

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

Operator Copy

FORM APPROVED  
OMB No. 1004-0115  
Expires: January 31, 2004

**SUNDRY NOTICES AND REPORTS ON WELLS**

*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

**SUBMIT IN TRIPLICATE- Other instructions on reverse side.**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. LC 069048
2. Name of Operator SandRidge Expl. & Prod., LLC		6. If Indian, Allottee or Tribe Name
3a. Address 123 Robert S Kerr Ave., OKC, OK 73102	3b. Phone No. (include area code) 405-429-6518	7. If Unit or C/A Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1285' FSL & 580' FEL of Sec 9 - 21S - 38E		8. Well Name and No. Elliott Federal #4
		9. API Well No. 30-025-40487
		10. Field and Pool, or Exploratory Area Wantz, Abo, Drinkard & San Andres
		11. County or Parish, State Lea, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Downhole Commingle
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

SandRidge Expl. & Prod., LLC respectfully requests the right to downhole commingle the approved ABO formation with the Drinkard and the San Andres formations. Sandridge has mineral rights to all three formations and would like to produce these available minerals in the most effective manner possible (please see attachments for further information regarding this DHC).

Thank you for your time.

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

SUBJECT TO LIKE  
APPROVAL BY STATE

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Spence Laird		Title Regulatory Analyst	APPROVED JAN 23 2013
Signature <i>Spence Laird</i>		Date 10/16/2012	
THIS SPACE FOR FEDERAL OR STATE OFFICE USE			
Approved by _____		Title _____	BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office <i>KZ</i>	

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

DHC-4596

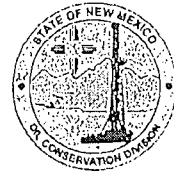
State of New Mexico  
Energy, Minerals and Natural Resources Department

Susana Martinez  
Governor

John Bemis  
Cabinet Secretary

Brett F. Woods, Ph.D.  
Deputy Cabinet Secretary

Jami Bailey  
Division Director  
Oil Conservation Division



Administrative Order DHC-4596

Order Date: 12/14/2012

Application Reference Number: pWVJ1231951241

SANDRIDGE EXPLORATION AND PRODUCTION, LLC  
123 ROBERT S. KERR AVE,  
OKLAHOMA CITY, OK 73102

Attention: Spence Laird

ELLIOTT FEDERAL Well No. 004  
API No: 30-025-40487  
Unit N, Section 9, Township 21 South, Range 38 East, NMPM  
Lea County, New Mexico

Pool:	LITTMAN;SAN ANDRES	Oil 39330
Names:	UNDES DRINKARD	Oil 19190
	WANTZ;ABO	Oil 62700

Reference is made to your recent application for an exception to 19.15.12.9A NMAC 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 19.15.12.11A NMAC, 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.

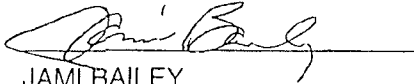
In accordance with 19.15.12.11A.(6) NMAC, the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

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

LITTMAN;SAN ANDRES Pool	Pct Gas: 20	Pct Oil: 20
UNDES DRINKARD Pool	Pct Gas: 0	Pct Oil: 26
WANTZ;ABO Pool	Pct Gas: 80	Pct Oil: 54

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

Pursuant to 19.15.12.11B NMAC, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.



JAMI BAILEY  
Director

JB/wvjj

cc: Oil Conservation Division – Hobbs  
Bureau of Land Management - Carlsbad

DATE IN 10/24/12	SUSPENSE	ENGINEER WJS	LOGGED IN	DHC 4596	APP NO. PWTJ 1231951241
------------------	----------	--------------	-----------	----------	-------------------------

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 \_\_\_\_\_

#### [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.

Spence Laird  
 Print or Type Name

*Spence Laird*  
 Signature

Regulatory Analyst  
 Title

10/22/12  
 Date

slaird@sandridgeenergy.com  
 e-mail Address

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

District II  
811 S. First St., 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

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

Form C-107A  
Revised August 1, 2011

APPLICATION TYPE  
☒ Single Well  
☐ Establish Pre-Approved Pools  
EXISTING WELLBORE  
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

SandRidge Expl. & Prod., LLC  
Operator

123 Robert S. Kerr Ave., Oklahoma City, OK 73102  
Address

LC-069048 Elliott Federal  
Lease

4  
Well No. Sec 9 T21S R18E  
4th Letter-Section-Township-Range

Lea  
County

OGRID No. 270265 Property Code 38680 API No. 30-025-40487 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	San Andres	Drinkard Pool	Abo
Pool Code	39330	19190	62700
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	4300' - 4500'	6,785' - 6,795'	7,340 - 7,522
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)	OK	2938 - 2900 OK	3178 = OK - 3100
Oil Gravity or Gas BTU (Degree API or Gas BTU)	32 deg	32 deg	32 deg
Producing, Shut-In or New Zone	New Zone (not perforated yet)	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.)	Date: Est. future rates Rates: 20 bod 10 mcf 40 bow	Date: 10/01/2012 Rates: 25 bod 0 mcf 80 bow	Date: 09/08/2012 Rates: 53 bod 65 mcf 109 bow
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 20 % 20 %	Oil Gas 26 % 0 %	Oil Gas 54 % 80 %

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 Spence Laird TITLE \_\_\_\_\_ Regulatory Analyst \_\_\_\_\_ DATE 10/17/2012

TYPE OR PRINT NAME Spence Laird TELEPHONE NO. ( 405 ) 429-6518

E-MAIL ADDRESS slaird@sandridgeenergy.com

## Spence Laird

---

**From:** Jones, William V., EMNRD [William.V.Jones@state.nm.us]  
**Sent:** Monday, December 17, 2012 10:38 AM  
**To:** Spence Laird  
**Subject:** FW: Downhole Commingle Permits Approved

**From:** Jones, William V., EMNRD  
**Sent:** Monday, December 17, 2012 9:30 AM  
**To:** Laird, Spence; Cherry, Tracie J. ([TJCherry@BassPet.Com](mailto:TJCherry@BassPet.Com)); Mayte Reyes ([mreyes1@concho.com](mailto:mreyes1@concho.com))  
**Cc:** Ezeanyim, Richard, EMNRD; 'llrwb@austin.rr.com'; Gonzales, Elidio L, EMNRD; Dade, Randy, EMNRD; [jspielma@blm.gov](mailto:jspielma@blm.gov); Mull, Donna, EMNRD; Sharp, Karen, EMNRD  
**Subject:** Downhole Commingle Permits Approved

The following listed permits to allow down hole commingling of Pools within a well have been signed as approved by the director and will be scanned and available online.

DHC-4595	Parcell Federal #8	30-025-40488	Sandridge Exploration and Production LLC
DHC-4596	Elliott Federal #4	30-025-40487	Sandridge Exploration and Production LLC
DHC-4597	Big Eddy Unit #154	30-015-34399	BOPCO, L.P.
DHC-4598	Mescal 22 Federal #2	30-015-37949	COG Operating, LLC

Thank You,

William V. Jones, P.E.  
505-476-3448W 505-476-3462F  
Engineering Bureau, Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505