1 28 1	Form C-107A Revised August 1, 2011	APPLICATION TYPE Single Well Establish Pre-Approved Pools FYISTING WELL BODE	X Yes No
4	State of New Mexico Energy, Minerals and Natural Resources Department	Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, New Mexico 87505	APPLICATION FOR DOWNHOLE COMMINGLING
	District I 1625 N. French Drive, Hobbs, NM 88240 District II	811 S. First St., Artesia, NM 88210 District III 1000 Rio Brazos Road, Aziec, NM 87410 District IV	1220 S. St. Francis Dr., Santa Fe, NM 87505

H. L. Brown Operating, LLC	P.O. Box 2237 N	P.O. Box 2237 Midland, TX 79702	
Operator Federal 27	Add 1 Unit E, Se	Address Unit E, Sec 27, T-7-S R-37-E	Roosevelt, NM
Lease	Well No. Unit Letter-S	Unit Letter-Section-Township-Range	County
OGRID No. 213179 Property Code	deAPI No30-041-20818	Lease Type: X	Federal State Fee
DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Bluitt Wolfcamp		Bluitt Devonian
Pool Code			
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	8380, -8556		8670° – 8944°
Method of Production (Flowing or Artificial Lift)	Sucker rod lift		Sucker rod 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	S.I.		S.I.
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history,	Date: 03/31/2018	Date:	Date: 08/31/2008
applicant shall be required to attach production estimates and supporting data.)	Rates: 0/0/19	Rates:	Rates: 5/12/3
Fixed Allocation Percentage (Note: If allocation is based upon something other	Oil Gas	Oil Gas	Oil Gas
than current or past production, supporting data or explanation will be required.)	% 98 % 0	% %	100 % 14 %

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 X No Yes Yes
Are all produced fluids from all commingled zones compatible with each other?	
Will commingling decrease the value of production?	YesNo
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 X 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 MANDE ROMULIAL	TITLE Production Analyst DATE	3-31-2022
TYPE OR PRINT NAME Bailey Aguilar	TELEPHONE NO. (432) 688-3722	

baguilar@hlboperating.com E-MAIL ADDRESS

Downhole Commingle Application

Federal 27 #1

Proposed date for work to begin:

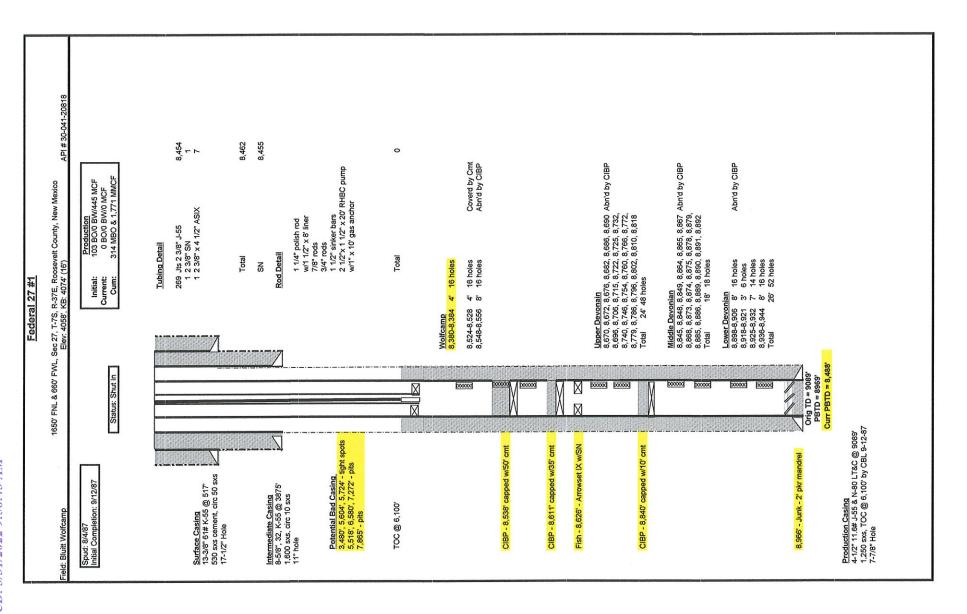
05-01-2022

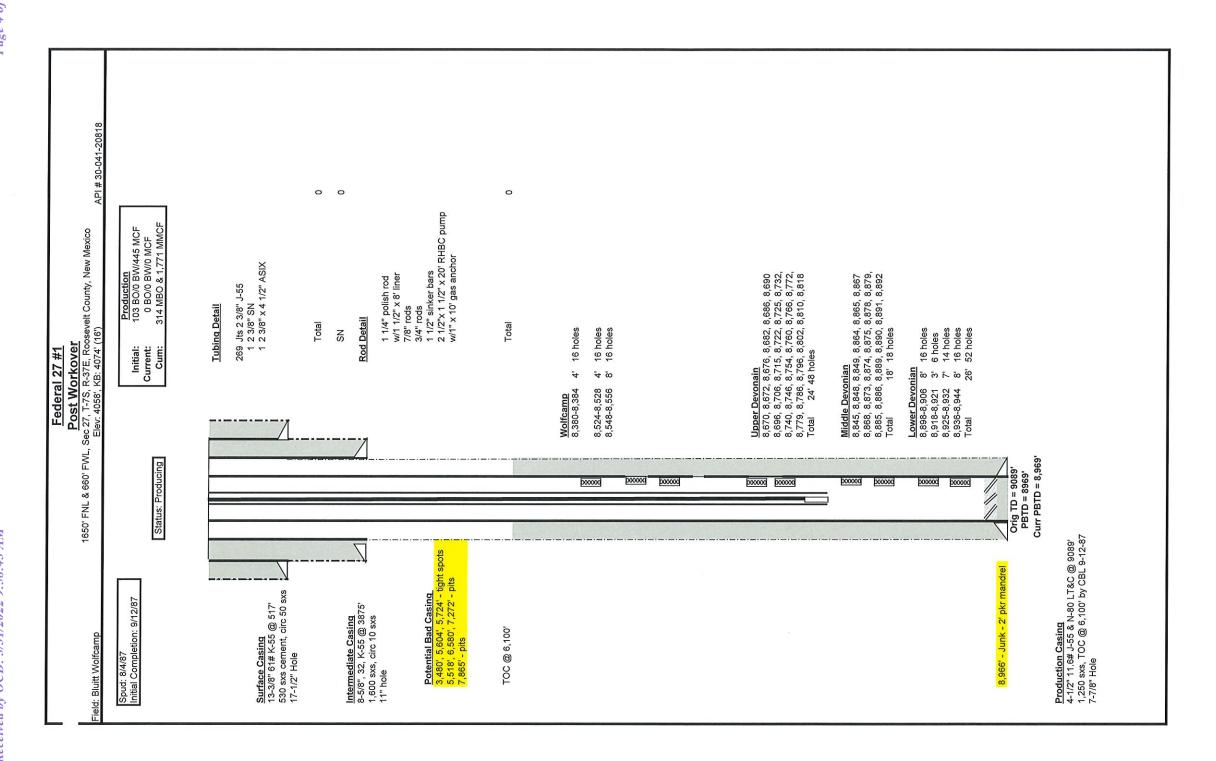
Procedure Description:

Downhole commingle existing Penn perforations from 8,380'-8,384'; 8,524'-8,528'; 8,548'-8,556' with existing Devonian perforations from 8,670'-8,818'; 8,845'-8,892'; 8,898'-8,944' in order to prevent waste & optimize ultimate recovery from both zones.

- 1.) POOH w/ production equipment
- 2.) Drill out CIBP's @ 8538'; 8611'
- 3.) Fish Arrowset pkr @ 8626'
- 4.) Drill out CIBP @ 8,840'
- 5.) Install production equipment
- 6.) Place on production

Downhole commingling will not reduce value of any production.





Federal 27 #1

Due to information from previous well production from each zone we would allocate as follows:

100% oil to Devonian

14% gas to Devonian

86% gas to wolfcamp

• •

Downhole Commingle Application

Federal 27 #1

Proposed date for work to begin:

05-01-2022

Procedure Description:

Downhole commingle existing Penn perforations from 8,380'-8,384'; 8,524'-8,528'; 8,548'-8,556' with existing Devonian perforations from 8,670'-8,818'; 8,845'-8,892'; 8,898'-8,944' in order to prevent waste & optimize ultimate recovery from both zones.

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- 5.) Install production equipment
- 6.) Place on production

Downhole commingling will not reduce value of any production.

From: Engineer, OCD, EMNRD

To: <u>Bailey Aguilar</u>

Cc: McClure, Dean, EMNRD; Kautz, Paul, EMNRD; Wrinkle, Justin, EMNRD; Powell, Brandon, EMNRD;

lisa@rwbyram.com; Glover, James; Paradis, Kyle O; Walls, Christopher

Subject: Approved Administrative Order DHC-5193 **Date:** Monday, May 9, 2022 4:38:27 PM

Attachments: DHC5193 Order.pdf

NMOCD has issued Administrative Order DHC-5193 which authorizes H L Brown Operating, LLC (213179) to downhole commingle production within the following well:

Well Name: Federal 27 Com #1
Well API: 30-041-20818

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

Downhole Commingle Application

Federal 27 #1

Proposed date for work to begin:

05-01-2022

Procedure Description:

Downhole commingle existing Penn perforations from 8,380'-8,384'; 8,524'-8,528'; 8,548'-8,556' with existing Devonian perforations from 8,670'-8,818'; 8,845'-8,892'; 8,898'-8,944' in order to prevent waste & optimize ultimate recovery from both zones.

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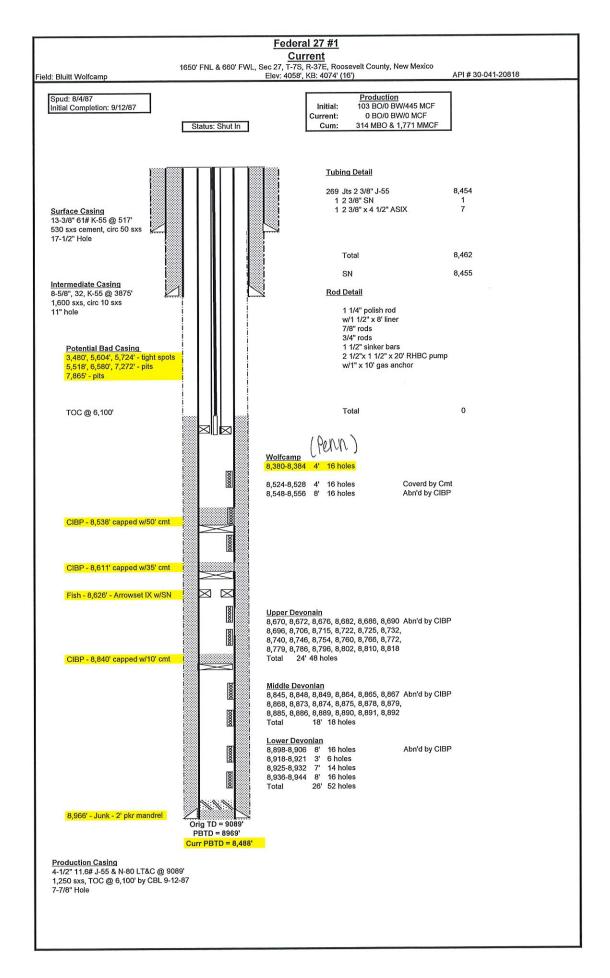
Federal 27 #1

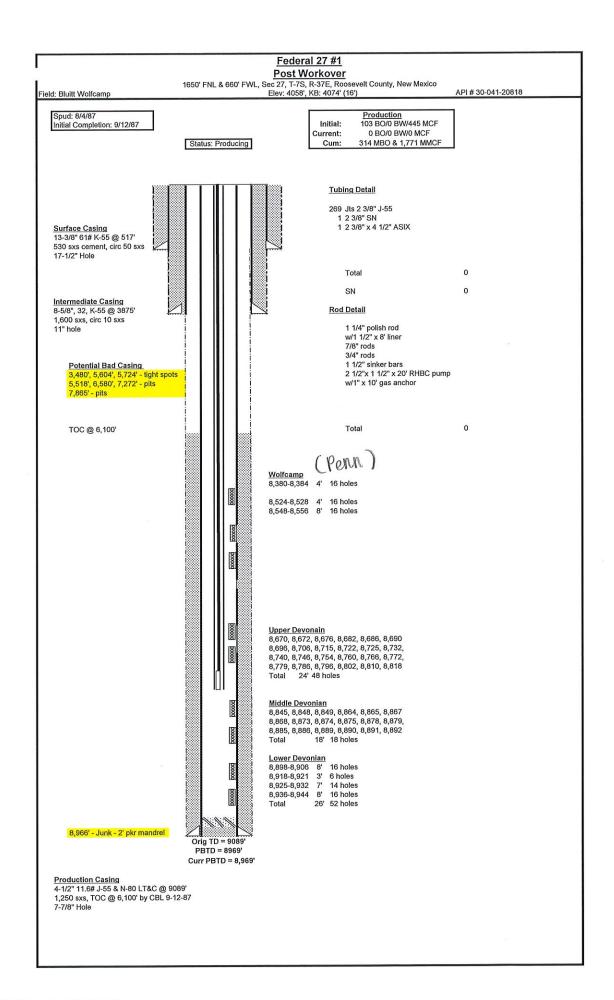
Due to information from previous well production from each zone we would allocate as follows:

100% oil to Devonian

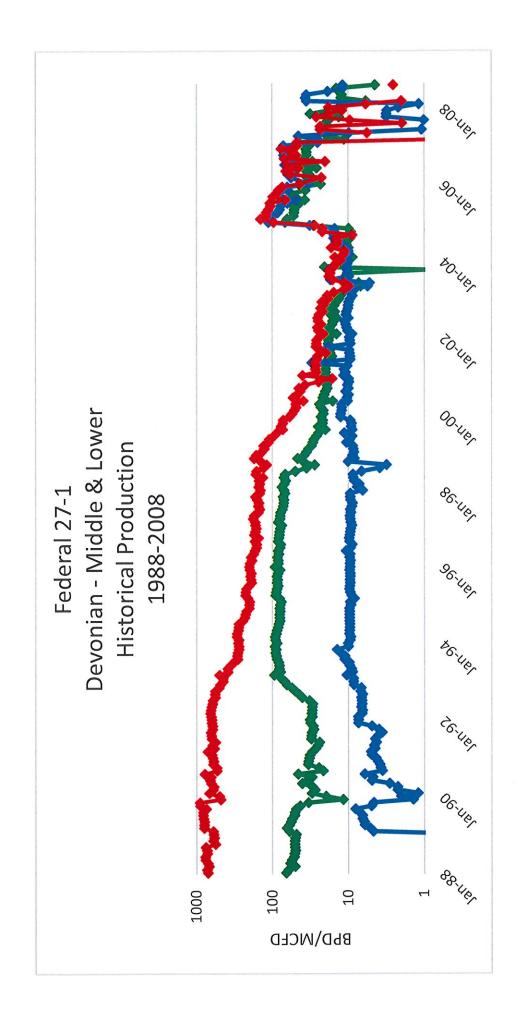
14% gas to Devonian

86% gas to WIPEY PENN









State of New Mexico Energy, Minerals and Natural Resources Denartment		Oil Conservation Division	1220 South St. Francis Dr.	Santa Fe, New Mexico 87505		APPLICATION FOR DOWNHOLE COMMINGLING
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

Form C-107A Revised August 1, 2011 APPLICATION TYPE Single Well Establish Pre-Approved Pools EXISTING WELLBORE	A) Sing Estal EXI
E W H S L	FP PP Signal

H. L. Brown Operating, LLC	P.O. Box 2237	P.O. Box 2237 Midland, TX 79702	10
Operator Federal 27	Add 1 Unit E, Se	Address Unit E, Sec 27, T-7-S R-37-E	Roosevelt, NM
Lease	Well No. Unit Letter-9	Unit Letter-Section-Township-Range	County
OGRID No. 213179 Property Code	deAPI No30-041-20818	Lease Type: X	Federal State Fee
DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Bluit upper Perun		Bluitt Devonian
Pool Code			
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	8380' – 8556'		8670' – 8944'
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Oil Gravity or Gas BTU (Degree API or Gas BTU)			
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Date and Oil/Gas/Water Rates of			
Last Production. (Note: For new zones with no production history,	Date: 03/31/2018	Date:	Date: 08/31/2008
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Are all produced fluids from all commingled zones compatible with each other?	Yes X No
Will commingling decrease the value of production?	YesNo
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NMOCD Reference Case No. applicable to this well:	

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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.

TELEPHONE NO. (432) 688-3722
TYPE OR PRINT NAME Bailey Aguilar

E-MAIL ADDRESS baguilar@hlboperating.com

H.L. Brown Operating, L.L.C. Post Office Box 2237 Midland, Texas 79702-2237

May 3,2022

DHC Application DHC-5193

To whom it may concern,

I have included all necessary information that was requested to process our application. Please note the Upper Pennsylvania is a dry formation only producing gas so oil gravity was not included for that zone. The gravity shown on oil haul tickets from 2021 show that the oil gravity was 39.5 & 40.1 for the Devonian formation at an offset location. Gas samples were also collected form an offset location.

Please let me know if you require any further information.

Thank you,

Bailey Aguilar

H.L. Brown Operating, L.L.C. P.O. Box 2237 Midland, TX 79702 (432) 688-3722

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				Revised Match 25, 2017
RECEIVED:	REVIEWER:	TYPE:	APP NO:	
	- Geologio 1220 South St. Fr	ABOVE THIS TABLE FOR OCCIDING CO OIL CONSERVA Cal & Engineering cancis Drive, Santa	TION DIVISION Bureau – Fe, NM 87505	STATE OF MAN AND AND AND AND AND AND AND AND AND A
THIS	ADMINISTE CHECKLIST IS MANDATORY FOR A	RATIVE APPLICATION LL ADMINISTRATIVE APPLICAT		IVISION RULES AND
A 19		EQUIRE PROCESSING AT THE D		Manuala a.w. 212170
Applicant: H. L. Bro Well Name: Federa			API: 30-04	Number: 213179 1-20818
Pool: Devonian				de:
SUBMIT ACCUR	ATE AND COMPLETE IN	FORMATION REQUIR INDICATED BELOV		ETYPE OF APPLICATION
A. Location	CATION: Check those - Spacing Unit - Simulinus NSL NSP(PF	taneous Dedication	(PRORATION UNIT)	
[ne only for [1] or [11] mingling – Storage – M DHC CTB tion – Disposal – Pressu WFX PMX S	LC □PC □Ol ∪re Increase – Enhai	nced Oil Recovery	FOR OCD ONLY
A. Offset B. Royal C. Appli D. Notific E. Notific F. Surfac G. For al	A REQUIRED TO: Check operators or lease hole ty, overriding royalty of cation requires published to and/or concurrence owner of the above, proof of the required	ders wners, revenue owr ed notice ent approval by SLC ent approval by BLN) M	Notice Complete Application Content Complete
administrative understand th	N: I hereby certify that approval is accurate at no action will be taken a submitted to the Div	and complete to th ken on this applicat	e best of my know	edge. I also
N	ote: Statement must be comple	eted by an individual with n	nanagerial and/or superv	isory capacity.
			5-3-2022	
Bailey Aguilar		-	Date	
Print or Type Name			432-683-5216	
0	,		Phone Number	
Signature (<i>Ígula</i>		baguilar@hlboperating	g.com

H.L. Brown Operating, L.L.C. P.O. Box 2237 Midland, Texas 79702-2237

April 21, 2022

State of New Mexico Energy, Minerals and Natural Resources Department Attn: Mr. Dean McClure

Re:

Downhold Commingle DHC 5193

Hello,

I am sending this as a statement confirming that the ownership in our Federal 27 #1 well (API 31-041-20818) has the identical ownership in both the Penn and Devonian pools/formations that we are applying to commingle.

