

10/25/2016 DATE IN	SUSPENSE	ENGINEER <i>MAM</i>	10/25/2016 LOGGED IN	TYPE CTB	APP NO. PKSC1629942144
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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 _____

CTB - 805
 BOPCO, L.P. (260737)
 30-015-36636 and 30-015-41137
 Piker Lake Unit CVX JV PC #6H and #14H
 Pierce Crossing; Bone Spring, East(96473)

[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.

Tracie J Cherry
 Print or Type Name

Tracie J Cherry
 Signature

Sr. Regulatory Analyst
 Title

10/07/16
 Date

tjcherry@basspet.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

Form C-107-B
Revised August 1, 2011

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original
application to the Santa Fe
office with one copy to the
appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: BOPCO, LP

OPERATOR ADDRESS: PO Box 2760

APPLICATION TYPE:

☐ Pool Commingling ☒ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☐ State ☒ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. _____
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
☒ Yes ☐ No

(A) POOL COMMINGLING

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

- (2) Are any wells producing at top allowables? ☐ Yes ☐ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No.
(4) Measurement type: ☒ Metering ☐ Other (Specify) _____
(5) Will commingling decrease the value of production? ☐ Yes ☒ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING

Please attach sheets with the following information

- (1) Pool Name and Code. Pierce Crossing, Bone Spring, East (96473)
(2) Is all production from same source of supply? ☒ Yes ☐ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No
(4) Measurement type: ☒ Metering ☒ Other (Specify) Tank gauging, subtraction (see attached for measurement and allocation)

(C) POOL and LEASE COMMINGLING

Please attach sheets with the following information

- (1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

- (1) Is all production from same source of supply? ☒ Yes ☐ No
(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location.
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
(3) Lease Names, Lease and Well Numbers, and API Numbers.

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

SIGNATURE: Tracie J Cherry

TITLE: Sr. Regulatory Analyst

DATE: 10/07/11

TYPE OR PRINT NAME Tracie J Cherry

TELEPHONE NO.: 432/683-2277

E-MAIL ADDRESS: tjcherry@basspet.com

APPLICATION FOR COMMINGLING OIL AND GAS AT A TANK BATTERY

BOPCO, LP (260737) is requesting approval for surface commingling, off-lease storage, off-lease measurement and off-lease sales of oil and gas from the following formation(s) and well(s):

Federal Agreement

Number: NMNM71016K PA

NMOCD Property Code: 313369

Well Name	API	Loc ¼, ¼ Sec. Twp. Rng.	Pool	Lease	Royalty Rate	Oil BOPD	Oil Grav	MCFPD	BTU
Poker Lake Unit CVX JV PC 006H	30-015-36636-00-S1	SHL: SESE Sec 33 T24S-R30E BHL: NENE Sec 33 T26S-R30E	Pierce Crossing; Bone Spring, East (96473)	NMLC068430 (160 ac)	12.5%	2	44.3	142	1180.7

Lease Number: NMLC061616A

NMOCD Property Code: 313403

Well Name	API	Loc ¼, ¼ Sec. Twp. Rng.	Pool	Lease	Royalty Rate	Oil BOPD	Oil Grav	MCFPD	BTU
Poker Lake CVX JV PC 014H	30-015-41137-00-S1	SHL: NENE Sec 33 T24S-R30E BHL: SESE Sec 33 T24S-T30E	Pierce Crossing; Bone Spring, East (96473)	NMLC061616A (160 ac)	12.5%	29	45.4	160	1273.4

Signed: 
Tracie J Cherry

Title: Sr. Regulatory Analyst

Date: 10/07/14

Well Name	BOPD	Oil Gravity @60 deg.	BOPD X gravity	Value /BBL	MCFPD	Dry BTU	MCFPD X BTU	Value/mcf
6H	2	44.3	88.6	\$47.001	142	1180.7	167659.4	\$3.018
14H	26	45.2	1175.2	\$47.001	160	1273.4	203744	\$3.018
			0		0	0	0	
			0		0	0	0	
			0		0	0	0	
			0		0	0	0	
Composite	28	45.1357143	1263.8		302	1229.81	371403.4	

Crude oil sold in New Mexico that is not high sulphur content (sour) and has an API gravity of less than 45 degrees is almost always sold as "deemed 40 degrees". This designation indicates all crude oil, will be estimated to be 40 degrees and sweet and payment will be made based on that estimation.

