

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Secretary

Adrienne Sandoval, Director
Oil Conservation Division



May 6, 2020

DOWN HOLE COMMINGLING

Administrative Order DHC-5063

Grizzly Operating, LLC
Attention: Mike Pippin

Pursuant to your application received on September 12, 2019 for an exception to Division Rule 19.15.12.9(A) NMAC, Grizzly Operating, LLC (258350) is hereby authorized to down hole commingle oil and gas production in the Chalk Federal 2 well (30-015-29706) from the following pools:

RED LAKE;GLORIETA-YESO	(51120)
RED LAKE;QUEEN-GRAYBURG-SA	(51300)

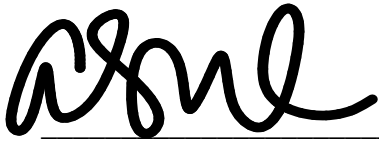
The well is located in Section 5, Township 18 South, Range 27 East, NMPM, Lea County, New Mexico.

The RED LAKE;GLORIETA-YESO pool (51120) shall be allocated ten (10) percent of the total oil produced and six (6) percent of the total gas produced from the Chalk Federal 2 well (30-015-29706).

The RED LAKE;QUEEN-GRAYBURG-SA pool (51300) shall be allocated ninety (90) percent of the total oil produced and ninety four (94) percent of the total gas produced from the Chalk Federal 2 well (30-015-29706).

Pursuant to Division Rule 19.15.12.11(B) NMAC, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

This approval is subject to like approval from the Bureau of Land Management.

A handwritten signature in black ink, appearing to read 'ASML', written over a horizontal line.

Adrienne Sandoval
Director

AS/dm

cc: OCD – Artesia District Office
 Bureau of Land Management