Re-submitting 9-4518	1 0 1. a 817-953-328
Mike, Illase Contac	d Jennifer (a) 817-953-378 7 Revised March 23, 2017
3/12/2018	APP NO: DUL DW. AM 18086 447.30 BLEFOR OCD DIMSION USE ONLY
NEW MEXICO OIL COI - Geological & Engir 1220 South St. Francis Drive	NSERVATION DIVISION neering Bureau – e, Santa Fe, NM 87505
ADMINISTRATIVE APP THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIV REGULATIONS WHICH REQUIRE PROCESSI	/E APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND
Applicant: Chisholm Energy Operating, LLC_Well Name: Cottonwood 28-33 (see attached S Pool: Welch; Bone Spring & Purple Sage; Wolfco	mp Pool Code: <u>64010 & 98220</u>
SUBMIT ACCURATE AND COMPLETE INFORMATION INDICATE	I REQUIRED TO PROCESS THE TYPE OF APPLICATION ED BELOW
 TYPE OF APPLICATION: Check those which apple. A. Location – Spacing Unit – Simultaneous Decline In NSP (PROJECT AREA) 	dication
B. Check one only for (1) or (11) (1) Commingling - Storage - Measuremer DHC CTB X PLC PC (11) Injection - Disposal - Pressure Increase WFX PMX SWD IPI 2) NOTIFICATION REQUIRED TO: Check those which A. Offset operators or lease holders B. Royalty, overriding royalty owners, reverse. C. Application requires published notice D. Notification and/or concurrent approve. E. Notification and/or concurrent approve. F. Surface owner	E OLS OLM De - Enhanced Oil Recovery FOR OCD ONLY Shapply. Shapply. Phuse owners Application Content Complete Call by SLO Call by BLM
G. 不 For all the above, proof of notification H.	or publication is attached, and/or,
3) CERTIFICATION: I hereby certify that the information administrative approval is accurate and compunderstand that no action will be taken on this notifications are submitted to the Division.	lete to the best of my knowledge. I also
Note: Statement must be completed by an Indi	ividual with managerial and/or supervisory capacity.
Bettie Watson	03/07/2018 Date
Print or Type Name	817-864-1104
	Phone Number
Lettie Natson	bwatson@chisholmenergy.com
Signature	e-mail Address



March 7, 2018

VIA Certified Mail, Return Receipt

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

Cottonwood 28-33 W/2 of Sections for

Welch; Bone Spring & Purple Sage; Wolfcamp Pools

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 28-33 W/2 of Sections in Eddy County, New Mexico. Each well is metered individually. This action will prevent waste, promote conservation, and protect correlative rights. This battery location on Section 21 was the appropriate location for our battery facility as Cave/Karst conditions exist on our lease. Communitization Agreement proposals have been submitted by Chisholm Energy Operating, LLC. At this time, they have not been approved.

The Cottonwood 28-33 Fed Com W/2 of these sections are operated by Chisholm Energy Operating, LLC. Pursuant Division Rule 19.15.12.10 the Interest owners that are to be notified are listed on Exhibit A and are being sent a copy of this application by certified mail, return receipt.

Also, attached:

- 1) NMOCD Form C-107-B
- 2) Summary Detail
- 3) Lease Plat shows boundaries, Federal Lease #'s, facility, wellhead, and path of production.
- 4) Facility Diagram
- 5) NMOCD Form C-102 Well Plats for each well.
- 6) A copy of notice letter to interest owners and copy of certified mail, return receipt request
- 7) Copy of BLM Sundry submittal.

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

<u>District I</u> 1625 N. French Drive, Hobbs, NM 88240 <u>District II</u>

District II

1000 Rio Brazos Road, Aztec, NM 87410

District IV

1220 S. St Francis Dr, Santa Fe, NM
87505

E-MAIL ADDRESS: bwatson@chisholmenergy.com

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.

	FOR SURFACE O		(DIVERSE	OWNERSHIP)	<u> </u>
	m Energy Operatin		Worth TV 7	6102	
OPERATOR ADDRESS: 800 Ch APPLICATION TYPE:	erry Street - Suite	1200-Unit 20 - FON	worm, IA /	0102	
☐ Pool Commingling ☐ Lease Commingling	ng [X]Pool and Lease Con	nmingling COff. Lease	Storage and Messur	ement (Only if not Surface	Commingled)
		_	Stotage and ivicasui	ement (only it not surface	Continuigica
LEASE TYPE: Fee Is this an Amendment to existing Orde			ha annranriete C	rder No	
Have the Bureau of Land Management Yes No					ingling
		L COMMINGLIN s with the following in			
(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
Purple Sage: Wolfcamp / 98220	see Summary Detail a	tached, section on "Eco	omic Justificatio	Worksheet"	
Welch; Bone Spring / 64010	see Summary Detail a	tached, section on "Eco	omic Justification	Worksheet"	
(2) Are any wells producing at top allow					
(4) Measurement type: Metering (5) Will commingling decrease the value	e of production? Yes			ing should be approved	
		SE COMMINGLINGS with the following i			
(1) Pool Name and Code. (2) Is all production from same source o (3) Has all interest owners been notified b (4) Measurement type: Metering	y certified mail of the pro		□Yes □N	lo	
		LEASE COMMIN			
(1) Complete Sections A and E.	Flease attach shee	is with the following i	mormacon		
	(D) OFF-LEASE ST				
		ets with the following	information		···
(1) Is all production from same source of (2) Include proof of notice to all interest					<u></u>
(E) A	ADDITIONAL INFO	ORMATION (for al		ypes)	
A schematic diagram of facility, inc A plat with lease boundaries showin Lease Names, Lease and Well Number	g all well and facility loca	tions. Include lease numb	pers if Federal or S	tate lands are involved.L	ease Plat Attach
I hereby certify that the information above	is true and complete to th	e best of my knowledge a	nd belief.		
SIGNATURE: Dettie Wall		FITLE: Regulatory Const		DATE:_ <u>03/0</u>	7/2018
TYPE OR PRINT NAME Bettie Watso	on		TE	LEPHONE NO.: <u>972-97</u>	9-0132
					

