

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: SOZO NATURAL RESOURCES LLC.
OPERATOR ADDRESS: 5005 RIVERWAY DR., SUITE 330 HOUSTON, 77056
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

Table with 5 columns: (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. MESCALERO; SAN ANDRES 45990
(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 (Identical DOI)
(4) Measurement type: Metering Other (Specify) COMMINGLED BATTERY TESTING & ALLOCATION PROCEDURES

(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: Carie Stoker TITLE: Regulatory Affairs Coord. DATE: 5/20/2024
TYPE OR PRINT NAME CARIE STOKER TELEPHONE NO.: (432) 664-7659
E-MAIL ADDRESS: carie@stokeroilfield.com

Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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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:** SOZO NATURAL RESOURCES LLC. **OGRID Number:** 329727  
**Well Name:** STATE 11 23 **API:** 30-025-20501  
**Pool:** MESCALERO; SAN ANDRES **Pool Code:** 45990

**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]  
 [I] Commingling – Storage – Measurement  
 DHC     CTB     PLC     PC     OLS     OLM  
 [II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery  
 WFX     PMX     SWD     IPI     EOR     PPR

- 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

<b>FOR OCD ONLY</b>	
<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.

CARIE STOKER

Print or Type Name

*Carie Stoker*

Signature

5/20/24  
Date

(432) 664- 7659  
Phone Number

carie@stokeroilfield.com  
e-mail Address

May 20, 2024

State of New Mexico  
Energy, Minerals and Natural Resources  
Oil Conservation Division  
District II  
811 S. First St.  
Artesia, NM 88210

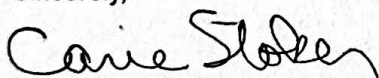
**RE:** Sozo Natural Resources LLC., the title holding company for properties  
Application for Approval of Surface Commingling  
Part of Section 23, T10S, R32E,  
Harris State #001, Harris State #002, State 11 23 #001, State 11 23 #002, State  
11 23 #003, State 11 23 #004 Lea County, New Mexico

Dear Sirs:

Please be advised that Sozo Natural Resources LLC., proposes to commingle the Harris State #001 and Harris State #002 to the State 11 23 tank battery. The DOI on these wells are identical. The SLO has been notified of this proposed surface commingle.

Do not hesitate to contact us should you have any questions or need further data. Thank you for your attention in this matter.

Sincerely,



Carie Stoker

Regulatory Affairs Coordinator

**CC:** State of New Mexico  
Energy, Minerals and Natural Resources  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505



5005 Riverway Drive, Suite 330  
Houston, Texas 77056

May 20, 2024

Sozo Natural Resources, LLC ("Sozo Natural Resources") proposes the surface commingling of its wells on the State 11 23 and one offset adjacent producing lease, the Harris State, into a single Commingled Battery (the "Battery") located on the State 11 23 located at the NW/4 NW/4 UL-D, Section 23, Township 10S, Range 32E in Lea County, New Mexico. The following discussion outlines the basic equipment that will be installed in the Commingled Battery, as well as the basic procedures that will be instituted by Sozo Natural Resources to test producing wells and equitably allocate monthly oil and water production to each well based on well test results.

### **Battery Equipment & Vessels**

A Commingled Battery permitted and constructed by Sozo Natural Resources with the basic equipment, vessels, and facilities in its design in order to test producing wells on a regular basis and equitably allocate oil and water production between all wells producing into the Battery. This Battery equipment will include:

- Inlet Well Header(s) which allow the switching of each well tied into the Battery from production to the Test Tank(s) individually;
- Test Tank(s) for the isolation and testing of each well. The number of Test Tanks will be dependent on the number of wells producing into the Battery;
- At least 2 steel Oil Tanks where total oil production is gauged and oil is sold;
- One to two fiberglass Water Tanks, depending on the amount of water produced on a daily basis from the wells and how it is handled;
- A Gun Barrel as a secondary separation vessel to separate the remaining water from the oil and send the oil to the Oil Tanks; and
- A Circulating Pump to allow for transfer of oil and water between Test Tanks, separation vessels, Oil Tanks, and Water Tanks in the Battery.

### **Tank Gauging**

Each day, each Oil Tank, Water Tank, and Test Tank in the Battery will be gauged by the Sozo Natural Resources Pumper using a steel tape line. The amount of oil and water is measured by using water-finding paste ("color-cut") on the steel tape line. The gauge levels of oil and water in the battery tanks are recorded in the daily field gauge report and used to calculate the total daily and monthly oil and water production volumes for the Battery. The daily Battery oil and water production are sent to the Sozo Natural Resources – Odessa, Texas office each day and are used



at the end of each month to determine the Total Monthly Battery Production – oil and water production volumes.

Additionally, a record is kept of the number of Producing Days each month for each well on Production Explorer. This information is recorded by the Pumper each day through Field Direct. This report is utilized each month by Sozo Natural Resources to determine allocations.

## Well Testing

Prior to each Well Test, the Test Tank is emptied using Circulating Pump to move contents to the FWKO. The remaining volume in the Test Tank, if any, is gauged and color-cut to determine the oil and water volumes in the tank at the start of the Well Test.

- At the Well Header at the entry to the Battery, the well selected to be tested is switched from Production to Test by opening and closing the appropriate valves on the header manifold to route the produced fluids from the well to a Test Tank.
- Each well producing into the Battery is to be tested at least once per month, but will be tested as many times as practical.
- The well will be left “on test” until a stabilized daily production rate is established, with a minimum test time of 48 hours.
- After the well has been on test a minimum of 24 hours, the produced fluids in the Test Tank will be gauged and color-cut. If the color-cut demarcation between oil and water is not clear, a fluid sample will be taken from the Test Tank using a “thief” sample catcher which allows the sampling of fluids in the tank at any desired depth in order to verify the composition of the produced fluids in the tank, both oil and water.
- Once the volumes of oil and water in the Test Tank have been determined, the well’s Test Volumes over the preceding 24 hours are determined by subtracting the Test Tank volumes at the start of the test period from the Test Tank volumes recorded at the end of the period.
- The 24-hour Test Volumes of Oil and Water production from the well are recorded and sent to the Sozo Natural Resources – Odessa, Texas office.
- At the conclusion of each Well Test, the produced oil and water volumes in the Test Tank are sent to the Battery FWKO by Circulating Pump.

## Monthly Production Allocations

Each month, the Total Monthly Battery oil and water production volumes are allocated to each producing well producing into the Battery based on the well’s Well Tests during the month and its number of Producing Days during the month. The Monthly Production Allocations methodology is as follows:

- The Total Monthly Battery Production (oil and water) is determined from the daily field gauge reports from the Pumper.
- The representative Well Test for each well is selected from the Well Tests run during the month. If more than one Well Test is run on a well during the month and all are determined



to be representative, then the arithmetic average of the individual Well Tests is used as the Well Test for the well during the month.

- For each well producing into the Battery, the Well Test for the month is multiplied by the well's Producing Days during the month to calculate the Well Pseudo-Production for the month.
- The Well Pseudo-Production for each well is calculated and then all are summed for the month to calculate the Total Battery Pseudo-Production for the month.
- The Monthly Well Allocation Factor is then calculated for each well by dividing the Well Pseudo-Production for the month by the Total Battery Pseudo-Production for the month. Individual allocation factors are determined for both oil and water production for each well in the Battery by this method.
- The Monthly Allocated Production for each well is then calculated by multiplying the well's Monthly Well Allocation Factor by the Total Monthly Battery Production. Individual monthly oil and water allocated production volumes for each well in the Battery are determined by this method.
- Monthly Oil Sales for each well are also determined using the Monthly Well Allocation Factors and the Total Monthly Battery Oil Sales volumes for the Battery.

### Example Monthly Well Allocation

The Gusher #1 well is producing into the Battery. Determine the Monthly Allocated Production (oil and water) for the Gusher #1:

- Total Monthly Battery Production: 4,500 BO & 3,000 BW
- Gusher #1 Well Test for the month: 20 BOPD & 10 BWPD
- Gusher #1 Producing Days in the month: 25 Days
- Gusher #1 Well Pseudo-Production: (20 BOPD x 25 Days) = 500 PBO  
(10 BWPD x 25 Days) = 250 PBW
- Total Battery Pseudo-Production: 6,250 PBO & 5,000 PBW
- Gusher #1 Monthly Well Allocation Factor: (500 PBO / 6,250 PBO) = 0.08 for Oil  
(250 PBW / 5,000 PBW) = 0.05 for Water
- Gusher #1 Monthly Allocated Production: (0.08 x 4,500 BO) = 360 BO  
(0.05 x 3,000 BW) = 150 BW

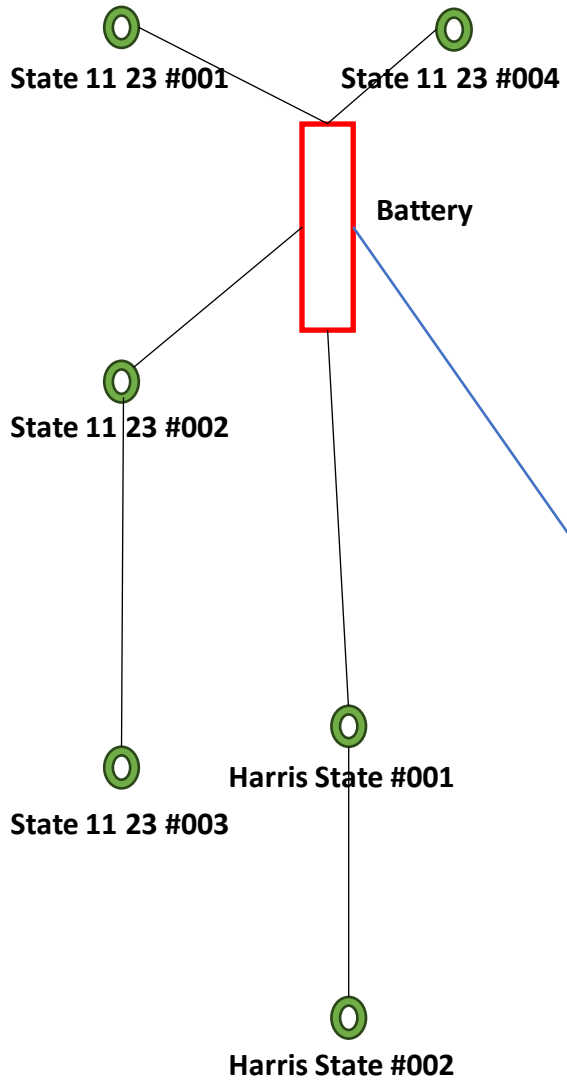
- State 11 23
- State of New Mexico
- OG-5084-3
- Harris State
- State of New Mexico
- KO-0362-0003
- Battery

Gas Sales Point

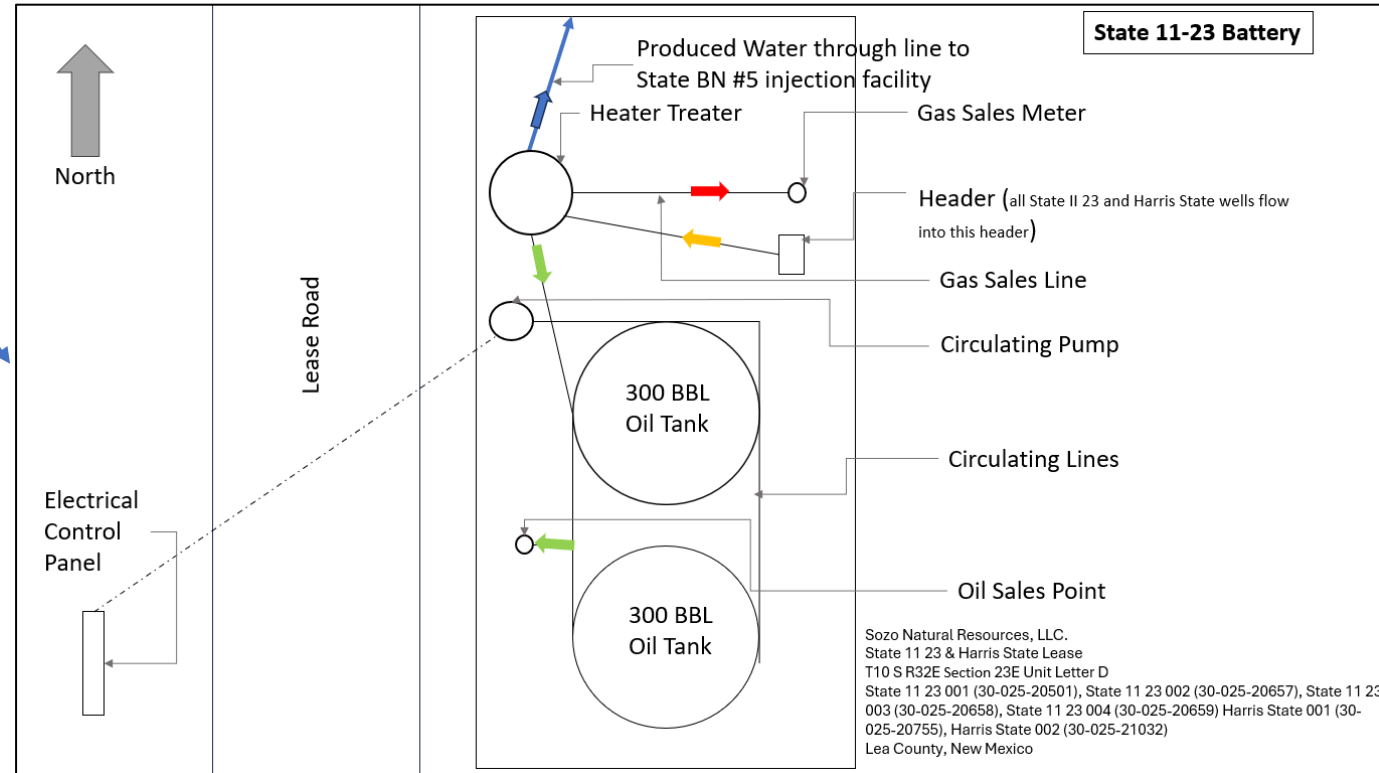
Oil Sales Point



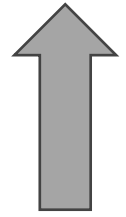
Sozo Natural Resources, LLC.  
 State 11 23 & Harris State Lease  
 TR10 S R32E SEC 23E UL D  
 State 11 23 001 (30-025-20501)  
 State 11 23 002 (30-025-20657)  
 State 11 23 003 (30-025-20658)  
 State 11 23 004 (30-025-20659)  
 Harris State 001 (30-025-20755)  
 Harris State 002 (30-025-21032)  
 Lea County, New Mexico



**Battery Diagram**



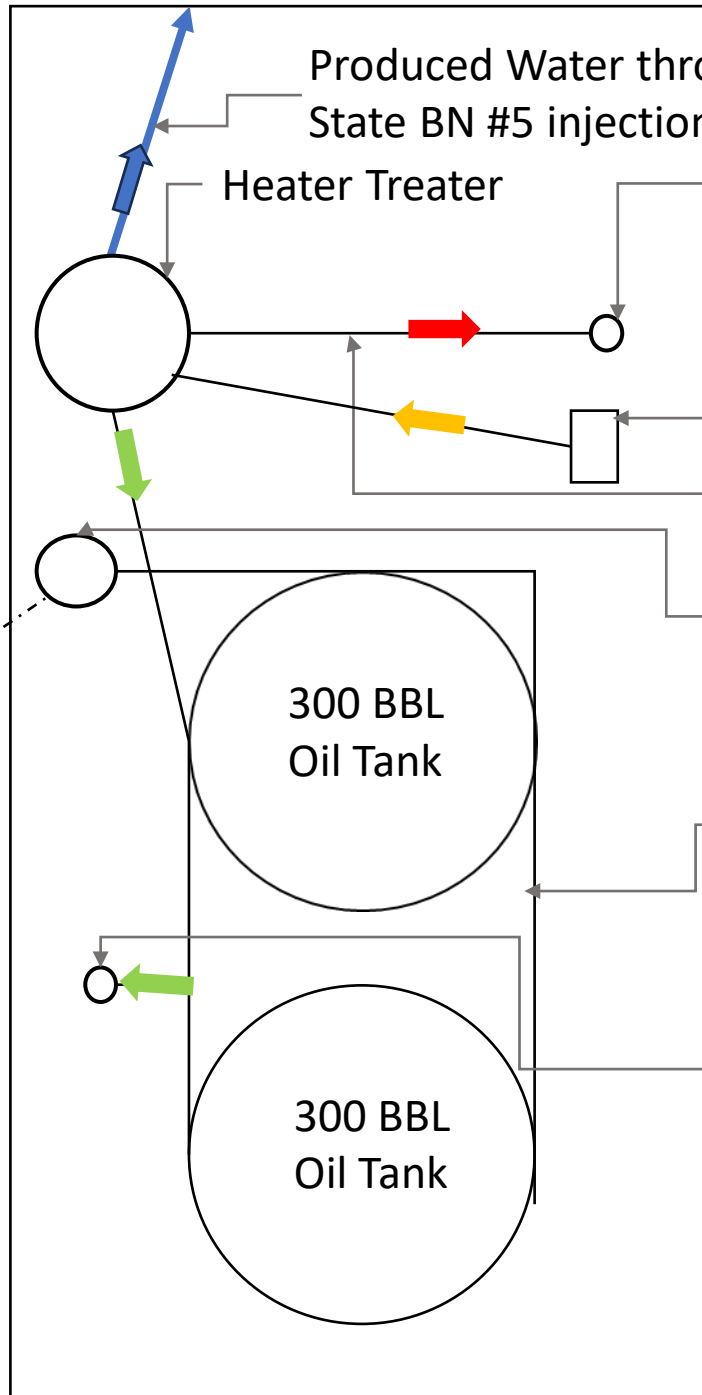
# State 11-23 Battery



North

Lease Road

Electrical Control Panel



Produced Water through line to State BN #5 injection facility

Heater Treater

Gas Sales Meter

Header (all State 11 23 and Harris State wells flow into this header)

Gas Sales Line

Circulating Pump

300 BBL Oil Tank

Circulating Lines

300 BBL Oil Tank

Oil Sales Point

Sozo Natural Resources, LLC.  
 State 11 23 & Harris State Lease  
 T10 S R32E Section 23E Unit Letter D  
 State 11 23 001 (30-025-20501), State 11 23 002 (30-025-20657), State 11 23 003 (30-025-20658), State 11 23 004 (30-025-20659) Harris State 001 (30-025-20755), Harris State 002 (30-025-21032)  
 Lea County, New Mexico



5005 Riverway Drive, Suite 330  
Houston, Texas 77056

May 12, 2024

*Re: PRODUCTION VALUE HARRIS STATE 1-2 & STATE 11 23 1-4*

To whom it may concern:

I hereby attest that commingling will not reduce the total remaining production's value.

Sincerely,

A handwritten signature in black ink that reads "Carie Stoker". The signature is written in a cursive style with a large, prominent "C" and "S".

Carie Stoker  
Regulatory Affairs Coord.



5005 Riverway Drive, Suite 330  
Houston, Texas 77056

January 12, 2024

*Re: DOI HARRIS STATE 1-2 & STATE 11 23 1-4*

To whom it may concern.

I hereby attest that the Division of Interest for the wells described below are identical.

Property	Well	Lease Type	ULSTR	OCD Unit	API	Pool ID	Pool Name
305197	HARRIS STATE #001	S	K-23-10S-32E	K	30-025-20755	45990	Mescalero; San Andres
	HARRIS STATE #002	S	N-23-10S-32E	N	30-025-21032	45990	Mescalero; San Andres
305193	STATE 11 23 #001	S	D-23-10S-32E	D	30-025-20501	45990	Mescalero; San Andres
	STATE 11 23 #002	S	E-23-10S-32E	E	30-025-20657	45990	Mescalero; San Andres
	STATE 11 23 #003	S	L-23-10S-32E	L	30-025-20658	45990	Mescalero; San Andres
	STATE 11 23 #004	S	C-23-10S-32E	C	30-025-20659	45990	Mescalero; San Andres

Sincerely,

A handwritten signature in blue ink, appearing to be "RH", written over a faint circular stamp.

Ryan Henry  
Vice President, Land

NUMBER OF COPIES RECEIVED	
DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S	
LAND OFFICE	
TRANSPORTER	OIL
	GAS
PRODUCTION OFFICE	
OPERATOR	

**NEW MEXICO OIL CONSERVATION COMMISSION**  
**WELL LOCATION AND ACREAGE DEDICATION PLAT**  
 SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE

FORM C-128  
 Revised 5/1/57

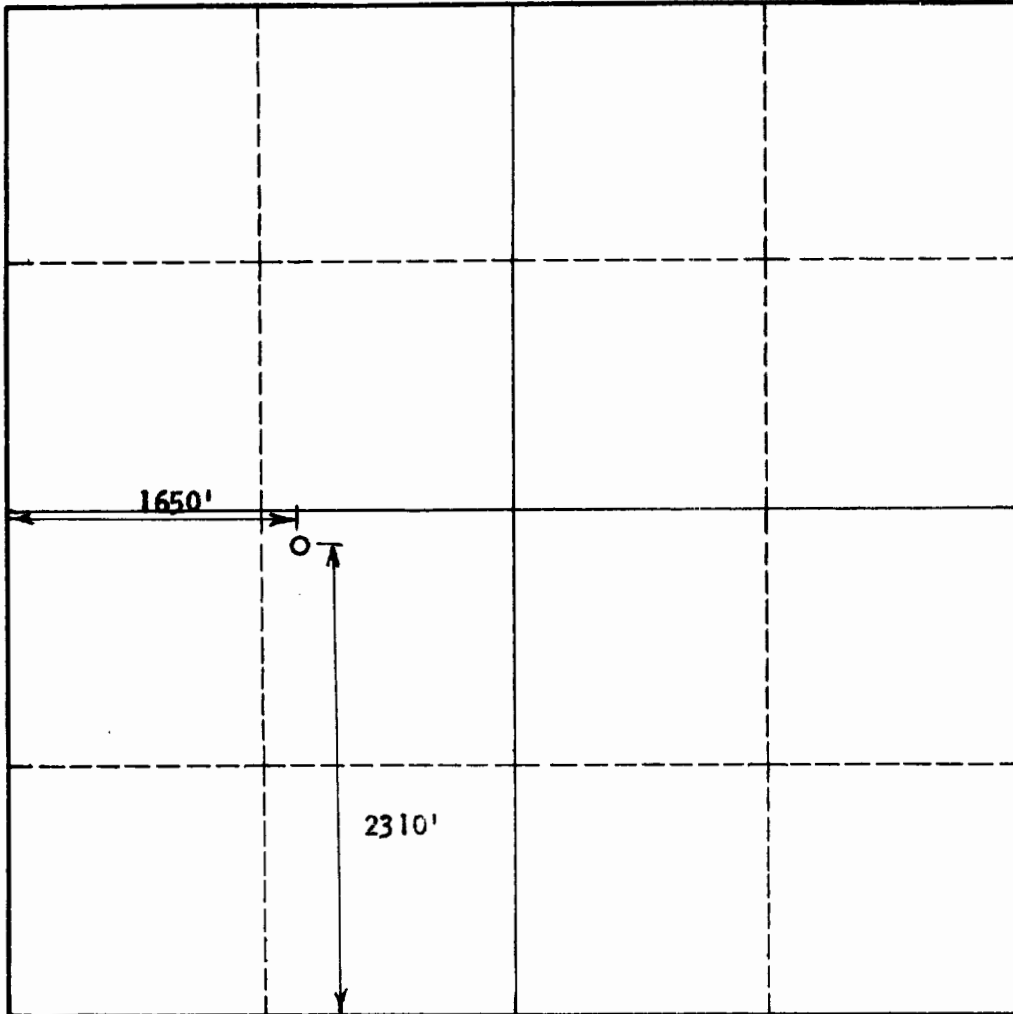
**SECTION A**

Operator <b>Len Mayer &amp; Jack L. McClellan</b>		Lease <b>Harris - State</b>		Well No. <b>1</b>
Unit Letter <b>K</b>	Section <b>23</b>	Township <b>10 South</b>	Range <b>32 East</b>	County <b>Lea</b>
Actual Footage Location of Well: <b>2310</b> feet from the <b>South</b> line and <b>1650</b> feet from the <b>West</b> line				
Ground Level Elev. <b>4340</b>	Producing Formation <b>San Andres</b>	Pool <b>Mescalero - San Andres</b>	Dedicated Acreage: <b>40</b> Acres	

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES  NO  . ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1935 Comp.)
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES  NO  . If answer is "yes," Type of Consolidation \_\_\_\_\_
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

**SECTION B**



**CERTIFICATION**

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

Name	<i>Len Mayer</i>
Position	<b>Partner - Operator</b>
Company	<b>Len Mayer &amp; J. L. McClellan</b>
Date	<b>October 1, 1964</b>

I hereby certify that the well location shown on the plat in SECTION B 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 knowledge and belief.