If you should have any questions, please email me at jwilson@hlboperating.com or call my phone directly at 432-688-3724.

Julie/Wilson, Land Assistant

/jlw

Encls.

H.L. Brown Operating, L.L.C. Post Office Box 2237 Midland, Texas 79702-2237

April 28, 2022

Mr. Dean McClure Petroleum Engineering New Mexico Energy, Minerals and Natural Resources Department Oil Conservation Division

Re: Fluid Compatibility H.L. Brown Operating Federal 27-1 Downhole Commingling Application DHC-5193

Dear Mr. McClure,

Regarding H.L. Brown's commingling application, DHC-5193, with respect to the compatibility of fluids associated with the commingling of the Penn and Devonian formations, please be advised that there will not be any compatibility issues. The Penn is a dry gas zone and does not produce any oil or water. The Devonian zone produces oil, water, and gas. A water analysis for the Federal 27-6 is attached for your review. The Federal 27-6 is an offset well which produces from the Devonian.

In conjunction, the production optimization plan includes lift equipment capable of maintaining producing bottomhole pressures less than 100 psi. This will ensure that the producing fluid level is well below the Penn completion to prevent potential cross flow and maximize production from both the Wolfcamp and Devonian Completions.

Should you have additional questions, please do not hesitate to contact me at the numbers below.

Sincerely,

Jeff Ryan

Operations Manager

H.L. Brown Operating Inc

well ypope

432-683-5216 – office

432-664-6737 - cell



CUSTOMER:

AREA/LEASE:

SAMPLE POINT NAME

SAMPLE POINT DESCRIPTION:

DISTRICT:

SITE TYPE:

Permian Basin Area Laboratory 2101 Market Street, Midland, Texas 79703

Upstream Chemicals

REPORT DATE:

6/11/2020

COMPLETE WATER ANALYSIS REPORT SSP v.2010

H.L. BROWN OPERATING, L.L.C.

NORTH PERMIAN FEDERAL FEDERAL 27-6 WELL SITES ACCOUNT REP: SAMPLE ID: SAMPLE DATE: ANALYSIS DATE: ANALYST:

Report Completed With Exception

CODY D BOUNDS 202001044964 5/28/2020 6/9/2020 AT

NO PH VALUE GIVEN, UNABLE TO RUN SSP CALCULATIONS.

H.L. BROWN OPERATING, L.L.C., FEDERAL, FEDERAL 27-6

F	IELD DATA		以下於20年1月6日開催日本		ANALYSIS OF	SAMPLE	754200 N X 316	20
			ANIONS:	mg/L	meq/L	CATIONS:	mg/L	meq/L
nitial Temperature (°F):	250	Chloride (CI):	50902.1	1435.9	Sodium (Na ⁺):	26512.3	1153.
inal Temperature (°F)		80	Sulfate (SO ₄ ²):	1106.1	23.0	Potassium (K+):	668.5	17.
nitial Pressure (psi):			Borate (H ₃ BO ₃):	63.2	1.0	Magnesium (Mg ²⁺):	732.1	60.
inal Pressure (psi):			Fluoride (F):	ND		Calcium (Ca ²⁺):	3397.4	169.
			Bromide (Br):	ND		Strontium (Sr2+):	132.3	3.
pH:			Nitrite (NO ₂):	ND		Barium (Ba ²⁺):	0.7	0.
oH at time of sampling	s:	Needs pH	Nitrate (NO ₃):	ND		Iron (Fe ²⁺):	143.3	5.
	,		Phosphate (PO ₄ ³):	ND		Manganese (Mn2+):	3.8	- 0.
			Silica (SiO ₂):	ND		Lead (Pb2+):	ND	11
						Zinc (Zn2+):	0.0	0.
ALKALINITY BY TITRATION:	mg/L	meg/L					C.V.	
Bicarbonate (HCO3):	ND					Aluminum (AJ3+):	0.0	0.
Carbonate (CO ₃ ²):	ND					Chromium (Cr3+):	ND	
Hydroxide (OH):	ND					Cobalt (Co2+):	ND	
iyaraxiac (arr).			ORGANIC ACIDS:	mg/L	meq/L	Copper (Cu2+):	0.7	0.
queous CO2 (ppm):		ND	Formic Acid:	ND	2.0	Molybdenum (Mo2+):	ND	
queous H ₂ S (ppm):		ND	Acetic Acid:	ND	1. 1.	Nickel (Ni2+):	ND	
queous O2 (ppb):		ND	Propionic Acid:	. ND	11/1	Tin (Sn ²⁺):	ND	
4			Butyric Acid:	ND		Titanium (Ti2+):	ND	
Calculated TDS (mg/L)	:	83599	Valeric Acid:	ND		Vanadium (V2+):	ND	
Density/Specific Gravit	120	1.0091	231.3			Zirconium (Zr2+):	ND	
Measured Specific Gra		1.0598	W. 25 . 1			Lithium (Li):	14.6	
onductivity (mmhos)	•	ND	A 1/1/2					
Resistivity:		ND	- N. M. M.			Total Hardness:	11661	N/A
MCF/D:		No Data	1					
BOPD:		No Data	•					
BWPD:		No Data	Anion/Cation Ratio:		1.04	ND = Not I	Determined	

SCALE PREDICTIONS BASED ON FIELD PROVIDED DATA; FUTHER MODELING MAY BE REQUIRED FOR VALIDATION OF SCALE PREDICTION RESULTS.

