

Submit 1 Copy To Appropriate District Office
District I – (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II – (575) 748-1283
811 S. First St., Artesia, NM 88210
District III – (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV – (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised July 18, 2013

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-015-44539
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator CHISHOLM ENERGY OPERATING, LLC		6. State Oil & Gas Lease No.
3. Address of Operator 801 CHERRY ST., SUITE 1200 – UNIT 20 - FORT WORTH, TEXAS 76102		7. Lease Name or Unit Agreement Name Dark Canyon 15-22 State Com WCA
4. Well Location Unit Letter D : 130 feet from the North line and 660 feet from the West line Section 15 Township 23S Range 26E NMPM County Eddy		8. Well Number 3H
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3326.4 GL		9. OGRID Number 372137
		10. Pool name or Wildcat Purple Sage; Wolfcamp

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL. <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER <input checked="" type="checkbox"/> X Pool Commingle		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion. BCW

Chisholm Energy Operating, LLC request approval to surface Commingle production on the following wells at a common central facility located on Dark Canyon 15-22 State Com WCB 2H, WCA 3H, and 3BS 4H

Dark Canyon 15-22 State Com WCB 2H, NWNW-15, T23S, R26E 30-015-44538 Purple Sage; Wolfcamp/98220

Dark Canyon 15-22 State Com WCA 3H, NWNW-15, T23S, R26E 30-015-44539 Purple Sage; Wolfcamp/98220

Dark Canyon 15-22 State Com 3BS 4H, NWNW-15, T23S, R26E 30-015-44647 Yarrow; Bone Spring, South/ 87780

Attached:

- | | |
|--|---|
| 1 - Administrative Form | 7 - Publication & Affidavit |
| 2 - Summary Detail | 8 - SLO Transmittal Form |
| 3 - Battery Diagram. | 9 - Landman statement for identical ownership as defined in 19.15.12.7. |
| 4 - Production Record | |
| 5 - NMOCD Form C-102 Well Plats for each well. | |
| 6 - Owner Letter with Exhibit A, listing owners and USPS, Certified return receipt requested | |

Spud Date: 04/13/2018

Rig Release Date: 05/06/2018

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

SIGNATURE Bettie Watson TITLE Regulatory Consultant DATE Aug 21, 2018

Type or print name Bettie Watson E-mail address: BWatson@ChisholmEnergy.com PHONE: 817-864-1104

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):

**APPLICATION POOL/LEASE SURFACE COMMINGLE & STORAGE for Dark Canyon 15-22
State Com WCB 2H, WCA 3H, and 3BS 4H**

Chisholm Energy Operating, LLC (CEO) is requesting approval for a Central Tank Battery, Lease Commingle & Storage of the following wells in different pools SLO Leases:

Communitization Agreement for 2H, 3H was approved 06/01/2018 for Wolfcamp. (480 Acres)

Well Names	Location - Eddy Co.	API #	Pool
<u>Lease: NMSLO VO 4900, VC-207</u>			
Dark Canyon 15-22 State Com WCB 2H, NWNW-15, T23S, R26E		30-015-44538	Purple Sage; Wolfcamp/98220
Dark Canyon 15-22 State Com WCA 3H, NWNW-15, T23S, R26E		30-015-44539	Purple Sage; Wolfcamp/98220

Hearings on 12-14-18

Communitization Agreement for 4H was approved 07/03/2018 for Bone Spring (240 Acres)

Well Names	Location - Eddy Co.	API #	Pool
<u>Lease: NMSLO VO 4900, VC-207</u>			
Dark Canyon 15-22 State Com 3BS 4H, NWNW-15, T23S, R26E		30-015-44647	Yarrow; Bone Spring, South/ 87780

Hearings on 12-14-18

Economic Justification Worksheet:

Individual Wells	Current BOPD	Oil Gravity	Value/ BBL	Current MCFPD	DRY BTU @14.73 *	Value/ MCF
Dark Canyon 15-22 State Com WCB 2H	597	53	59.491	5343	1242	4.0057
Dark Canyon 15-22 State Com WCA 3H	967	53	59.4911	1910	1304	4.0057
Dark Canyon 15-22 State Com 3BS 4H	603	53	59.4911	1269	1299	4.0057
Economic combined production	BOPD	Oil Gravity	Value/ BBL	MCFPD	DRY BTU @14.73 *	Value/ MCF
	2167	53	59.4911	8522	1285	4.0057

July volumes based on 19 days average of data registered on Neofirma.