Date Surveyed	<b>September 30, 1964</b>
Registered Professional Engineer and/or Land Surveyor	<i>[Signature]</i>
Certificate No.	<b>2787</b>

# NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

FORM C-128  
Revised 5/1/57

SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE

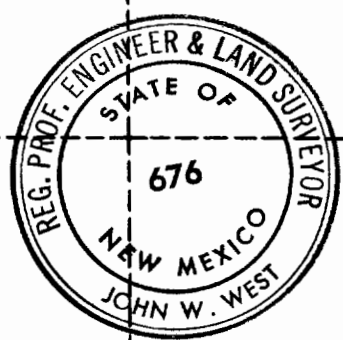
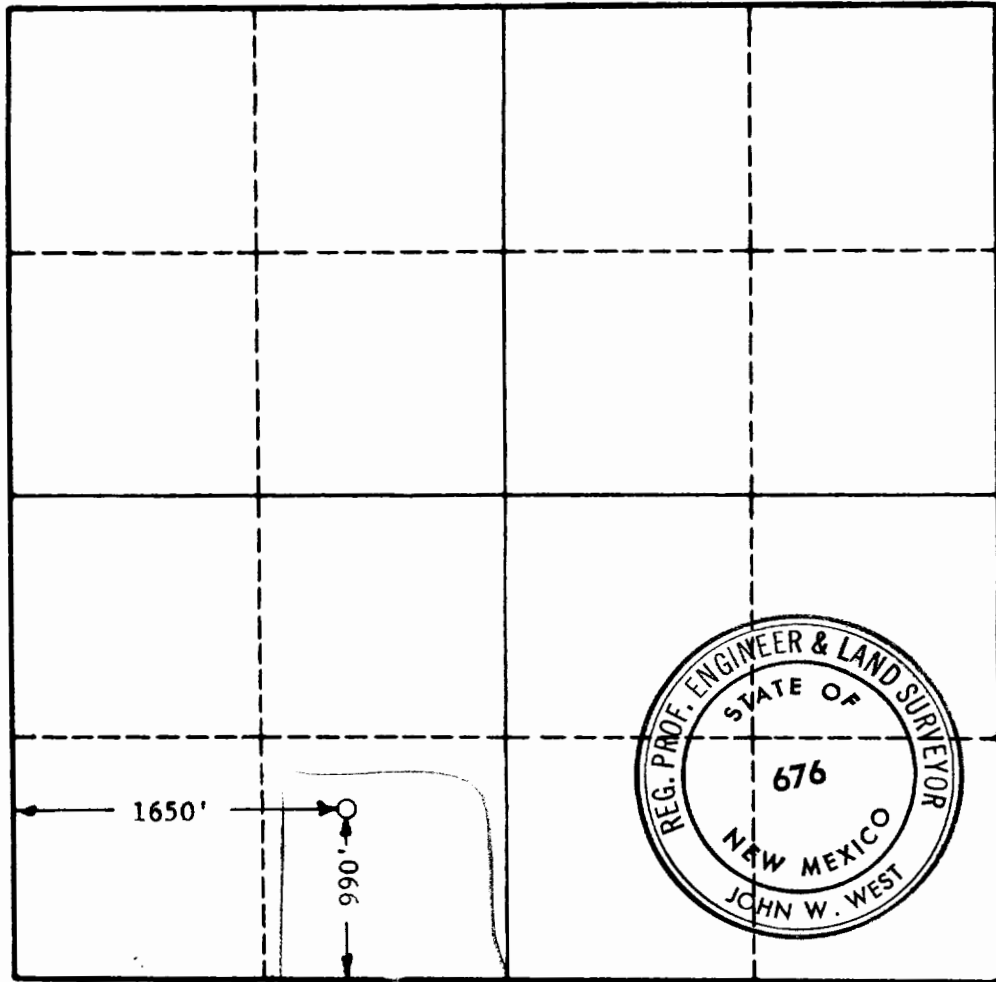
### SECTION A

Operator <b>JACK L. MCCLELLAN &amp; LEN MAYER</b>		Lease <b>HARRIS STATE</b>		Well No. <b>2</b>
Unit Letter <b>N</b>	Section <b>23</b>	Township <b>10 SOUTH</b>	Range <b>32 EAST</b>	County <b>LEA</b>
Actual Footage Location of Well: <b>990</b> feet from the <b>SOUTH</b> line and <b>1650</b> feet from the <b>EAST</b> line				
Ground Level Elev. <b>4303.1</b>	Producing Formation <b>San Andres</b>	Pool <b>Mescalero</b>		Dedicated Acreage: <b>40</b> Acres

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES  NO \_\_\_\_ . ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1935 Comp.)
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES \_\_\_\_ NO \_\_\_\_ . If answer is "yes," Type of Consolidation \_\_\_\_\_
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

### SECTION B



### CERTIFICATION

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

Name <i>Jack L. McClellan</i>
Position <b>Operator</b>
Company <b>Jack L. McClellan &amp; Len Mayer</b>
Date <b>January 8, 1965</b>

I hereby certify that the well location shown on the plat in SECTION B 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 knowledge and belief.

Date Surveyed <b>JAN 8, 1965</b>
Registered Professional Engineer and/or Land Surveyor, <b>JOHN W. WEST</b>
<i>John W. West</i>
Certificate No. <b>N. M. - P. E. &amp; L. S. NO. 676</b>

# NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

FORM C-128  
Revised 5/1/57

SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE

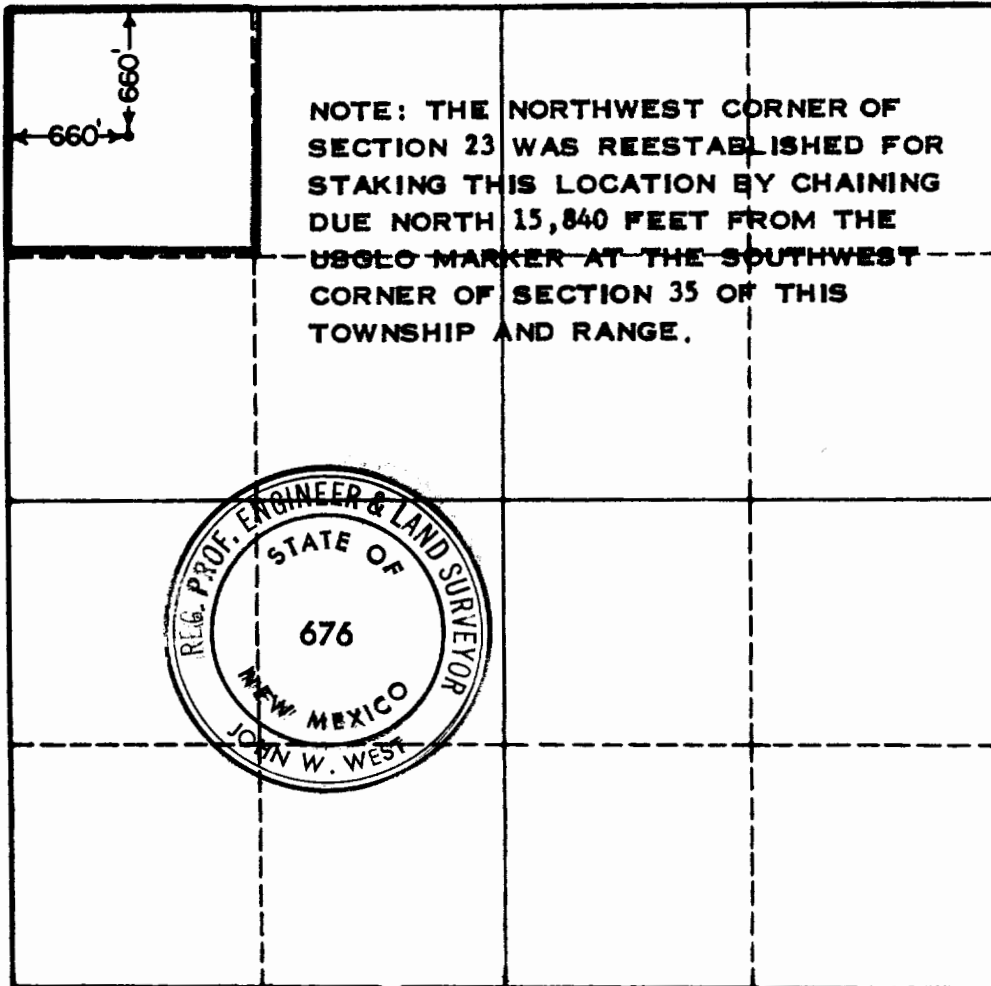
### SECTION A

Operator <b>CONTINENTAL OIL CO.</b>		Lease <b>STATE "II" 23</b>		Well No. <b>1</b>
Unit Letter <b>D</b>	Section <b>23</b>	Township <b>10 SOUTH</b>	Range <b>32 EAST</b>	County <b>LEA</b>
Actual Footage Location of Well: <b>660</b> feet from the <b>NORTH</b> line and <b>660</b> feet from the <b>WEST</b> line				
Ground Level Elev.	Producing Formation <b>San Andres</b>	Pool <b>Mescalero San Andres</b>	Dedicated Acreage: <b>40</b> Acres	

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES \_\_\_\_\_ NO \_\_\_\_\_. ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1955 Comp.)
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES \_\_\_\_\_ NO \_\_\_\_\_. If answer is "yes," Type of Consolidation \_\_\_\_\_
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

### SECTION B



### CERTIFICATION

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

Name <b>Assistant District Manager</b>
Position <b>Continental Oil Company</b>
Company <b>January 22, 1964</b>
Date

I hereby certify that the well location shown on the plat in SECTION B 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 knowledge and belief.

Date Surveyed <b>1-18-64</b>
Registered Professional Engineer and/or Land Surveyor, <b>JOHN W. WEST</b>
<i>John W. West</i>
Certificate No. <b>N.M. - P.E. &amp; L.S. NO. 676</b>

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500

DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
TRANSPORTER	OIL
	GAS
PRODUCTION OFFICE	
OPERATOR	

**NEW MEXICO OIL CONSERVATION COMMISSION**

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE

FORM C-128  
Revised 5/1/57

HOBBS OFFICE O.C.C.  
MAY 15 9 12 AM '64

**SECTION A**

Operator <b>Continental Oil Company</b>		Lease <b>State II-23</b>		Well No. <b>2</b>
Unit Letter <b>E</b>	Section <b>23</b>	Township <b>10 South</b>	Range <b>32 East</b>	County <b>Lea</b>

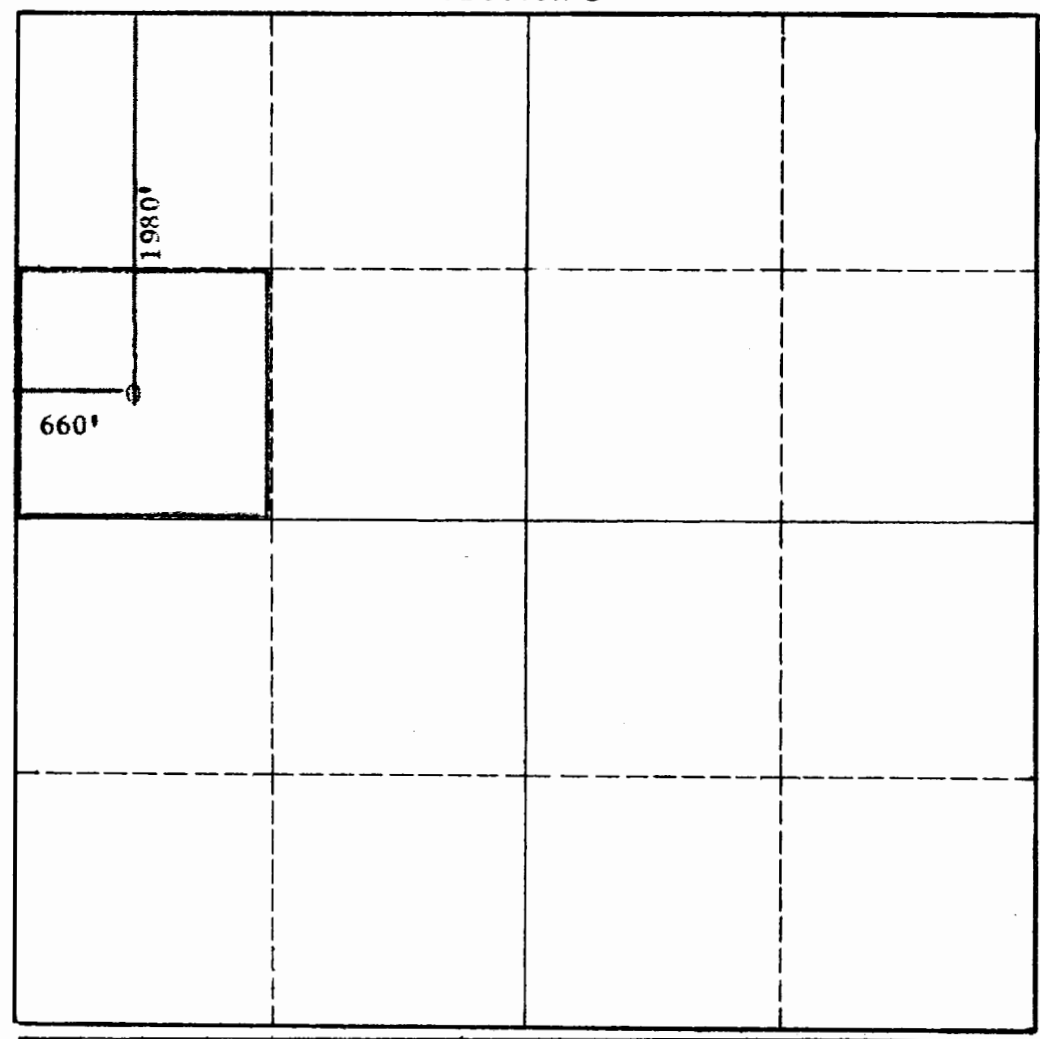
Actual Footage Location of Well:  
**1980** feet from the **North** line and **660** feet from the **West** line

Ground Level Elev.	Producing Formation <b>San Andres</b>	Pool <b>Mescalero San Andres</b>	Dedicated Acreage: <b>40</b> Acres
--------------------	--	-------------------------------------	---------------------------------------

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES  NO \_\_\_\_ . ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1935 Comp.)
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES \_\_\_\_ NO \_\_\_\_ . If answer is "yes," Type of Consolidation \_\_\_\_\_
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

**SECTION B**



**CERTIFICATION**

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

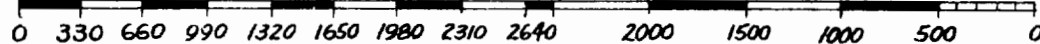
Name
Position <b>Staff Supervisor</b>
Company <b>Continental Oil Company</b>
Date <b>5-13-64</b>

**MOCC(3) ABS**

I hereby certify that the well location shown on the plat in SECTION B 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 knowledge and belief.

Date Surveyed
Registered Professional Engineer and/or Land Surveyor

Certificate No.



# NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

FORM C-128  
Revised 5/1/57

SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE

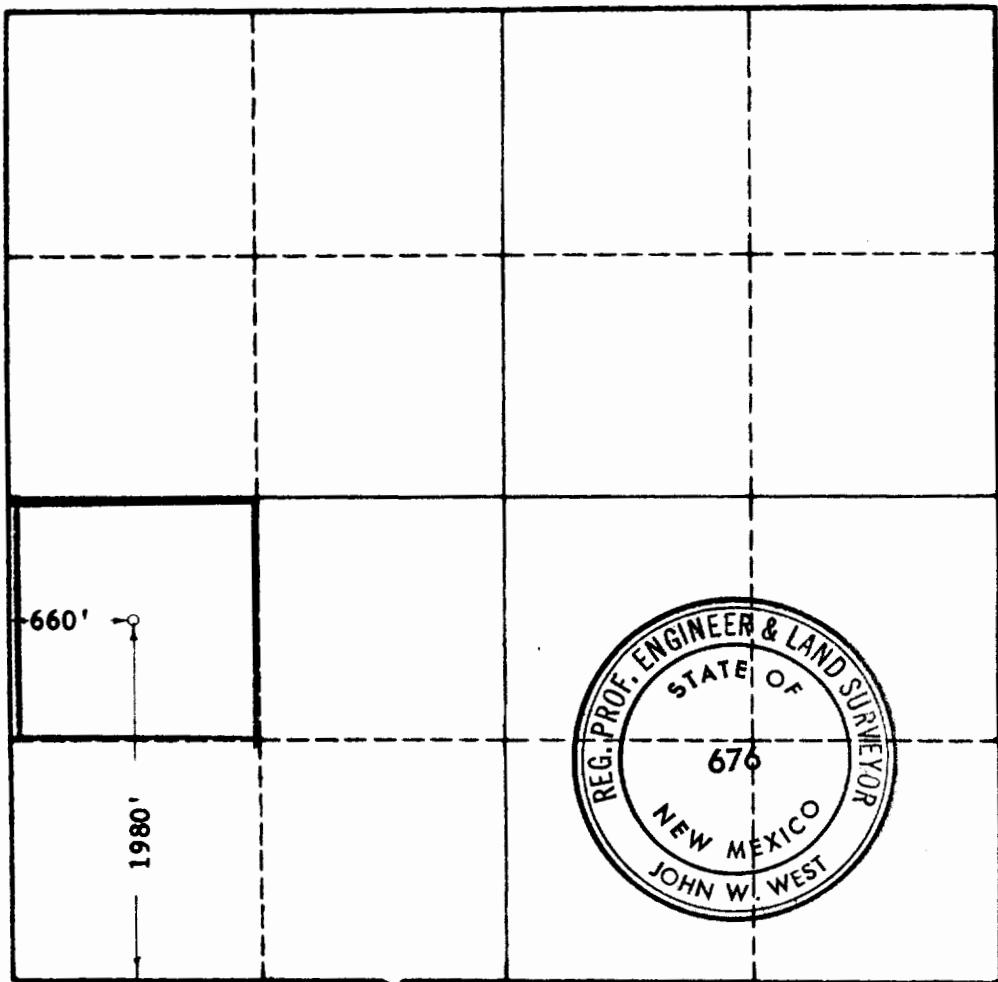
### SECTION A

Operator <b>CONTINENTAL OIL COMPANY</b>		Lease <b>STATE II 23</b>		Well No. <b>3</b>
Unit Letter <b>L</b>	Section <b>23</b>	Township <b>10 SOUTH</b>	Range <b>32 EAST</b>	County <b>LEA</b>
Actual Footage Location of Well: <b>1980</b> feet from the <b>SOUTH</b> line and <b>660</b> feet from the <b>WEST</b> line				
Ground Level Elev.	Producing Formation <b>San Andres</b>	Pool <b>San Andres</b>	Dedicated Acreage: <b>40</b> Acres	

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES  NO  ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1935 Comp.)
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES  NO . If answer is "yes," Type of Consolidation \_\_\_\_\_
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

### SECTION B



### CERTIFICATION

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

Name  
C  
Position  
**Staff Supervisor**  
Company  
**Continental Oil Company**  
Date  
**9-28-64**

**NMOCC (6) JM**

I hereby certify that the well location shown on the plat in SECTION B 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 knowledge and belief.

Date Surveyed  
**SEPTEMBER 28, 1964**  
Registered Professional Engineer and/or Land Surveyor, **JOHN W. WEST**  
*John W. West*  
Certificate No.  
**N.M. - P.E. & L.S. NO. 676**



# NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

FORM C-128  
Revised 5/1/57

HOBBS OFFICE O. C. C.  
SEP 29 11 35 AM '64

SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE

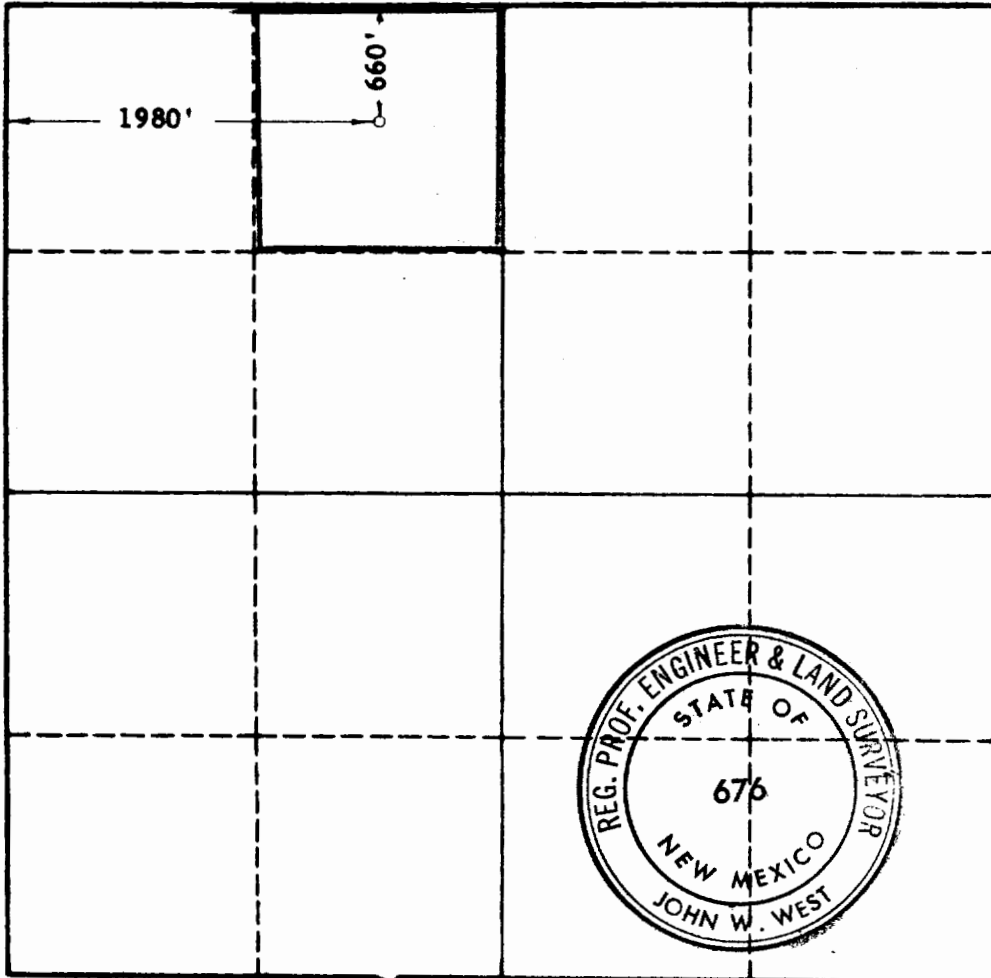
### SECTION A

Operator <b>CONTINENTAL OIL COMPANY</b>		Lease <b>STATE II 23</b>		Well No. <b>4</b>
Unit Letter <b>C</b>	Section <b>23</b>	Township <b>10 SOUTH</b>	Range <b>32 EAST</b>	County <b>LEA</b>
Actual Footage Location of Well: <b>660</b> feet from the <b>NORTH</b> line and <b>1980</b> feet from the <b>WEST</b> line				
Ground Level Elev.	Producing Formation <b>San Andres</b>	Pool <i>Miscalled</i> <b>San Andres</b>	Dedicated Acreage: <b>40</b> Acres	

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES  NO  ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1935 Comp.)
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES  NO  . If answer is "yes," Type of Consolidation \_\_\_\_\_
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

### SECTION B



### CERTIFICATION

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

Signed: **ROBERT CASLET III**

Position  
**Staff Supervisor**

Company  
**Continental Oil Company**

Date  
**9-28-64**

**MMOCC (6) JK**

I hereby certify that the well location shown on the plat in SECTION B 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 knowledge and belief.

Date Surveyed  
**SEPTEMBER 28, 1964**  
Registered Professional Engineer and/or Land Surveyor, **JOHN W. WEST**

*John W. West*  
Certificate No.  
**N. M. - P. E. & L. S. NO. 676**

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

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- Adult Signature Restricted Delivery \$ 0.00

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(800)275-8777

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Product	Qty	Unit Price	Price
First-Class Mail® Large Envelope	1		\$2.11
Santa Fe, NM 87504			
Weight: 0 lb 3.70 oz			
Estimated Delivery Date			
Fri 05/24/2024			
Certified Mail®			\$4.40
Tracking #:			
- 70153430000063827827			
Return Receipt			\$3.65
Tracking #:			
- 9590 9402 1190 5246 2206 53			
<b>Total</b>			<b>\$10.16</b>

Grand Total: \$10.16

Debit Card Remit \$10.16

Card Name: MasterCard  
Account #: XXXXXXXXXXXXXXX5133  
Approval #: 292429  
Transaction #: 740  
Receipt #: 033994  
Debit Card Purchase: \$10.16  
AID: A0000000042203 Contactless  
AL: Debit

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: SOZO NATURAL RESOURCES LLC.
OPERATOR ADDRESS: 5005 RIVERWAY DR., SUITE 330 HOUSTON, 77056
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

Table with 5 columns: (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. MESCALERO; SAN ANDRES 45990
(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 (Identical DOI)
(4) Measurement type: Metering Other (Specify) COMMINGLED BATTERY TESTING & ALLOCATION PROCEDURES

(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: Carie Stoker TITLE: Regulatory Affairs Coord. DATE: 5/20/2024
TYPE OR PRINT NAME CARIE STOKER TELEPHONE NO.: (432) 664-7659
E-MAIL ADDRESS: carie@stokeroilfield.com

May 20, 2024

State of New Mexico  
Energy, Minerals and Natural Resources  
Oil Conservation Division  
District II  
811 S. First St.  
Artesia, NM 88210

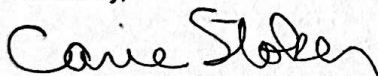
**RE:** Sozo Natural Resources LLC., the title holding company for properties  
Application for Approval of Surface Commingling  
Part of Section 23, T10S, R32E,  
Harris State #001, Harris State #002, State 11 23 #001, State 11 23 #002, State  
11 23 #003, State 11 23 #004 Lea County, New Mexico

Dear Sirs:

Please be advised that Sozo Natural Resources LLC., proposes to commingle the Harris State #001 and Harris State #002 to the State 11 23 tank battery. The DOI on these wells are identical. The SLO has been notified of this proposed surface commingle.