Gas sold at Energy Transfer sales meter is based on the Index price of either Gas Daily Midpoint or IFERC FOM for Permian basin-El Paso. Price for MMBTU is the combined BTU value at the sales meter. There are no deductions based on quality or sulfur content.

Signed

Tracie J Cherry

Title: Sr. Regulatory Analyst

Date:

10/07/16

Oil & Gas metering and Allocation:

The Pierce Canyon 33 Fed Battery has three (3), 500 bbl oil tanks on the location. Two (2) wells utilize this location as a common tank battery; Poker Lake Unit CVX JV PC #6H (a Participating Area well) & Poker Lake CVX JV PC #14H (a lease well). Gas from both wells also flows to this battery, through a gas "check" meter then a common gas sales meter. The check meter (Mtr #3751003000) will be designated the Federal Measurement Point (FMP) for this facility. Gas will be transported to and sold through an Energy Transfer sales meter (Mtr #57261) on location. If equipment failure or sales line issues are encountered (i.e. shut down, high pressure, etc.) at any point during the separation process, gas can be routed to a (metered) flare.

Oil production from wells flow from their respective locations to a header located on the East side of the Poker Lake CVX JV PC #6H well pad where the battery is located. This header is configured so that the PA well production can be continuously metered. Oil production is allocated daily back to the #14H well using the subtraction method based on the test meter readings from the turbine test meter (Mtr #62176-41) located off the 3-phase "test" separator and daily tank gauge readings. The combined oil production is then sold through a LACT meter (Mtr #Z3912) into the pipeline. The LACT meter is proven quarterly and conforms to Onshore Order 4 standards.

Gas production is allocated on a daily basis; volume is calculated using readings from test meter (Mtr #3751009000) and check meter (Mtr #3751003000). All EFM gas meters are calibrated quarterly and conform to Onshore Order 5 and API standards.

Process and Flow Descriptions and Allocation Method:

The flow of production is shown in detail on enclosed facility diagram. A map is included with this application outlining lease boundaries, location of wells, facility, and gas sales meter. All wells are located inside the Poker Lake Unit boundaries.

The shared tank battery is located on the East side of the well pad for the Poker Lake Unit CVX JV PC #6H located in the SWSE Sec. 33, 24S-29E on Federal lease NMLC068430. The production from both wells enters from the East side of the facility. The facility is set up with a "test" side and a "production" side to allow for the addition of future wells.

The PA well is routed through the "test" side of the facility and will be continuously measured. Production flows to a Two-Phase separator, where gas is discharged into a gas line and the water/oil stream goes to 3-Phase Separator. Gas from the separator combines with gas from the Two-Phase separator and is routed to a common gas line, then through Electronic Flow Meter (EFM) gas test meter (Mtr #37510090000). Gas from the other well then enters downstream of the test meter. The combined gas stream is routed through the check meter. "Check" meter on location (Mtr #37510030000) will be designated the Federal Measurement Point for the battery. Gas production is allocated to the lease well using the subtraction method based on the test meter and check meter readings. (Note: the "Test Treater" identified on the attached flow diagram is currently out of service and is being bypassed. If the decision is made to remove the equipment, an updated diagram will be submitted). To allow the gas to enter the sales line, it will be sent through the compressor on location. The compressor operates using gas produced by the wells in the battery. Gas is measured by Fuel Meter #37510010000 off the scrubber. Lease use gas is allocated back to each well based on that wells production.