Oil & Gas metering and allocation:

The central tank battery is located on the pad of the in D Sec 15, T23S-R26E, Eddy Co., New Mexico. Each well will flow through their own individual 3 phase separator with turbine meters to measure the oil and water and an EFM gas allocation meters to measure the gas. VRU will be allocated back to the well level using the monthly oil production from each well. The wells have identical Owners and Percentages.

The commingle battery has 3-500 bbl oil tanks and 3-500 bbl water tanks. After all the wells flow through their own 3 phase separator/heater, the oil will be metered individually through its own turbine meter on the way to the oil tanks. Oil is trucked off location. Downstream of the 3-phase separator each well has its own Electronic Flow Meter to measure the gas for allocation of sales back to the individual well. Our cumulative meter amount is the check for the Lucid's Sales Meter. The water is metered using a turbine meter for each well and then flow to the water tanks.

Oil production will be allocated daily based on the turbine allocation meter located downstream of the 3-phase separator. The turbine oil meter will be proven as per API AND NMOCD specifications. The gas will be allocated back to

APPLICATION POOL/LEASE SURFACE COMMINGLE & STORAGE for Dark Canyon 15-22

State Com WCB 2H, WCA 3H, and 3BS 4H

the well using volumes downloaded from the individual wells allocation meter. The gas will be allocated using MMBTU volumes from each well. The gas off the VRU allocation meter will flow to the Lucid's gas sales meter (low psi). The gas meters will be calibrated on a regular basis per API and NMOCD specifications. The NMOCD will be notified of any future changes to the facility.

Process and Flow Description:

The flow of produced fluids is shown in detail on the enclosed facility diagram, along with a description of each vessel and a plat which show the lease boundaries, Communitization boundaries, and location of wells and wellbore paths. The proposed commingling is appropriate based on the NMOCD guidance. The proposed commingling will maximize the ultimate recovery of oil and gas from leases and will reduce environmental impacts. The proposed commingling will reduce operating expense, as well as, not adversely affect federal royalty income, production accountability, or the distribution of royalty.

Attached:

- 1 - Battery Diagram.
- 2 - Production Record
- 3 - NMOCD Form C-102 Well Plats for each well.
- 4 - Owner Letter with Exhibit A, listing owners and USPS, Certified return receipt requested.
- 5 - Publication & Affidavit
- 6 - SLO Transmittal Form.
- 7 - Landman statement for identical ownership as defined in 19.15.12.7.