Do not hesitate to contact us should you have any questions or need further data. Thank you for your attention in this matter.

Sincerely,



Carie Stoker

Regulatory Affairs Coordinator

**CC:** State of New Mexico  
Energy, Minerals and Natural Resources  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505



5005 Riverway Drive, Suite 330  
Houston, Texas 77056

May 20, 2024

Sozo Natural Resources, LLC ("Sozo Natural Resources") proposes the surface commingling of its wells on the State 11 23 and one offset adjacent producing lease, the Harris State, into a single Commingled Battery (the "Battery") located on the State 11 23 located at the NW/4 NW/4 UL-D, Section 23, Township 10S, Range 32E in Lea County, New Mexico. The following discussion outlines the basic equipment that will be installed in the Commingled Battery, as well as the basic procedures that will be instituted by Sozo Natural Resources to test producing wells and equitably allocate monthly oil and water production to each well based on well test results.

### **Battery Equipment & Vessels**

A Commingled Battery permitted and constructed by Sozo Natural Resources with the basic equipment, vessels, and facilities in its design in order to test producing wells on a regular basis and equitably allocate oil and water production between all wells producing into the Battery. This Battery equipment will include:

- Inlet Well Header(s) which allow the switching of each well tied into the Battery from production to the Test Tank(s) individually;
- Test Tank(s) for the isolation and testing of each well. The number of Test Tanks will be dependent on the number of wells producing into the Battery;
- At least 2 steel Oil Tanks where total oil production is gauged and oil is sold;
- One to two fiberglass Water Tanks, depending on the amount of water produced on a daily basis from the wells and how it is handled;
- A Gun Barrel as a secondary separation vessel to separate the remaining water from the oil and send the oil to the Oil Tanks; and
- A Circulating Pump to allow for transfer of oil and water between Test Tanks, separation vessels, Oil Tanks, and Water Tanks in the Battery.

### **Tank Gauging**

Each day, each Oil Tank, Water Tank, and Test Tank in the Battery will be gauged by the Sozo Natural Resources Pumper using a steel tape line. The amount of oil and water is measured by using water-finding paste ("color-cut") on the steel tape line. The gauge levels of oil and water in the battery tanks are recorded in the daily field gauge report and used to calculate the total daily and monthly oil and water production volumes for the Battery. The daily Battery oil and water production are sent to the Sozo Natural Resources – Odessa, Texas office each day and are used



at the end of each month to determine the Total Monthly Battery Production – oil and water production volumes.

Additionally, a record is kept of the number of Producing Days each month for each well on Production Explorer. This information is recorded by the Pumper each day through Field Direct. This report is utilized each month by Sozo Natural Resources to determine allocations.

### **Well Testing**

Prior to each Well Test, the Test Tank is emptied using Circulating Pump to move contents to the FWKO. The remaining volume in the Test Tank, if any, is gauged and color-cut to determine the oil and water volumes in the tank at the start of the Well Test.

- At the Well Header at the entry to the Battery, the well selected to be tested is switched from Production to Test by opening and closing the appropriate valves on the header manifold to route the produced fluids from the well to a Test Tank.
- Each well producing into the Battery is to be tested at least once per month, but will be tested as many times as practical.
- The well will be left “on test” until a stabilized daily production rate is established, with a minimum test time of 48 hours.
- After the well has been on test a minimum of 24 hours, the produced fluids in the Test Tank will be gauged and color-cut. If the color-cut demarcation between oil and water is not clear, a fluid sample will be taken from the Test Tank using a “thief” sample catcher which allows the sampling of fluids in the tank at any desired depth in order to verify the composition of the produced fluids in the tank, both oil and water.
- Once the volumes of oil and water in the Test Tank have been determined, the well’s Test Volumes over the preceding 24 hours are determined by subtracting the Test Tank volumes at the start of the test period from the Test Tank volumes recorded at the end of the period.
- The 24-hour Test Volumes of Oil and Water production from the well are recorded and sent to the Sozo Natural Resources – Odessa, Texas office.
- At the conclusion of each Well Test, the produced oil and water volumes in the Test Tank are sent to the Battery FWKO by Circulating Pump.

### **Monthly Production Allocations**

Each month, the Total Monthly Battery oil and water production volumes are allocated to each producing well producing into the Battery based on the well’s Well Tests during the month and its number of Producing Days during the month. The Monthly Production Allocations methodology is as follows:

- The Total Monthly Battery Production (oil and water) is determined from the daily field gauge reports from the Pumper.
- The representative Well Test for each well is selected from the Well Tests run during the month. If more than one Well Test is run on a well during the month and all are determined



to be representative, then the arithmetic average of the individual Well Tests is used as the Well Test for the well during the month.

- For each well producing into the Battery, the Well Test for the month is multiplied by the well's Producing Days during the month to calculate the Well Pseudo-Production for the month.
- The Well Pseudo-Production for each well is calculated and then all are summed for the month to calculate the Total Battery Pseudo-Production for the month.
- The Monthly Well Allocation Factor is then calculated for each well by dividing the Well Pseudo-Production for the month by the Total Battery Pseudo-Production for the month. Individual allocation factors are determined for both oil and water production for each well in the Battery by this method.
- The Monthly Allocated Production for each well is then calculated by multiplying the well's Monthly Well Allocation Factor by the Total Monthly Battery Production. Individual monthly oil and water allocated production volumes for each well in the Battery are determined by this method.
- Monthly Oil Sales for each well are also determined using the Monthly Well Allocation Factors and the Total Monthly Battery Oil Sales volumes for the Battery.

### Example Monthly Well Allocation

The Gusher #1 well is producing into the Battery. Determine the Monthly Allocated Production (oil and water) for the Gusher #1:

- Total Monthly Battery Production: 4,500 BO & 3,000 BW
- Gusher #1 Well Test for the month: 20 BOPD & 10 BWPD
- Gusher #1 Producing Days in the month: 25 Days
- Gusher #1 Well Pseudo-Production: (20 BOPD x 25 Days) = 500 PBO  
(10 BWPD x 25 Days) = 250 PBW
- Total Battery Pseudo-Production: 6,250 PBO & 5,000 PBW
- Gusher #1 Monthly Well Allocation Factor: (500 PBO / 6,250 PBO) = 0.08 for Oil  
(250 PBW / 5,000 PBW) = 0.05 for Water
- Gusher #1 Monthly Allocated Production: (0.08 x 4,500 BO) = 360 BO  
(0.05 x 3,000 BW) = 150 BW



5005 Riverway Drive, Suite 330  
Houston, Texas 77056

May 12, 2024

*Re: PRODUCTION VALUE HARRIS STATE 1-2 & STATE 11 23 1-4*

To whom it may concern:

I hereby attest that commingling will not reduce the total remaining production's value.

Sincerely,

A handwritten signature in black ink that reads "Carie Stoker". The signature is written in a cursive style with a large, looped "C" and "S".

Carie Stoker  
Regulatory Affairs Coord.



5005 Riverway Drive, Suite 330  
Houston, Texas 77056

January 12, 2024

*Re: DOI HARRIS STATE 1-2 & STATE 11 23 1-4*

To whom it may concern.

I hereby attest that the Division of Interest for the wells described below are identical.

Property	Well	Lease Type	ULSTR	OCD Unit	API	Pool ID	Pool Name
305197	HARRIS STATE #001	S	K-23-10S-32E	K	30-025-20755	45990	Mescalero; San Andres
	HARRIS STATE #002	S	N-23-10S-32E	N	30-025-21032	45990	Mescalero; San Andres
305193	STATE 11 23 #001	S	D-23-10S-32E	D	30-025-20501	45990	Mescalero; San Andres
	STATE 11 23 #002	S	E-23-10S-32E	E	30-025-20657	45990	Mescalero; San Andres
	STATE 11 23 #003	S	L-23-10S-32E	L	30-025-20658	45990	Mescalero; San Andres
	STATE 11 23 #004	S	C-23-10S-32E	C	30-025-20659	45990	Mescalero; San Andres

Sincerely,

A handwritten signature in blue ink, appearing to read "RH", is written over a faint, illegible printed name.

Ryan Henry  
Vice President, Land

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OPERATOR	

**NEW MEXICO OIL CONSERVATION COMMISSION**  
**WELL LOCATION AND ACREAGE DEDICATION PLAT**  
 SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE

FORM C-128  
 Revised 5/1/57

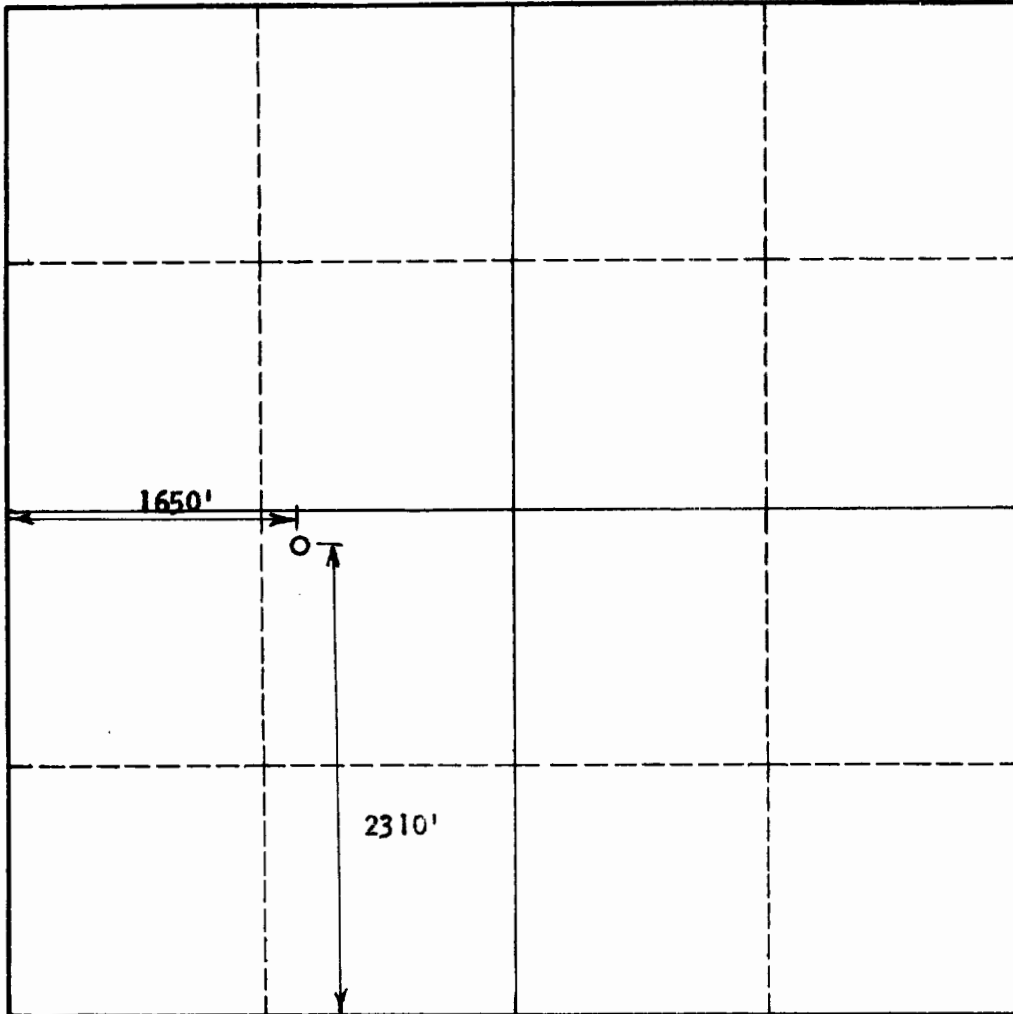
**SECTION A**

Operator <b>Len Mayer &amp; Jack L. McClellan</b>		Lease <b>Harris - State</b>		Well No. <b>1</b>
Unit Letter <b>K</b>	Section <b>23</b>	Township <b>10 South</b>	Range <b>32 East</b>	County <b>Lea</b>
Actual Footage Location of Well: <b>2310</b> feet from the <b>South</b> line and <b>1650</b> feet from the <b>West</b> line				
Ground Level Elev. <b>4340</b>	Producing Formation <b>San Andres</b>	Pool <b>Mescalero - San Andres</b>	Dedicated Acreage: <b>40</b> Acres	

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES  NO . ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1935 Comp.)
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES  NO . If answer is "yes," Type of Consolidation \_\_\_\_\_
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

**SECTION B**



**CERTIFICATION**

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

Name	<i>Len Mayer</i>
Position	<b>Partner - Operator</b>
Company	<b>Len Mayer &amp; J. L. McClellan</b>
Date	<b>October 1, 1964</b>

I hereby certify that the well location shown on the plat in SECTION B 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 knowledge and belief.

Date Surveyed	<b>September 30, 1964</b>
Registered Professional Engineer and/or Land Surveyor	<i>[Signature]</i>
Certificate No.	<b>2787</b>

# NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

FORM C-128  
Revised 5/1/57

SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE

### SECTION A

Operator <b>JACK L. MCCLELLAN &amp; LEN MAYER</b>		Lease <b>HARRIS STATE</b>		Well No. <b>2</b>
Unit Letter <b>N</b>	Section <b>23</b>	Township <b>10 SOUTH</b>	Range <b>32 EAST</b>	County <b>LEA</b>
Actual Footage Location of Well: <b>990</b> feet from the <b>SOUTH</b> line and <b>1650</b> feet from the <b>EAST</b> line				
Ground Level Elev. <b>4303.1</b>	Producing Formation <b>San Andres</b>	Pool <b>Mescalero</b>		Dedicated Acreage: <b>40</b> Acres

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES  NO \_\_\_\_ . ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1935 Comp.)
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES \_\_\_\_ NO \_\_\_\_ . If answer is "yes," Type of Consolidation \_\_\_\_\_
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

### SECTION B

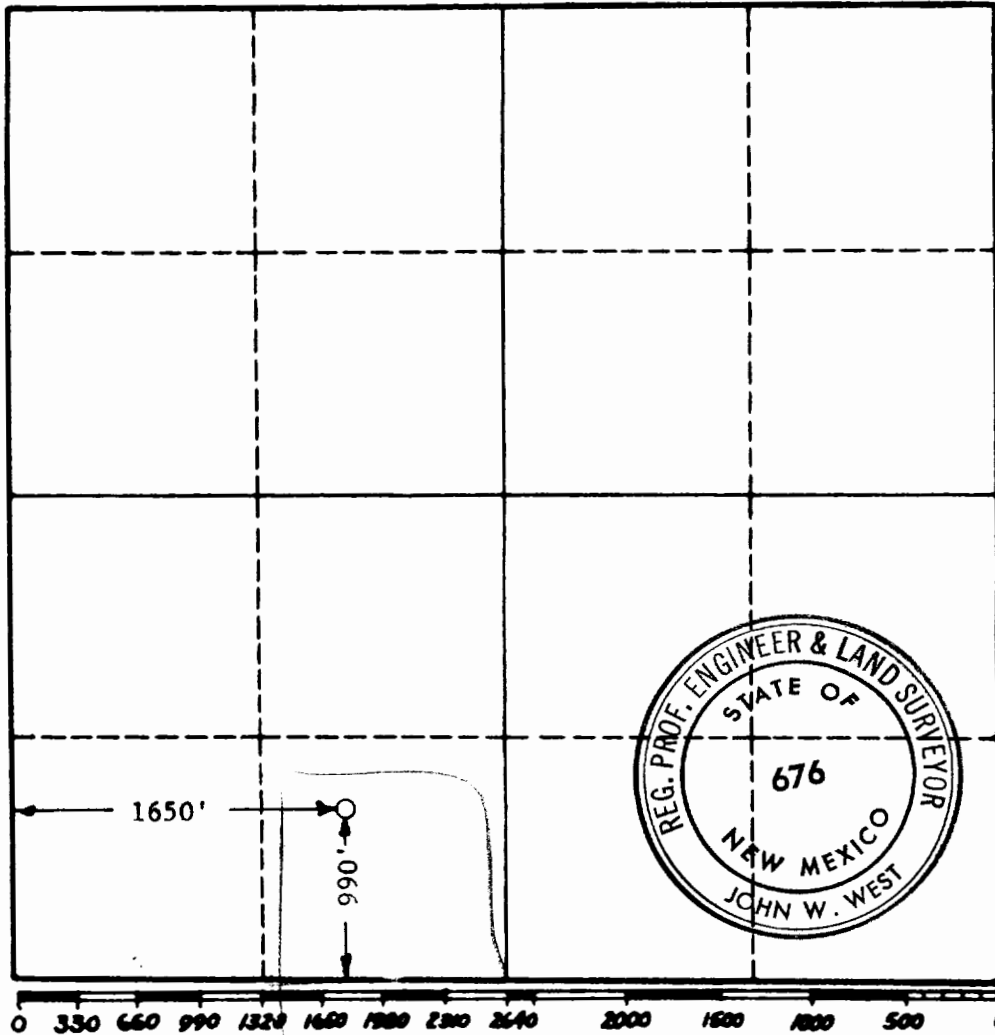
### CERTIFICATION

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

Name <i>Jack L. McClellan</i>
Position <b>Operator</b>
Company <b>Jack L. McClellan &amp; Len Mayer</b>
Date <b>January 8, 1965</b>

I hereby certify that the well location shown on the plat in SECTION B 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 knowledge and belief.

Date Surveyed <b>JAN 8, 1965</b>
Registered Professional Engineer and/or Land Surveyor, <b>JOHN W. WEST</b>
<i>John W. West</i>
Certificate No. <b>N. M. - P. E. &amp; L. S. NO. 676</b>



# NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

FORM C-128  
Revised 5/1/57

SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE

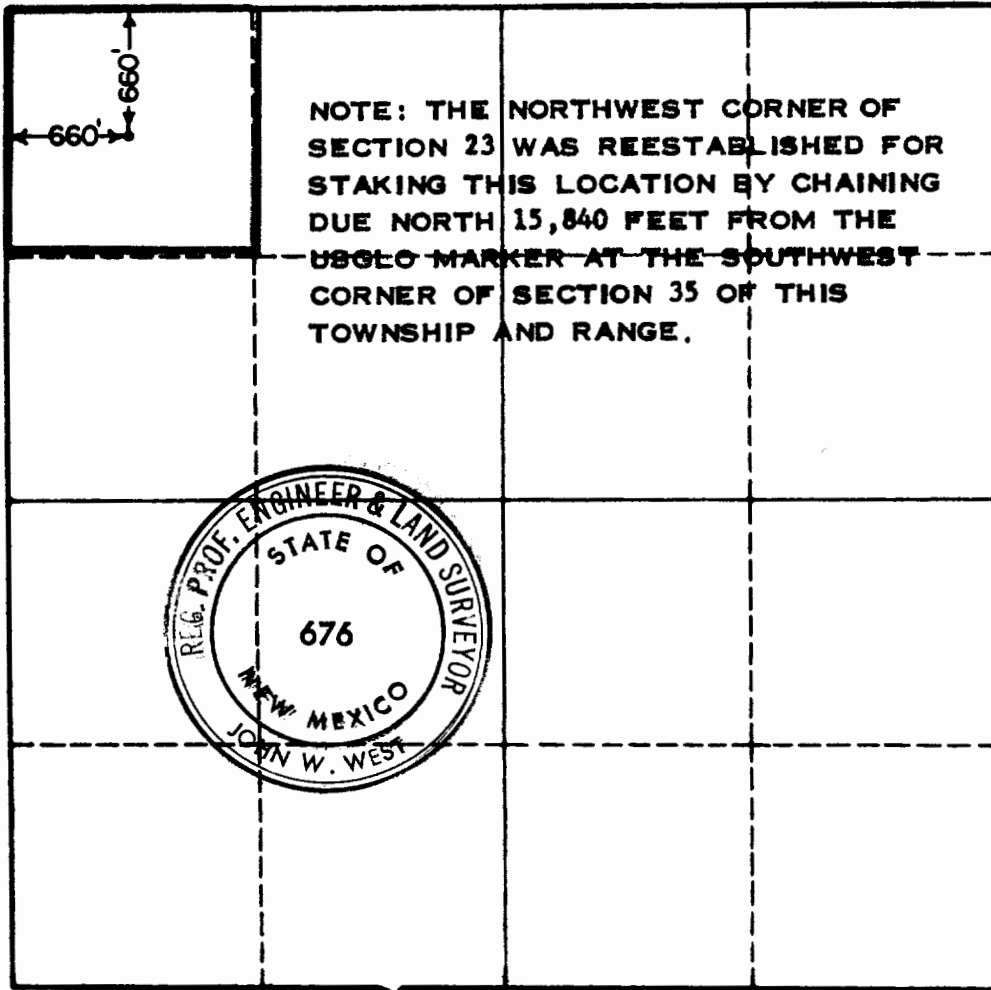
### SECTION A

Operator <b>CONTINENTAL OIL CO.</b>		Lease <b>STATE "II" 23</b>		Well No. <b>1</b>
Unit Letter <b>D</b>	Section <b>23</b>	Township <b>10 SOUTH</b>	Range <b>32 EAST</b>	County <b>LEA</b>
Actual Footage Location of Well: <b>660</b> feet from the <b>NORTH</b> line and <b>660</b> feet from the <b>WEST</b> line				
Ground Level Elev.	Producing Formation <b>San Andres</b>	Pool <b>Mescalero San Andres</b>	Dedicated Acreage: <b>40</b> Acres	

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES \_\_\_\_\_ NO \_\_\_\_\_. ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1955 Comp.)
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES \_\_\_\_\_ NO \_\_\_\_\_. If answer is "yes," Type of Consolidation \_\_\_\_\_
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

### SECTION B



### CERTIFICATION

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

Name <b>Assistant District Manager</b>
Position <b>Continental Oil Company</b>
Company <b>January 22, 1964</b>
Date

I hereby certify that the well location shown on the plat in SECTION B 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 knowledge and belief.

Date Surveyed <b>1-18-64</b>
Registered Professional Engineer and/or Land Surveyor, <b>JOHN W. WEST</b>
<i>John W. West</i>
Certificate No. <b>N.M. - P.E. &amp; L.S. NO. 676</b>



DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
TRANSPORTER	OIL
	GAS
PRODUCTION OFFICE	
OPERATOR	

**NEW MEXICO OIL CONSERVATION COMMISSION**

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE

HOBBBS OFFICE O.C.C.  
MAY 15 9 12 AM '64

FORM C-128  
Revised 5/1/57

**SECTION A**

Operator <b>Continental Oil Company</b>		Lease <b>State II-23</b>		Well No. <b>2</b>
Unit Letter <b>E</b>	Section <b>23</b>	Township <b>10 South</b>	Range <b>32 East</b>	County <b>Lea</b>

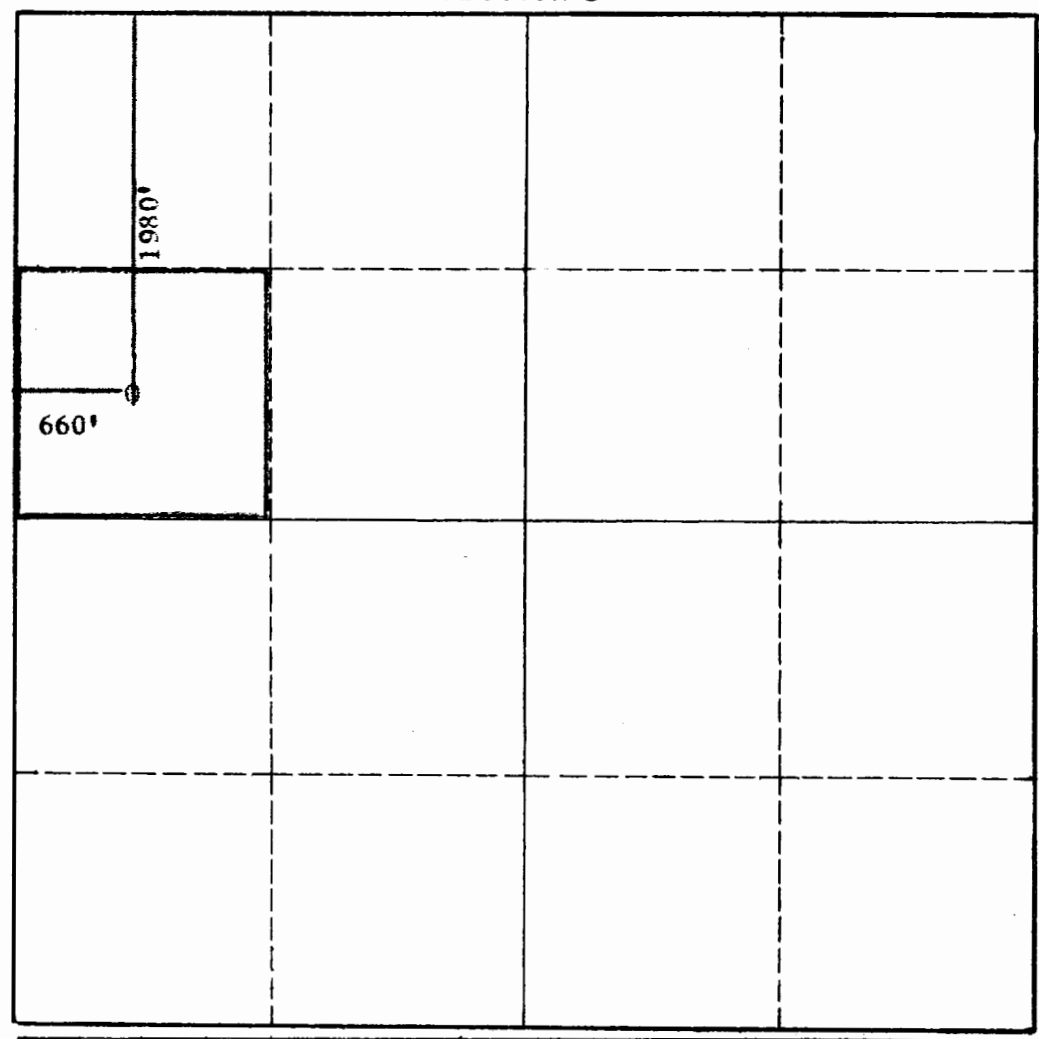
Actual Footage Location of Well:  
**1980** feet from the **North** line and **660** feet from the **West** line

Ground Level Elev.	Producing Formation <b>San Andres</b>	Pool <b>Mescalero San Andres</b>	Dedicated Acreage: <b>40</b> Acres
--------------------	--	-------------------------------------	---------------------------------------

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES  NO \_\_\_\_ . ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1935 Comp.)
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES \_\_\_\_ NO \_\_\_\_ . If answer is "yes," Type of Consolidation \_\_\_\_\_
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

**SECTION B**



**CERTIFICATION**

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

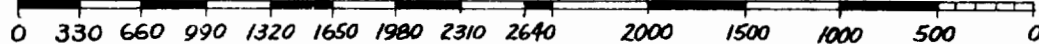
Name
Position <b>Staff Supervisor</b>
Company <b>Continental Oil Company</b>
Date <b>5-13-64</b>

**MOCC(3) ABS**

I hereby certify that the well location shown on the plat in SECTION B 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 knowledge and belief.

