

RECEIVED: <u>12/15/2017</u>	REVIEWER: <u>MAM</u>	TYPE: <u>DL</u>	APP NO: <u>DMAM1735255825</u>
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RECEIVED OGD

ABOVE THIS TABLE FOR OGD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

2017 DEC 18 P 2: 45
 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: Rover Operating, LLC **OGRID Number:** 371484
Well Name: Grizzell Deep #001 and #002, Grizzell "A" J.W. #002 and #003 **API:** 025-10074, 025-26149, 025-10065, 025-10050
Pool: Blinebry Oil Gas, Drinkard, Eumont Yates 7RVRS QN, Penrose Skelly Grayburg **Pool Code:** 6660, 19190, 22800, 50350

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

FOR OGD ONLY

- ☐ Notice Complete
☐ 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.

Connie Swan

Print or Type Name

CSwan

Signature

12/15/2017
 Date

(918) 621-6533

Phone Number

cswan@swanderlandok.com

e-mail Address

District I
1625 N. French Drive, Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised August 1, 2011

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

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

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: ROVER OPERATING LLC
OPERATOR ADDRESS: 17304 PRESTON ROAD STE 740 DALLAS, TX 75252
APPLICATION TYPE:

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

LEASE TYPE: ☒ Fee ☐ State ☐ Federal

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

(A) POOL COMMINGLING
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
6660 BLINEBERRY	(see attachment)				(see attachment)
19190 DRINKARD	(see attachment)				(see attachment)
22800 EUMONT YATES	(see attachment)				(see attachment)
50350 PENROSE SKELLY GRAYBURG	(see attachment)				(see attachment)

- (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) (WELL TEST)
(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.
(2) Is all production from same source of supply? ☐ Yes ☐ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No
(4) Measurement type: ☐ Metering ☐ Other (Specify)

(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 attach 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: Connie Swan TITLE: Regulatory Administrator DATE: 12/15/2017
TYPE OR PRINT NAME: Connie Swan TELEPHONE NO.: (918)621-6533
E-MAIL ADDRESS: cswan@swanderlandok.com

ATTACHMENT TO FORM C-107-B APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

Proposal for Grizzell "A" J. W. Facility:

Rover Operating, LLC requests approval to commingle oil and gas production from the following producing wells:

API	WELL NAME	WELL NO.	LOCATION	POOL CODE/NAME
025-10074	Grizzell Deep	001	N-05-22S-37E	6660 / Blinbry
025-10074	Grizzell Deep	001	N-05-22S-37E	19190 / Drinkard
025-26149	Grizzell Deep	002	L-05-22S-37E	19190 / Drinkard
025-10065	Grizzell "A" J.W.	002	K-05-22S-37E	22800 / Eumont Yates
025-10050	Grizzell "A" J.W.	003	L-05-22S-37E	50350 / Skelly Grayburg

The Grizzell "A" J.W. Facility shares a location with the tank battery of the Grizzell Deep #1 and #2 wells. The proposed flow of production from the four wells (JW Grizzell A #2, JW Grizzell A #3, Grizzell Deep #1, and Grizzell Deep #2) is shown in detail on the enclosed facility diagram map. The commingling of the production is the most effective economical means of producing the reserves and will not result in reduced royalty or improper measurement of production.

20

Each well will be tested at the well header no less than once per quarter to ensure production and profits are allocated properly to all parties associated with the two properties. The proposed commingling will reduce the footprint, traffic, and lease operating costs for the two individual leases.