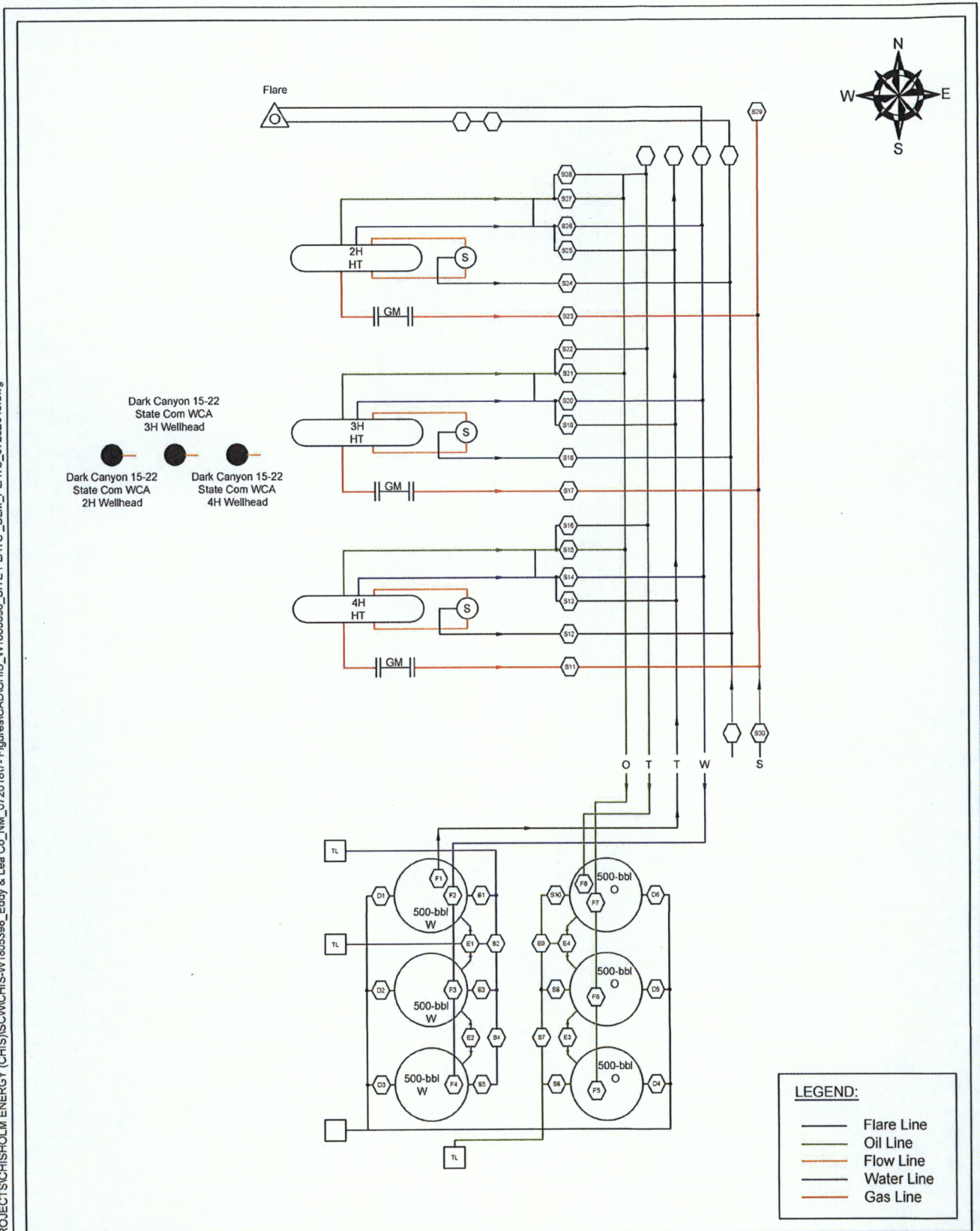
Chisholm Energy Operating, LLC understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.

SIGNATURE:



DATE 8/21/2018

Document Path: P:\2018 PROJECTS\CHISHOLM ENERGY (CHIS)\SCM\CHIS-W1805398_Eddy & Lea Co_NM_07201817-Figures\CAD\CHIS_W1805398_SITE PLATS_BLM_PLATS_07262018.dwg



SITE PLAT

CHISHOLM ENERGY OPERATING, LLC.
DARK CANYON 15 22 STATE COM WCA NO. 3H PRODUCTION FACILITY
EDDY COUNTY, NEW MEXICO

SCALE: Not to Scale DATE: 07/27/2018 PROJECT #: CHIS-W1805398



New Tech Global Environmental, LLC
911 Regional Park Drive
Houston, Texas 77060
T - 281.872.9300
F - 281.872.4521
Web - www.ntglobal.com

NOTES:

1. Site Coordinates (NAD 83): 32.31127, -104.28753
2. Section-Township-Range: Sec. 15 T23S R26E

DRAWING NUMBER:

FIGURE 1

SHEET NUMBER:

1 of 1

Dark Canyon 15-22 State Com WCB 2H, WCA 3H, and 3BS 4H Production

MTH	Days	Dark Canyon 15-22 State Com WCB			Days	Dark Canyon 15-22 State Com WCA			Days	Dark Canyon 15-22 State Com 3BS		
	On	2H			On	3H			On	4H		
		PRODUCTION				PRODUCTION				PRODUCTION		
		OIL-BBLS	GAS-MCF	WATER-BBLS		OIL-BBLS	GAS-MCF	WATER-BBLS		OIL-BBLS	GAS-MCF	WATER-BBLS
Apr-18												
May-18												
Jun-18		FIRST PROD: 7-18-2018				FIRST PROD: 7-18-2018				FIRST PROD: 7-18-2018		
Jul-18	13	3123	26931	37253.15	13	685.00	1786	38873.39	13	2362	6706	38536.46
Aug-18	19	11350.85	101521	56408.62	19	18,381.56	36287	54057.39	19	11462.59	24104	48822.99
		14,473.85	128,452	93,661.77		19,066.56	38,073	92,930.78		13,824.59	30,810	87,359.45

