

RECEIVED: 8/06/2018	REVIEWER: MAm	TYPE: PL	APP NO: PMA1821852871
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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

<b>Applicant:</b> Chisholm Energy Operating, LLC	<b>OGRID Number:</b> 372137
<b>Well Name:</b> Cottonwood 29-32 Fed Com 2BS 1H, 2H, and WCA 9H	<b>API:</b> 30-015-43702, 30-015-43704, & 30-015-44919
<b>Pool:</b> Welch; Bone Spring & Purple Sage; Wolfcamp	<b>Pool Code:</b> 64010 & 98220

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION  
 INDICATED BELOW**

PL-132

- 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 OCD ONLY**

<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.**

Bettie Watson

Print or Type Name

*Bettie Watson*

Signature

8/6/2018

Date

817-864-1104

Phone Number

bwatson@chisholmenergy.com

e-mail Address



July 31, 2018

VIA: E-mail: Michael.McMillan@state.nm.us

New Mexico Oil Conservation Division  
1220 S. St. Francis Dr.  
Santa Fe, New Mexico 87505

Attn: Mr. Michael McMillan

RE: Application for Pool/Lease Surface Commingle for  
Identical Owners and Percentages  
Cottonwood 29-32 Fed Com 2BS 1H, 2H & WCA 9H all in  
Section 29, T-26S, R-26E  
Welch; Bone Spring/64010 & Purple Sage; Wolfcamp/98220  
Eddy County, New Mexico

Mr. McMillan,

Pursuant to Division Rule 19.15.12.10, Chisholm Energy Operating, LLC respectfully requests administrative approval to Pool/Lease Surface Commingle and store in a common facility production from Cottonwood 29-32 Fed Com 2BS 1H, 2H & WCA 9H all in Section 29, T-26S, R-26E, Eddy Co., New Mexico.

Each well is metered individually. This action will prevent waste, promote conservation, and protect correlative rights. This Cottonwood 29-32 Fed Com Battery is in UL/Lot D, Sec 29, T-26S, R-26E.

These wells are operated by Chisholm Energy Operating, LLC with Identical ownership. There are two leases involved and two approved Communitization Agreement.

Attached:

- 1) Summary Detail
- 2) Lease Plat shows boundaries, Federal Lease #'s, CDP, Communitization, wellhead, and wellbore path.
- 3) Battery Diagram
- 4) NMOCD Form C-102 Well Plats for each well.
- 5) Explanatory Letter with Exhibit A, listing owners (includes SLO), will receive filings by certified mail, return receipt requested pursuant Division Rule 19.15.12.10.
- 6) Copy of BLM Sundry submittal & SLO Transmittal Form
- 7) Landman statement for identical ownership as defined in 19.15.12.7.
- 8) USPS – Certified return receipt requested.

For future addition of wells, leases, and pools to this commingling operation, notice shall only be given to those interest owners in the wells, leases or pools to be added, in accordance with the Division Rule 19.15.12.10 C (4)(g) NMAC.

If you should have any questions, please call me at (972)979-0132 or Jennifer Elrod at (817) 953-3728.

Sincerely,

Bettie Watson,  
Regulatory Consultant

**APPLICATION POOL/LEASE SURFACE COMMINGLE & STORAGE for West Pad  
Cottonwood 29-32 Fed Com 2BS 1H, 2H; & Cottonwood 29-32 Fed Com WCA 9H**

Chisholm Energy Operating, LLC (CEO) is requesting approval for a Central Tank Battery, Lease Commingle & Storage of the following wells in different pools on BLM & SLO Leases:

Communitization Agreement # NM 138273 for 1H, 2H was approved 06/07/2018 for Bone Spring. (892.2 Acres)

<u>Well Names</u>	<u>Location - Eddy Co.</u>	<u>API #</u>	<u>Pool</u>
<u>Lease: BLM NMNM 113944 &amp; NMSLO VO 9697</u>			
Cottonwood 29-32 Fed Com 2BS 1H	NWNW, 29, T26S, R26E	30-015-43702	Welch; Bone Spring / 64010
Cottonwood 29-32 Fed Com 2BS 2H	EWNW, 29, T26S, R26E	30-015-43692	Welch; Bone Spring / 64010

Communitization Agreement # NM 138274 for 9H was approved 03/01/2018 for Wolfcamp. (892.2 Acres)

<u>Well Names</u>	<u>Location - Eddy Co.</u>	<u>API #</u>	<u>Pool</u>
<u>Lease: BLM NMNM 113944 &amp; NMSLO VO 9697</u>			
Cottonwood 29-32 Fed Com WCA 9H	NWNW, 29, T26S, R26E	30-015-44919	Purple Sage; Wolfcamp/98220