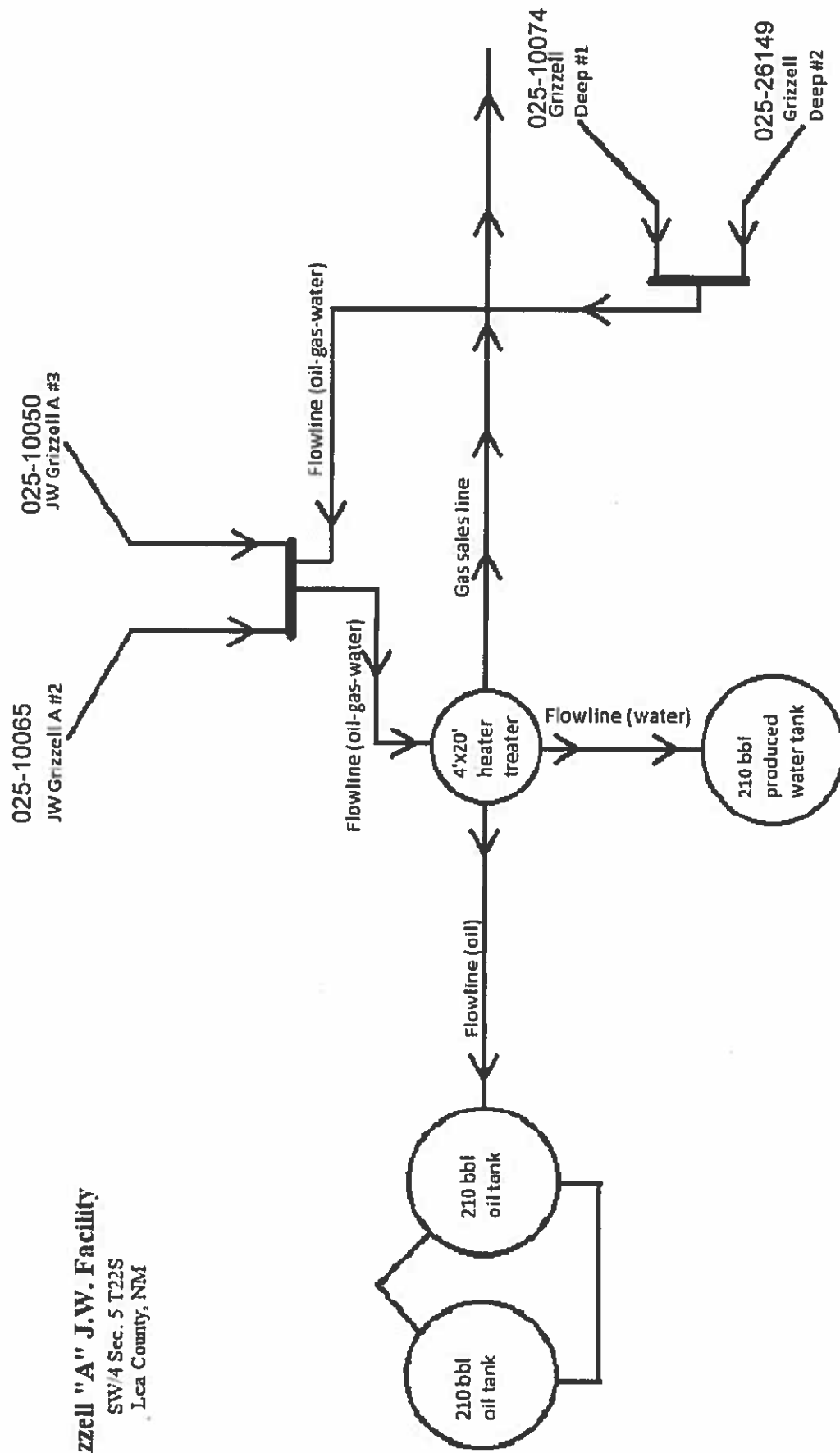
ECONOMIC JUSTIFICATION WORKSHEET

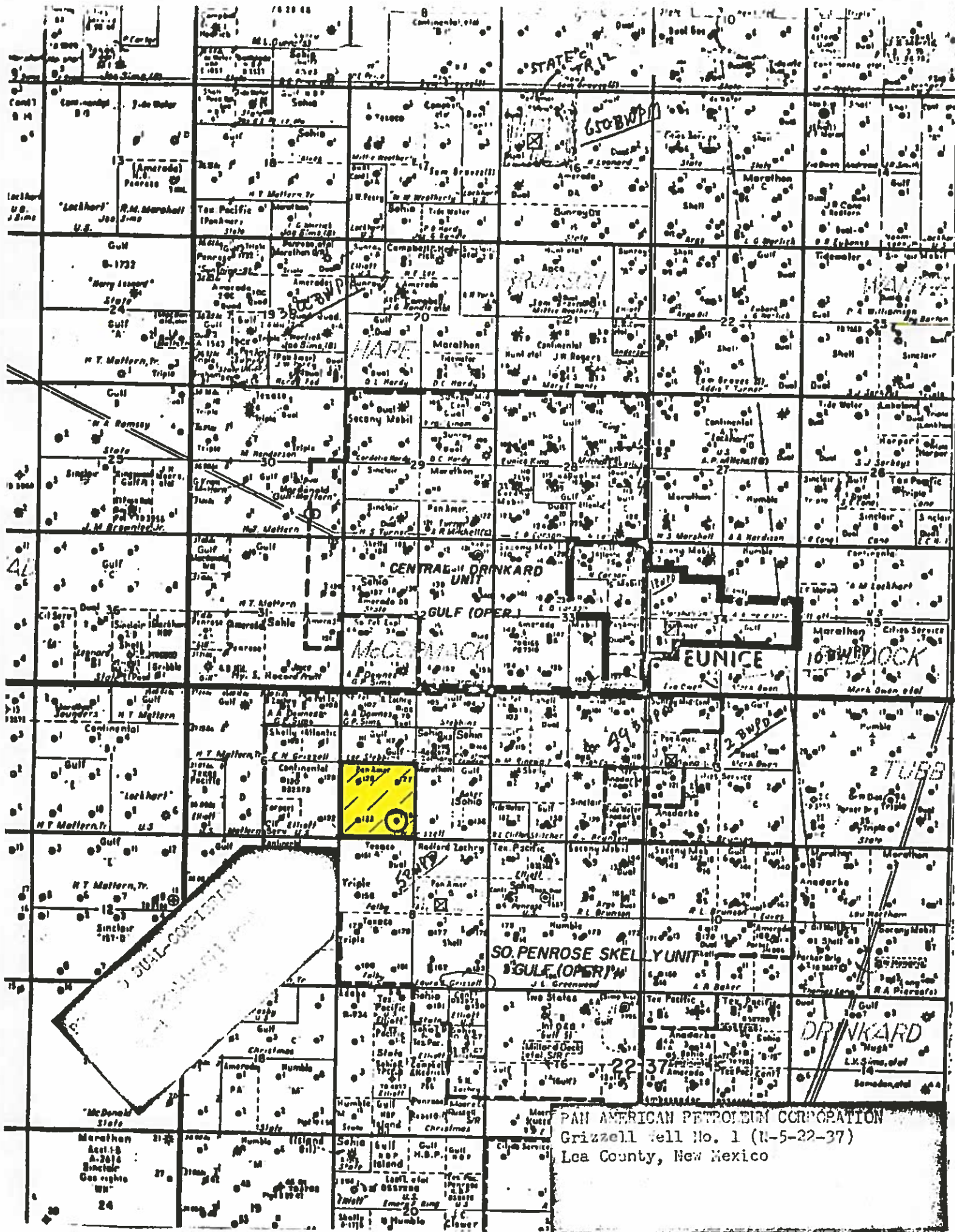
WELL	BOPD	OIL GRAVITY	VALUE/BBL	MCFPD	DRY BTU	VALUE/MCF
Grizzell Deep #001 Blincbry	1	Deemed 40°	\$46.82	10	1342	\$3.1264
Grizzell Deep #001 Drinkard	1.5	Deemed 40°	\$46.82	5	1123	\$3.1264
Grizzell Deep #002	1.5	Deemed 40°	\$46.82	2	1123	\$3.1264
Grizzell "A" J.W. #002	-0-	Deemed 40°	\$46.82	0	n/a	0
Grizzell "A" J.W. #003	1	Deemed 40°	\$46.82	0	n/a	0

	BOPD	OIL GRAVITY	VALUE/BBL	MCFPD	DRY BTU	VALUE/MCF
Combined Production	5	Deemed 40°	\$46.82	17	1252	\$3.1264