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District IV
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Phone: (505) 476-3460 Fax: (505) 476-3462

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 August 1, 2011
Submit one copy to appropriate
District Office

☒ AMENDED REPORT
AS DRILLED

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-44539	² Pool Code 98220	³ Pool Name PURPLE SAGE; WOLFCAMP
⁴ Property Code 320683	⁵ Property Name DARK CANYON 15-22 STATE COM WCA	⁶ Well Number 3H
⁷ OGRID No. 372137	⁸ Operator Name CHISHOLM ENERGY OPERATING, LLC	⁹ Elevation 3326.4

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	15	23S	26E		130	NORTH	660	WEST	EDDY

¹¹ 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
E	22	23S	26E		2310	NORTH	473	WEST	EDDY

¹² Dedicated Acres 480	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
--------------------------------------	-------------------------------	----------------------------------	-------------------------

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.

	<p>¹⁷ 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.</p> <p><i>Jennifer Elrod</i> 07/24/2018 Signature Date</p> <p>JENNIFER ELROD Printed Name</p> <p>jelrod@chisholmenergy.com E-mail Address</p>
	<p>¹⁸ 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.</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>
	<p>Certificate Number</p>

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☒ AMENDED REPORT
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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-44538	² Pool Code 98220	³ Pool Name PURPLE SAGE; WOLFCAMP
⁴ Property Code 320684	⁵ Property Name DARK CANYON 15-22 STATE COM WCB	
⁷ OGRID No. 372137	⁸ Operator Name CHISHOLM ENERGY OPERATING, LLC	⁶ Well Number 2H ⁹ Elevation 3326.4

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	15	23S	26E		130	NORTH	600	WEST	EDDY

¹¹ 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
E	22	23S	26E		2302	NORTH	433	WEST	EDDY

¹² Dedicated Acres 480	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.

	<p>¹⁷ 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.</p> <p><i>Jennifer Elrod</i> 07/24/2018 Signature Date</p> <p>JENNIFER ELROD Printed Name</p> <p>jelrod@chisholmenergy.com E-mail Address</p>
	<p>¹⁸ 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.</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>Certificate Number</p>

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Revised August 1, 2011
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☒ AMENDED REPORT
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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-44647	² Pool Code 87780	³ Pool Name YARROW, BONE SPRING, SOUTH
⁴ Property Code 319915	⁵ Property Name DARK CANYON 15-22 STATE COM 3BS	⁶ Well Number 4H
⁷ OGRID No. 372137	⁸ Operator Name CHISHOLM ENERGY OPERATING, LLC	⁹ Elevation 3326.4

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	15	23S	26E		130	NORTH	720	WEST	EDDY

¹¹ 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
E	22	23S	26E		2272	NORTH	460	WEST	EDDY

¹² Dedicated Acres 240	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.

	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>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.</p> <p><i>Jennifer Elrod</i> 7/20/18 Signature Date</p> <p>JENNIFER ELROD Printed Name</p> <p>jelrod@chisholmenergy.com E-mail Address</p>
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>
	<p>Certificate Number</p>



CHISHOLM ENERGY PRODUCING, LLC

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Aug. 21, 2018

TO: See Exhibit "A"

RE: Application for Pool/Lease Surface Commingle for
Dark Canyon 15-22 State Com WCB 2H, WCA 3H, and 3BS 4H all in
Section 15 & 22, T-23S, R-26E
Purple Sage; Wolfcamp/98220 & Yarrow; Bone Spring, South/87780
Eddy County, New Mexico

Gentlemen:

This is to advise you that Chisholm Energy Operating, LLC (CEO), is filing an application with the New Mexico Oil Conservation Division (NMOCD), and State of New Mexico Commissioner of Public Lands (NMSLO) seeking approval for Pool Commingle permit at a central Tank Battery. Our application to the NMOCD and NMSLO submittal is attached. Each well is individually metered before being commingled. These wells have identical ownership & percentages. This Dark Canyon 15-22 Battery is in UL/Lot D, Sec 15, T-23S, R-26E.