**Cottonwood 29-32 Fed Com 2BS 1H, 2H; & Cottonwood 29-32 Fed Com WCA 9H- Mthly. Production**

MTH	Days On	Cottonwood 29-32 Fed Com 2BS 1H			Days On	Cottonwood 29-32 Fed Com 2BS 2H			Days On	Cottonwood 29-32 Fed Com WCA 9H		
		OIL-BBLS	GAS-MCF	H2O-BBLS		OIL-BBLS	GAS-MCF	H2O-BBLS		OIL-BBLS	GAS-MCF	H2O-BBLS
Jan-18	28	3648.42	46073	59605.65	29	3128.58	62645	48515.35				
Feb-18	22	2987.94	48199	43991.78	26	2350.06	70146	54304.22				
Mar-18	25	3304.33	55771	66129.58	30	1291.67	58185	44802.42				
Apr-18	27	2566.27	55465	64414.51	24	860.74	41974	34091.49				
May-18	28	2052.67	49919	56905.15	28	958.33	43546	34305.85				
Jun-18	30	1673.00	44049	45138.00	30	747.00	38476	26492.00				
Jul-18	27	1167.00	36130	35880.01	28	685.00	32793	21612.99		no production yet		
		<u>17,399.63</u>	<u>335,606</u>	<u>372,064.68</u>		<u>10,021.38</u>	<u>347,765</u>	<u>264,124.32</u>		<u>0.00</u>	<u>0</u>	<u>0.00</u>

7/30/2018

**Economic Justification Worksheet:**

Individual Wells	Current BOPD	Oil Gravity	Value/ BBL	Current MCFPD	DRY BTU @14.73 *	Value/ MCF
Cottonwood 29-32 Fed Com 2BS 1H	58.97	46.1	61.72	1340.82	1.2861	2.6647
Cottonwood 29-32 Fed Com 2BS 2H	27.25	46.1	61.72	1199.36	1.2861	2.6647
Cottonwood 29-32 Fed Com WCA 9H						
<b>Economic combined production</b>	<b>BOPD</b>	<b>Oil Gravity</b>	<b>Value/ BBL</b>	<b>MCFPD</b>	<b>DRY BTU</b>	<b>Value/ MCF</b>
	86.22	46.1	61.72	2540.18	1.2861	2.6647

June volumes based on 10 days average of data registered on Neofirma.

Dry BTU = 1.2861 & Oil Gravity corresponds to the Monthly Sales Statement.

APPLICATION POOL/LEASE SURFACE COMMINGLE & STORAGE for West Pad  
Cottonwood 29-32 Fed Com 2BS 1H, 2H; & Cottonwood 29-32 Fed Com WCA 9H

**Oil & Gas metering and allocation:**

The central tank battery is located on the pad of the Cottonwood 29-32 Fed Com 2BS 1H in Sec 29, T26S-R26E, Eddy Co., New Mexico. Cottonwood 29-32 Fed Com 2BS 1H & 2H and Cottonwood 29-32 Fed Com WCA 9H will flow through their own individual 3 phase separator with turbine meters to measure the oil and water and an EFM gas allocation meters to measure the gas. VRU will be allocated back to the well level using the monthly oil production from each well. The wells have identical Owners and Percentages.

The commingle battery has 4-500 bbl oil tanks and 4-500 bbl water tanks. After all the wells flow through their own 3 phase separator/heater, the oil will be metered individually through its own turbine meter on the way to the oil tanks. Oil is trucked off location. Downstream of the 3-phase separator each well has its own Electronic Flow Meter to measure the gas for allocation of sales back to the individual well. Our cumulative meter amount is the check for the Lucid's Sales Meter. The water is metered using a turbine meter for each well and then flow to the water tanks.

Oil production will be allocated daily based on the turbine allocation meter located downstream of the 3-phase separator. The turbine oil meter will be proven as per API, NMOCD, and BLM specifications. The gas will be allocated back to the well using volumes downloaded from the individual wells allocation meter. The gas will be allocated using MMBTU volumes from each well. The gas off the VRU allocation meter will flow to the Lucid's gas sales meter (low psi). The gas meters will be calibrated on a regular basis per API, NMOCD, and BLM specifications. The BLM and OCD will be notified of any future changes to the facility.

**Process and Flow Description:**

The flow of produced fluids is shown in detail on the enclosed facility diagram, along with a description of each vessel and a plat which show the lease boundaries, Communitization boundaries, and location of wells and wellbore paths. The proposed commingling is appropriate based on the BLM's guidance in IM 2013-152. The proposed commingling will maximize the ultimate recovery of oil and gas from the federal leases and will reduce environmental impacts. The proposed commingling will reduce operating expense, as well as, not adversely affect federal royalty income, production accountability, or the distribution of royalty.