Grizzell "A" J.W. Facility

SW/4 Sec. 5 T22S
Lea County, NM





ATTACHMENT TO APPLICATION FOR SURFACE POOL/LEASE COMMINGLING APPLICATION
GRIZZELL "A" J. W. FACILITY
PRODUCTION HISTORY

		OIL	GAS	WATER
30-025-10074 GRIZZELL DEEP #001				
BLINEBRY OIL AND GAS (OIL)				
	Jan	17	332	22
	Feb	21	305	15
	Mar	11	85	8
	Apr	23	377	15
	May	22	328	6
	Jun	20	218	20
	Pool Total:	114	1645	86
DRINKARD				
	Jan	33	167	42
	Feb	39	153	39
	Mar	21	43	15
	Apr	44	190	29
	May	42	165	13
	Jun	38	110	38
	Pool Total:	217	828	176
	2017 Annual Total:	331	2473	262
30-025-26149 GRIZZELL DEEP #002				
DRINKARD				
	Jan	19	94	23
	Feb	22	86	22
	Mar	12	24	9
	Apr	24	107	17
	May	24	93	7
	Jun	22	62	21
	Pool Total:	123	466	99
	2017 Annual Total:	123	466	99
30-025-10065 J W GRIZZEL A #002				
EUMONT YATES				
	Jan	0	6	0
	Feb	0	0	0
	Mar	0	0	0
	Apr	0	0	0
	May	0	0	0
	Jun	0	0	0
	Pool Total:	0	6	0
	2017 Annual Total:	0	6	0
30-025-10050 J W GRIZZEL A #003				
PENROSE SKELLY;GRAYBURG				
	Jan	0	17	1
	Feb	0	0	1
	Mar	3	0	1
	Apr	13	0	1
	May	6	0	1
	Jun	1	0	1
	Pool Total:	23	17	6
	2017 Annual Total:	23	17	

October 27, 2017

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Attention: Michael McMillan

Subject: Surface Pool Commingling Application
Grizzell "A" J.W. Facility

To Whom It May Concern:

This letter serves as notification that the ownership of the following wells is identical in working interest, royalty interest, and overriding royalty interest percentages:

API	WELL NAME	WELL NO.	LOCATION	POOL CODE/NAME
025-10074	Grizzell Deep	001	N-05-22S-37E	6660 / Blinbry
025-10074	Grizzell Deep	001	N-05-22S-37E	19190 / Drinkard
025-26149	Grizzell Deep	002	L-05-22S-37E	19190 / Drinkard

This letter serves as notification that the ownership of the following wells is identical in working interest, royalty interest, and overriding royalty interest percentages:

API	WELL NAME	WELL NO.	LOCATION	POOL CODE/NAME
025-10065	Grizzell "A" J.W.	002	K-05-22S-37E	22800 / Eumont Yates
025-10050	Grizzell "A" J.W.	003	L-05-22S-37E	50350 / Skelly Grayburg