After separation, the PA well's produced oil is measured by turbine meter (Mtr #62176-41) off the 3-phase test separator. The oil then flows into an oil production line where it is combined with the other wells' oil, flows through a heater treater and then into one of the 500 bbl. oil tanks. Oil from the tanks is sold

see
e-mail
↑
5/8/SE

through a LACT meter (Mtr #Z3912) directly into the BOPCO PLU pipeline. LACT meter #Z3912 is the designated FMP for oil at the facility. The water from both wells combines in a common line and flows to one of two 500 bbl produced water tanks. Water flows from the tanks to a water disposal system.

The lease well is routed to the production side of the facility. The produced fluid stream enters a Two-Phase separator where gas is discharged into the gas line and the oil combines with the PA well's production and flows to the main production Heater Treater where water is discharged into the water line to travel to the water tanks and oil is routed to the oil storage tanks.

A Vapor Recovery Unit (VRU) collects gas vapors from the storage tanks. This gas flows through the VRU meter (Mtr #37510080000) and is delivered into the gas line. Gas recovered from the VRU is allocated daily back to each well based on that wells oil production.

Summary:

The commingling of production is in the interest of conservation and minimizing waste. BOPCO, L.P. believes this will result in the most effective and economic means of producing the reserves in place from the affected wells and will not result in reduced royalty or improper measurement of production. The proposed commingling will reduce the surface facility footprint and overall emissions.

BOPCO, L.P. requests approval of this commingle as a Category 1 as both wells are all Federal mineral ownership with a 12.5% royalty rate.

BOPCO, L.P. understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.

Working, royalty, and overriding interest owners have been notified of this proposal via certified mail (see attached).

The BLM and NMOCD will be notified of any future changes in the facilities.

CERTIFIED MAILING LIST
BOPCO, LP
INTEREST OWNERS
POKER LAKE UNIT CVX JV PC #006H
POKER LAKE CVX JV PC #014H

Certified #7160 3901 9846 4322 4324

Irma Leota Hopp Davis
PO Box 6675
Lubbock, TX 79493-6675

Certified #7160 3901 9846 4322 4331

Vergil Wesley Hopp
PO Box 1641
Arlington, TX 76004-1641

Certified #7160 3901 9846 4322 4348

Paul Layton
PO Box 2035
Roswell, NM 88202-2035

Certified #7160 3901 9846 4322 4355

Ewell H Muse III
5802 Kentucky Derby Ct.
Austin, TX 78746

Certified #7160 3901 9846 4322 4362

Edward Tucker Muse
167 Northwood Hills Dr.
Fredericksburg, TX 78624

Certified #7160 3901 9846 4322 4379

Chevron USA Inc
PO Box 730436
Dallas, TX 75373-0436

Certified #7160 3901 9846 4322 4386

Toby B Graves
11440 E. Desert Troon Lane
Scottsdale, AZ 85255

Certified #7160 3901 9846 4322 4393

Hampton Oil & Gas Inc
9539 Ashleyville Turn
Midlothian, VA 23112

Certified #7160 3901 9846 4322 4409

Leo C Graves & Margaret B Graves
Living Trust Mary M Graves
7820 S Redland Rd
Coyle, OK 73027

I, Tracie J Cherry, do hereby certify the interest owners in the wells shown were notified, via certified mail, of BOPCO, LP's application to surface commingle production, store, measure and sell production off lease. A copy of the notice letter is attached hereto.

Signed:


Tracie J. Cherry

Title: Sr. Regulatory Analyst

Date:

10/07/16

GENERAL OFFICES - FORT WORTH, TEXAS

BOPCO, L.P.

P.O. Box 2760
Midland, Tx 79702
(432) 683-2277
(432) 687-0329 (fax)

October 7, 2016

Via certified mail #7160 3901 9846 4322 4324

Irma Leota Hopp Davis
[REDACTED]
[REDACTED]

RE: Application for Surface Commingling, Off Lease Sales, Storage and Measurement
Poker Lake Unit CVX JV PC #006H
Poker Lake CVX JV PC #014H
Eddy County, New Mexico


Dear Interest Owner:

This letter and attached documents are to notify you, as an interest owner, that BOPCO, L.P. is petitioning the Bureau of Land Management and New Mexico Oil Conservation Division to grant permission to commingle the production from your well (on the surface) and measure, store and sell the production, at a point outside the lease boundary for well #014H.