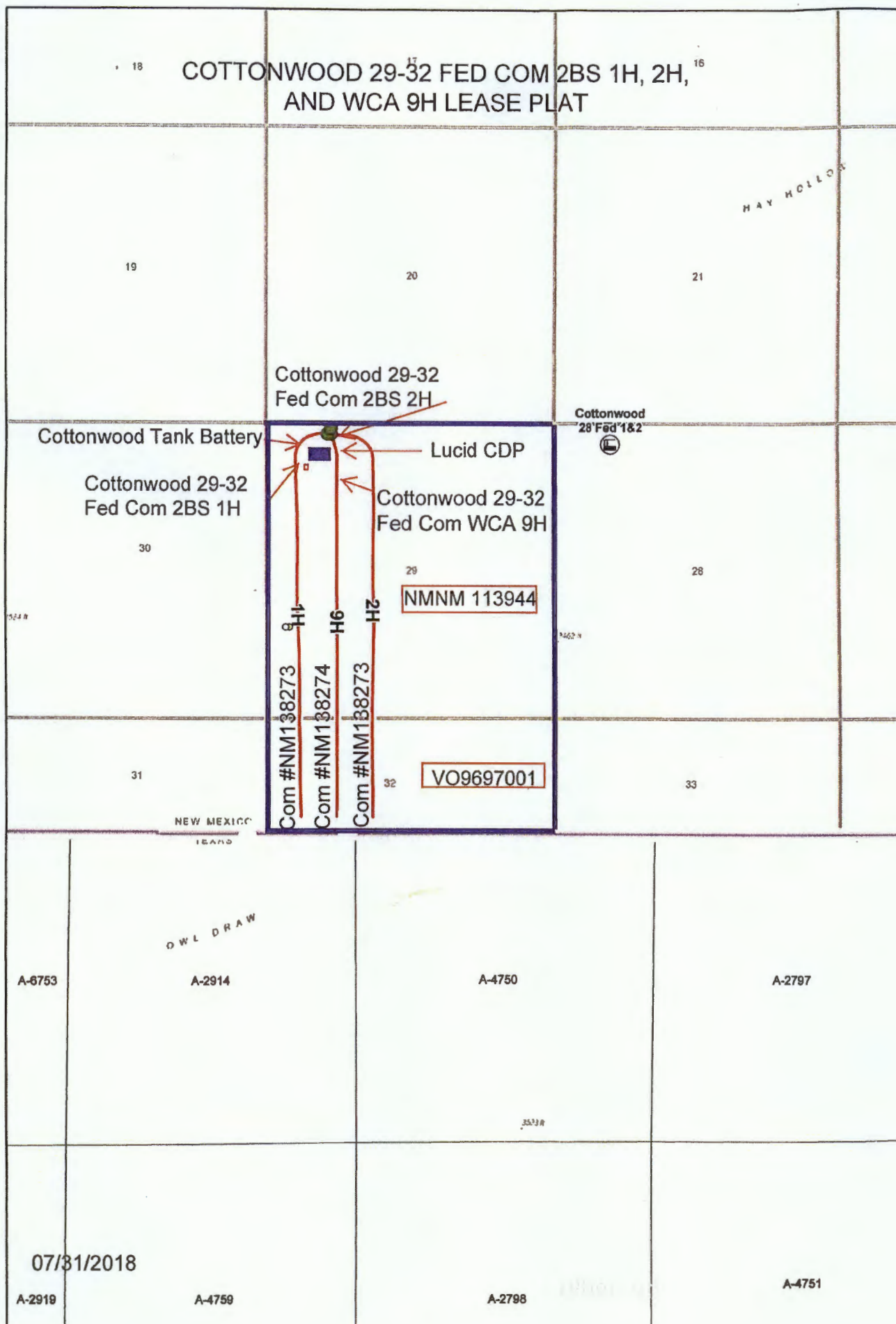
**Attached:**

- 1 - Lease Plat shows boundary, Federal Lease Number, CDP, Communitization, wellheads and wellbore path.
- 2 - Battery Diagram.
- 3 - NMOCD Form C-102 Well Plats for each well.
- 4 - Explanatory Letter with Exhibit A, listing owners (includes SLO), will receive filings by certified mail, return receipt requested.
- 5 - Copy of NMOCD Form & Letter, and SLO Transmittal Form.
- 6 - Landman statement for identical ownership as defined in 19.15.12.7.
- 7 - USPS – Certified return receipt requested.