I certify that this information is true and correct to the best of my knowledge

ROVER OPERATING, LLC


Amanda Barringer
Landman

ATTACHMENT TO APPLICATION FOR SURFACE POOL/LEASE COMMINGLING APPLICATION
GRIZZELL "A" J. W. FACILITY

NOTICE TO INTEREST OWNERS via CERTIFIED MAIL		
12/15/2017	C-107B Surface Commingle Application	Grizzell "A" J.W. Facility
12/15/2017	C-107B Surface Commingle Application	Centerfire Resources, P.O. Box 2039, Springerville, AZ 85938-2039
12/15/2017	C-107B Surface Commingle Application	John H. Hendrix Corporation, 6 Desta Drive, Suite 2100, Midland, TX 79705
12/15/2017	C-107B Surface Commingle Application	Lewis Burleson Properties, LP, P.O. Box 2479, Midland, TX 79705
12/15/2017	C-107B Surface Commingle Application	Marian Mussett, P.O. Box 9115, Midland, TX 79702
12/15/2017	C-107B Surface Commingle Application	Mark A. Hanniffin, P.O. Box 11182, Midland, TX 79702
12/15/2017	C-107B Surface Commingle Application	Oliver T. Maxwell and Rebecca A. Maxwell, 3007 Lockheed, Midland, TX 79701
12/15/2017	C-107B Surface Commingle Application	Reginald Lyle 10096, 4005 Baybrook Drive, Midland, TX 79707
12/15/2017	C-107B Surface Commingle Application	Robert and Maxine Hanniffin Trust, P.O. Box 218, Midland, TX 79702-0218
12/15/2017	C-107B Surface Commingle Application	Trust of Robert K. McCullough, P.O. Box 1799, Broken Arrow, OK 74013
12/15/2017	C-107B Surface Commingle Application	The New Mexico Company, Inc., P.O. Box 2479, Midland, TX 79702-2479
12/15/2017	C-107B Surface Commingle Application	Tommy Phipps, 3013 Sycamore Court, Moore, OK 73160
12/15/2017	C-107B Surface Commingle Application	ETZ Oil Properties LTD, P.O. Box 73406, Phoenix, AZ 85050
12/15/2017	C-107B Surface Commingle Application	George H Etz Sr Trust, 1105 Xanthisma, McAllen, TX 78504
12/15/2017	C-107B Surface Commingle Application	Betty W Ireland, 1025 South Banks, Pampa, TX 79065
12/15/2017	C-107B Surface Commingle Application	C W Grimes Trust, P.O. Box 52338, Tulsa, OK 74152
12/15/2017	C-107B Surface Commingle Application	Occidental Permian LTD, PO Box 841803, Dallas, TX 75284
12/15/2017	C-107B Surface Commingle Application	Dorchester Minerals LP, 3838 Oak Lawn Ave Ste 300, Dallas, TX 75219
12/15/2017	C-107B Surface Commingle Application	B H Simmons Trust, P.O. Box 844143, Dallas, TX 75284
12/15/2017	C-107B Surface Commingle Application	J E Simmons Trust, P O Box 844143, Dallas, TX 75284
12/15/2017	C-107B Surface Commingle Application	Dr. Donna F Adams, 406 W Main Street, Denison, TX 75020
12/15/2017	C-107B Surface Commingle Application	Gary L Finch, PO Box 12, Stowell, TX 77661
12/15/2017	C-107B Surface Commingle Application	Billie June Crow Trust, PO Box 643, Roswell, NM 88202
12/15/2017	C-107B Surface Commingle Application	Frederick Roluti & Nancy Roluti, PO Box 16580, Golden, CO 80402
12/15/2017	C-107B Surface Commingle Application	Karyl McKim Knowles, 147 Crockett Dr, Kerrville, TX 78028
12/15/2017	C-107B Surface Commingle Application	Lyn Kent Jones, 208 Oakview Dr, Kerrville, TX 78028
12/15/2017	C-107B Surface Commingle Application	Moss McKim Kent, 7229 Legacy Parkway, Cheyenne, WY 82009
12/15/2017	C-107B Surface Commingle Application	Raymond L McKim, 909 Sorrel Ln W, Midland, TX 79705
12/15/2017	C-107B Surface Commingle Application	Robert Scott Kent Jr, 1901 Horse Wagon Dr, Austin, TX 78754
12/15/2017	C-107B Surface Commingle Application	Tua R Smith, 8580 Woodway No. 2319, Houston, TX 77063
12/15/2017	C-107B Surface Commingle Application	Walter A Laufer, #3 Marchelle Ct, Midland, TX 79705