Date Surveyed
Registered Professional Engineer and/or Land Surveyor

Certificate No.



NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

FORM C-128  
Revised 5/1/57

SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE

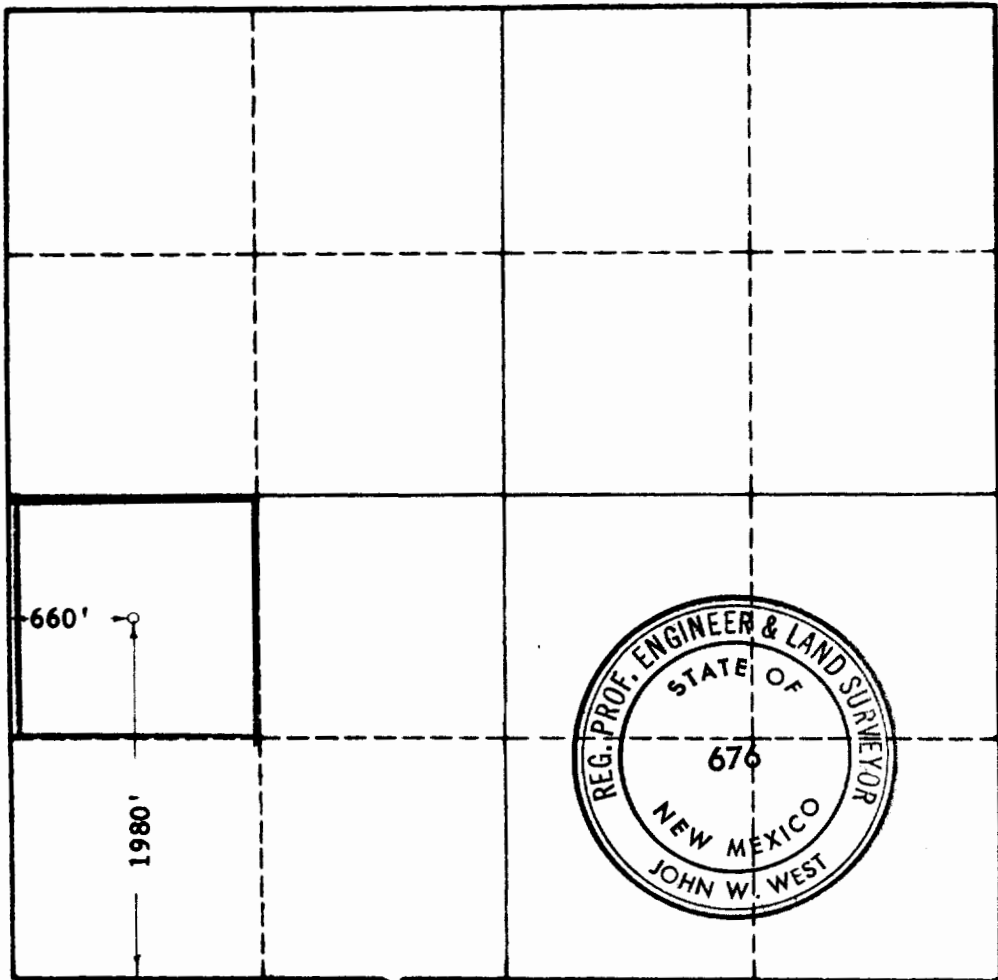
SECTION A

Operator <b>CONTINENTAL OIL COMPANY</b>		Lease <b>STATE II 23</b>		Well No. <b>3</b>
Unit Letter <b>L</b>	Section <b>23</b>	Township <b>10 SOUTH</b>	Range <b>32 EAST</b>	County <b>LEA</b>
Actual Footage Location of Well: <b>1980</b> feet from the <b>SOUTH</b> line and <b>660</b> feet from the <b>WEST</b> line				
Ground Level Elev.	Producing Formation <b>San Andres</b>	Pool <b>San Andres</b>	Dedicated Acreage: <b>40</b> Acres	

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES  NO  ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1935 Comp.)
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES  NO . If answer is "yes," Type of Consolidation \_\_\_\_\_
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

SECTION B



CERTIFICATION

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

Name  
C  
Position  
**Staff Supervisor**  
Company  
**Continental Oil Company**  
Date  
**9-28-64**

NMOCC (6) JM

I hereby certify that the well location shown on the plat in SECTION B 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 knowledge and belief.

Date Surveyed  
**SEPTEMBER 28, 1964**  
Registered Professional Engineer and/or Land Surveyor, **JOHN W. WEST**  
*John W. West*  
Certificate No.  
**N.M. - P.E. & L.S. NO. 676**



# NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

FORM C-128  
Revised 5/1/57

HOBBS OFFICE O. C. C.  
SEP 29 11 35 AM '64

SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE

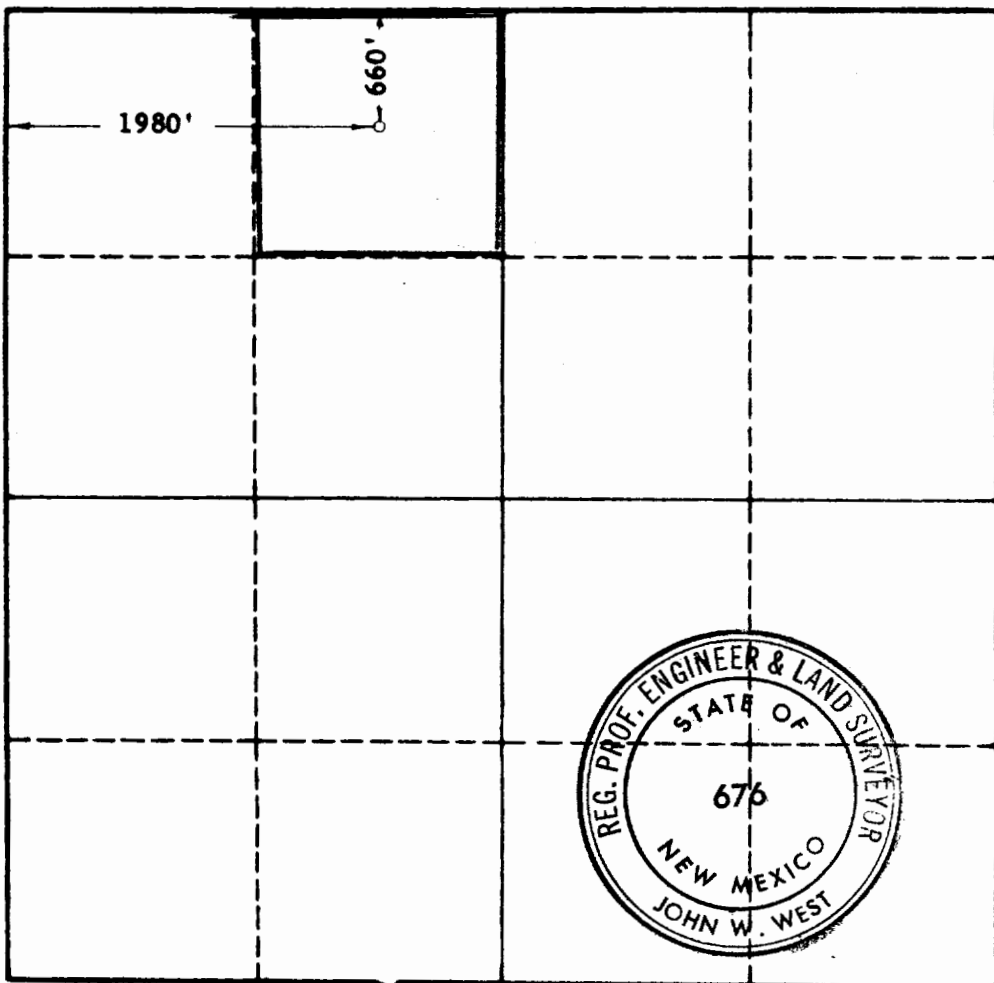
### SECTION A

Operator <b>CONTINENTAL OIL COMPANY</b>		Lease <b>STATE II 23</b>		Well No. <b>4</b>
Unit Letter <b>C</b>	Section <b>23</b>	Township <b>10 SOUTH</b>	Range <b>32 EAST</b>	County <b>LEA</b>
Actual Footage Location of Well: <b>660</b> feet from the <b>NORTH</b> line and <b>1980</b> feet from the <b>WEST</b> line				
Ground Level Elev.	Producing Formation <b>San Andres</b>	Pool <b>San Andres</b>	Dedicated Acreage: <b>40</b> Acres	

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES  NO \_\_\_\_ . ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1935 Comp.)
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES \_\_\_\_ NO \_\_\_\_ . If answer is "yes," Type of Consolidation \_\_\_\_\_
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

### SECTION B



### CERTIFICATION

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

Signed: **ROBERT CASLET III**

Position  
**Staff Supervisor**

Company  
**Continental Oil Company**

Date  
**9-28-64**

**MMOCC (6) JK**

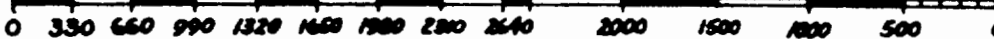
I hereby certify that the well location shown on the plat in SECTION B was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed  
**SEPTEMBER 28, 1964**

Registered Professional Engineer and/or Land Surveyor, **JOHN W. WEST**

*John W. West*

Certificate No.  
**N. M. - P. E. & L. S. NO. 676**



Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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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:** SOZO NATURAL RESOURCES LLC. **OGRID Number:** 329727  
**Well Name:** STATE 11 23 **API:** 30-025-20501  
**Pool:** MESCALERO; SAN ANDRES **Pool Code:** 45990

**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]  
 [I] Commingling – Storage – Measurement  
 DHC     CTB     PLC     PC     OLS     OLM  
 [II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery  
 WFX     PMX     SWD     IPI     EOR     PPR

- 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

<b>FOR OCD ONLY</b>	
<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.**

CARIE STOKER

Print or Type Name

*Carie Stoker*

Signature

5/20/24  
Date

(432) 664- 7659  
Phone Number

carie@stokeroilfield.com  
e-mail Address

# U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only

For delivery information, visit our website at [www.usps.com](http://www.usps.com)®.

Santa Fe, NM 87504

## OFFICIAL USE

Certified Mail Fee \$4.40

0799

\$

Extra Services & Fees (check box, add fee as appropriate) ~~\$3.65~~

- Return Receipt (hardcopy) \$ ~~\$0.00~~
- Return Receipt (electronic) \$ ~~\$0.00~~
- Certified Mail Restricted Delivery \$ ~~\$0.00~~
- Adult Signature Required \$ ~~\$0.00~~
- Adult Signature Restricted Delivery \$ ~~\$0.00~~

Postmark  
Here

Postage \$2.11

05/21/2024

Total Postage and Fees  
\$10.16

Sent To

SLO  
Commissioner of Public Lands

Street and Apt. No., or PO Box No.

P.O. Box 1148

City, State, ZIP+4®

Santa Fe, NM 87504-1148

7015 3430 0000 6382 7827



EARLY  
101 CRESCENT DR  
EARLY, TX 76802-9998  
(800)275-8777

05/21/2024

12:26 PM

Product	Qty	Unit Price	Price
First-Class Mail® Large Envelope	1		\$2.11
Santa Fe, NM 87504			
Weight: 0 lb 3.70 oz			
Estimated Delivery Date			
Fri 05/24/2024			
Certified Mail®			\$4.40
Tracking #:			
- 70153430000063827827			
Return Receipt			\$3.65
Tracking #:			
- 9590 9402 1190 5246 2206 53			
<b>Total</b>			<b>\$10.16</b>

Grand Total: \$10.16

Debit Card Remit \$10.16

Card Name: MasterCard  
Account #: XXXXXXXXXXXXXXX5133  
Approval #: 292429  
Transaction #: 740  
Receipt #: 033994  
Debit Card Purchase: \$10.16  
AID: A0000000042203 Contactless  
AL: Debit

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: SOZO NATURAL RESOURCES LLC.
OPERATOR ADDRESS: 5005 RIVERWAY DR., SUITE 330 HOUSTON, 77056
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

Table with 5 columns: (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. MESCALERO; SAN ANDRES 45990
(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 (Identical DOI)
(4) Measurement type: Metering Other (Specify) COMMINGLED BATTERY TESTING & ALLOCATION PROCEDURES

(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: Carie Stoker TITLE: Regulatory Affairs Coord. DATE: 5/20/2024
TYPE OR PRINT NAME CARIE STOKER TELEPHONE NO.: (432) 664-7659
E-MAIL ADDRESS: carie@stokeroilfield.com

Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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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**

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**Applicant:** SOZO NATURAL RESOURCES LLC. **OGRID Number:** 329727  
**Well Name:** STATE 11 23 **API:** 30-025-20501  
**Pool:** MESCALERO; SAN ANDRES **Pool Code:** 45990

**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]  
 [I] Commingling – Storage – Measurement  
 DHC     CTB     PLC     PC     OLS     OLM  
 [II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery  
 WFX     PMX     SWD     IPI     EOR     PPR

- 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

<b>FOR OCD ONLY</b>	
<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.**

CARIE STOKER

Print or Type Name

*Carie Stoker*

Signature

5/20/24  
Date

(432) 664- 7659  
Phone Number

carie@stokeroilfield.com  
e-mail Address

May 20, 2024

State of New Mexico  
Energy, Minerals and Natural Resources  
Oil Conservation Division  
District II  
811 S. First St.  
Artesia, NM 88210

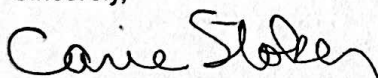
**RE:** Sozo Natural Resources LLC., the title holding company for properties  
Application for Approval of Surface Commingling  
Part of Section 23, T10S, R32E,  
Harris State #001, Harris State #002, State 11 23 #001, State 11 23 #002, State  
11 23 #003, State 11 23 #004 Lea County, New Mexico

Dear Sirs:

Please be advised that Sozo Natural Resources LLC., proposes to commingle the Harris State #001 and Harris State #002 to the State 11 23 tank battery. The DOI on these wells are identical. The SLO has been notified of this proposed surface commingle.

Do not hesitate to contact us should you have any questions or need further data. Thank you for your attention in this matter.

Sincerely,



Carie Stoker

Regulatory Affairs Coordinator

**CC:** State of New Mexico  
Energy, Minerals and Natural Resources  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505



5005 Riverway Drive, Suite 330  
Houston, Texas 77056

May 20, 2024

Sozo Natural Resources, LLC (“Sozo Natural Resources”) proposes the surface commingling of its wells on the State 11 23 and one offset adjacent producing lease, the Harris State, into a single Commingled Battery (the “Battery”) located on the State 11 23 located at the NW/4 NW/4 UL-D, Section 23, Township 10S, Range 32E in Lea County, New Mexico. The following discussion outlines the basic equipment that will be installed in the Commingled Battery, as well as the basic procedures that will be instituted by Sozo Natural Resources to test producing wells and equitably allocate monthly oil and water production to each well based on well test results.

### **Battery Equipment & Vessels**

A Commingled Battery permitted and constructed by Sozo Natural Resources with the basic equipment, vessels, and facilities in its design in order to test producing wells on a regular basis and equitably allocate oil and water production between all wells producing into the Battery. This Battery equipment will include:

- Inlet Well Header(s) which allow the switching of each well tied into the Battery from production to the Test Tank(s) individually;
- Test Tank(s) for the isolation and testing of each well. The number of Test Tanks will be dependent on the number of wells producing into the Battery;
- At least 2 steel Oil Tanks where total oil production is gauged and oil is sold;
- One to two fiberglass Water Tanks, depending on the amount of water produced on a daily basis from the wells and how it is handled;
- A Gun Barrel as a secondary separation vessel to separate the remaining water from the oil and send the oil to the Oil Tanks; and
- A Circulating Pump to allow for transfer of oil and water between Test Tanks, separation vessels, Oil Tanks, and Water Tanks in the Battery.

### **Tank Gauging**

Each day, each Oil Tank, Water Tank, and Test Tank in the Battery will be gauged by the Sozo Natural Resources Pumper using a steel tape line. The amount of oil and water is measured by using water-finding paste (“color-cut”) on the steel tape line. The gauge levels of oil and water in the battery tanks are recorded in the daily field gauge report and used to calculate the total daily and monthly oil and water production volumes for the Battery. The daily Battery oil and water production are sent to the Sozo Natural Resources – Odessa, Texas office each day and are used



at the end of each month to determine the Total Monthly Battery Production – oil and water production volumes.

Additionally, a record is kept of the number of Producing Days each month for each well on Production Explorer. This information is recorded by the Pumper each day through Field Direct. This report is utilized each month by Sozo Natural Resources to determine allocations.

### **Well Testing**

Prior to each Well Test, the Test Tank is emptied using Circulating Pump to move contents to the FWKO. The remaining volume in the Test Tank, if any, is gauged and color-cut to determine the oil and water volumes in the tank at the start of the Well Test.

- At the Well Header at the entry to the Battery, the well selected to be tested is switched from Production to Test by opening and closing the appropriate valves on the header manifold to route the produced fluids from the well to a Test Tank.
- Each well producing into the Battery is to be tested at least once per month, but will be tested as many times as practical.
- The well will be left “on test” until a stabilized daily production rate is established, with a minimum test time of 48 hours.
- After the well has been on test a minimum of 24 hours, the produced fluids in the Test Tank will be gauged and color-cut. If the color-cut demarcation between oil and water is not clear, a fluid sample will be taken from the Test Tank using a “thief” sample catcher which allows the sampling of fluids in the tank at any desired depth in order to verify the composition of the produced fluids in the tank, both oil and water.
- Once the volumes of oil and water in the Test Tank have been determined, the well’s Test Volumes over the preceding 24 hours are determined by subtracting the Test Tank volumes at the start of the test period from the Test Tank volumes recorded at the end of the period.
- The 24-hour Test Volumes of Oil and Water production from the well are recorded and sent to the Sozo Natural Resources – Odessa, Texas office.
- At the conclusion of each Well Test, the produced oil and water volumes in the Test Tank are sent to the Battery FWKO by Circulating Pump.

### **Monthly Production Allocations**

Each month, the Total Monthly Battery oil and water production volumes are allocated to each producing well producing into the Battery based on the well’s Well Tests during the month and its number of Producing Days during the month. The Monthly Production Allocations methodology is as follows:

- The Total Monthly Battery Production (oil and water) is determined from the daily field gauge reports from the Pumper.
- The representative Well Test for each well is selected from the Well Tests run during the month. If more than one Well Test is run on a well during the month and all are determined



to be representative, then the arithmetic average of the individual Well Tests is used as the Well Test for the well during the month.

- For each well producing into the Battery, the Well Test for the month is multiplied by the well's Producing Days during the month to calculate the Well Pseudo-Production for the month.
- The Well Pseudo-Production for each well is calculated and then all are summed for the month to calculate the Total Battery Pseudo-Production for the month.
- The Monthly Well Allocation Factor is then calculated for each well by dividing the Well Pseudo-Production for the month by the Total Battery Pseudo-Production for the month. Individual allocation factors are determined for both oil and water production for each well in the Battery by this method.
- The Monthly Allocated Production for each well is then calculated by multiplying the well's Monthly Well Allocation Factor by the Total Monthly Battery Production. Individual monthly oil and water allocated production volumes for each well in the Battery are determined by this method.
- Monthly Oil Sales for each well are also determined using the Monthly Well Allocation Factors and the Total Monthly Battery Oil Sales volumes for the Battery.