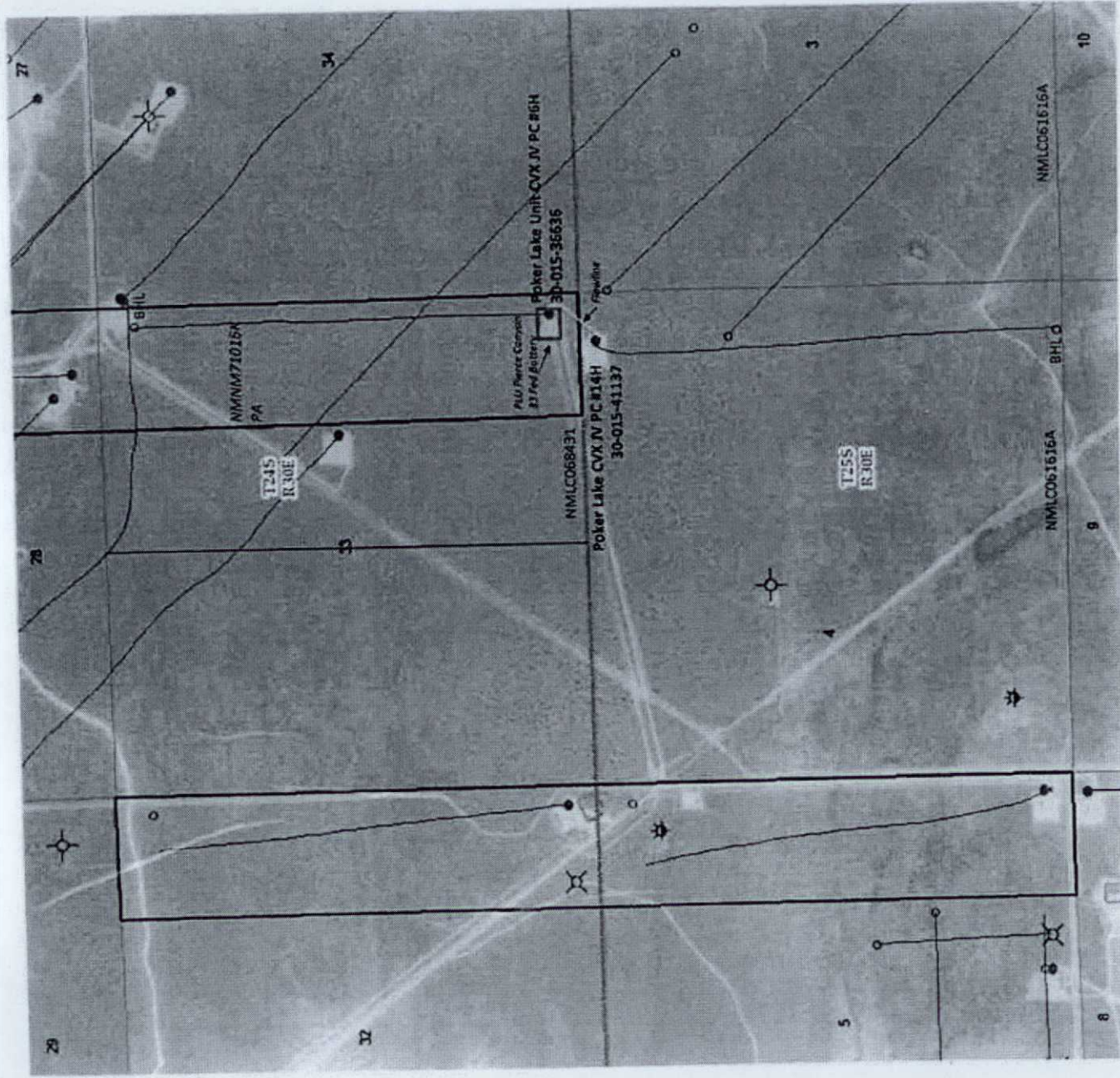
The complete application contains several pages; included with this notice is information to identify the wells, their location and the location of the facility. If you would like a complete copy of the application or have any questions please feel free to contact me.