30-025-10074
NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

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

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

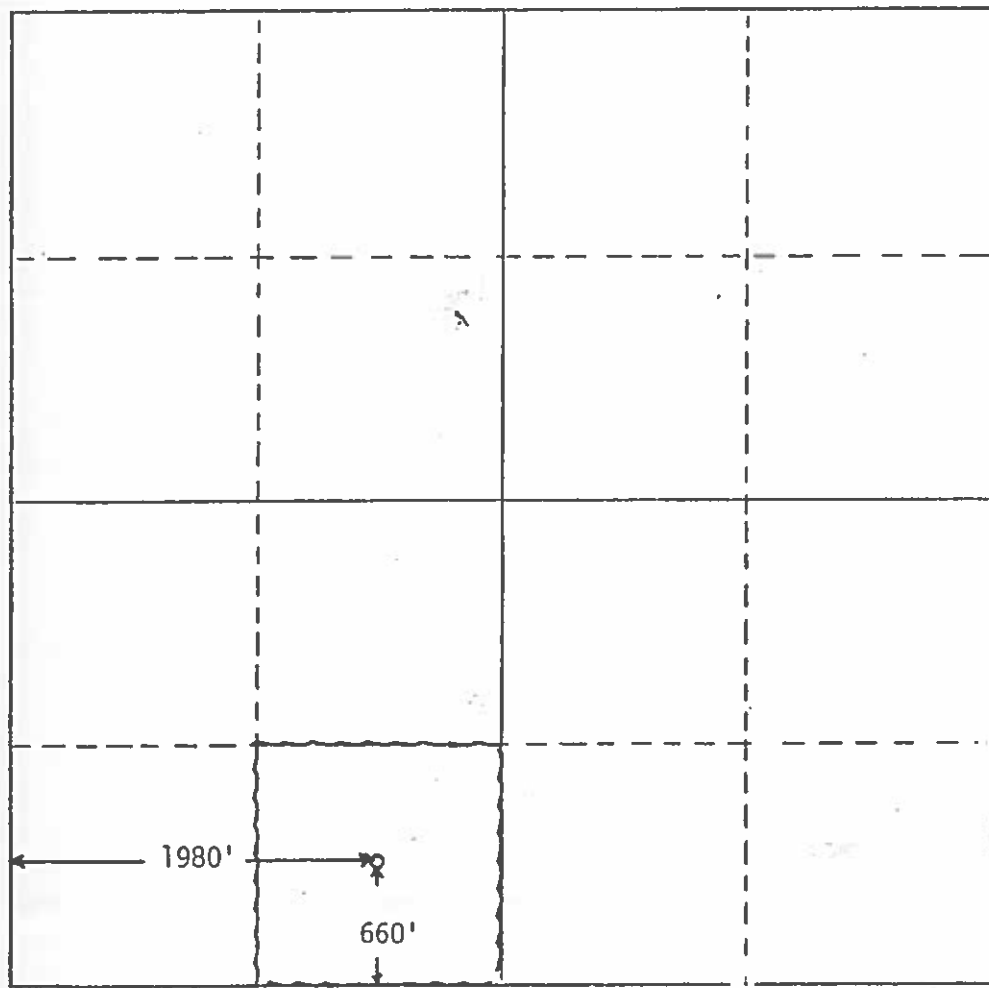
Operator Amoco Production Company			Lease Grizzell Deep		Well No. 1
Unit Letter N	Section 5	Township 22-S	Range 37-E	County Lea	
Actual Well Location of Well:					
660		feet from the South	line and 1980	feet from the West	line
Ground Level Elev.	Produce Formation Blinebry & Drinkard		Pool Und. Blinebry & Drinkard	Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Name Bob Davis
 Position Admin. Analyst
 Company Amoco Production Company
 Date 6-24-80

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

Date Surveyed _____

Registered Professional Engineer and/or Land Surveyor

Certificate No. _____



30-025-2445

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION AT

Form C-122
Supersedes C-128
Effective 1-1-65

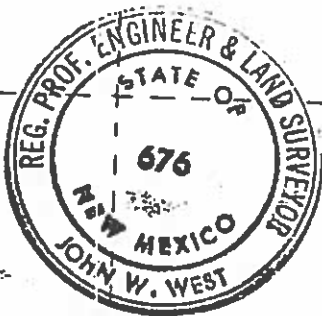
All distances must be from the outer boundaries of the Section

Owner Amoco Production Co.			Lease Grizzel "A"			Well No. 5
Section 1	Section 5	Township 22 South	Range 37 East	County Lea		
Section 1900		feet from the South line and 860		feet from the West line 3449.0		
Section DRINKARD		Section DRINKARD		Section 40		

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?
☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Name Randy Atkins
 Position ADMINISTRATIVE ANALYST
 Company AMOCO PRODUCTION CO.
 Date 3-15-79