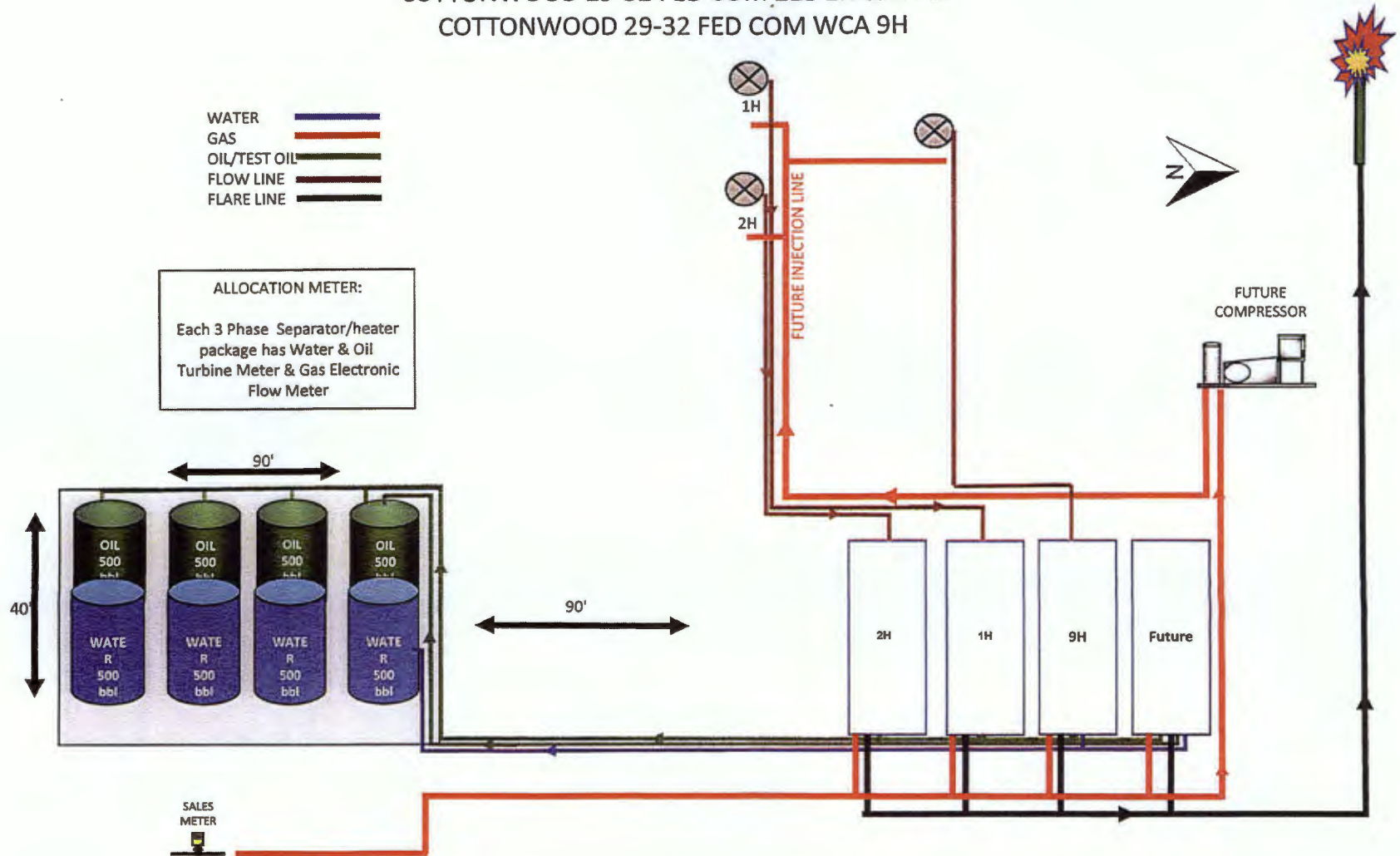
Chisholm Energy Operating, LLC understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.

SIGNATURE: 

DATE: July 31, 2018



# BATTERY DIAGRAM COTTONWOOD 29-32 FED COM 2BS 1H & 2H & COTTONWOOD 29-32 FED COM WCA 9H



07/31/2018



District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-015-43702	<sup>2</sup> Pool Code 64010	<sup>3</sup> Pool Name Welch; Bone Spring
<sup>4</sup> Property Code	<sup>5</sup> Property Name COTTONWOOD 29-32 FED COM 2BS	<sup>6</sup> Well Number 1H
<sup>7</sup> OGRID No. 372137	<sup>8</sup> Operator Name CHISHOLM ENERGY OPERATING, LLC	<sup>9</sup> Elevation 3433'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	29	26S	26E		200	FNL	1145	FWL	EDDY

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L-4	32	26S	26E		340	FSL	681	FWL	EDDY

<sup>12</sup> Dedicated Acres 892.20	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No. R-14670
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

	<p><b><sup>17</sup> OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Jennifer Elrod</i> 05/22/2018 Signature Date</p> <p>JENNIFER ELROD Printed Name</p> <p>jelrod@chisholmenergy.com E-mail Address</p>
	<p><b><sup>18</sup> SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Date of Survey Signature and Seal of Professional Surveyor:</p>
	<p>Certificate Number</p>

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Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-015-43704	<sup>2</sup> Pool Code 64010	<sup>3</sup> Pool Name Welch; Bone Spring
<sup>4</sup> Property Code	<sup>5</sup> Property Name COTTONWOOD 29-32 FED COM 2BS	<sup>6</sup> Well Number 2H
<sup>7</sup> OGRID No. 372137	<sup>8</sup> Operator Name CHISHOLM ENERGY OPERATING, LLC	<sup>9</sup> Elevation 3433