In accordance with Paragraph (4)(c) of Subsection C of 19.15.12.10 NMAC prescribes that the applicant shall notify the interest owners. The Applicant shall submit a statement attesting that the applicant, on or before the date the application is submitted to the division, notified each of the interest owners by sending them a copy of the application and the attachments to the application by certified mail, return receipt requested, and advising them that they must file an objection in writing with the division's Santa Fe office within 20 days from the date the division received the application. The division may approve the application administratively, without hearing, upon receipt of written waiver from the interest owner, or if no interest owner has filed an objection within the 20-day period. If the division receives an objection, it shall set the application for hearing. The division shall notify the applicant, who shall give formal notice of hearing to each party who has filed an objection and to such other persons as the division directs.

For future addition of wells, leases, and pools to this commingling operation, notice shall only be given to those interest owners in the wells, leases or pools to be added, in accordance with the Division Rule 19.15.12.10 C (4)(g) NMAC.

If you have any questions, please call me at 817-864-1104. If I am not available, please call Jennifer Elrod at 817-953-3728

Sincerely,

Bettie Watson,
Regulatory Consultant



CHISHOLM ENERGY PRODUCING, LLC

EXHIBIT "A"

APPLICATION FOR POOL SURFACE COMMINGLE & STORAGE for

Dark Canyon 15-22 State Com WCB 2H, WCA 3H, and 3BS 4H

Purple Sage; Wolfcamp/98220 & Yarrow; Bone Spring, South/87780

Section 15-22, T-23S, R-26E - Eddy County, New Mexico

Owners to be Served Notice of this Filing

C. Mark Wheeler 719 W. Kansas Ave Midland, TX 79701	Thomas O. Weger P.O. Box 189 Sant Jo, TX 76265-0189	Dwayne and Kellie Weger P.O. Box 367 Muenster, TX 76252-0367
Tierra Oil Company, LLC P.O. Box 700968 San Antonio, TX 78270-0968	Sandra M. Thoma 8530 Mill Run Road Athens, TX 75751	Rusk Capital Management LLC 7600 W. Tidwell Road, Ste 800 Houston, TX 77040-6718
Robin Oil & Gas Corporation P.O. Box 720420 Oklahoma City, OK 73172	Penwell Employees Royalty Pool c/o Penwell Energy, Inc. Attn: Jim Markgraf 200 N. Loraine, Suite 1550 Midland, TX 79701	Oak Valley Mineral and Land LP P.O. Box 50820 Midland, TX 79710
New Mexico State Land Office P.O. Box 1148 Santa Fe, NM 87504-1148	Nearburg Producing Company FBO Nearburg Producing Company Employee Fund P.O. Box 823085 Dallas, TX 75382-3085	Robert Paul McCord and Wife, Christine Elizabeth McCord 360 San Carlos Way Novato, CA 94945-1658
Mavros Mineral II LLC P.O. Box 50820 Midland, TX 79710	Maverick Oil & Gas Corp. c/o Kimbrough Engineering Co. 101 W. Wall Street Midland, TX 79701-3383	Timothy R. Macdonald 3017 Avenue O Galveston, TX 77550-6847
Todd M. Kringen and Karla R. Kringen 8540 E. McDowell Rd., Unit 59 Mesa, AZ 85207-1431	Jareed Partners, LTD. P.O. Box 51451 Midland, TX 79710-1451	Rolla R. Hinkle, III P.O. Box 2292 Roswell, NM 88202-2292
Madison M. Kinkle P.O. Box 2292 Roswell, NM 88202-2292	Foundation Minerals LLC P.O. Box 50820 Midland, TX 50820	Jerry Elger P.O. Box 2623 Midland, TX 79702-2623
Duncan Management, LLC. P.O. Box 671099 Dallas, TX 75367-1099	Cornerstone Family Trust, John Kyle Thoma, Trustee P.O. Box 558 Peyton, Co. 80831-0558	Chalcam Exploration, LLC 403 Tierra Barrenda Roswell, NM 88201
Todd Alan Carrell 10 Sierra Circle San Rafael, CA 94901-3647	Butkin Investment Co. LLC P.O. Box 2090 Duncan, OK 73534	Paul R. Barwis c/o Dutton, Harris & Co. P.O. Box 230 Midland, TX 79702
Brian Arnold, Jr. PO. Box 50820 Midland, TX 79710		