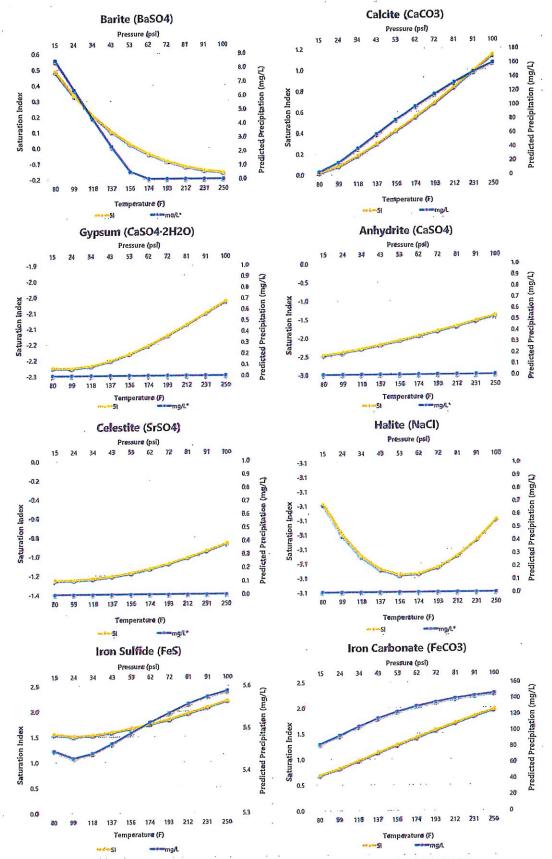
					(CaCO ₃)		Gypsum (CaSO ₄ ·2H ₂ O) Anhydrite (CaSO ₄)		(CaSOA)
Condi		Barite (3 (37)			Index	Amt (ptb)	Index	Amt (ptb)
Temp	Press.	Index	Amt (ptb)	Index	Amt (ptb)			-2.47	0.000
- 80°F	15 psi	0.49	2.972	0.02	1,359	-2.22	0.000		
99°F	24 psi	0.33	2.244	0.08	6.152	-2.23	0.000	-2.39	0.000
118°F	34 psi	0.21	1.510	0.18	13.086	-2.22	0.000	-2.30	0.000
137°F	43 psi	0.10	0.811	0.30	20,398	-2.20	0.000	-2.19	0.000
156°F	53 psi	0.02	0.182	0.42	27.491	-2.18	0.000	-2.08	0.000
174°F	62 psi	-0.04	0.000	0.55	34.125	-2.15	0.000	-1.95	0.000
193°F	72 psi	-0.09	0.000	0.68	40.204	-2.12	0.000	-1.82	0.000
212°F	81 psi	-0.12	0.000	0.83	46.118	-2.09	0.000	-1.69	0.000
231°F	91 psi	-0.15	0.000	0.99	51.325	-2.05	0.000	-1.55	0.000
250°F	100 psi	-0.16	0.000	1.14	55.882	-2.01	0.000	-1.40	0.000
Condi	tions	Celestite	(SrSO ₄) .	Halite	(NaCl)	Iron Sulfi	de (FeS)	Iron Carbon	ate (FeCO3)
Temp	Press.	Index	Amt (ptb)	Index	Amt (ptb)	Index	Amt (ptb)	Index	Amt (ptb)
80°F	15 psi	-1.25	0.000	-3.08	0.000	1.55	1.906	0.69	28.844
99°F	24 psi	-1,25	0.000	-3.10	0.000	1.51	1.900	0.82	32,658
118°F	34 psi	-1.23	0.000	-3.12	0.000	1.53	1.904	0.97	36.626
137°F	· 43 psi	-1.21	0.000	-3.12	0.000	1.59	1.912	1.12	40.114
156°F	53 psi	-1.18	0.000	-3.13	0.000	1.66	1.921	1.27	43.017
174°F	62 psi	-1.13	0.000	-3.13	0.000	1.74	1.930	1.42	45.368
193°F	72 psi	-1.08	0.000	-3.12	0.000	1.84	1.938	1.56	47.240
212°F	81 psi	-1.01	0.000	-3.11	0.000	1.96	1.945	1.70	48.831
231°F		-0.95	0.000	-3.10	0.000	2.08	1.951	1.84	50.054
250°F	91 psi 100 psi	-0.87	0.000	-3.09	0.000	2.20	1.956	1.96	50.992
230 F	100 þsi	-0.07	0.000	5.05	2122	7000			*0

Note 1: When assessing the severity of the scale problem, both the saturation index (SI) and amount of scale must be considered Note 2: Precipitation of each scale is considered separately. Total scale will be less than the sum of the amounts of the eight (8) scales. Note 3: Saturation index predictions on this sheet use pH and alkalinity, %CO₂ is not included in the calculations.



NO PH VALUE GIVEN, UNABLE TO RUN SSP CALCULATIONS.

SAMPLE ID: 43979 H.L. BROWN OPERATING, L.L.C., FEDERAL, FEDERAL 27-6



SCALE PREDICTIONS BASED ON FIELD PROVIDED DATA; FUTHER MODELING MAY BE REQUIRED FOR VALIDATION OF SCALE PREDICTION RESULTS.



Well Name: FEDERAL 27 COM

Well Location: T7S / R37E / SEC 27 /

SWNW / 33.682058 / -103.147367

County or Parish/State: ROOSEVELT / NM

Well Number: 1

Type of Well: Oll. WELL

Allottee or Tribe Name:

Lease Number: NMNM54449

Unit or CA Name: FEDERAL 27 COM

Unit or CA Number:

NMNM91048

US Well Number: 300412081800S2

Well Status: Producing Oil Well

Operator: H L BROWN OPERATING, LLC

Notice of Intent

Sundry ID: 2859435

Type of Submission: Notice of Intent

Type of Action: Commingling (Subsurface)

Time Sundry Submitted:

Date Sundry Submitted:

Date proposed operation will begin: 03/01/2022

Procedure Description: Downhole commingle existing Penn perforations from 8,380'-8,384'; 8,542'-8,528'; 8,548'-8,556' with Devonian perforations from 8,670'-8,818'; 8,845'-8,892'; 8,898'-8,944' in order to prevent waste & optimize ultimate recovery from both zones. 1.) POOH w/ production equipment 2.) Drill out CIBP @ 8,538' 3.) Drill out CIBP @ 8,611' 4.) Drill out CIBP @ 8,626' 5.) Drill out CIBP @ 8,840' 6.) Install production equipment 7.) Place on production

Notice to BLM 4-1-22

N AEXICO OIL CONSERVATION COMMISS WELL LOCATION AND ACREAGE DEDICATION FLAT

Form C-102 Supersedes C-128 Effective 1-1-65

All distances must be from the outer boundaries of the Section.