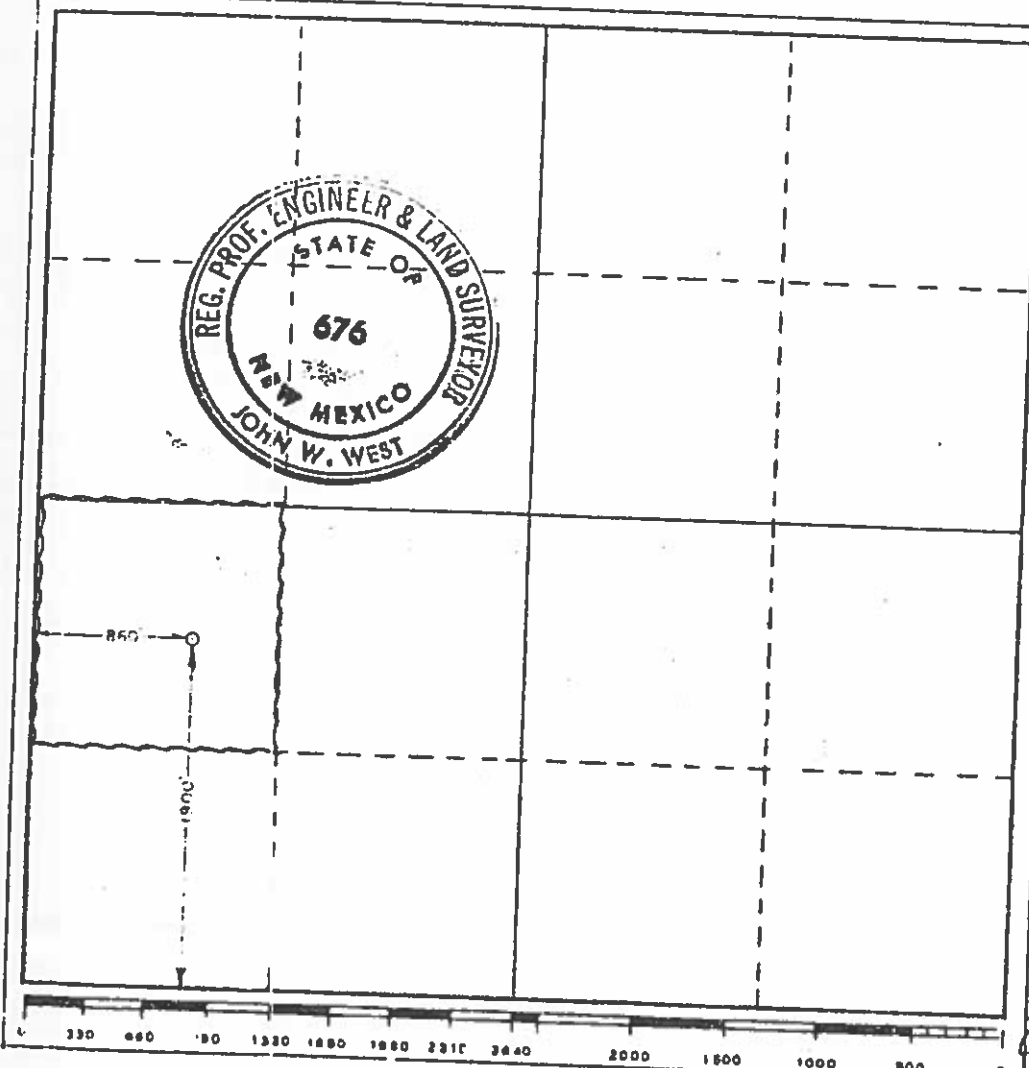
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
October 20, 1978

Registered Professional Engineer and/or Land Surveyor

John W. West
 Certificate No. **John W. West** **676**

Ronald J. Eidson **3239**



District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-10065	² Pool Code 22800	³ Pool Name Eumont Yates Seven Rivers Queen
⁴ Property Code 001940	⁵ Property Name J.W. Grizzell A	⁶ Well Number 2
⁷ OGRID No. 001958	⁸ Operator Name BEC CORPORATION	⁹ Elevation 3445 GR

¹⁰ Surface Location

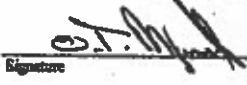
UL or lot no. K	Section 5	Township 22S	Range 37E	Lot Idn	Feet from the 1980	North/South line South	Feet from the 1980	East/West line West	Lea	County
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. K	Section 5	Township 22S	Range 37E	Lot Idn	Feet from the 1980	North/South line South	Feet from the 1980	East/West line West	Lea	County
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¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

¹⁶				¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature O.T. Maxwell Printed Name Prod. Supt. Title and E-mail Address 5-18-04 Date
				¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.
				Date of Survey Signature and Seal of Professional Surveyor:
				Certificate Number

NEW MEXICO OIL CONSERVATION COMMISSION

Santa Fe, New Mexico

NOTICE OF INTENTION TO DRILL

Notice must be given to the Oil Conservation Commission or its proper agent and approval obtained before drilling begins. If changes in the proposed plan are considered advisable, a copy of this notice showing such changes will be returned to the sender. Submit this notice in triplicate. One copy will be returned following approval. See additional instructions in Rules and Regulations of the Commission.