Affidavit of Publication

No. 24790

State of New Mexico

County of Eddy:

Danny Scott

being duly sworn says that he is the Publisher of the Artesia Daily Press, a daily newspaper of General circulation, published in English at Artesia, said county and state, and that the hereto attached

Legal Ad

was published in a regular and entire issue of the said Artesia Daily Press, a daily newspaper duly qualified for that purpose within the meaning of Chapter 167 of the 1937 Session Laws of the state of New Mexico for 1 Consecutive weeks/day on the same

day as follows:

First Publication August 15, 2018

Second Publication

Third Publication

Fourth Publication

Fifth Publication

Sixth Publication

Seventh Publication

Subscribed and sworn before me this

15th day of August 2018



OFFICIAL SEAL
Latisha Romine
NOTARY PUBLIC-STATE OF NEW MEXICO

My commission expires: 5/12/2019

Latisha Romine

Latisha Romine

Notary Public, Eddy County, New Mexico

Copy of Publication:

Legal Notice

Pursuant the requirements of the NMOCD

Title 19, Chapter 15, Part 12.10.C (4)(e)

Notice by Publication

COMMINGLE PERMIT REQUEST SUBMITTED TO THE NMOCD

Operator: Chisholm Energy Operating, LLC
801 Cherry Street, Suite 1200 - Unit 20
Fort Worth, Tx 76102
Contact: Bettie Watson 972-979-0132

To the following owners unlocatable "and their heirs and devisees":

Butkin Investment Company LLC, Todd Alan Carrell, Chalcam Exploration, LLC, Duncan Management, LLC, Jared Partners, Ltd., Todd M. Kringen and Karla R. Kringen, Maverick Oil Gas Corp., Oak Valley Mineral and Land LP, Rob-in Oil & Gas Corporation, Rusk Capital Management LLC, Sandra M. Thoma, C. Mark Wheeler.

Lease: Dark Canyon 15-22 State Com lease is in Section 15 & 22, T23S, R26E, Eddy County, NM

Commingle Battery Facility is at Dark Canyon 15-22 State Com lease in NWNW Section 15, T23S, R26E

Commingle Production from the following pools:

98220 Purple Sage; Wolfcamp
87780 Yarrow; Bone Spring, South

Pursuant Title 19, Chapter 15, Part 12.10.C (4)(e)(iv) Interested Parties must file objections or requests for hearing in writing with the division's Santa Fe office within 20 days after publication, or the division may approve the application.

Published in the Artesia Daily Press, Artesia, N.M., August 15, 2018 Legal No. 24790.

**NEW MEXICO
STATE
LAND OFFICE**

**APPLICATION FOR
COMMINGLING AND OFF-LEASE STORAGE
ON STATE TRUST LANDS**



This application form is required for all commingling applications requiring approval by the Commissioner of Public Lands.

Applicant: Chisholm Energy Operating, LLC **OGRID #:** 372137
Well Name: Dark Canyon 15-22 State Com WCB 2H, WCA 3H, and 3BS 4H **API #:** 30-015-44538, 30-015-44539,
Pool: Wolfcamp & Yarrow/98220; Bone Spring, South/87780 & 30-015-44647

OPERATOR NAME: Chisholm Energy Operating, LLC
OPERATOR ADDRESS: 801 Cherry Street, Suite 1200-Unit 20 - Fort Worth, Texas 76102

APPLICATION REQUIREMENTS – SUBMIT:

1. New Mexico Oil Conservation Division (NMOCD) application packet (or equivalent information if no application is required by NMOCD),
2. Commingling application fee of \$150.

CERTIFICATION: To the best of my knowledge,

- All business leases and rights-of-way necessary for conducting the proposed operation on State Trust lands have been applied for or obtained,
- The information submitted with this application is **accurate** and **complete**, and
- No loss will accrue to the state of New Mexico as a result of the proposed operation.

I also understand that **no action** will be taken on this application until the required information and fee are submitted to the State Land Office.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Bettie Watson
Print or Type Name

Bettie Watson
Signature

8-21-2018
Date

817-864-1104
Phone Number

Bwatson@ChisholmEnergy.com
e-mail Address

Submit application to:
Commissioner of Public Lands
Attn: Commingling Manager
PO Box 1148
Santa Fe, NM 87504-1148

Questions?
Contact the Commingling Manager:
505.827.5791

Upon approval, the requesting organization will receive an acknowledgment letter from the Commissioner of Public Lands.