<sup>10</sup> Surface Location

UL or lot no. D	Section 29	Township 26S	Range 26E	Lot Idn	Feet from the 200	North/South line NORTH	Feet from the 1205	East/West line WEST	County EDDY
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<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no. L-3	Section 32	Township 26S	Range 26E	Lot Idn	Feet from the 330	North/South line SOUTH	Feet from the 1995	East/West line WEST	County EDDY
<sup>12</sup> Dedicated Acres 892.20	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No. R-14670						

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<p><b>17 OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Jennifer Elrod</i> 05/22/18 Signature Date</p> <p>Jennifer Elrod Printed Name jelrod@chisholmenergy.com E-mail Address</p>	<p><b>18 SURVEYOR CERTIFICATION</b> I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Date of Survey Signature and Seal of Professional Surveyor:  Certificate Number</p>
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1025 N. French Dr., Hobbs, NM 88240  
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State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised August 1, 2011

Submit one copy to appropriate  
District Office

OIL CONSERVATION DIVISION  
1226 South St. Francis Dr.  
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☒ AMENDED REPORT

API Number 30-015-44919	Pool Code 98220	Pool Name PURPLE SAGE; WOLFCAMP
Property Code 319571	Property Name COTTONWOOD 29-32 FED COM WCA	Well Number 9H
OGRID No. 372137	Operator Name CHISHOLM ENERGY OPERATING, LLC	Elevation 3433'

Surface Location

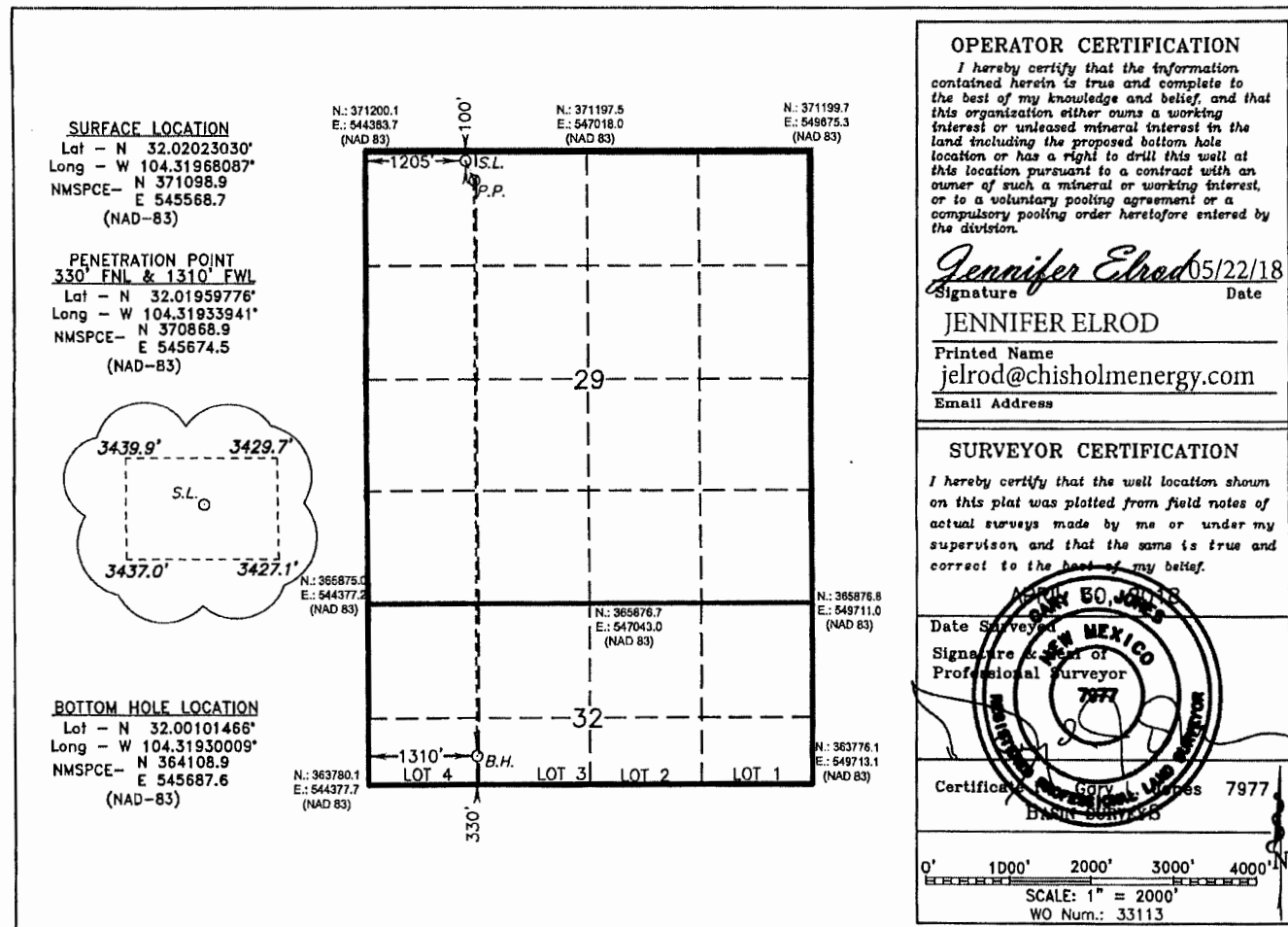
UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	North/SOUTH LINE	FEET from the	East/West Line	County
D	29	26 S	26 E		100	NORTH	1205	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	North/SOUTH LINE	FEET from the	East/West Line	County
LOT 4	32	26 S	26 E		330	SOUTH	1310	WEST	EDDY