### Example Monthly Well Allocation

The Gusher #1 well is producing into the Battery. Determine the Monthly Allocated Production (oil and water) for the Gusher #1:

- Total Monthly Battery Production: 4,500 BO & 3,000 BW
- Gusher #1 Well Test for the month: 20 BOPD & 10 BWPD
- Gusher #1 Producing Days in the month: 25 Days
- Gusher #1 Well Pseudo-Production: (20 BOPD x 25 Days) = 500 PBO  
(10 BWPD x 25 Days) = 250 PBW
- Total Battery Pseudo-Production: 6,250 PBO & 5,000 PBW
- Gusher #1 Monthly Well Allocation Factor: (500 PBO / 6,250 PBO) = 0.08 for Oil  
(250 PBW / 5,000 PBW) = 0.05 for Water
- Gusher #1 Monthly Allocated Production: (0.08 x 4,500 BO) = 360 BO  
(0.05 x 3,000 BW) = 150 BW

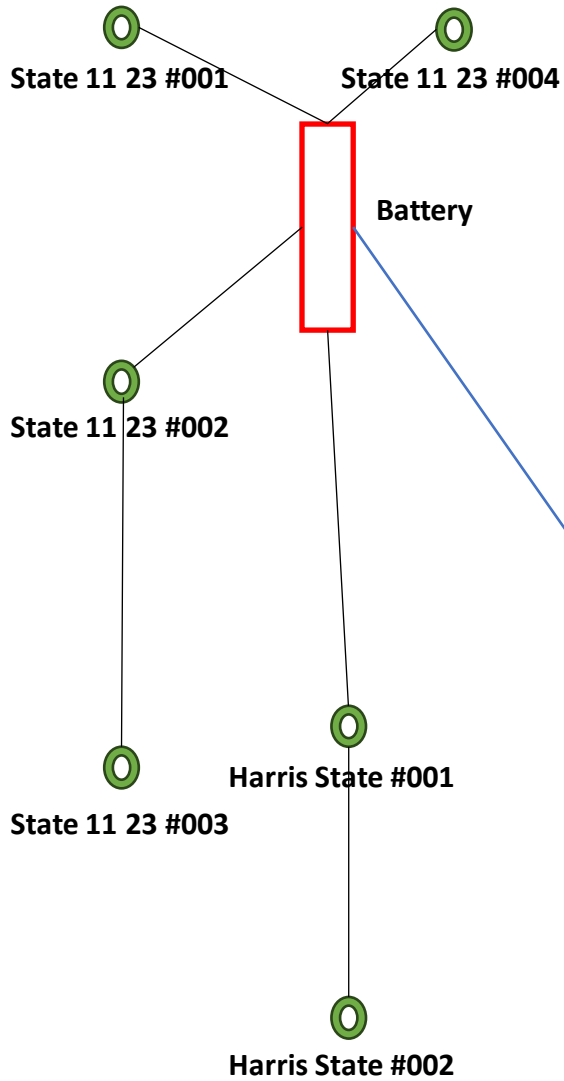
- State 11 23
- State of New Mexico
- OG-5084-3
- Harris State
- State of New Mexico
- KO-0362-0003
- Battery

Gas Sales Point

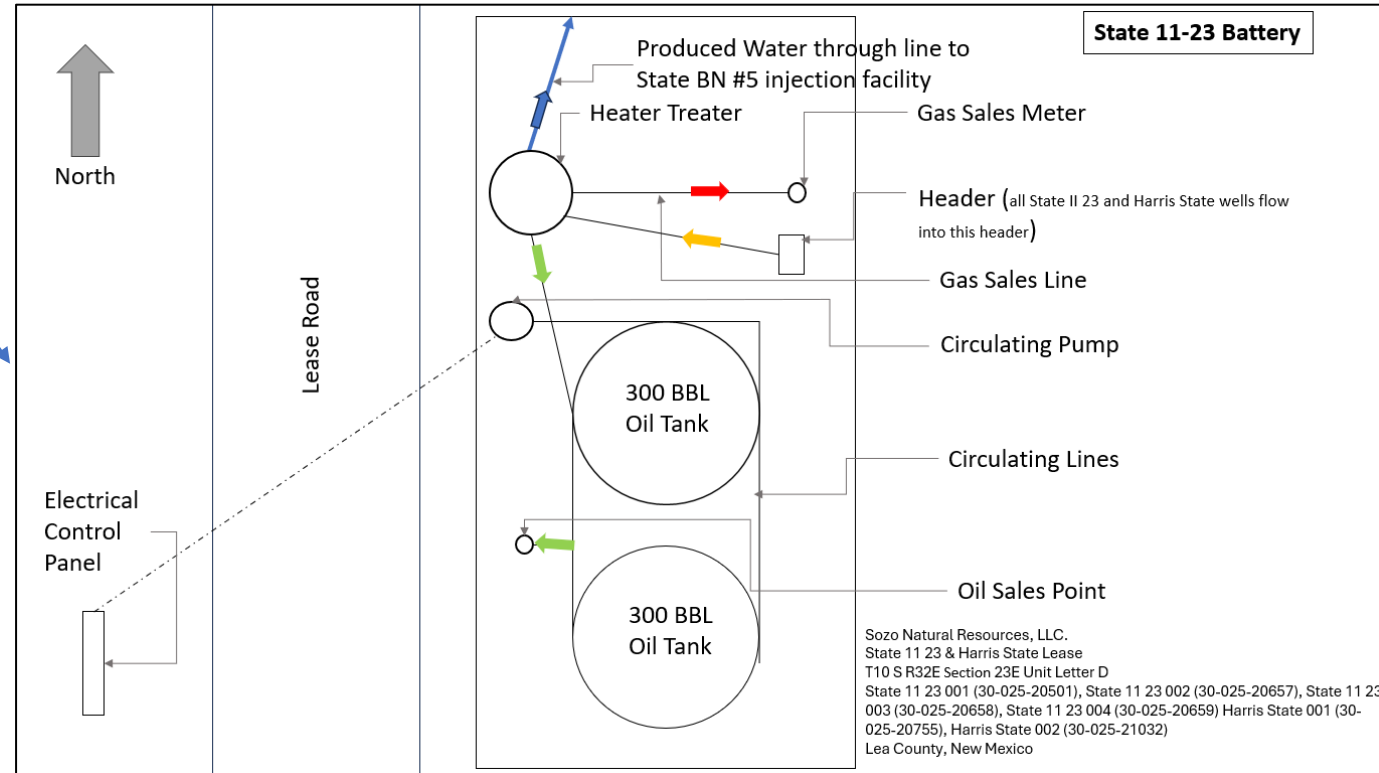
Oil Sales Point

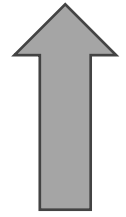


Sozo Natural Resources, LLC.  
 State 11 23 & Harris State Lease  
 TR10 S R32E SEC 23E UL D  
 State 11 23 001 (30-025-20501)  
 State 11 23 002 (30-025-20657)  
 State 11 23 003 (30-025-20658)  
 State 11 23 004 (30-025-20659)  
 Harris State 001 (30-025-20755)  
 Harris State 002 (30-025-21032)  
 Lea County, New Mexico



Battery Diagram



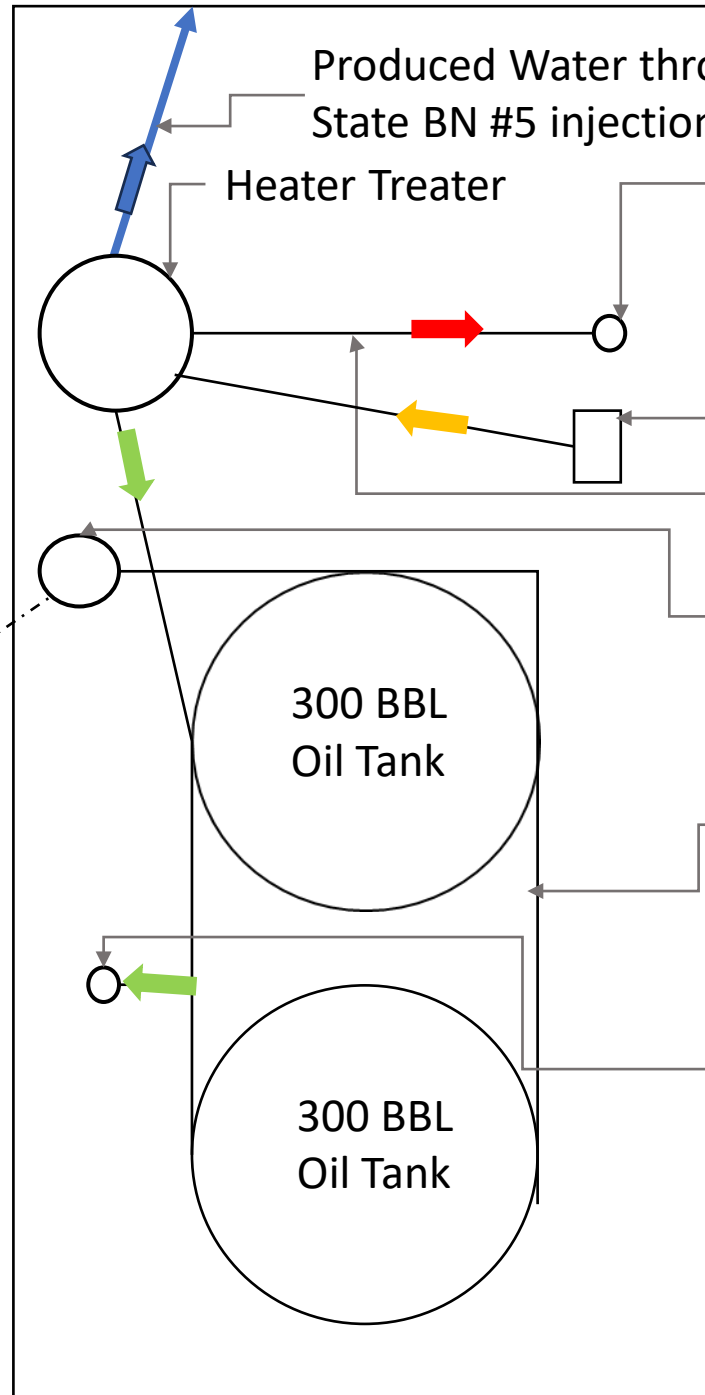


North

**State 11-23 Battery**

Lease Road

Electrical Control Panel



Produced Water through line to State BN #5 injection facility

Heater Treater

Gas Sales Meter

Header (all State 11 23 and Harris State wells flow into this header)

Gas Sales Line

Circulating Pump

300 BBL Oil Tank

Circulating Lines

300 BBL Oil Tank

Oil Sales Point

Sozo Natural Resources, LLC.  
 State 11 23 & Harris State Lease  
 T10 S R32E Section 23E Unit Letter D  
 State 11 23 001 (30-025-20501), State 11 23 002 (30-025-20657), State 11 23 003 (30-025-20658), State 11 23 004 (30-025-20659) Harris State 001 (30-025-20755), Harris State 002 (30-025-21032)  
 Lea County, New Mexico



5005 Riverway Drive, Suite 330  
Houston, Texas 77056

May 12, 2024

*Re: PRODUCTION VALUE HARRIS STATE 1-2 & STATE 11 23 1-4*

To whom it may concern:

I hereby attest that commingling will not reduce the total remaining production's value.

Sincerely,

A handwritten signature in black ink that reads "Carie Stoker". The signature is written in a cursive style with a large, prominent "C" and "S".

Carie Stoker  
Regulatory Affairs Coord.



5005 Riverway Drive, Suite 330  
Houston, Texas 77056

January 12, 2024

*Re: DOI HARRIS STATE 1-2 & STATE 11 23 1-4*

To whom it may concern.

I hereby attest that the Division of Interest for the wells described below are identical.

Property	Well	Lease Type	ULSTR	OCD Unit	API	Pool ID	Pool Name
305197	HARRIS STATE #001	S	K-23-10S-32E	K	30-025-20755	45990	Mescalero; San Andres
	HARRIS STATE #002	S	N-23-10S-32E	N	30-025-21032	45990	Mescalero; San Andres
305193	STATE 11 23 #001	S	D-23-10S-32E	D	30-025-20501	45990	Mescalero; San Andres
	STATE 11 23 #002	S	E-23-10S-32E	E	30-025-20657	45990	Mescalero; San Andres
	STATE 11 23 #003	S	L-23-10S-32E	L	30-025-20658	45990	Mescalero; San Andres
	STATE 11 23 #004	S	C-23-10S-32E	C	30-025-20659	45990	Mescalero; San Andres

Sincerely,

A handwritten signature in blue ink, appearing to be "RH", written over a faint circular stamp.

Ryan Henry  
Vice President, Land

NUMBER OF COPIES RECEIVED	
DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S	
LAND OFFICE	
TRANSPORTER	OIL
	GAS
PRODUCTION OFFICE	
OPERATOR	

**NEW MEXICO OIL CONSERVATION COMMISSION**  
**WELL LOCATION AND ACREAGE DEDICATION PLAT**  
 SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE

FORM C-128  
 Revised 5/1/57

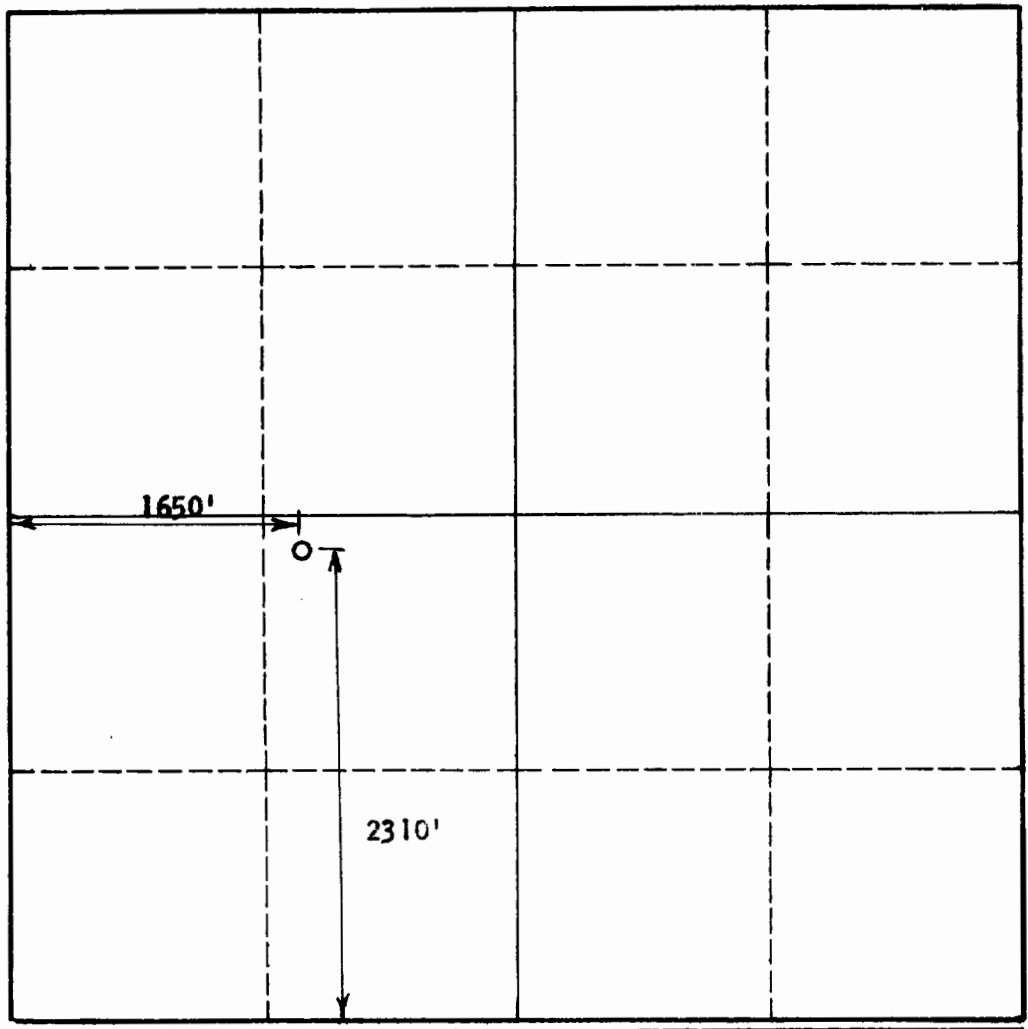
**SECTION A**

Operator <b>Len Mayer &amp; Jack L. McClellan</b>		Lease <b>Harris - State</b>		Well No. <b>1</b>
Unit Letter <b>K</b>	Section <b>23</b>	Township <b>10 South</b>	Range <b>32 East</b>	County <b>Lea</b>
Actual Footage Location of Well: <b>2310</b> feet from the <b>South</b> line and <b>1650</b> feet from the <b>West</b> line				
Ground Level Elev. <b>4340</b>	Producing Formation <b>San Andres</b>	Pool <b>Mescalero - San Andres</b>	Dedicated Acreage: <b>40</b> Acres	

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES  NO  . ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1935 Comp.)
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES  NO  . If answer is "yes," Type of Consolidation \_\_\_\_\_
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

**SECTION B**



**CERTIFICATION**

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

Name	<i>Len Mayer</i>
Position	<b>Partner - Operator</b>
Company	<b>Len Mayer &amp; J. L. McClellan</b>
Date	<b>October 1, 1964</b>

I hereby certify that the well location shown on the plat in SECTION B 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 knowledge and belief.

Date Surveyed	<b>September 30, 1964</b>
Registered Professional Engineer and/or Land Surveyor	<i>[Signature]</i>
Certificate No.	<b>2787</b>

# NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

FORM C-128  
Revised 5/1/57

SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE

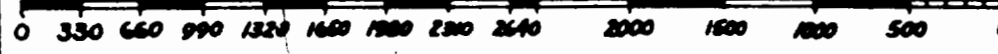
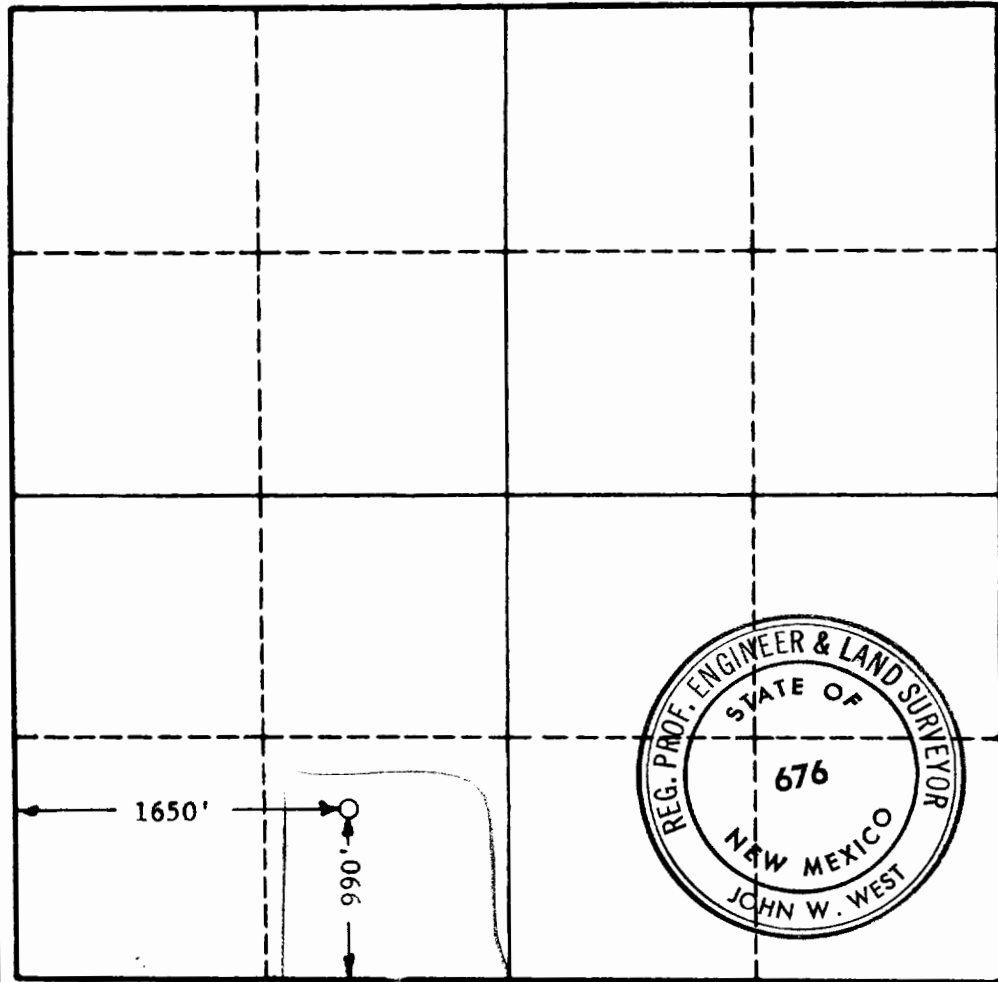
### SECTION A

Operator <b>JACK L. MCCLELLAN &amp; LEN MAYER</b>		Lease <b>HARRIS STATE</b>		Well No. <b>2</b>
Unit Letter <b>N</b>	Section <b>23</b>	Township <b>10 SOUTH</b>	Range <b>32 EAST</b>	County <b>LEA</b>
Actual Footage Location of Well: 990 feet from the <b>SOUTH</b> line and 1650 feet from the <b>EAST</b> line				
Ground Level Elev. <b>4303.1</b>	Producing Formation <b>San Andres</b>		Pool <b>Mescalero</b>	Dedicated Acreage: <b>40</b> Acres

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES  NO \_\_\_\_ . ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1935 Comp.)
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES \_\_\_\_ NO \_\_\_\_ . If answer is "yes," Type of Consolidation \_\_\_\_\_
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

### SECTION B



### CERTIFICATION

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

Name <i>Jack L. McClellan</i>
Position <b>Operator</b>
Company <b>Jack L. McClellan &amp; Len Mayer</b>
Date <b>January 8, 1965</b>

I hereby certify that the well location shown on the plat in SECTION B 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 knowledge and belief.

Date Surveyed <b>JAN 8, 1965</b>
Registered Professional Engineer and/or Land Surveyor, <b>JOHN W. WEST</b>
<i>John W. West</i>
Certificate No. <b>N. M. - P. E. &amp; L. S. NO. 676</b>

# NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

FORM C-128  
Revised 5/1/57

SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE

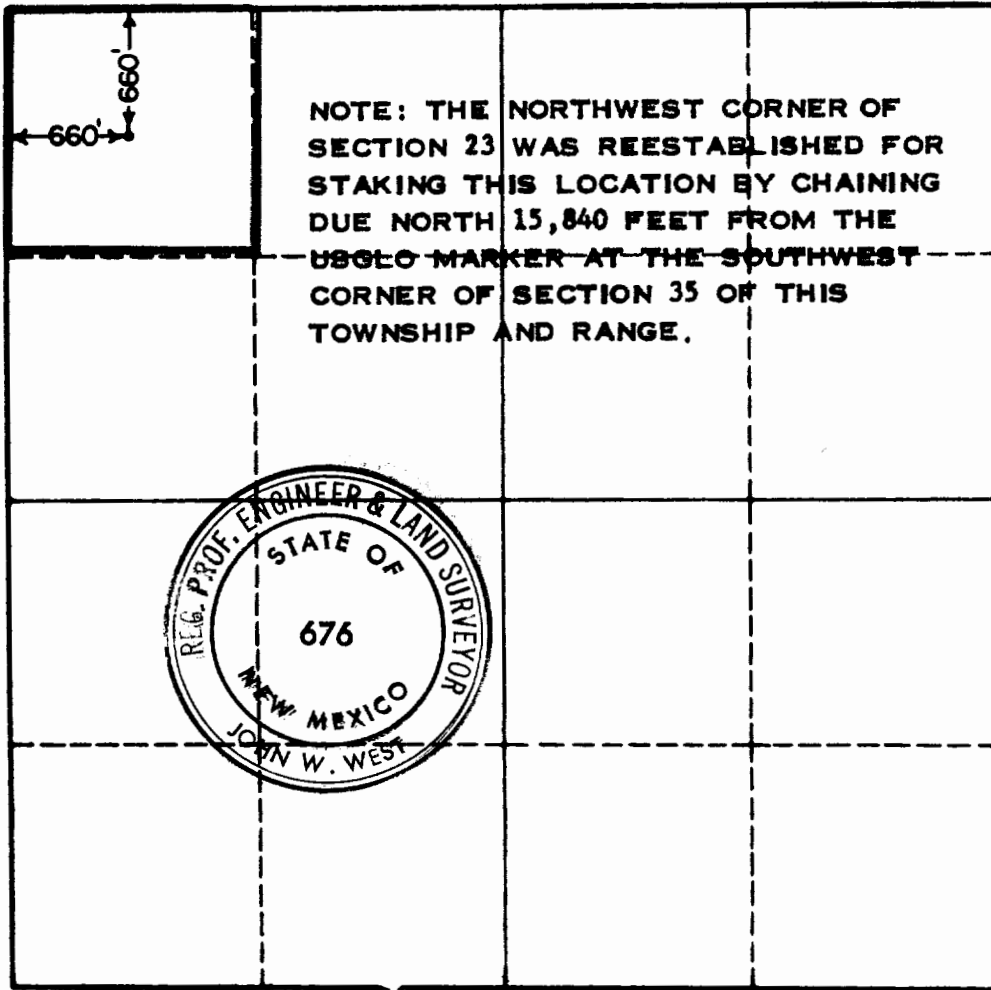
### SECTION A

Operator <b>CONTINENTAL OIL CO.</b>		Lease <b>STATE "II" 23</b>		Well No. <b>1</b>
Unit Letter <b>D</b>	Section <b>23</b>	Township <b>10 SOUTH</b>	Range <b>32 EAST</b>	County <b>LEA</b>
Actual Footage Location of Well: <b>660</b> feet from the <b>NORTH</b> line and <b>660</b> feet from the <b>WEST</b> line				
Ground Level Elev.	Producing Formation <b>San Andres</b>	Pool <b>Mescalero San Andres</b>	Dedicated Acreage: <b>40</b> Acres	

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES \_\_\_\_\_ NO \_\_\_\_\_. ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1955 Comp.)
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES \_\_\_\_\_ NO \_\_\_\_\_. If answer is "yes," Type of Consolidation \_\_\_\_\_
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

### SECTION B



### CERTIFICATION

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

Name <b>Assistant District Manager</b>
Position <b>Continental Oil Company</b>
Company <b>January 22, 1964</b>
Date

I hereby certify that the well location shown on the plat in SECTION B 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 knowledge and belief.