Operator	Τ		L	,ease	, , , ,	10711 6		Well No.
H. L. Brow		T				'27" Com		1 1
Unit Letter Se	ection 27	Township 7-5	3	Range 3	7-E	County	osevelt	
Actual Footage Location						100		
1650		North	line and	660	•	eet from the	West	line
Ground Level Elev:	Producing For	mation	F	ool				cated Acreage:
4058.1	Siluro-	-Devonian		North	Bluitt (Siluro-De	evonian)	80 Acres
1. Outline the	acreage dedica	ted to the	subject wel	by colo	ored pencil	or hachure	marks on the pl	at below.
2. If more than interest and		dedicated t	to the well,	outline o	each and i	dentify the	ownership there	of (both as to working
	one leasçiof d munitization, u				to the wel	l, have the	interests of all	owners been consoli-
X Yes	No If a	nswer is "y	es;" type of	consolid	lation	commu	nitization	
If answer is this form if n		owners and	tract descri	ptions w	hich have	actually be	en consolidated	. (Use reverse side of
		ed to the we	ll until all i	nterests	have heer	consolidat	ted (by commun	itization, unitization,
								roved by the Commis-
sion.							••	•
	1					T	CF	RTIFICATION
	ĺ			ļ				
	1			1			I hereby certif	y that the information con-
	1						tained herein i	s true and complete to the
059	1			i			best of my kno	wledge and belief.
ا ا	1			1				
	!			1			Name/	1
 	Table State						Mike -	reagan
660	1			1			Position	().
	1			1				on Engineer
	I i			i			Company LI I B	rown, Jr.
	Ì			1			Date	TOWII, JI.
N.	1			1			Novembe:	r 30, 1987
A								
	!			i				
	1			1				ify that the well location
	1			- [plat was plotted from field
	i			1				nl surveys made by me or rvision, and that the same
	i			1				orrect to the best of my
	i	-		!			knowledge and	
	- -							
	. 1			1				
	1			i			Date Surveyed	
	1 .			i			5-18-87	
	!			i			Registered Profe	0 COC 9.5. (1985)
	1		Ť	1			and/or Land Surv	
	1			f				signed by
							John W. Certificate No. J	West John West 676
0 330 660 190	1320 1650 196	10. 2310 2640	2000	1500	1000	500 0		J. Eidson 3239

1625 N. French Dr., Hobbs, NM 88240 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410

District IV

Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION

State of New Mexico

1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised October 12, 2005 Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

Released to Imaging: 5/9/2022 4:47:58 PM

1220 S. St. Francis	Dr., Santa 1	Fe, NM 87	505			Danu.	, 0, 1	1141 07505		Г	7 430		
			WEI	110	CAT	מועג ואסו	ACT	DEACE DEDI	O ATTONION A		_ AIVIE	ENDED REPORT	
1	API Numbe	r	YYLL	ע גע	Pool	Tode	ACI	REAGE DEDI					
30-041-20818 97					1773								
Property Code 002265 Fede					eral	1) 11	roperty	Name			Well Number		
'OGRID No. 213179 H.L. Br					Bro	own Operating, L.L.C.					'Elevation 4058		
								Location				1000	
UL or lot no.		Townshi		Range Lot Idn Feet fro		rom the		East/	West line	County			
E	27	7-5	3	7-E	-	165	50		660			Roosevelt	
				¹¹ Bo	ttom I	Hole Locat	ion I	f Different Fro				1,000 (00)	
UL or lot no. Section		Townshi	p I				rom the			East/West line		County	
12 Dedicated Acres	13 Joint or	Infill	" Consolid	Consolidation Code B Order No.									
320	Y	'		<u>ا</u>		NSL	. 2	376 A	JM- 061 F	3587	1C4:	35	

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.

16 NM - 12.852.	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 unleaved 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.
660; NM 54449	Signature Date CARLTON WHEELER Printed Name
	18SURVEYOR 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. 5-18-1984
	Date of Survey Signature and Seal of Professional Surveyor: Original signed by Toke W. West 676 Certificate Number



www.permianls.com 575.397.3713 2609 W Marland Hobbs NM 88240

For:

Sample Data:

American Valve & Meter

Attention: Jerry Martin

P. O. Box 166

Hobbs, New Mexico 88241

Sample Date: Analysis Date:

Sample Temp:

Sample Press.:

12/3/2018 50 PSIA

11/30/2018

Sample: Sta#

Identification:

Company:

Lease:

Plant:

Sampled by: Analysis by:

Atmos Temp:

Sample Time:

H2S = 2PPM

Press. Base:

14.73

Federal 27 # 2

HL Brown

D Stewart

T Galvan

Component Analysis

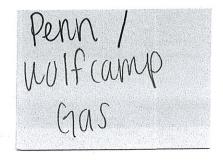
		Mol Percent	GPM Real	GPM Ideal
Hydrogen Sulfide	H2S			
Nitrogen	N2	7.496		
Methane	C1	67.753		
Carbon Dioxide	CO2	0.239		
Ethane	C2	8.039	2.149	2.144
Propane	C3	5.465	1.505	1.502
I-Butane	IC4	1.148	0.376	0.375
N-Butane	NC4	3.756	1.184	1.181
I-Pentane	IC5	1.458	0.528	0.532
N-Pentane	NC5	1.996	0.866	0.722
Hexanes Plus	C6+	2.650	<u>1.150</u>	1.147
		100.000	7.758	7.603

REAL BTU/CU.FT.

1398.7 Dry At 14.65 1375.8 Wet 1403.1 Dry At 14.696 1380.1 Wet 1406.4 Dry At 14.73 1383.3 Wet Specific Gravity:

(Real) 0.891 Calculated (Ideal) 0.887

Remarks:



Critical Control Energy Services

Bossier City, Louisiana 1408 Alpine Boulevard Bossier City, LA 71111

Date Sampled:

Analysis Date:

Collected By:

Date Effective:

Source Pressure (PSI):

Field H2O (lb/MMSCFD):

Source Temp (°F):

Report Date: Oct 1, 2021 4:33p

Oct 1, 2021 12:00a

Sep 21, 2021

Sep 28, 2021

DB

50.0

55

Client:

H.L. BROWN

Client Code:

2701

Site:

FEDERAL 27-2

Field:

130 - BLUITT

Meter:

27-2

Source Laboratory: Lab File No: Bossier City, LA **517326268**

Mol %

0.0025

7.7382

3.0463

68.6319

8.5725

5.9476

0.8875

2.6250

0.6519

0.8174

1.0792

100.0000

Cylinder No:

2575

Analysis Status:

good

Sample Type:

Spot

Measurement Analyst:

Component

H2S (H2S)

Nitrogen (N2)

CO2 (CO2)

Methane (C1)

Ethane (C2)

Propane (C3)

I-Butane (IC4)

N-Butane (NC4)

I-Pentane (IC5)

N-Pentane (NC5)

Hexanes Plus (C6+)

TOTAL

ashles Free

Liquid

Recovery GPM

0.0000

0.0000

0.0000

0.0000

2.3474

1.6778

0.2974

0.8474

0.2441

0.3034

0.4822

6.1997

Analytical Results at Base Conditions (Real)								
BTU/SCF (Dry):	1,228.1085 BTU/ft ³							
BTU/SCF (Saturated):	1,207.1917 BTU/ft ³							
PSIA:	14.696 PSI							
Temperature (°F):	60.0 °F							
Z Factor (Dry):	0.99603							
Z Factor (Saturated):	0.99565							

Analytical Results at Contract Conditions (Real)									
BTU/SCF (Dry):	1,255.7142 BTU/ft ³								
BTU/SCF (Saturated):	1,234.8068 BTU/ft ³								
PSIA:	15.025 PSI								
Temperature (°F):	60.0 °F								
Z Factor (Dry):	0.99594								
Z Factor (Saturated):	0.99566								

Calculated Specific Gravities at Contract Conditions

Ideal Gravity:

0.8227

Real Gravity: 0.8256

Molecular Wt:

23.8271 lb/lbmol

Methods, standards, and uncertainties based on GPA 2261-13.

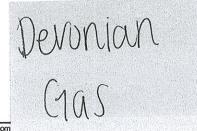
Analytical Calculations performed in accordance with

GPA 2172-09.

The state of the s			-
Source	Date	Notes	
			_

Bossier City, LA

Sep 28, 2021 12:00 am OVER RANGED STAIN TUBE



 From:
 Bailey Aguilar

 To:
 McClure, Dean, EMNRD

 Subject:
 RE: [EXTERNAL] DH Commingle App

 Date:
 Wednesday, May 4, 2022 1:05:00 PM

Attachments: CCF05042022.pdf

Mr McClure,

I have made these changes.

Please let me know if there are any further issues.

Thank you,

Bailey

From: McClure, Dean, EMNRD < Dean. McClure@state.nm.us>

Sent: Wednesday, May 4, 2022 1:42 PM
To: Bailey Aguilar
baguilar@hlboperating.com>
Subject: RE: [EXTERNAL] DH Commingle App

Ms. Aguilar,

Please note that the following pool is on 40 acre spacing:

Pool

Name: BLUITT; UPPER PENNSYLVANIAN, NORTH

Pool ID: 97734

Is it H and L Operating's intent to request a 320 acre spacing unit for this pool? If not please correct the C-102 and resend it to me.

Dean McClure

Petroleum Engineer, Oil Conservation Division

New Mexico Energy, Minerals and Natural Resources Department

(505) 469-8211

From: Bailey Aguilar < baguilar@hlboperating.com>

Sent: Tuesday, May 3, 2022 2:31 PM

To: McClure, Dean, EMNRD < Dean.McClure@state.nm.us>

Subject: RE: [EXTERNAL] DH Commingle App

Mr. McClure,

My apologies. I have revised all paperwork to reflect what this zone was called.

Please let me know what else you might need from me.

Thank you!!!

Bailey

From: McClure, Dean, EMNRD < Dean.McClure@state.nm.us>

Sent: Tuesday, May 3, 2022 2:50 PM

To: Bailey Aguilar < baguilar@hlboperating.com > **Subject:** RE: [EXTERNAL] DH Commingle App

Ms. Aguilar,

It appears that we currently have on file that this well is currently producing from the BLUITT; UPPER PENNSYLVANIAN, NORTH pool (97734). Please amend your packet to include this pool instead of the BLUITT; WOLFCAMP (GAS) pool (72640). As the notice to the BLM references the Pennsylvanian formation instead of Wolfcamp, new notice will not be required.

Dean McClure

Petroleum Engineer, Oil Conservation Division

New Mexico Energy, Minerals and Natural Resources Department

(505) 469-8211

From: Bailey Aguilar < baguilar@hlboperating.com >

Sent: Tuesday, May 3, 2022 9:28 AM

To: McClure, Dean, EMNRD < Dean.McClure@state.nm.us>

Subject: RE: [EXTERNAL] DH Commingle App

Good morning Mr. McClure,

I have included all necessary information for the application DHC-5193.

Please let me know if I have missed anything.

Thank you,

Bailey

From: McClure, Dean, EMNRD < Dean.McClure@state.nm.us>

Sent: Thursday, April 28, 2022 10:28 AM

To: Bailey Aguilar baguilar@hlboperating.com

Cc: Jeff Ryan lRyan@hlboperating.com

Subject: RE: [EXTERNAL] DH Commingle App

Hello Ms. Aguilar,

I have not reviewed it yet, but presuming that it is similar in nature to the Federal 21 #2, then you are correct regarding the supplemental documentation. The application seems fine from my side; I'm not entirely sure why it may not be showing up on your side.

	Commingling Applications													
Admin	Admin Applicant OGRID Number ID Request Number		Request Number	Title	API	Allocation	Pending CA	C(4) (g)	Infill	Status	Notes	Date	Folder	
DHC-	H L Brown	213179	94724	pDM2210946153	Federal	30-	Fixed				Under		3/31/2022	C:\Users\dmcclure\OneDrive
5193	Operating,				27 #1	041-	Percent				Review			- State of New Mexico\NM
	LLC					20818								WORK\DHC\DHC5193

Dean McClure

Petroleum Engineer, Oil Conservation Division New Mexico Energy, Minerals and Natural Resources Department (505) 469-8211

From: Bailey Aguilar < baguilar@hlboperating.com >

Sent: Thursday, April 28, 2022 7:49 AM

To: McClure, Dean, EMNRD < Dean.McClure@state.nm.us>

Cc: Jeff Ryan < <u>IRyan@hlboperating.com</u>> **Subject:** [EXTERNAL] DH Commingle App

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Good morning Mr. McClure,

H. L. Brown has generated another application to downhole commingle for the Federal 27 #1. The same paperwork you requested will be needed for that one I assume.

Can you please provide me with the downhole commingle permit number so we can expedite this process? I can't seem to locate it on the OCD portal.

Thank you for your help!