Dedicated Acres 892.20	Joint or Infill	Consolidation Code	Order No. R-14670
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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





# CHISHOLM ENERGY PRODUCING, LLC

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CERTIFIED MAIL RETURN RECEIPT REQUESTED

July 31, 2018

TO: See Exhibit "A"

RE: Application for Pool/Lease Surface Commingle for  
Cottonwood 29-32 Fed Com 2BS 1H, 2H & WCA 9H all in  
Section 29, T-26S, R-26E  
Welch; Bone Spring/64010 & Purple Sage; Wolfcamp/98220  
Eddy County, New Mexico

Gentlemen:

This is to advise you that Chisholm Energy Operating, LLC, is filing an application with the Bureau of Land Management (BLM), New Mexico Oil Conservation Division (NMOCD), and State of New Mexico Commissioner of Public Lands (NMSLO) seeking approval for Pool/Lease Surface Commingle permit at a central Tank Battery. Our application to the BLM, NMOCD, and NMSLO submittal is attached. Each well is individually metered before being commingled. These wells have identical ownership & percentages. This Cottonwood 29-32 Fed Com Battery is in UL/Lot D, Sec 29, T-26S, R-26E.

In accordance with Paragraph (4)(c) of Subsection C of 19.15.12.10 NMAC prescribes that the applicant shall notify the interest owners. The Applicant shall submit a statement attesting that the applicant, on or before the date the applicant is submitted to the division, notified each of the interest owners by sending them a copy of the application and the attachments to the application by certified mail, return receipt requested, and advising them that they must file an objection in writing with the division's Santa Fe office within 20 days from the date the division received the application. The division may approve the application administratively, without hearing, upon receipt of written waiver from the interest owner, or if no interest owner has filed an objection within the 20-day period. If the division receives an objection, it shall set the application for hearing. The division shall notify the applicant, who shall give formal notice of hearing to each party who has filed an objection and to such other persons as the division directs.

For future addition of wells, leases, and pools to this commingling operation, notice shall only be given to those interest owners in the wells, leases or pools to be added, in accordance with the Division Rule 19.15.12.10 C (4)(g) NMAC.

If you have any questions, please call me at 972.979.0132. If I am not available, please call Jennifer Elrod at 817-953-3728

Sincerely,

Bettie Watson,  
Regulatory Consultant

801 Cherry Street, Suite 1200, Unit 20 – Fort Worth, Texas 76102



# CHISHOLM ENERGY PRODUCING, LLC

## EXHIBIT "A"

APPLICATION FOR POOL/LEASE SURFACE COMMINGLE & STORAGE for  
Cottonwood 29-32 Fed Com 2BS 1H, 2H & WCA 9H  
Welch; Bone Spring/64010 & Purple Sage; Wolfcamp/98220  
Section 29, T-26S, R-26E - Eddy County, New Mexico

### **Owners to be Served Notice of this Filing**

Duane A Davis  
Attn: Kathie Craft  
P.O. Box 823085  
Dallas, TX 75382

Nearburg Producing Company  
F/B/O the Nearburg Producing  
Company Employee Fund  
Attn: Kathie Craft  
P.O. Box 823085  
Dallas, TX 75382

Nearburg Producing Company  
Attn: Kathie Craft  
P.O. Box 823085  
Dallas, TX 75382

New Mexico State Land Office Oil, Gas,  
and Mineral Division  
Attn: Marilyn Gruebel  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87501-1148

Form 3160-5  
(August 2007)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**SUNDRY NOTICES AND REPORTS ON WELLS**

**Do not use this form for proposals to drill or to re-enter an abandoned well.  
Use Form 3160-3 (APD) for such proposals.**