Date Surveyed <b>1-18-64</b>
Registered Professional Engineer and/or Land Surveyor, <b>JOHN W. WEST</b>
<i>John W. West</i>
Certificate No. <b>N.M. - P.E. &amp; L.S. NO. 676</b>

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500

DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
TRANSPORTER	OIL
	GAS
PRODUCTION OFFICE	
OPERATOR	

**NEW MEXICO OIL CONSERVATION COMMISSION**

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE

HOBBS OFFICE O.C.C.  
MAY 15 9 12 AM '64

FORM C-128  
Revised 5/1/57

**SECTION A**

Operator <b>Continental Oil Company</b>		Lease <b>State II-23</b>		Well No. <b>2</b>
Unit Letter <b>E</b>	Section <b>23</b>	Township <b>10 South</b>	Range <b>32 East</b>	County <b>Lea</b>

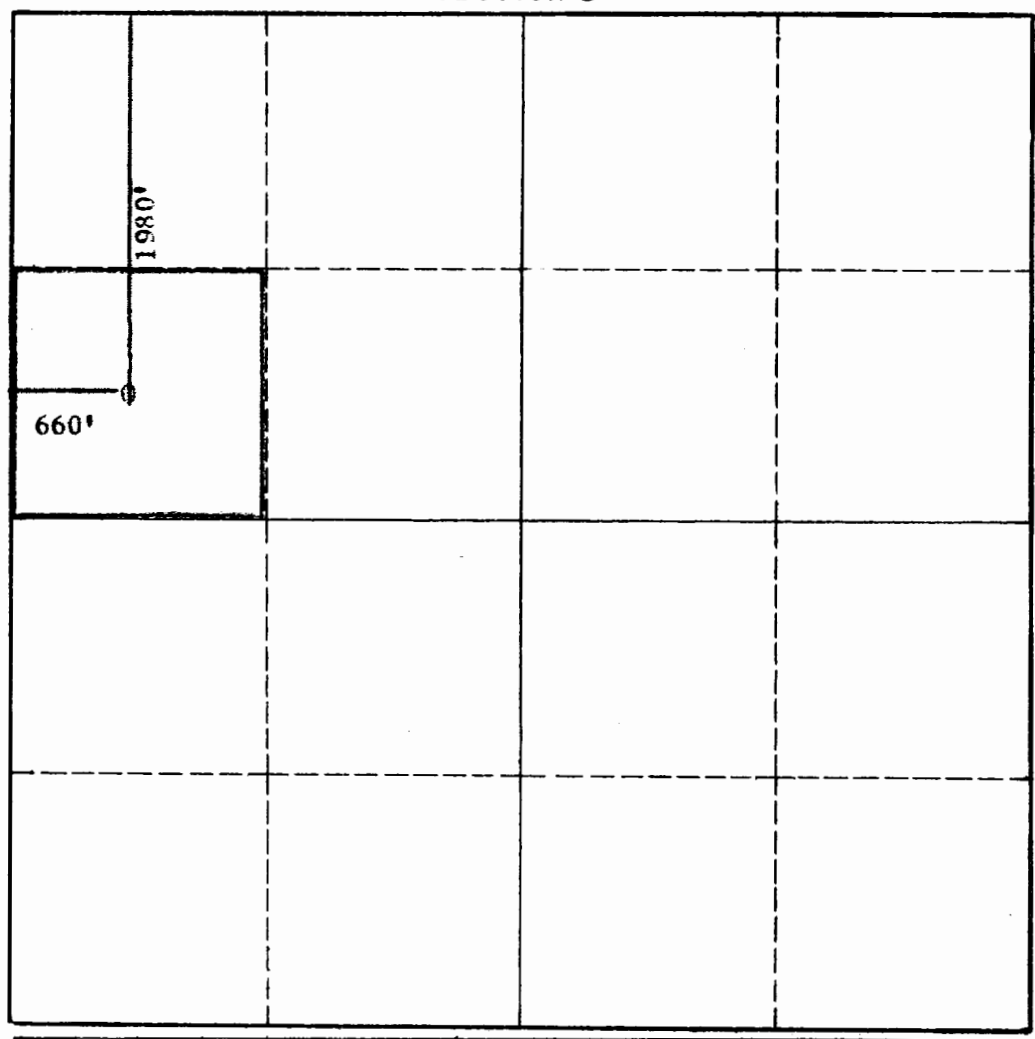
Actual Footage Location of Well:  
**1980** feet from the **North** line and **660** feet from the **West** line

Ground Level Elev.	Producing Formation <b>San Andres</b>	Pool <b>Mescalero San Andres</b>	Dedicated Acreage: <b>40</b> Acres
--------------------	--	-------------------------------------	---------------------------------------

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES  NO \_\_\_\_ . ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1935 Comp.)
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES \_\_\_\_ NO \_\_\_\_ . If answer is "yes," Type of Consolidation \_\_\_\_\_
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

**SECTION B**



**CERTIFICATION**

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

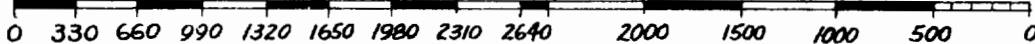
Name
Position <b>Staff Supervisor</b>
Company <b>Continental Oil Company</b>
Date <b>5-13-64</b>

**MOCC(3) ABS**

I hereby certify that the well location shown on the plat in SECTION B 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 knowledge and belief.

Date Surveyed
Registered Professional Engineer and/or Land Surveyor

Certificate No.



# NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

FORM C-128  
Revised 5/1/57

SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE

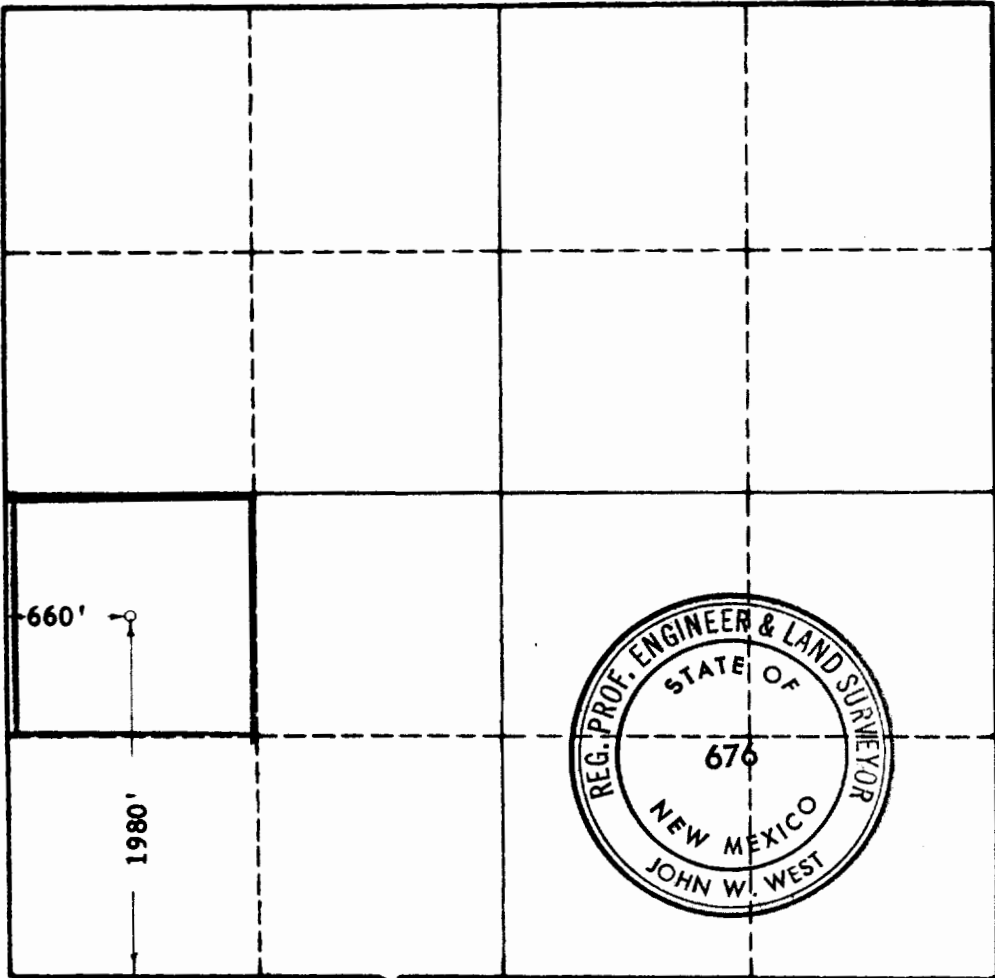
### SECTION A

Operator <b>CONTINENTAL OIL COMPANY</b>		Lease <b>STATE II 23</b>		Well No. <b>3</b>
Unit Letter <b>L</b>	Section <b>23</b>	Township <b>10 SOUTH</b>	Range <b>32 EAST</b>	County <b>LEA</b>
Actual Footage Location of Well: <b>1980</b> feet from the <b>SOUTH</b> line and <b>660</b> feet from the <b>WEST</b> line				
Ground Level Elev.	Producing Formation <b>San Andres</b>	Pool <b>San Andres</b>	Dedicated Acreage: <b>40</b> Acres	

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES  NO  ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1935 Comp.)
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES  NO . If answer is "yes," Type of Consolidation \_\_\_\_\_
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

### SECTION B



### CERTIFICATION

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

Name  
C  
Position  
**Staff Supervisor**  
Company  
**Continental Oil Company**  
Date  
**9-28-64**

**NMOCC (6) JM**

I hereby certify that the well location shown on the plat in SECTION B 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 knowledge and belief.

Date Surveyed  
**SEPTEMBER 28, 1964**  
Registered Professional Engineer and/or Land Surveyor, **JOHN W. WEST**  
*John W. West*  
Certificate No.  
**N.M. - P.E. & L.S. NO. 676**



# NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

FORM C-128  
Revised 5/1/57

HOBBS OFFICE O. C. C.  
SEP 29 11 35 AM '64

SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE

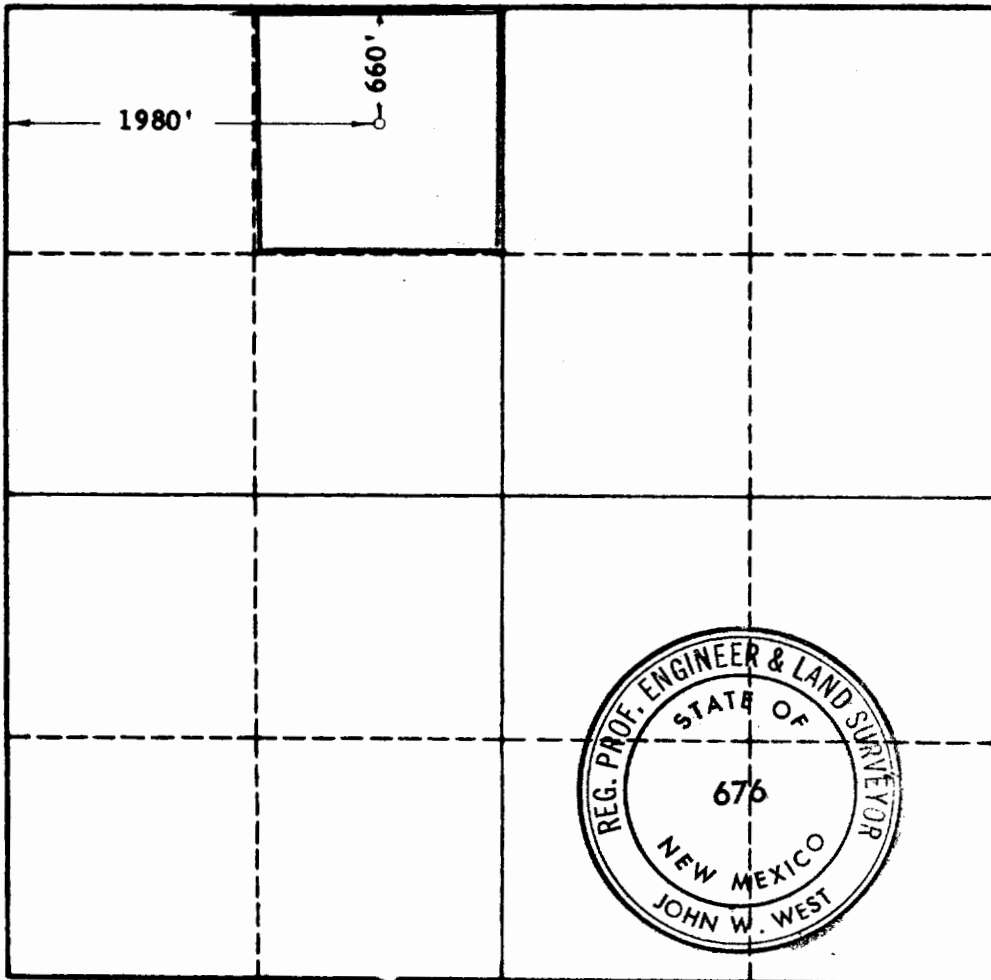
### SECTION A

Operator <b>CONTINENTAL OIL COMPANY</b>		Lease <b>STATE II 23</b>		Well No. <b>4</b>
Unit Letter <b>C</b>	Section <b>23</b>	Township <b>10 SOUTH</b>	Range <b>32 EAST</b>	County <b>LEA</b>
Actual Footage Location of Well: <b>660</b> feet from the <b>NORTH</b> line and <b>1980</b> feet from the <b>WEST</b> line				
Ground Level Elev.	Producing Formation <b>San Andres</b>	Pool <b>San Andres</b>	Dedicated Acreage: <b>40</b> Acres	

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES  NO  ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1935 Comp.)
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES  NO . If answer is "yes," Type of Consolidation \_\_\_\_\_
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

### SECTION B



### CERTIFICATION

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

Signed: **ROBERT CASLET III**

Position  
**Staff Supervisor**

Company  
**Continental Oil Company**

Date  
**9-28-64**

**MMOCC (6) JK**

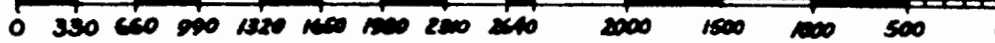
I hereby certify that the well location shown on the plat in SECTION B was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed  
**SEPTEMBER 28, 1964**

Registered Professional Engineer and/or Land Surveyor, **JOHN W. WEST**

*John W. West*

Certificate No.  
**N. M. - P. E. & L. S. NO. 676**



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05/21/2024

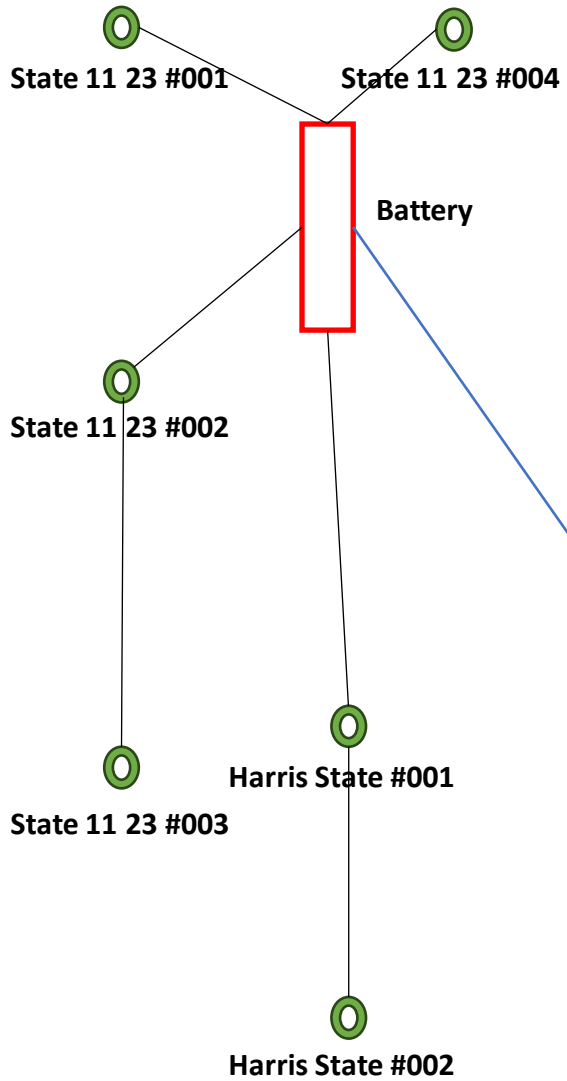
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Santa Fe, NM 87504			
Weight: 0 lb 3.70 oz			
Estimated Delivery Date			
Fri 05/24/2024			
Certified Mail®			\$4.40
Tracking #:			
- 70153430000063827827			
Return Receipt			\$3.65
Tracking #:			
- 9590 9402 1190 5246 2206 53			
<b>Total</b>			<b>\$10.16</b>

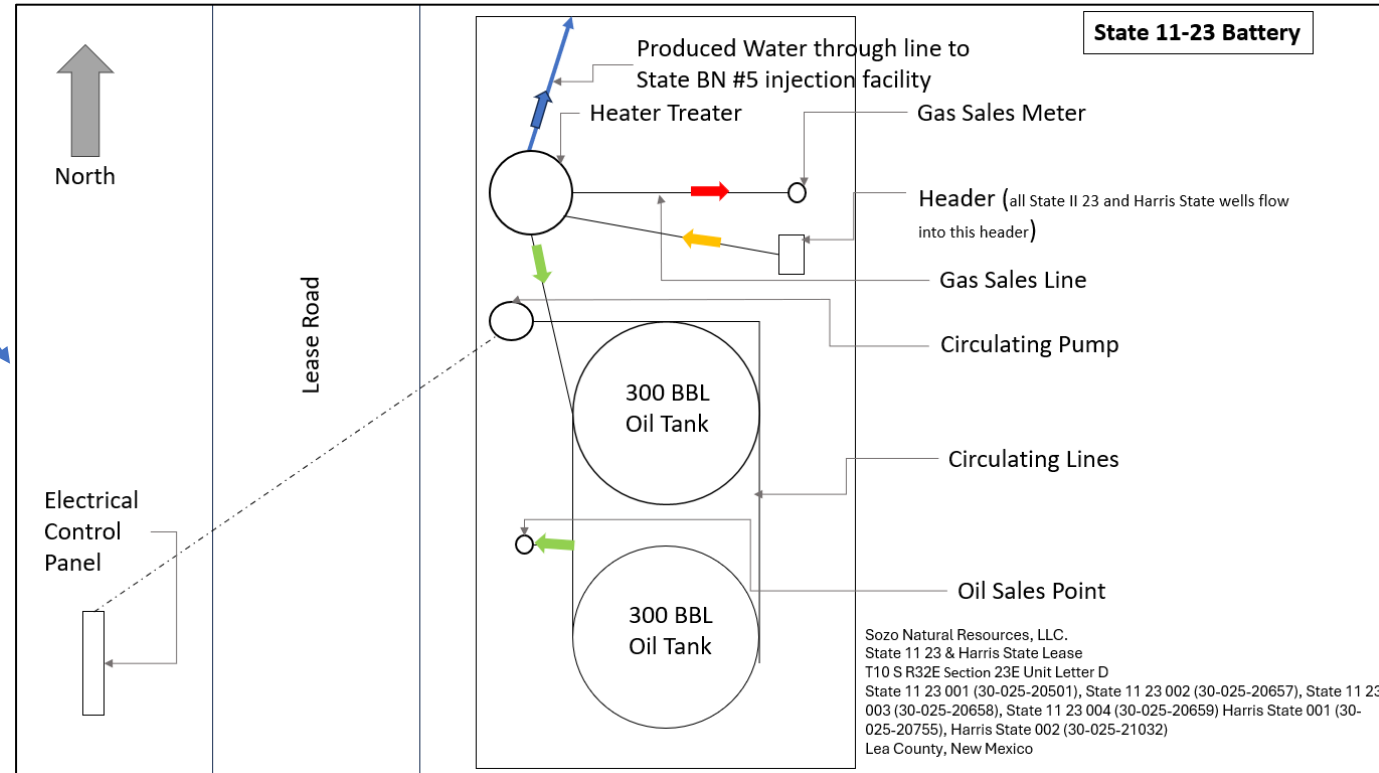
Grand Total: \$10.16

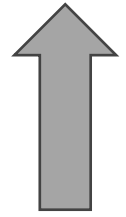
Debit Card Remit \$10.16

Card Name: MasterCard  
Account #: XXXXXXXXXXXXXXX5133  
Approval #: 292429  
Transaction #: 740  
Receipt #: 033994  
Debit Card Purchase: \$10.16  
AID: A0000000042203 Contactless  
AL: Debit



Battery Diagram



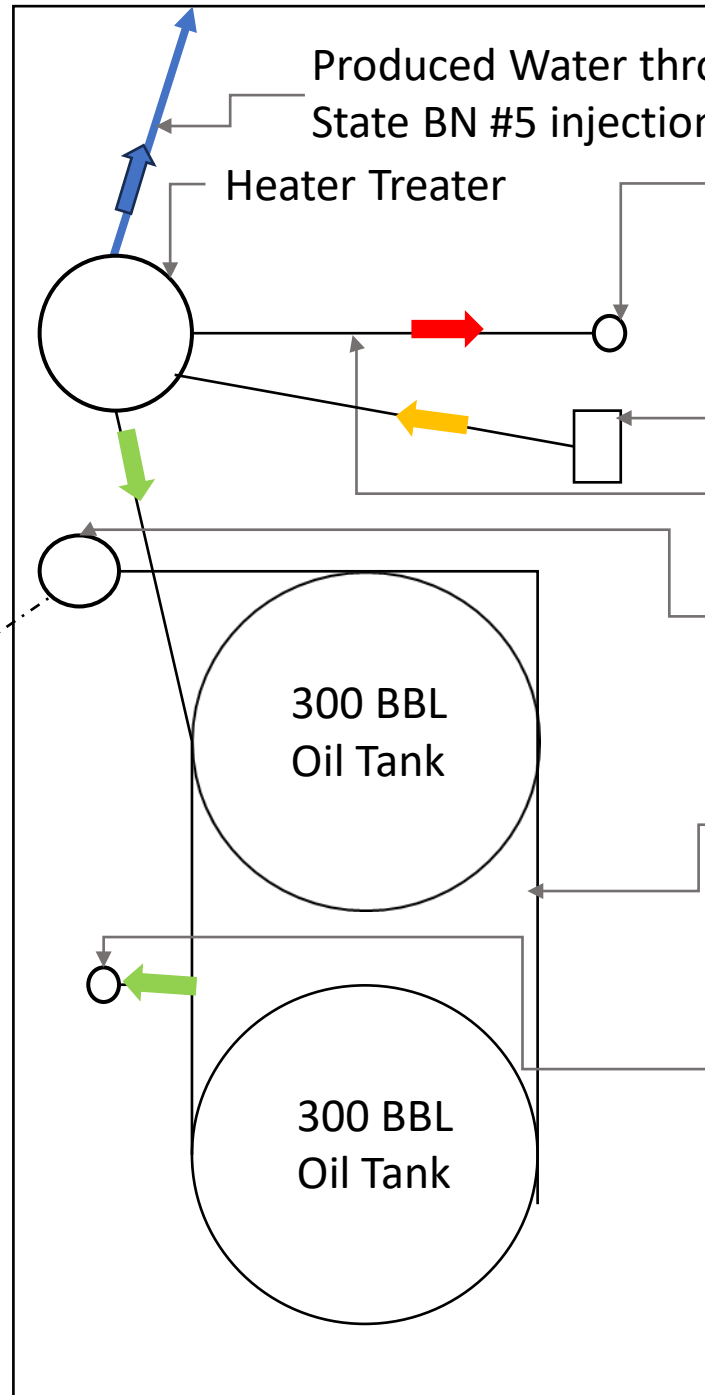
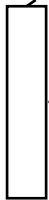


North

**State 11-23 Battery**

Lease Road

Electrical Control Panel



Produced Water through line to State BN #5 injection facility

Heater Treater

Gas Sales Meter

Header (all State 11 23 and Harris State wells flow into this header)

Gas Sales Line

Circulating Pump

300 BBL Oil Tank

Circulating Lines

300 BBL Oil Tank

Oil Sales Point

Sozo Natural Resources, LLC.  
 State 11 23 & Harris State Lease  
 T10 S R32E Section 23E Unit Letter D  
 State 11 23 001 (30-025-20501), State 11 23 002 (30-025-20657), State 11 23 003 (30-025-20658), State 11 23 004 (30-025-20659) Harris State 001 (30-025-20755), Harris State 002 (30-025-21032)  
 Lea County, New Mexico

- State 11 23
- State of New Mexico  
OG-5084-3
- Harris State
- State of New Mexico  
KO-0362-0003
- Battery

Gas Sales Point

Oil Sales Point



Sozo Natural Resources, LLC.  
 State 11 23 & Harris State Lease  
 TR10 S R32E SEC 23E UL D  
 State 11 23 001 (30-025-20501)  
 State 11 23 002 (30-025-20657)  
 State 11 23 003 (30-025-20658)  
 State 11 23 004 (30-025-20659)  
 Harris State 001 (30-025-20755)  
 Harris State 002 (30-025-21032)  
 Lea County, New Mexico

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: SOZO NATURAL RESOURCES LLC.
OPERATOR ADDRESS: 5005 RIVERWAY DR., SUITE 330 HOUSTON, 77056
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

Table with 5 columns: (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. MESCALERO; SAN ANDRES 45990
(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 (Identical DOI)
(4) Measurement type: Metering Other (Specify) COMMINGLED BATTERY TESTING & ALLOCATION PROCEDURES

(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: Carie Stoker TITLE: Regulatory Affairs Coord. DATE: 5/20/2024
TYPE OR PRINT NAME CARIE STOKER TELEPHONE NO.: (432) 664-7659
E-MAIL ADDRESS: carie@stokeroilfield.com

May 20, 2024

State of New Mexico  
Energy, Minerals and Natural Resources  
Oil Conservation Division  
District II  
811 S. First St.  
Artesia, NM 88210

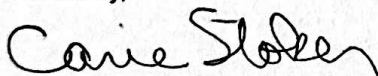
**RE:** Sozo Natural Resources LLC., the title holding company for properties  
Application for Approval of Surface Commingling  
Part of Section 23, T10S, R32E,  
Harris State #001, Harris State #002, State 11 23 #001, State 11 23 #002, State  
11 23 #003, State 11 23 #004 Lea County, New Mexico

Dear Sirs:

Please be advised that Sozo Natural Resources LLC., proposes to commingle the Harris State #001 and Harris State #002 to the State 11 23 tank battery. The DOI on these wells are identical. The SLO has been notified of this proposed surface commingle.

Do not hesitate to contact us should you have any questions or need further data. Thank you for your attention in this matter.

Sincerely,



Carie Stoker

Regulatory Affairs Coordinator

**CC:** State of New Mexico  
Energy, Minerals and Natural Resources  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505



5005 Riverway Drive, Suite 330  
Houston, Texas 77056

May 20, 2024

Sozo Natural Resources, LLC ("Sozo Natural Resources") proposes the surface commingling of its wells on the State 11 23 and one offset adjacent producing lease, the Harris State, into a single Commingled Battery (the "Battery") located on the State 11 23 located at the NW/4 NW/4 UL-D, Section 23, Township 10S, Range 32E in Lea County, New Mexico. The following discussion outlines the basic equipment that will be installed in the Commingled Battery, as well as the basic procedures that will be instituted by Sozo Natural Resources to test producing wells and equitably allocate monthly oil and water production to each well based on well test results.