ODessa, TEXAS

June 28th, 1937

OIL CONSERVATION COMMISSION,
Santa Fe, New Mexico.

Place

Date

Gentlemen:

You are hereby notified that it is our intention to commence the drilling of a well to be known as

Landreth Production Corp., J. W. Grissell Well No. 3 in NE 1/4 of SW 1/4

of Sec. 5, T. 28-S, R. 37-E, N. M. P. M., Leaswell Field, Lea County.

N.

The well is 660 feet (E) (S.) of the No 1th line and 660 feet (E.) (S.) of the West line of Lease (NE 1/4 of SW 1/4- Sec. 5)

(Give location from section or other legal subdivision lines. Cross out wrong directions.)

If state land the oil and gas lease is No. Assignment No.

If patented land the owner is J. W. Grissell

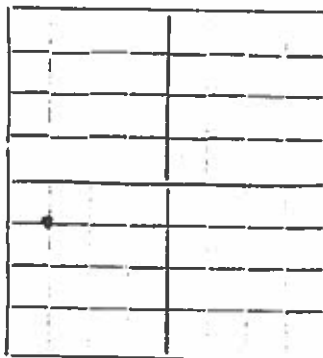
Address Amice, New Mexico

If government land the permittee is

Address

The lessee is Landreth Production Corp.,

Address Box 2077, Fort Worth, Texas

AREA 640 ACRES
LOCATE WELL CORRECTLY

Rotary Tools

We propose to drill well with drilling equipment as follows:

The status of a bond for this well in conformance with Rule 39 of the General Rules and Regulations of the Commission is as follows: Is In Good Standing

We propose to use the following strings of casing and to land or cement them as indicated:

Size of Hole	Size of Casing	Weight Per Foot	New or Second Hand	Depth	Landed or Cemented	Sacks Cement
15"	10 3/4"	32.75	New	300	Cemented	300
8 1/4"	7" OD	22 1/2	New	3450	Cemented	600

If changes in the above plan become advisable we will notify you before cementing or landing casing. We estimate that the first productive oil or gas sand should occur at a depth of about 3500 feet.

Additional information:

Approved JUL 2 1937, 19
except as follows:

Sincerely yours,

Landreth Production Corp.,
Company or Operator

By J. W. Grissell

Position Superintendent

Send communication regarding well to

Name Landreth Production Corp.,

Address Box 2077, Fort Worth, Tex. Copy to
Box 576, Odessa, Texas.

OIL CONSERVATION COMMISSION,

By Guy Shepard

Title Oil & Gas Inspector

DUPLICATE RECEIVED
JUL 2 1937

McMillan, Michael, EMNRD

From: Connie <csswan@swanderlandok.com>
Sent: Thursday, January 25, 2018 4:09 PM
To: McMillan, Michael, EMNRD
Cc: Brady Wilton
Subject: Grizzell Surface Commingle

RE: Grizzell Surface Commingle
Measurement procedure

Mike,

Confirming our conversation of January 3, I understand that the subject application needs a more detailed description of testing and measurement procedure and frequency. Toward that end, Rover submits the following:

The Grizzell "A" J.W. Facility shares a location with the tank battery of the Grizzell Deep #1 and #2 wells. The proposed flow of production from the four wells (JW Grizzell A #2, JW Grizzell A #3, Grizzell Deep #1, and Grizzell Deep #2) is shown in detail on the enclosed facility diagram map.

The proposed commingling of the production is the most effective economical means of producing the reserves. It will reduce the footprint, traffic, and lease operating costs for the two individual leases.

In order to ensure equitable revenue distribution to all interest owners, each well will be tested at the well header via the subtraction method not less than once per month and production allocated accordingly. The subtraction method used during testing will consist of the following:

- When one well is put into test, the other three wells will be shut off at the header.
- Over the next 24 hours, oil and water production will be measured from the production tanks and gas production measured at the meter, with the values being attributed to the active well's test.
- In order to reduce or eliminate lost production, the wells will not be tested on consecutive days to prevent any single well from being shut in more than 24 hours.

Does this text adequately address the matter? If so, shall I submit a revised application, or are you able to accept this email submission?

Thank you,

Connie Swan
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