Bailey

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 October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

			WELL L	OCATIO	N AND ACE	REAGE DEDI	CATION DI	۱ ۱	L AIVU	ENDED REPORT	
30-0	API Number	r 1818	1	Pool Cod	e	Bluitt; Upp	Dool M.				
Property 0	65				Property	Name	per read,	Nort	Well Number		
'0GRID			H.L.	Brow	*Operator	Name	L.C.		' Elevation		
***	10 Surface Location										
UL or lot no.	Section 27	Township 7-5		Lot Idn	Feet from the	North/South line	North/South line Feet from the Eas			County	
			11 Bo	ottom Ho	le Location I	f Different From	m Surface			Roosevelt	
UL or lot no.	or lot no. Section Township Range		Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line		County	
Dedicated Acres	" Joint or	Infill	14 Consolidation	Code L Or	der No.						
40	40 Y C NSL 2376 NM-061P3587C435										

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.

16		
1650	2852	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 knul inclusing 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.
660-3 NM S46		Carlo Wheele 6-17-09 Signature Date CARLTON WHEELER Printed Name
		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. 5-18-1984
		Date of Survey Signature and Seal of Professional Surveyor: Original signed by Toku W. West 676 Certificate Number

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

APPLICATION FOR DOWNHOLE COMMINGLING SUBMITTED BY H L BROWN OPERATING, LLC

ORDER NO. DHC-5193

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having considered the application and the recommendation of the Engineering Bureau, issues the following Order.

FINDINGS OF FACT

- 1. H L Brown Operating, LLC ("Applicant") submitted a complete application ("Application") to downhole commingle the pools described in Exhibit A ("the Pools") within the well bore of the well identified in Exhibit A ("the Well").
- 2. Applicant proposed a method to allocate the oil and gas production from the Well to each of the Pools that is satisfactory to the OCD and protective of correlative rights.
- 3. Applicant has certified that all produced fluids from all the Pools are compatible with each other.
- 4. Applicant has certified that downhole commingling the Pools will not decrease the value of the oil and gas production.
- 5. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that ownership in the Pools is identical as defined by 19.15.12.7(B) NMAC.
- 6. To the extent that ownership is diverse, Applicant identified all owners of interest in the Pools, provided evidence a copy of the Application was given to each person, and those persons either submitted a written waiver or did not file an objection to the Application.
- 7. Applicant provided notice of the Application to the Bureau of Land Management ("BLM") or New Mexico State Land Office ("NMSLO"), as applicable.

CONCLUSIONS OF LAW

- 8. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, Sections 70-2-6, 70-2-11, 70-2-12, 70-2-16, 70-2-17, and 19.15.12 NMAC.
- 9. The downhole commingling of the Pools is common, or Applicant has provided evidence that the fluids are compatible and will not damage the Pools in accordance with 19.15.12.11(A)(1) NMAC.
- 10. The bottom perforation of the lower zone is within one hundred fifty percent (150%) of the depth of the top perforation in the upper zone or Applicant has provided evidence that the

Order No. DHC-5193 Page 1 of 3

- proposed commingling of the Pools shall not result in shut-in or flowing well bore pressure in excess of the commingled pool's fracture parting pressure in accordance with 19.15.12.11(A)(3) NMAC.
- 11. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.11(A)(8) NMAC.
- 12. To the extent that ownership is diverse, Applicant identified all owners of interest in the Pools and provided evidence the application was given to those persons in accordance with 19.15.12.11(C)(1)(b) NMAC.
- 13. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

- 1. Applicant is authorized to downhole commingle the Pools described in Exhibit A within the well bore of the well identified in Exhibit A.
- 2. Applicant shall allocate a fixed percentage of the oil and gas production from the Well to each of the Pools as described in Exhibit A.
- 3. If an alteration is made to the Well or a condition within the Well changes which may cause the allocation of production to the Pools as approved within this Order to become inaccurate, then no later than sixty (60) days after that event, Applicant shall submit Form C-103 to the OCD Engineering Bureau describing the event and include a revised allocation plan. If OCD denies the revised allocation plan, this Order shall terminate on the date of such action.
- 4. If any of the pools being commingled is prorated, or the Well's production has been restricted by an OCD order in any manner, the allocated production from each producing pool in the commingled well bore shall not exceed the top oil or gas allowable rate for a well in that pool or rate restriction applicable to the well.
- 5. If the Well is deepened, then no later than forty-five (45) days after the Well is deepened, Applicant shall conduct and provide logs to OCD that are sufficient for OCD to determine which pool(s) each new completed interval of the Well will produce from.
- 6. If the downhole commingling of the Pools reduces the value of the oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new downhole commingling application to OCD to amend this Order to remove the pool that caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
- 7. If a completed interval of the Well is altered from what is submitted within the Application as identified in Exhibit A, then no later than sixty (60) days after the alteration, Applicant shall submit Form C-103 to the OCD Engineering Bureau detailing the alteration and completed interval.

Order No. DHC-5193 Page 2 of 3

- 8. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
- 9. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

DATE: 5/09/2022

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

ADRIENNE E. SANDOVAL DIRECTOR

Order No. DHC-5193 Page **3** of **3**

State of New Mexico Energy, Minerals and Natural Resources Department

Exhibit A

Order: DHC-5193

Operator: H L Brown Operating, LLC (213179)

Well Name: Federal 27 Com #1 Well API: 30-041-20818

Pool Name: BLUITT; UPPER PENNSYLVANIAN, NORTH

Upper Zone Pool ID: 97734 Current: X New:
Allocation: Fixed Percent Oil: 0% Gas: 86%
Interval: Perforations Top: 8,380 Bottom: 8,556

Pool Name:

Intermediate Zone Pool ID: Current: New: Allocation: Oil: Gas:

Interval: Top: Bottom:

Bottom of Interval within 150% of Upper Zone's Top of Interval:

Pool Name: BLUITT; SILURO DEVONIAN, NORTH

Lower Zone Pool ID: 6910 Current: New: X
Allocation: Fixed Percent Oil: 100% Gas: 14%

Interval: Perforations Top: 8,670 Bottom: 8,944

Bottom of Interval within 150% of Upper Zone's Top of Interval: YES

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

District II 811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720

District III 1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. **Santa Fe, NM 87505**

CONDITIONS

Action 94724

CONDITIONS

Operator:	OGRID:
H L BROWN OPERATING, LLC	213179
P.O. Box 2237	Action Number:
Midland, TX 79702	94724
	Action Type:
	[C-107] Down Hole Commingle (C-107A)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	5/9/2022