Any objections or requests for a hearing must be filed with the Oil Conservation Division, 1220 South St Frances Dr., Santa Fe, New Mexico 87505m within 20 days of this letter's date.

Sincerely,


Tracie J Cherry
Sr Regulatory Analyst

Attachments



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 Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87503
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

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-36636		² Pool Code 96473	³ Pool Name Pierce Crossing; Bone Spring, East
⁴ Property Code 313369	⁵ Property Name Poker Lake Unit CVX JV PC		⁶ Well Number 6H
⁷ OGRID No. 260737	⁸ Operator Name BOPCO, LP		⁹ Elevation 3301

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Ids	Feet from the	North/South line	Feet from the	East/West line	County
P	33	24S	30E		350	South	350	East	Eddy

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ids	Feet from the	North/South line	Feet from the	East/West line	County
A	33	24S	30E		351	North	364	East	Eddy

¹² Dedicated Acres 160	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.

<div style="position: relative; height: 400px;"> <div style="position: absolute; top: 0; right: 0; text-align: right;"> <p>351'</p> <p>BHL 351'</p> </div> <div style="position: absolute; bottom: 0; right: 0; text-align: right;"> <p>SHL 350'</p> <p>350'</p> </div> </div>	<p>"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 undivided 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>Signature: <i>Tracie J. Cherry</i> Date: <i>06/01/14</i></p> <p>Tracie J. Cherry Printed Name</p> <p>tricherry@bhaspet.com E-mail Address</p>	
	<p>"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>	

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0770
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Phone: (575) 748-1283 Fax: (575) 748-9720
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1000 Rio Brazos Road, Aztec, NM 87410
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District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
New Mexico Oil, Gas, Minerals & Natural Resources Department
ARTESIA DISTRICT
OIL CONSERVATION DIVISION
MAY 11 2016 1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1,
2011
Submit one copy to appropriate
District Office

RECEIVED

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

effective 03/01/16

1 API Number 30-015-41137		2 Pool Code 96473		3 Pool Name Pierce Crossing: Bone Spring, East		
4 Property Code 313403		5 Property Name Poker Lake CVX JV PC			6 Well Number 014H	
7 OGRID No. 260737		8 Operator Name BOPCO, LP			9 Elevation 3300	

10 Surface Location

UL or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
A	04	25S	30E		150	North	660	East	Bddy