### **Battery Equipment & Vessels**

A Commingled Battery permitted and constructed by Sozo Natural Resources with the basic equipment, vessels, and facilities in its design in order to test producing wells on a regular basis and equitably allocate oil and water production between all wells producing into the Battery. This Battery equipment will include:

- Inlet Well Header(s) which allow the switching of each well tied into the Battery from production to the Test Tank(s) individually;
- Test Tank(s) for the isolation and testing of each well. The number of Test Tanks will be dependent on the number of wells producing into the Battery;
- At least 2 steel Oil Tanks where total oil production is gauged and oil is sold;
- One to two fiberglass Water Tanks, depending on the amount of water produced on a daily basis from the wells and how it is handled;
- A Gun Barrel as a secondary separation vessel to separate the remaining water from the oil and send the oil to the Oil Tanks; and
- A Circulating Pump to allow for transfer of oil and water between Test Tanks, separation vessels, Oil Tanks, and Water Tanks in the Battery.

### **Tank Gauging**

Each day, each Oil Tank, Water Tank, and Test Tank in the Battery will be gauged by the Sozo Natural Resources Pumper using a steel tape line. The amount of oil and water is measured by using water-finding paste ("color-cut") on the steel tape line. The gauge levels of oil and water in the battery tanks are recorded in the daily field gauge report and used to calculate the total daily and monthly oil and water production volumes for the Battery. The daily Battery oil and water production are sent to the Sozo Natural Resources – Odessa, Texas office each day and are used



at the end of each month to determine the Total Monthly Battery Production – oil and water production volumes.

Additionally, a record is kept of the number of Producing Days each month for each well on Production Explorer. This information is recorded by the Pumper each day through Field Direct. This report is utilized each month by Sozo Natural Resources to determine allocations.

## Well Testing

Prior to each Well Test, the Test Tank is emptied using Circulating Pump to move contents to the FWKO. The remaining volume in the Test Tank, if any, is gauged and color-cut to determine the oil and water volumes in the tank at the start of the Well Test.

- At the Well Header at the entry to the Battery, the well selected to be tested is switched from Production to Test by opening and closing the appropriate valves on the header manifold to route the produced fluids from the well to a Test Tank.
- Each well producing into the Battery is to be tested at least once per month, but will be tested as many times as practical.
- The well will be left “on test” until a stabilized daily production rate is established, with a minimum test time of 48 hours.
- After the well has been on test a minimum of 24 hours, the produced fluids in the Test Tank will be gauged and color-cut. If the color-cut demarcation between oil and water is not clear, a fluid sample will be taken from the Test Tank using a “thief” sample catcher which allows the sampling of fluids in the tank at any desired depth in order to verify the composition of the produced fluids in the tank, both oil and water.
- Once the volumes of oil and water in the Test Tank have been determined, the well’s Test Volumes over the preceding 24 hours are determined by subtracting the Test Tank volumes at the start of the test period from the Test Tank volumes recorded at the end of the period.
- The 24-hour Test Volumes of Oil and Water production from the well are recorded and sent to the Sozo Natural Resources – Odessa, Texas office.
- At the conclusion of each Well Test, the produced oil and water volumes in the Test Tank are sent to the Battery FWKO by Circulating Pump.

## Monthly Production Allocations

Each month, the Total Monthly Battery oil and water production volumes are allocated to each producing well producing into the Battery based on the well’s Well Tests during the month and its number of Producing Days during the month. The Monthly Production Allocations methodology is as follows:

- The Total Monthly Battery Production (oil and water) is determined from the daily field gauge reports from the Pumper.
- The representative Well Test for each well is selected from the Well Tests run during the month. If more than one Well Test is run on a well during the month and all are determined



to be representative, then the arithmetic average of the individual Well Tests is used as the Well Test for the well during the month.

- For each well producing into the Battery, the Well Test for the month is multiplied by the well's Producing Days during the month to calculate the Well Pseudo-Production for the month.
- The Well Pseudo-Production for each well is calculated and then all are summed for the month to calculate the Total Battery Pseudo-Production for the month.
- The Monthly Well Allocation Factor is then calculated for each well by dividing the Well Pseudo-Production for the month by the Total Battery Pseudo-Production for the month. Individual allocation factors are determined for both oil and water production for each well in the Battery by this method.
- The Monthly Allocated Production for each well is then calculated by multiplying the well's Monthly Well Allocation Factor by the Total Monthly Battery Production. Individual monthly oil and water allocated production volumes for each well in the Battery are determined by this method.
- Monthly Oil Sales for each well are also determined using the Monthly Well Allocation Factors and the Total Monthly Battery Oil Sales volumes for the Battery.

### Example Monthly Well Allocation

The Gusher #1 well is producing into the Battery. Determine the Monthly Allocated Production (oil and water) for the Gusher #1:

- Total Monthly Battery Production: 4,500 BO & 3,000 BW
- Gusher #1 Well Test for the month: 20 BOPD & 10 BWPD
- Gusher #1 Producing Days in the month: 25 Days
- Gusher #1 Well Pseudo-Production: (20 BOPD x 25 Days) = 500 PBO  
(10 BWPD x 25 Days) = 250 PBW
- Total Battery Pseudo-Production: 6,250 PBO & 5,000 PBW
- Gusher #1 Monthly Well Allocation Factor: (500 PBO / 6,250 PBO) = 0.08 for Oil  
(250 PBW / 5,000 PBW) = 0.05 for Water
- Gusher #1 Monthly Allocated Production: (0.08 x 4,500 BO) = 360 BO  
(0.05 x 3,000 BW) = 150 BW

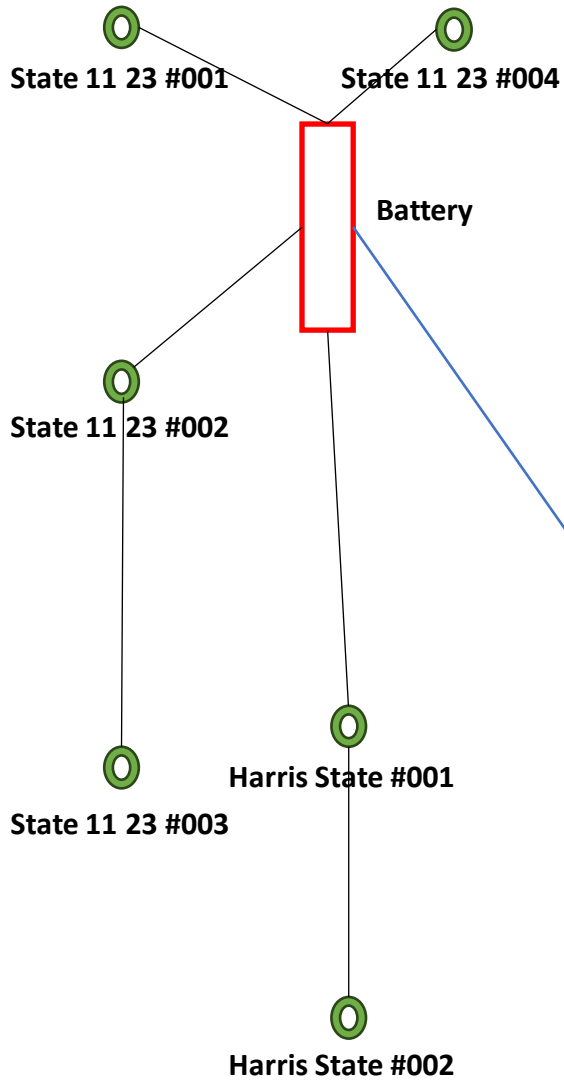
- State 11 23
- State of New Mexico
- OG-5084-3
- Harris State
- State of New Mexico
- KO-0362-0003
- Battery

Gas Sales Point

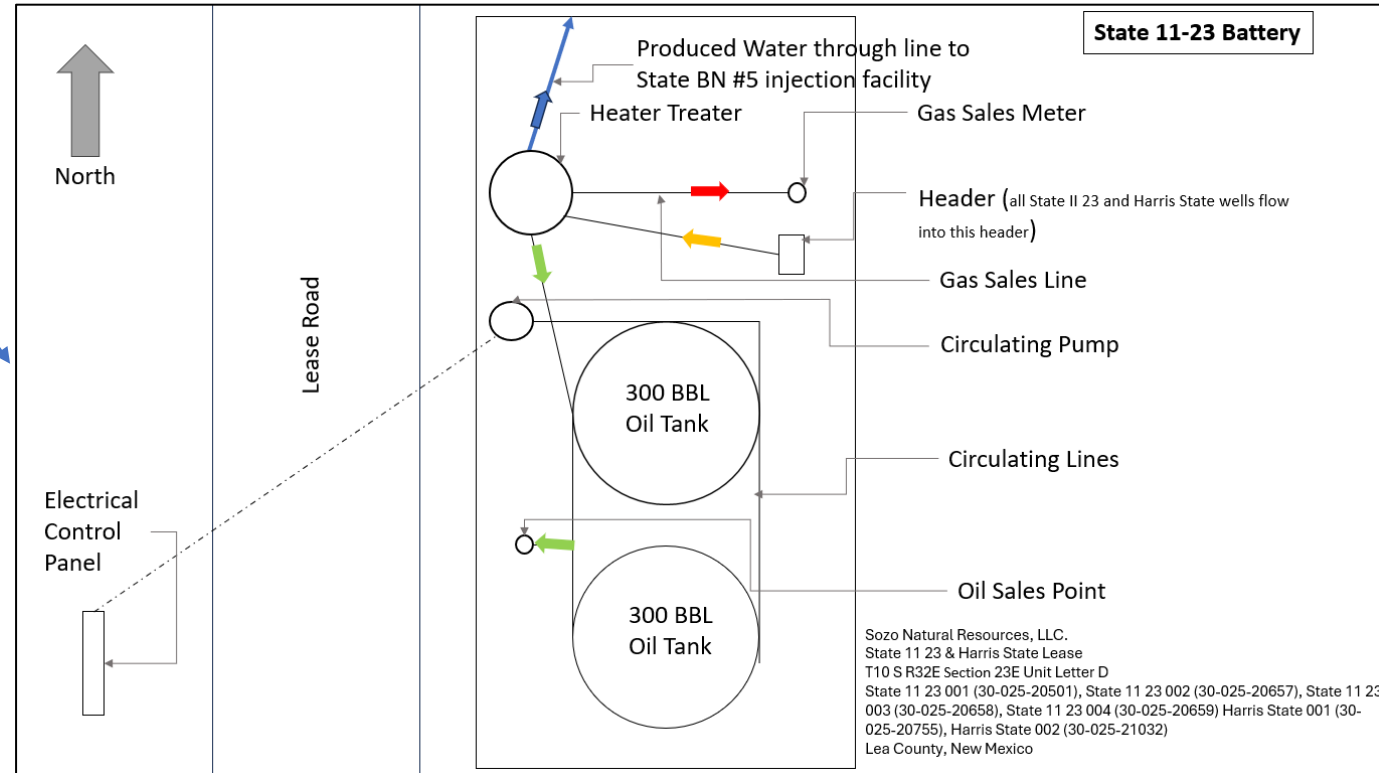
Oil Sales Point

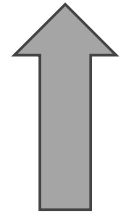


Sozo Natural Resources, LLC.  
 State 11 23 & Harris State Lease  
 TR10 S R32E SEC 23E UL D  
 State 11 23 001 (30-025-20501)  
 State 11 23 002 (30-025-20657)  
 State 11 23 003 (30-025-20658)  
 State 11 23 004 (30-025-20659)  
 Harris State 001 (30-025-20755)  
 Harris State 002 (30-025-21032)  
 Lea County, New Mexico



**Battery Diagram**



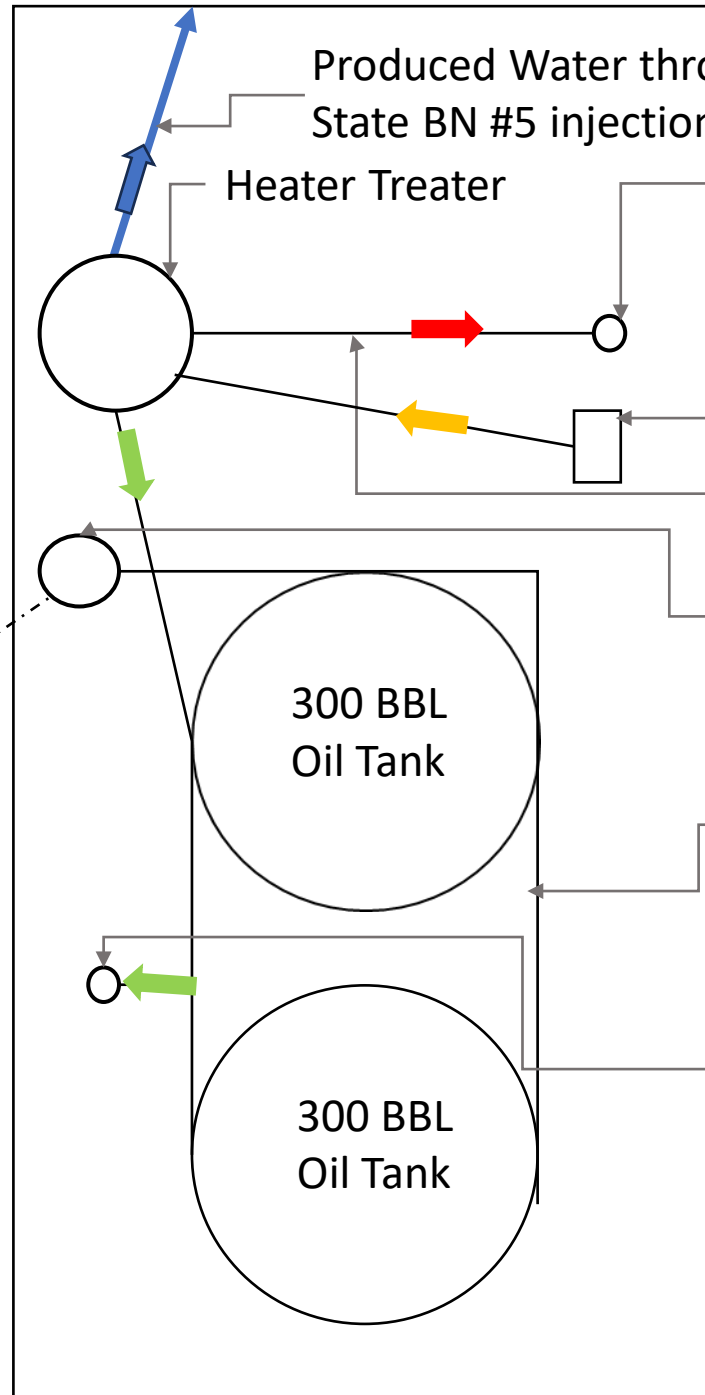
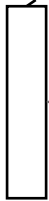


North

**State 11-23 Battery**

Lease Road

Electrical Control Panel



Produced Water through line to State BN #5 injection facility

Heater Treater

Gas Sales Meter

Header (all State 11 23 and Harris State wells flow into this header)

Gas Sales Line

Circulating Pump

300 BBL Oil Tank

Circulating Lines

300 BBL Oil Tank

Oil Sales Point

Sozo Natural Resources, LLC.  
 State 11 23 & Harris State Lease  
 T10 S R32E Section 23E Unit Letter D  
 State 11 23 001 (30-025-20501), State 11 23 002 (30-025-20657), State 11 23 003 (30-025-20658), State 11 23 004 (30-025-20659) Harris State 001 (30-025-20755), Harris State 002 (30-025-21032)  
 Lea County, New Mexico



5005 Riverway Drive, Suite 330  
Houston, Texas 77056

May 12, 2024

*Re: PRODUCTION VALUE HARRIS STATE 1-2 & STATE 11 23 1-4*

To whom it may concern:

I hereby attest that commingling will not reduce the total remaining production's value.

Sincerely,

A handwritten signature in black ink that reads "Carie Stoker". The signature is written in a cursive style with a large, prominent "C" and "S".

Carie Stoker  
Regulatory Affairs Coord.



5005 Riverway Drive, Suite 330  
Houston, Texas 77056

January 12, 2024

*Re: DOI HARRIS STATE 1-2 & STATE 11 23 1-4*

To whom it may concern.

I hereby attest that the Division of Interest for the wells described below are identical.

Property	Well	Lease Type	ULSTR	OCD Unit	API	Pool ID	Pool Name
305197	HARRIS STATE #001	S	K-23-10S-32E	K	30-025-20755	45990	Mescalero; San Andres
	HARRIS STATE #002	S	N-23-10S-32E	N	30-025-21032	45990	Mescalero; San Andres
305193	STATE 11 23 #001	S	D-23-10S-32E	D	30-025-20501	45990	Mescalero; San Andres
	STATE 11 23 #002	S	E-23-10S-32E	E	30-025-20657	45990	Mescalero; San Andres
	STATE 11 23 #003	S	L-23-10S-32E	L	30-025-20658	45990	Mescalero; San Andres
	STATE 11 23 #004	S	C-23-10S-32E	C	30-025-20659	45990	Mescalero; San Andres

Sincerely,

A handwritten signature in blue ink, appearing to read "RH", is written over a faint, larger blue signature graphic.

Ryan Henry  
Vice President, Land

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- 70153430000063827827			
Return Receipt			\$3.65
Tracking #:			
- 9590 9402 1190 5246 2206 53			
<b>Total</b>			<b>\$10.16</b>

Grand Total: \$10.16

Debit Card Remit \$10.16

Card Name: MasterCard  
Account #: XXXXXXXXXXXXXXX5133  
Approval #: 292429  
Transaction #: 740  
Receipt #: 033994  
Debit Card Purchase: \$10.16  
AID: A0000000042203 Contactless  
AL: Debit

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**NEW MEXICO OIL CONSERVATION COMMISSION**  
**WELL LOCATION AND ACREAGE DEDICATION PLAT**  
 SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE

FORM C-128  
 Revised 5/1/57

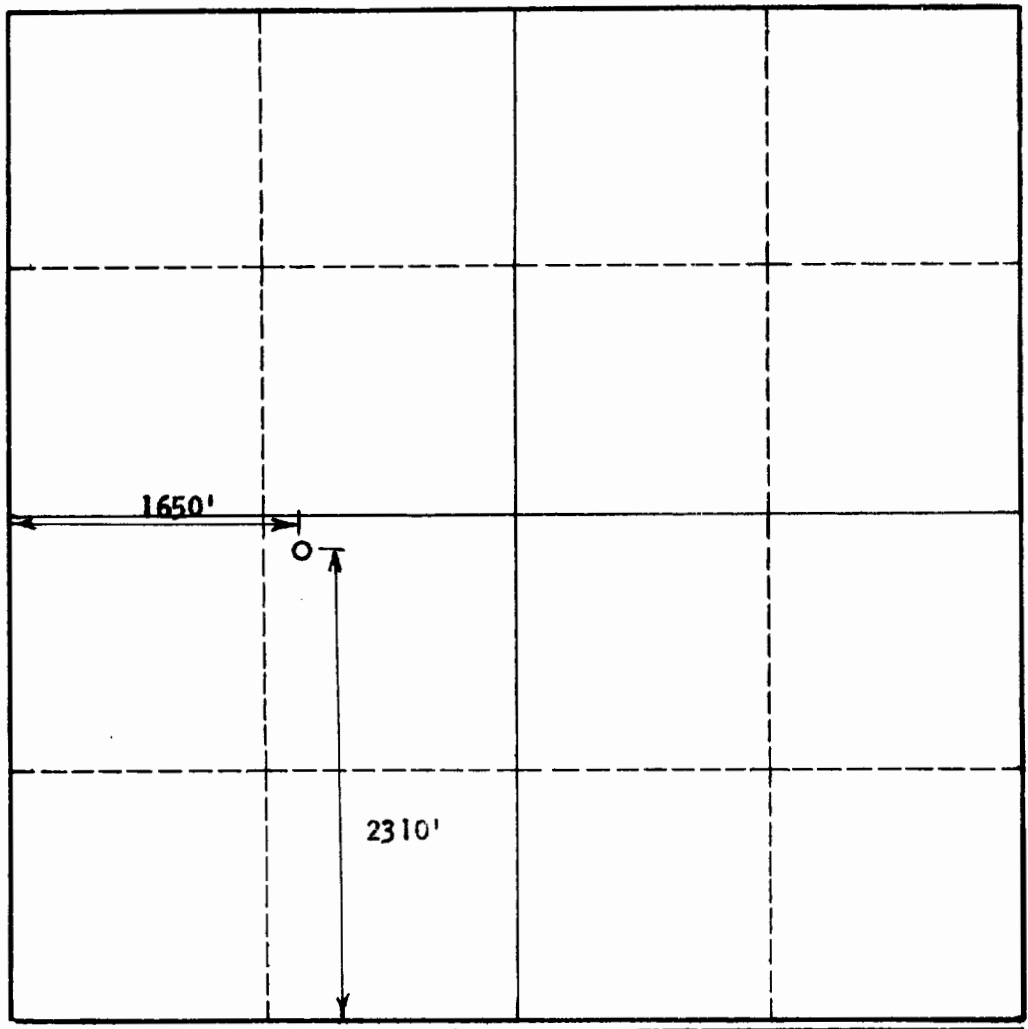
**SECTION A**

Operator <b>Len Mayer &amp; Jack L. McClellan</b>		Lease <b>Harris - State</b>		Well No. <b>1</b>
Unit Letter <b>K</b>	Section <b>23</b>	Township <b>10 South</b>	Range <b>32 East</b>	County <b>Lea</b>
Actual Footage Location of Well: <b>2310</b> feet from the <b>South</b> line and <b>1650</b> feet from the <b>West</b> line				
Ground Level Elev. <b>4340</b>	Producing Formation <b>San Andres</b>	Pool <b>Mescalero - San Andres</b>	Dedicated Acreage: <b>40</b> Acres	

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES  NO  . ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1935 Comp.)
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES  NO  . If answer is "yes," Type of Consolidation \_\_\_\_\_
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

**SECTION B**



**CERTIFICATION**

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

Name	<i>Len Mayer</i>
Position	<b>Partner - Operator</b>
Company	<b>Len Mayer &amp; J. L. McClellan</b>
Date	<b>October 1, 1964</b>

I hereby certify that the well location shown on the plat in SECTION B 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 knowledge and belief.

Date Surveyed	<b>September 30, 1964</b>
Registered Professional Engineer and/or Land Surveyor	<i>[Signature]</i>
Certificate No.	<b>2787</b>

NEW MEXICO OIL CONSERVATION COMMISSION					FORM C-128 Revised 5/1/57
WELL LOCATION AND ACREAGE DEDICATION PLAT					
SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE					
SECTION A					
Operator JACK L. MCCLELLAN & LEN MAYER			Lease HARRIS STATE		Well No. 2
Unit Letter N	Section 23	Township 10 SOUTH	Range 32 EAST	County LEA	
Actual Footage Location of Well: 990 feet from the SOUTH line and 1650 feet from the EAST line					
Ground Level Elev. 4303.1	Producing Formation San Andres		Pool Mescalero	Dedicated Acreage: 40 Acres	
<p>1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1935 Comp.)</p> <p>2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES <input type="checkbox"/> NO <input type="checkbox"/> . If answer is "yes," Type of Consolidation _____</p> <p>3. If the answer to question two is "no," list all the owners and their respective interests below:</p>					
Owner			Land Description		
SECTION B				CERTIFICATION	
				I hereby certify that the information in SECTION A above is true and complete to the best of my knowledge and belief.	
				Name <u>Jack L. McClellan</u> Position <u>Operator</u> Company <u>Jack L. McClellan &amp; Len Mayer</u> Date <u>January 8, 1965</u>	
				I hereby certify that the well location shown on the plat in SECTION B 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 knowledge and belief.	
				Date Surveyed <u>JAN 8, 1965</u> Registered Professional Engineer and/or Land Surveyor, <u>JOHN W. WEST</u>  Certificate No. <u>N. M. - P. E. &amp; L. S. NO. 676</u>	

# NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

FORM C-128  
Revised 5/1/57

SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE

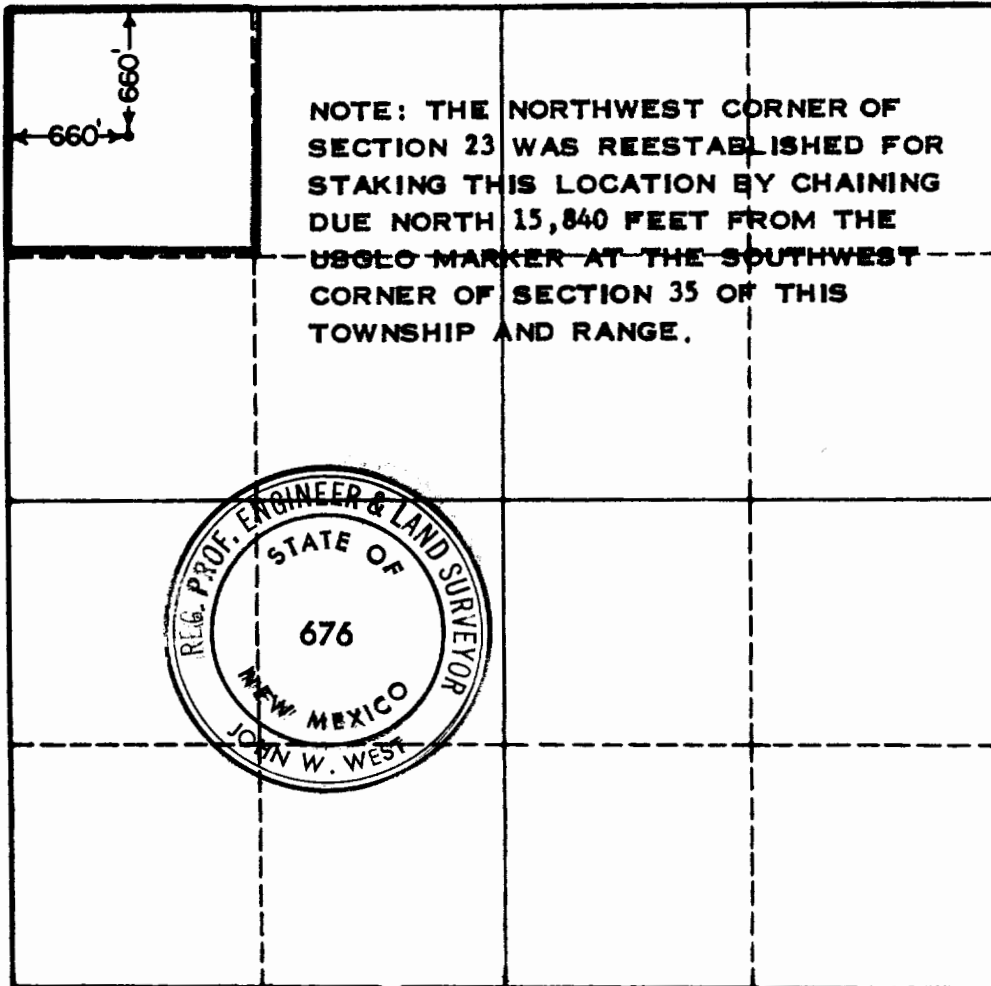
### SECTION A

Operator <b>CONTINENTAL OIL CO.</b>		Lease <b>STATE "II" 23</b>		Well No. <b>1</b>
Unit Letter <b>D</b>	Section <b>23</b>	Township <b>10 SOUTH</b>	Range <b>32 EAST</b>	County <b>LEA</b>
Actual Footage Location of Well: <b>660</b> feet from the <b>NORTH</b> line and <b>660</b> feet from the <b>WEST</b> line				
Ground Level Elev.	Producing Formation <b>San Andres</b>	Pool <b>Mescalero San Andres</b>	Dedicated Acreage: <b>40</b> Acres	

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES \_\_\_\_\_ NO \_\_\_\_\_. ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1955 Comp.)
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES \_\_\_\_\_ NO \_\_\_\_\_. If answer is "yes," Type of Consolidation \_\_\_\_\_
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

### SECTION B



### CERTIFICATION

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

Name <b>Assistant District Manager</b>
Position <b>Continental Oil Company</b>
Company <b>January 22, 1964</b>
Date

I hereby certify that the well location shown on the plat in SECTION B 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 knowledge and belief.