**Bold\*** fields are required.

Section 1 - Completed by Operator	
<b>1. BLM Office*</b> Carlsbad, NM	<b>2. Well Type*</b> GAS
<b>3. Submission Type*</b> <input checked="" type="radio"/> Notice of Intent <input type="radio"/> Subsequent Report	<b>4. Action*</b> Other Sundry Notice
Operating Company Information	
<b>5. Company Name*</b> CHISHOLM ENERGY OPERATING, LLC	
<b>6. Address*</b> 801 CHERRY ST., SUITE 1200 - UNIT 20  FORT WORTH TX 76102	<b>7. Phone Number*</b> 817-953-3728
Administrative Contact Information	
<b>8. Contact Name*</b> JENNIFER _ ELROD	<b>9. Title*</b> SR. REGULATORY TECH
<b>10. Address*</b> 801 CHERRY ST., SUITE 1200 - UNIT 20  FORT WORTH TX 76102	<b>11. Phone Number*</b> 817-953-3728 _ <b>12. Mobile Number</b> 940-452-6214
<b>13. E-mail*</b> JElrod@ChisholmEnergy.com	<b>14. Fax Number</b> 817-601-7551
Technical Contact Information	
<input checked="" type="checkbox"/> Check here if Technical Contact is the same as Administrative Contact.	
<b>15. Contact Name*</b> _____ _____ _____	<b>16. Title*</b> _____ _____ _____
<b>17. Address*</b> _____ _____ _____	<b>18. Phone Number*</b> _____ _____ _____
	<b>19. Mobile Number</b> _____

<b>20. E-mail*</b>	<b>21. Fax Number</b>
<b>Lease and Agreement</b>	
<b>22. Lease Serial Number*</b> NMNM113944	
<b>24. If Unit or CA/Agreement, Name and/or Number</b> NMNM138273	<b>25. Field and Pool, or Exploratory Area*</b> WELCH; BONE SPRING
<b>County and State for Well</b>	
<b>26. County or Parish, State*</b> EDDY CO	
<b>Associated Well Information</b>	
<b>27. Specify well using one of the following methods:</b> a) Well Name, Well Number, API Number, Section, Township, Range, Qtr/Qtr, N/S Footage, E/W Footage b) Well Name, Well Number, API Number, Latitude, Longitude, Metes & Bounds description	
<b>Well Name*</b> COTTONWOOD 29-32 FED COM WCA	<b>Well Number*</b> 1H
<b>API Number</b> 30-015-43702	
<b>Section</b> 29	<b>Township</b> 26S
<b>Range</b> 26E	<b>Meridian</b> NEW MEXICO PRINCIPAL
<b>Qtr/Qtr</b> —	<b>N/S Footage</b> 200 FNL
<b>E/W Footage</b> 1145 FWL	
<b>Latitude</b> 32.019956	<b>Longitude</b> 104.319874
<b>Metes and Bounds</b>	
<b>28. Describe Proposed or Completed Operation</b> Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all markers and zones. Attach the Bond under which the work will be performed or provide the Bond Number on file pertinent with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.  Chisholm Energy Operating, LLC request approval to Surface Commingle production on the following wells at a common central located on the Cottonwood 29-32 Fed Com 2BS 1H well location.  Cottonwood 29-32 Fed Com 2BS 1H - Welch; Bone Spring/64010 Cottonwood 29-32 Fed Com 2BS 2H - Welch; Bone Spring/64010 Cottonwood 29-32 Fed Com WCA 9H - Purple Sage; Wolfcamp/98220  attached is the following: Summary Detail Lease Plat Facility diagram Form C-102 for each well Letter to owners Administrative Application Check list and transmittal letter to NMOCD Application form to NMSLO	

**Landman Statement for Commingle of Wells with Identical Ownership  
Certified mailing Receipts**

I hereby certify that the foregoing is true and correct.

**29. Name\***

JENNIFER \_ ELROD

**30. Title**

SR. REGULATORY TECH.

**31. Date\*** (MM/DD/YYYY)08/06/2018 **32. Signature\***

*You have the ability to sign this form only if a SmartCard or digital certificate has been issued to you.*

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**Section 2 - System Receipt Confirmation****33. Transaction**

430016

**34. Date Sent**

08/06/2018

**35. Processing Office**

Carlsbad, NM

**Section 3 - Internal Review #1 Status****36. Review Category****37. Date Completed****38. Reviewer Name****39. Comments****Section 4 - Internal Review #2 Status****40. Review Category****41. Date Completed****42. Reviewer Name****43. Comments****Section 5 - Internal Review #3 Status**

44. Review Category	45. Date Completed	46. Reviewer Name
47. Comments		

Section 6 - Internal Review #4 Status		
48. Review Category	49. Date Completed	50. Reviewer Name
51. Comments		

Section 7 - Final Approval Status			
52. Disposition	53. Date Completed	54. Reviewer Name	55. Reviewer Title
56. Comments			

### GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations, and reports of such operations when completed, as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard local area, or regional procedures and practices, either are shown below will be issued by, or may be obtained from the local Federal office.

### SPECIFIC INSTRUCTIONS

*Item 27* - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

*Item 28* - Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones, or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to top of any left in the hole; method of closing top of well and date well site conditioned for final inspection looking to approval of the abandonment.

### NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

**AUTHORITY:** 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

**PRINCIPAL PURPOSE:** The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative



use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c) and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

**ROUTINE USES:** Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

**EFFECT OF NOT PROVIDING THE INFORMATION:** Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

This information is being collected to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

#### **BURDEN HOURS STATEMENT**

Public reporting burden for this form is estimated to average 25 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0135), Bureau Information Collection Clearance Officer, (WO-630), Mail Stop 401 LS, 1849 C St., N.W., LS, Washington D.C. 20240

**Manage Process Attachments**  
**Process Number: 3160-5**  
**Process Name: Sundry Notices and Reports on ...**  
**Process Instance Identifier: 00950-02612**

**Process Attachments:**

Browse:

[Browse...](#) [Add File](#)

Add comment to above file (optional):

Name	Size	Attached by	Attached on	Comment
<input type="checkbox"/> <a href="#">Cottonwood 29-32 Fed Com 2BS 1H, 2H, &amp;WCA 9H BLM pkg20180806.pdf</a>	7.5M	<a href="#">JENNIFER ELROD</a>	08/06/2018	

[Remove Selected Files](#)

**Process Field Attachments:**

Section Name - Field Name				
Name	Size	Attached by	Attached on	Comment

[Finish](#)

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APPLICATION FOR  
COMMINGLING AND OFF-LEASE STORAGE  
ON STATE TRUST LANDS



This application form is required for all commingling applications requiring approval by the Commissioner of Public Lands.

**Applicant:** Chisholm Energy Operating, LLC **OGRID #:** 372137  
**Well Name:** Cottonwood 29-32 Fed Com 2BS 1H, 2H, and WCA 9H **API #:** 30-015-43702, 43704, & 44919  
**Pool:** Welch; Bone Spring/64010 & Purple Sage; Wolfcamp/98220

**OPERATOR NAME:** Chisholm Energy Operating, LLC  
**OPERATOR ADDRESS:** 801 Cherry St. Suite 1200-Unit 20 - Fort Worth, TX 76102

**APPLICATION REQUIREMENTS – SUBMIT:**

1. New Mexico Oil Conservation Division (NMOCD) application packet (or equivalent information if no application is required by NMOCD),
2. Commingling application fee of \$150.

**CERTIFICATION:** To the best of my knowledge,

- All business leases and rights-of-way necessary for conducting the proposed operation on State Trust lands have been applied for or obtained,
- The information submitted with this application is **accurate** and **complete**, and
- No loss will accrue to the state of New Mexico as a result of the proposed operation.

I also understand that **no action** will be taken on this application until the required information and fee are submitted to the State Land Office.

**Note: Statement must be completed by an individual with managerial and/or supervisory capacity.**

Bettie Watson

Print or Type Name

*Bettie Watson*

Signature

07/31/2018

Date

817-864-1104

Phone Number

bettie@chisholmenergy.com

e-mail Address

**Submit application to:**  
Commissioner of Public Lands  
Attn: Commingling Manager  
PO Box 1148  
Santa Fe, NM 87504-1148

Questions?  
Contact the Commingling Manager:  
505.827.5791

Upon approval, the requesting organization will receive an acknowledgment letter from the Commissioner of Public Lands.

LANDMAN STATEMENT FOR COMMINGLE OF WELLS WITH IDENTICAL OWNERSHIP

I hereby certify that the leased lands contributing to the proration units associated with the Cottonwood 29-32 Fed Com 2BS 1H (API 30-015-43702), Cottonwood 29-32 Fed Com 2BS 2H (API 30-015-43704), and Cottonwood 29-32 Fed Com WCA 9H (API 30-015-44919) contain identical ownership as defined in 19.5.12.7 NMAC.

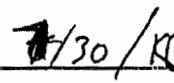
Title 19, Chapter 15, Part 12, 19.15.12.7 Definitions:

- A. "Diverse Ownership" means leases or pools have different working, royalty, or overriding royalty interest owners or different ownership percentages of the same working, royalty, or overriding royalty interest owners.
- B. "Identical ownership" means leases or pools have the same working, royalty, and overriding royalty owners in exactly the same percentages.
- C. "Lease" means a contiguous geographical area of identical ownership overlying a pool or portion of a pool. An area pooled, unitized or communitized, either by agreement or by division order, or a participating area shall constitute a lease. If there is diversity of ownership between different pools, or between different zones or strata, then each such pool, zone or stratum having diverse ownership shall be considered a separate lease.

The above statement is true and correct.



Davis Armour, Certified Professional Landman



Date

969 6363 0000 5263 6760

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Nearburg Producing Company  
 Attn: Kathie Craft  
 P.O. Box 823085  
 Dallas, TX 75382

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New Mexico State Land Office Oil Gas  
 and Minerals Division  
 Attn: Marilyn Gruebel  
 310 Old Santa Fe Trail  
 Santa Fe, NM 87501-1148

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 Attn: Kathie Craft  
 P.O. Box 823085  
 Dallas, TX 75382

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Nearburg Producing Company  
 F/B/O The Nearburg Producing Co.  
 Employee Fund  
 Attn: Kathie Craft  
 P.O. Box 823085  
 Dallas, TX 75382

PS Form 3800, April 2015 PSN 7530-02-000-9047

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