11 Bottom Hole Location If Different From Surface

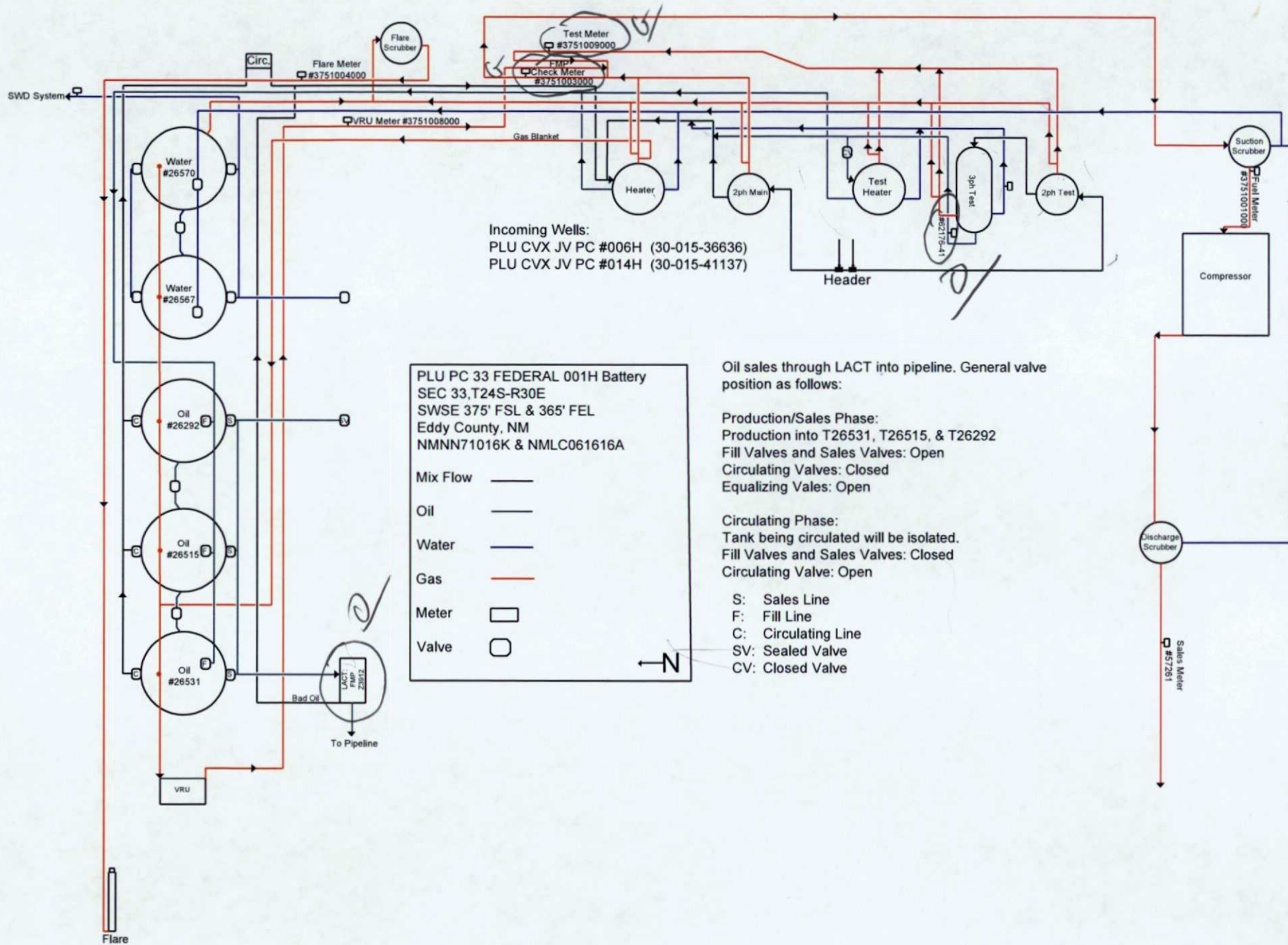
UL or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
P	04	25S	30E		64	South	655	East	Bddy

12 Dedicated Acres 160	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>150' 460'</p> <p>Top perf 32.3' PNL 201' PSL</p>	<p>16 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 undivided 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>[Signature]</i> 05/10/16</p> <p>_____ Printed Name</p> <p>tkcherry@bopco.com E-mail Address</p>	
	<p>17 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>	
	<p>150' 460'</p>	

B



McMillan, Michael, EMNRD

From: Cherry, Tracie J. <TJCherry@BassPet.Com>
Sent: Wednesday, November 16, 2016 10:33 AM
To: McMillan, Michael, EMNRD
Subject: RE: Poker Lake Unit Surface commingle facility

You are correct. It is **SESE** Sec 33 (not SWSE).

You are the first person to notice that; BLM didn't pick up on it either. Can you write in the change with my initials or do I need to revise and email new copies?

Thank you...Tracie

From: McMillan, Michael, EMNRD [mailto:Michael.McMillan@state.nm.us]
Sent: Monday, November 14, 2016 5:36 PM
To: Cherry, Tracie J.
Subject: Poker Lake Unit Surface commingle facility

Tracie:

Is the surface commingle facility for the Poker Lake Unit CVX JV Well No. 6H located in Unit P, Section 33, Township 24South, Range 30 East?

Your diagram and written description does not match

Mike

MICHAEL A. MCMILLAN

Engineering Bureau, Oil Conservation Division
1220 south St. Francis Dr., Santa Fe NM 87505
O; 505.476.3448
Michael.McMillan@state.nm.us