Date Surveyed <b>1-18-64</b>
Registered Professional Engineer and/or Land Surveyor, <b>JOHN W. WEST</b>
<i>John W. West</i>
Certificate No. <b>N.M. - P.E. &amp; L.S. NO. 676</b>

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500

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OPERATOR	

**NEW MEXICO OIL CONSERVATION COMMISSION**

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE

HOBBBS OFFICE O.C.C.  
MAY 15 9 12 AM '64

FORM C-128  
Revised 5/1/57

**SECTION A**

Operator <b>Continental Oil Company</b>		Lease <b>State II-23</b>		Well No. <b>2</b>
Unit Letter <b>E</b>	Section <b>23</b>	Township <b>10 South</b>	Range <b>32 East</b>	County <b>Lea</b>

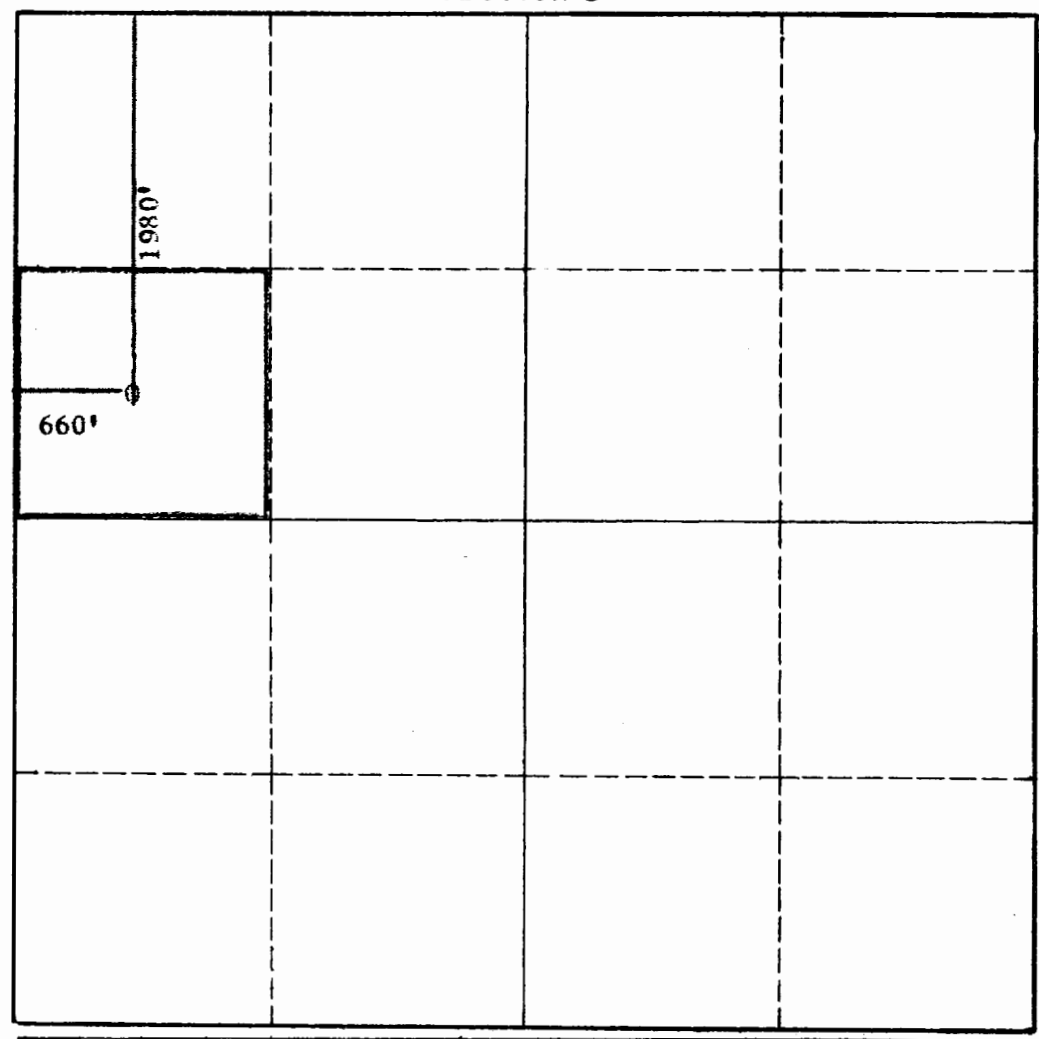
Actual Footage Location of Well:  
**1980** feet from the **North** line and **660** feet from the **West** line

Ground Level Elev.	Producing Formation <b>San Andres</b>	Pool <b>Mescalero San Andres</b>	Dedicated Acreage: <b>40</b> Acres
--------------------	--	-------------------------------------	---------------------------------------

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES  NO . ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1935 Comp.)
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES  NO . If answer is "yes," Type of Consolidation \_\_\_\_\_
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

**SECTION B**



**CERTIFICATION**

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

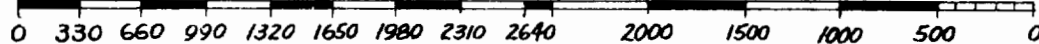
Name
Position <b>Staff Supervisor</b>
Company <b>Continental Oil Company</b>
Date <b>5-13-64</b>

**MOCC(3) ABS**

I hereby certify that the well location shown on the plat in SECTION B 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 knowledge and belief.

Date Surveyed
Registered Professional Engineer and/or Land Surveyor

Certificate No.



NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

FORM C-128  
Revised 5/1/57

SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE

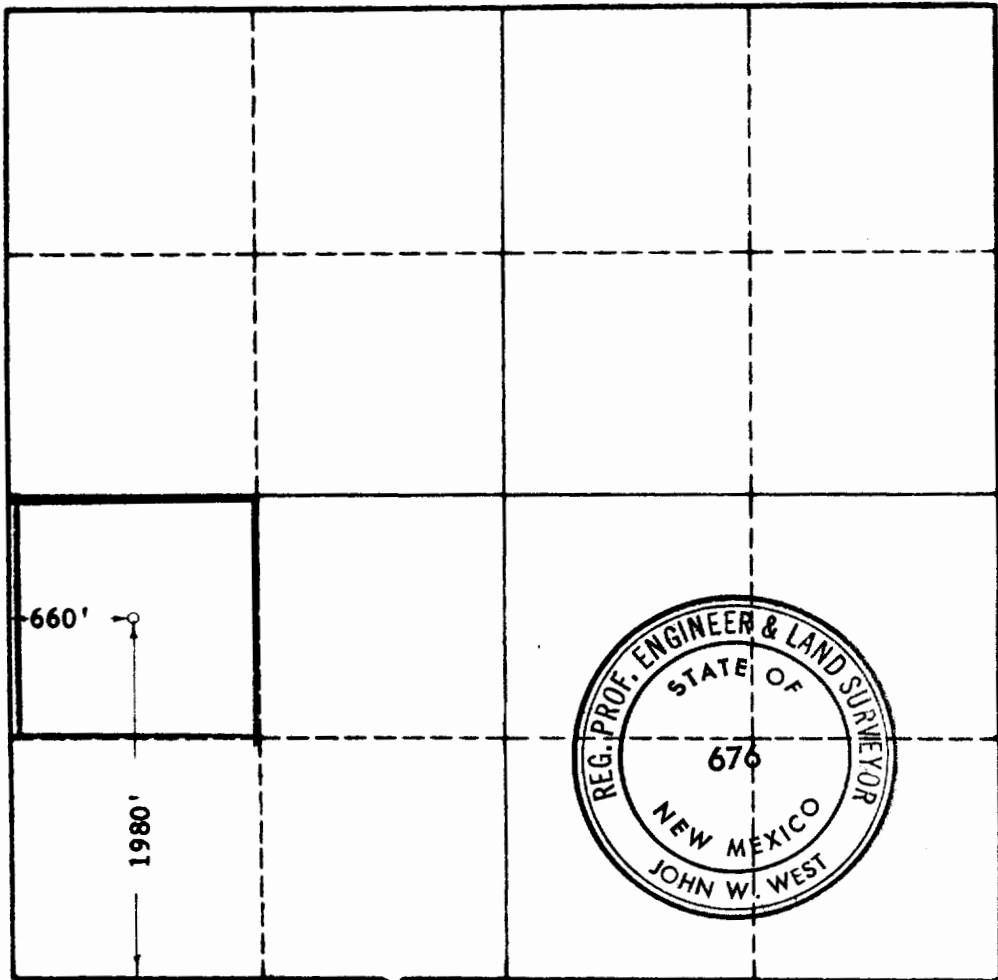
SECTION A

Operator <b>CONTINENTAL OIL COMPANY</b>		Lease <b>STATE II 23</b>		Well No. <b>3</b>
Unit Letter <b>L</b>	Section <b>23</b>	Township <b>10 SOUTH</b>	Range <b>32 EAST</b>	County <b>LEA</b>
Actual Footage Location of Well: <b>1980</b> feet from the <b>SOUTH</b> line and <b>660</b> feet from the <b>WEST</b> line				
Ground Level Elev.	Producing Formation <b>San Andres</b>	Pool <b>San Andres</b>	Dedicated Acreage: <b>40</b> Acres	

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES  NO  ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1935 Comp.)
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES  NO . If answer is "yes," Type of Consolidation \_\_\_\_\_
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

SECTION B



CERTIFICATION

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

Name  
C  
Position  
**Staff Supervisor**  
Company  
**Continental Oil Company**  
Date  
**9-28-64**

NMOCC (6) JM

I hereby certify that the well location shown on the plat in SECTION B 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 knowledge and belief.

Date Surveyed  
**SEPTEMBER 28, 1964**  
Registered Professional Engineer and/or Land Surveyor, **JOHN W. WEST**  
*John W. West*  
Certificate No.  
**N.M. - P.E. & L.S. NO. 676**



# NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

FORM C-128  
Revised 5/1/57

HOBBS OFFICE O. C. C.  
SEP 29 11 35 AM '64

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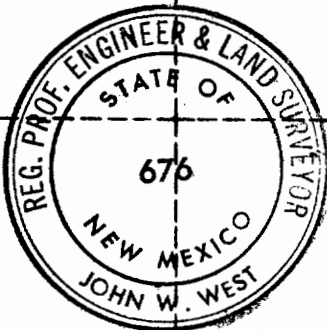
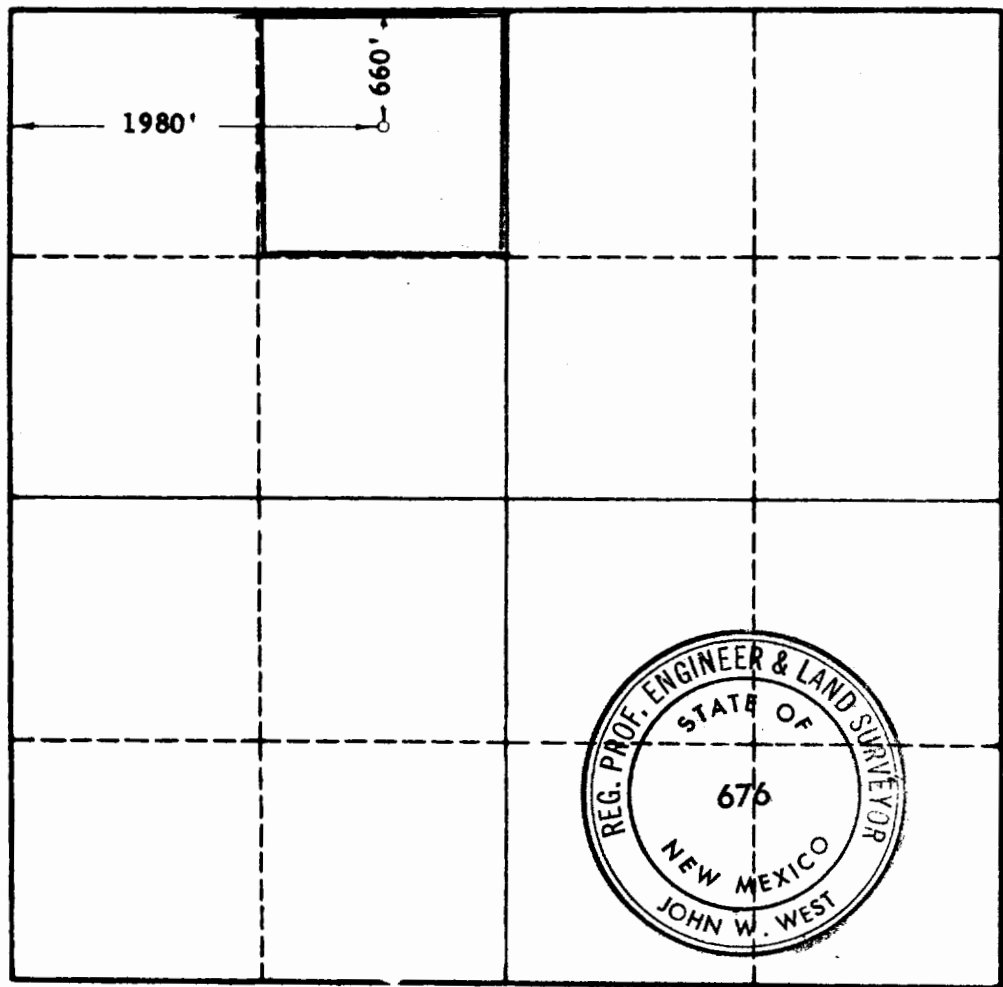
### SECTION A

Operator <b>CONTINENTAL OIL COMPANY</b>		Lease <b>STATE II 23</b>		Well No. <b>4</b>
Unit Letter <b>C</b>	Section <b>23</b>	Township <b>10 SOUTH</b>	Range <b>32 EAST</b>	County <b>LEA</b>
Actual Footage Location of Well: <b>660</b> feet from the <b>NORTH</b> line and <b>1980</b> feet from the <b>WEST</b> line				
Ground Level Elev.	Producing Formation <b>San Andres</b>	Pool <b>San Andres</b>	Dedicated Acreage: <b>40</b> Acres	

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES  NO  ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1935 Comp.)
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES  NO . If answer is "yes," Type of Consolidation \_\_\_\_\_
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

### SECTION B



### CERTIFICATION

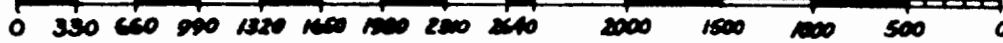
I hereby certify that the information in SECTION A above is true and complete to the best of my knowledge and belief.

Signed: **ROBERT CASLET III**  
 Position: **Staff Supervisor**  
 Company: **Continental Oil Company**  
 Date: **9-28-64**

### NMOCC (6) JK

I hereby certify that the well location shown on the plat in SECTION B 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 knowledge and belief.

Date Surveyed: **SEPTEMBER 28, 1964**  
 Registered Professional Engineer and/or Land Surveyor, **JOHN W. WEST**  
 Signature: *John W. West*  
 License No. **N. M. - P. E. & L. S. NO. 676**



Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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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:** SOZO NATURAL RESOURCES LLC. **OGRID Number:** 329727  
**Well Name:** STATE 11 23 **API:** 30-025-20501  
**Pool:** MESCALERO; SAN ANDRES **Pool Code:** 45990

**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]  
 [I] Commingling – Storage – Measurement  
 DHC     CTB     PLC     PC     OLS     OLM  
 [II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery  
 WFX     PMX     SWD     IPI     EOR     PPR

- 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

<b>FOR OCD ONLY</b>	
<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.**

CARIE STOKER

Print or Type Name

*Carie Stoker*

Signature

5/20/24  
Date

(432) 664- 7659  
Phone Number

carie@stokeroilfield.com  
e-mail Address

**From:** [Carie Stoker](#)  
**To:** [Clelland, Sarah, EMNRD](#)  
**Cc:** [Carie Stoker](#)  
**Subject:** [EXTERNAL] RE: Action ID 346105 CTB-1224  
**Date:** Monday, April 27, 2026 9:37:34 AM

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

Sarah,

- Allocation Method: Shut in Method
- Application is for Oil and Gas

Thanks,

Carie Stoker

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**From:** Clelland, Sarah, EMNRD <Sarah.Clelland@emnrd.nm.gov>  
**Sent:** Friday, April 24, 2026 5:01 PM  
**To:** Carie Stoker <carie@stokeroilfield.com>  
**Subject:** Action ID 346105 CTB-1224

To whom it may concern (c/o Carie Stoker for Ad Astra Resources, LLC),

The Division is reviewing the following application:

<b>Action ID</b>	<b>346105</b>
<b>Admin No.</b>	CTB-1224
<b>Applicant</b>	Ad Astra Resources, LLC
<b>Title</b>	State 11 23 Tank Battery
<b>Sub. Date</b>	05/20/2024

Please provide the following additional supplemental documents:

- 

Please provide additional information regarding the following:

- Please verify allocation method. Metering, Bulk Well Test, Tank Gauging, Shut In Method, Subtraction, etc. C-107B is misleading as to the allocation method.
- Please verify if this application is for oil and gas or just oil or gas?

Additional notes:

- In the future please ensure that commingled production type is specified within the application.

All additional supplemental documents and information may be provided via email and should be done by replying to this email. The produced email chain will be uploaded to the file for

this application.

Please note that failure to take steps to address each of the requests made in this email within 10 business days of receipt of this email may result in the Division rejecting the application requiring the submittal of a new application by the applicant once it is prepared to address each of the topics raised.

**COMMENT**

Approval from Division is required prior to conducting work which modifies the well design.

Please contact the Environmental Bureau at [OCD.Enviro@emnrd.nm.gov](mailto:OCD.Enviro@emnrd.nm.gov) for instructions regarding the submittal process for applications of this type.

Thanks,

*Sarah Clelland*

**Petroleum Specialist**

State of New Mexico

Energy, Minerals, and Natural Resources Department

Oil Conservation Division

Cell: (505) 537-0627

[Sarah.Clelland@emnrd.nm.gov](mailto:Sarah.Clelland@emnrd.nm.gov)

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

**APPLICATION FOR SURFACE COMMINGLING  
SUBMITTED BY AD ASTRA RESOURCES, LLC**

**ORDER NO. CTB-1224**

**ORDER**

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

**FINDINGS OF FACT**

1. Ad Astra Resources, LLC (“Applicant”) submitted a complete application to surface commingle the oil and gas production from the pools and leases described in Exhibit A (“Application”).
2. Applicant included a complete list of the wells currently dedicated to each pool and lease.
3. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
4. Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7(B) NMAC.
5. 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**

6. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.
7. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10(A)(2) NMAC, 19.15.12.10(C)(4)(c) NMAC, and 19.15.12.10(C)(4)(e) NMAC, as applicable.
8. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9(A)(5) NMAC and 19.15.23.9(A)(6) NMAC, as applicable.
9. Applicant’s proposed method of allocation, as modified herein, complies with 19.15.12.10(B)(1) NMAC or 19.15.12.10(C)(1) NMAC, as applicable.

10. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10(B)(3) NMAC and 19.15.12.10(C)(4)(h) NMAC.
11. 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 surface commingle oil and gas production from the pools and leases as described in Exhibit A.

Applicant is authorized to surface commingle oil and gas production from the wells included in Exhibit A provided that they produce from a pool and lease described in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease, as applicable, from the pools and leases as described in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

2. The oil and gas production allocated to each well identified in Exhibit A shall be determined by shutting-in the production from all other wells for a minimum of twenty-four (24) consecutive hours and metering the production from that well during that period. Applicant shall conduct this test a minimum of one (1) time per month for each well.
3. If Applicant recovers oil or gas production from produced water prior to Applicant injecting it or transferring custody of it, then that production shall be allocated to each well in the proportion that it contributed to the total produced water.
4. If Applicant recovers gas production using a vapor recovery unit (VRU), then that gas production shall be allocated to each well in the proportion that it contributed to the total oil production.
5. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15 NMAC or 19.15.23.8 NMAC.
6. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9 NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8(B) NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8(E) NMAC.
7. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10(C)(2) NMAC.
8. Applicant shall install and utilize vessels that are appropriately designed to ensure sufficient separation of the fluids and to accurately measure oil and gas production.

9. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled 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 surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production 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.
10. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
11. 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).
12. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**



\_\_\_\_\_  
**ALBERT C. S. CHANG  
DIRECTOR**

**DATE:** 05/01/2026

State of New Mexico  
Energy, Minerals and Natural Resources Department

## Exhibit A

**Order: CTB-1224**  
**Operator: Ad Astra Resources, LLC (332741)**  
**Central Tank Battery: State 11 23 Tank Battery**  
**Central Tank Battery Location: UL E, F, Section 23, Township 10 South, Range 32 East**  
**Gas Title Transfer Meter Location: UL C, D, Section 23, Township 10 South, Range 32 East**

### Pools

Pool Name	Pool Code
MESCALERO;SAN ANDRES	45990

### Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
SLO Lease K0-0362-0003	SE4, E2SW	23-10S-32E
SLO Lease OG-5084-0003	NW4, W2SW	23-10S-32E

### Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-20755	HARRIS STATE #001	NESW	23-10S-32E	45990
30-025-21032	HARRIS STATE #002	SESW	23-10S-32E	45990
30-025-20501	STATE 11 23 #001	NWNW	23-10S-32E	45990
30-025-20657	STATE 11 23 #002	SWNW	23-10S-32E	45990
30-025-20658	STATE 11 23 #003	NWSW	23-10S-32E	45990
30-025-20659	STATE 11 23 #004	NENW	23-10S-32E	45990

Sante Fe Main Office  
Phone: (505) 476-3441

General Information  
Phone: (505) 629-6116

Online Phone Directory  
<https://www.emnrd.nm.gov/ocd/contact-us>

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

COMMENTS

Action 346105

**COMMENTS**

Operator: Sozo Natural Resources LLC 5005 Riverway Dr., Suite 330 Houston, TX 77056	OGRID: 329727
	Action Number: 346105
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

**COMMENTS**

Created By	Comment	Comment Date
sarah.clelland	Stoker Oilfield	4/22/2026

Sante Fe Main Office  
Phone: (505) 476-3441

General Information  
Phone: (505) 629-6116

Online Phone Directory  
<https://www.emnrd.nm.gov/ocd/contact-us>

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

CONDITIONS

Action 346105

**CONDITIONS**

Operator: Sozo Natural Resources LLC 5005 Riverway Dr., Suite 330 Houston, TX 77056	OGRID: 329727
	Action Number: 346105
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

**CONDITIONS**

Created By	Condition	Condition Date
sarah.clelland	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 email us at <a href="mailto:OCD.Engineer@emnrd.nm.gov">OCD.Engineer@emnrd.nm.gov</a> .	5/12/2026