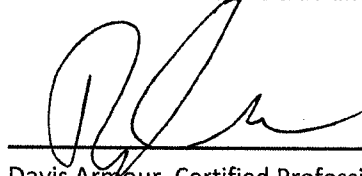
LANDMAN STATEMENT FOR COMMINGLE OF WELLS WITH IDENTICAL OWNERSHIP

I hereby certify that the leased lands contributing to the proration units associated with the Dark Canyon 15-22 State Com WCB #2H (API 30-015-44538), Dark Canyon 15-22 State Com WCA #3H (API 30-015-44539), and Dark Canyon 15-22 State Com 3BS #4H (API 30-015-44647) contain identical ownership as defined in 19.5.12.7 NMAC.

Title 19, Chapter 15, Part 12, 19.15.12.7 Definitions:

- A. "Diverse Ownership" means leases or pools have different working, royalty, or overriding royalty interest owners or different ownership percentages of the same working, royalty, or overriding royalty interest owners.
- B. "Identical ownership" means leases or pools have the same working, royalty, and overriding royalty owners in exactly the same percentages.
- C. "Lease" means a contiguous geographical area of identical ownership overlying a pool or portion of a pool. An area pooled, unitized or communitized, either by agreement or by division order, or a participating area shall constitute a lease. If there is diversity of ownership between different pools, or between different zones or strata, then each such pool, zone or stratum having diverse ownership shall be considered a separate lease.

The above statement is true and correct.



Davis Armour, Certified Professional Landman

8/15/18
Date

Revised March 23, 2017

RECEIVED: <u>8/30/2018</u>	REVIEWER: <u>MAm</u>	TYPE: <u>PLC</u>	APP NO: <u>PI4Am 18240 44408</u>
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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: Chisholm Energy Operating, LLC **OGRID Number:** 372137
Well Name: Dark Canyon 15-22 State Com WCB 2H, WCA 3H, and 3BS 4H **API:** 30-015-44538, 30-015-44539, & 30-015-44647
Pool: Purple Sage; Wolfcamp & Yarrow; Bone Spring, South **Pool Code:** 98220 & 87780

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

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
A. Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD
B. Check one only for [I] or [II] mm
[I] Commingling - Storage - Measurement mm
☐ DHC ☐ CTB ☒ PLC ☒ FPC ☐ OLS ☐ OLM
[II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

DL - 519

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
A. ☐ Offset operators or lease holders
B. ☒ Royalty, overriding royalty owners, revenue owners
C. ☐ Application requires published notice
D. ☒ Notification and/or concurrent approval by SLO
E. ☐ Notification and/or concurrent approval by BLM
F. ☐ Surface owner
G. ☒ For all of the above, proof of notification or publication is attached, and/or,
H. ☐ No notice required

FOR OCD ONLY	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	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.

08-21-2018

Bettie Watson

Print or Type Name

Bettie Watson

Signature

Date

817-864-1104

Phone Number

bwatson@chisholmenergy.com

e-mail Address

Dark Canyon 15-22 State Com WCB 2H, WCA 3H, and 3BS 4H Production

MTH	Days On	Dark Canyon 15-22 State Com WCB 2H			Days On	Dark Canyon 15-22 State Com WCA 3H			Days On	Dark Canyon 15-22 State Com 3BS 4H		
		PRODUCTION				PRODUCTION				PRODUCTION		
		OIL-BBLS	GAS-MCF	WATER-BBLS		OIL-BBLS	GAS-MCF	WATER-BBLS		OIL-BBLS	GAS-MCF	WATER-BBLS
Apr-18												
May-18												
Jun-18		FIRST PROD: 7-18-2018				FIRST PROD: 7-18-2018				FIRST PROD: 7-18-2018		
Jul-18	13	3123	26931	37253.15	13	685.00	1786	38873.39	13	2362	6706	38536.46
Aug-18	19	11350.85	101521	56408.62	19	18,381.56	36287	54057.39	19	11462.59	24104	48822.99
		14,473.85	128,452	93,661.77		19,066.56	38,073	92,930.78		13,824.59	30,810	87,359.45