kim Faldyn at (281) 296-7222 or e-mail at [kfaldyn@plantationpetro.com](mailto:kfaldyn@plantationpetro.com). Thank you for your attention to this matter.

Best regards,

  
Kimberly Faldyn  
Engineering Tech

cc: NMOCD  
Attn: Donna Mull  
1625 N. French Drive  
Hobbs, NM 88240

RECEIVED OGD  
2010 JUN 31 P 2:17

RECEIVED OGD  
2010 JUL 1 P 2:24

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

District II  
1301 W. Grand Avenue, Artesia, NM 88210

District III  
1000 Rio Bravo Road, Artesia, NM 88210

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**

Plantation Operating, LLC  
Operator

4700 W. Sam Houston Parkway, N., Suite 140, Houston, TX 77041  
Address

04C-4302

Silver Oak

#1

B-SEC 6, T19S, R35E

Lea

Lease

Well No

Unit Letter-Section-Township-Range

County

OGRID No. 237788 Property Code 36892 API No. 30-025-3842 Lease Type ☐ Federal ☒ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Pool Name	Delaware; Wildcat	Scharb, Bone Spring	Scharb, Wolfcamp
Pool Code	97771	55610	55640
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	6,730-6,736'	9,672-10,938'	11,320-11,350'
Method of Production (Flowing or Artificial Lift)	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)			
Producing, Shut-In or New Zone	Producing	SI	SI
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: 6/24/2010 Rates: 3 BOPD, 3 MCFD 50 BWPD	Date: 7/16/2009 Rates: 3 BOPD, 2.5 MCFD 1.5 BWPD	Date: 7/16/2009 Rates: 3 BOPD, 2.5 MCFD, 1.5 BWPD
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 34 % 34 %	Oil Gas 33 % 33 %	Oil Gas 33 % 33 %

**ADDITIONAL DATA**

Are all working, royalty and overriding royalty interests identical in all commingled zones?  
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?

Yes ☒ No ☐  
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 Kimberly Faldyn TITLE Engineering Tech DATE 6/30/2010

TYPE OR PRINT NAME Kimberly Faldyn TELEPHONE NO. ( 281 ) 296-7222

E-MAIL ADDRESS kfaldyn@plantationpetro.com