SUMMARY DETAIL 03/07/2018

APPLICATION FOR POOL/LEASE SURFACE COMMINGLE & STORAGE for Cottonwood 28-33 W/2 of Sections for Welch; Bone Spring & Purple Sage; Wolfcamp Pools

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

Location - Eddy Co.	API#	Pool .
SESE, 21, T26S, R26E	30-015-43687	Purple Sage; Wolfcamp/98220
SESE, 21, T26S, R26E	30-015-44648	Welch; Bone Spring/64010
SESE, 21, T26S, R26E	30-015-44649	Welch; Bone Spring/64010
Location - Eddy Co.	API#	Pool .
BLM NMNM121472		
SESE, 21, T26S, R26E	30-015-43690	Purple Sage; Wolfcamp/98220
SESE, 21, T26S, R26E	30-015-44650	Welch; Bone Spring/64010
	SESE, 21, T26S, R26E SESE, 21, T26S, R26E SESE, 21, T26S, R26E Location - Eddy Co. BLM NMNM121472 SESE, 21, T26S, R26E	SESE, 21, T26S, R26E 30-015-43687 SESE, 21, T26S, R26E 30-015-44648 SESE, 21, T26S, R26E 30-015-44649 Location - Eddy Co. API # BLM NMNM121472 SESE, 21, T26S, R26E 30-015-43690

Economic Justification Worksheet¹

Individual Wells	Current BOPD	Oil Gravity	Value/ BBL	Current MCFPD	DRY BTU	Value/ MCF
Cottonwood 28-33 Fed 2BS 5H	0			0		
Cottonwood 28-33 Fed 2BS 6H	0			0		
Cottonwood 28-33 Fed Com 2BS 7H	0			0		
Cottonwood 28-33 Fed Com WCA 3H	375	49.0	\$58.00	1600		\$4.50
Cottonwood 28-33 Fed Com WCA 4H	275	49.0	\$58.00	1100		\$4.50

Economic combined production	BOPD	Oil Gravity	Value/ BBL	MCFPD	DRY BTU	Value/ MCF
	650	49.0	\$58.00	2700		\$4.50

¹This form is used to indicate that no production and commodity value will be lost by the commingle

DOI for the <u>BS #5H & #6H</u> (W/2 of E/2 of 28-33) is:

UNIT SUMMARY	GWI	NRI
BLM NMNM113944		0.12500000
Nearburg Producing Company fbo Nearburg Producing Company Employee Fund		0.01000000
Nearburg Producing Company		0.10500000
Duane A Davis		0.01000000
Chisholm Energy Operating LLC	1.00000000	0.75000000
	1.00000000	1.00000000

SUMMARY DETAIL

03/07/2018

APPLICATION FOR POOL/LEASE SURFACE COMMINGLE & STORAGE for Cottonwood 28-33 W/2 of Sections for Welch; Bone Spring & Purple Sage; Wolfcamp Pools

COMMUNITIZATION AGREEMENTS APPLIED FOR:

The Communitization Agreement for the $\underline{\rm BS\,7H}$ was submitted to BLM 2/1/2018 and the DOI for the 7H (E/2 of E/2 of 28-33) is:

UNIT SUMMARY	GWI	NRI
BLM NMNM113944		0.12500000
Nearburg Producing Company fbo Nearburg Producing Company Employee Fund		0.00895937
Nearburg Producing Company		0.09407338
Duane A Davis		0.00895937
EOG Y Resources Inc		0.00520315
OXY-Y-1 Company		0.00260158
EOG A Resources Inc		0.00260158
EOG M Resources Inc		0.00260158
Chisholm Energy Operating LLC	1.00000000	0.75000000
	1.00000000	1.00000000

The Communitization Agreement for the $\underline{WC~3H~\&~4H}$ wells was submitted to BLM 11/20/2017 and the DOI for these wells (E/2 of 28-33) is:

UNIT SUMMARY	GWI	NRI
BLM NMNM113944		0.11849577
BLM NMNM 121472		0.00650423
Nearburg Producing Company fbo Nearburg Producing Company Employee Fund		0.00947966
Nearburg Producing Company		0.09953644
Duane A Davis		0.00947966
EOG A Resources, Inc.		0.00130085
EOG M Resources, Inc.		0.00130085
EOG Y Resources, Inc.		0.00260169
Oxy Y-1 Company		0.00130085
Chisholm Energy Operating LLC	1.00000000	0.75000000
	1.00000000	1.00000000

Each tract has diverse ownership. The BLM's interest in both leases is a flat royalty rate of 12.5%.

The commingling of production is in the interest of conservation and waste. It will result in the most effective, economic means of producing the reserves in place from the affected wells and will not result in reduced royalty or improper measurement of production. A copy of this filing will be submitted to the NMOCD for review & approval.

SUMMARY DETAIL 03/07/2018

APPLICATION FOR POOL/LEASE SURFACE COMMINGLE & STORAGE for Cottonwood 28-33 W/2 of Sections for Welch; Bone Spring & Purple Sage; Wolfcamp Pools

Attached:

Lease Plat shows boundary, Federal Lease Numbers facility, wellheads, and path of production.

Battery Diagram.

NMOCD Form C-102 Well Plats.

A copy of the notice letter to interest owners.

A copy of letter to the NMOCD.

ettii Statson 03-07-2018

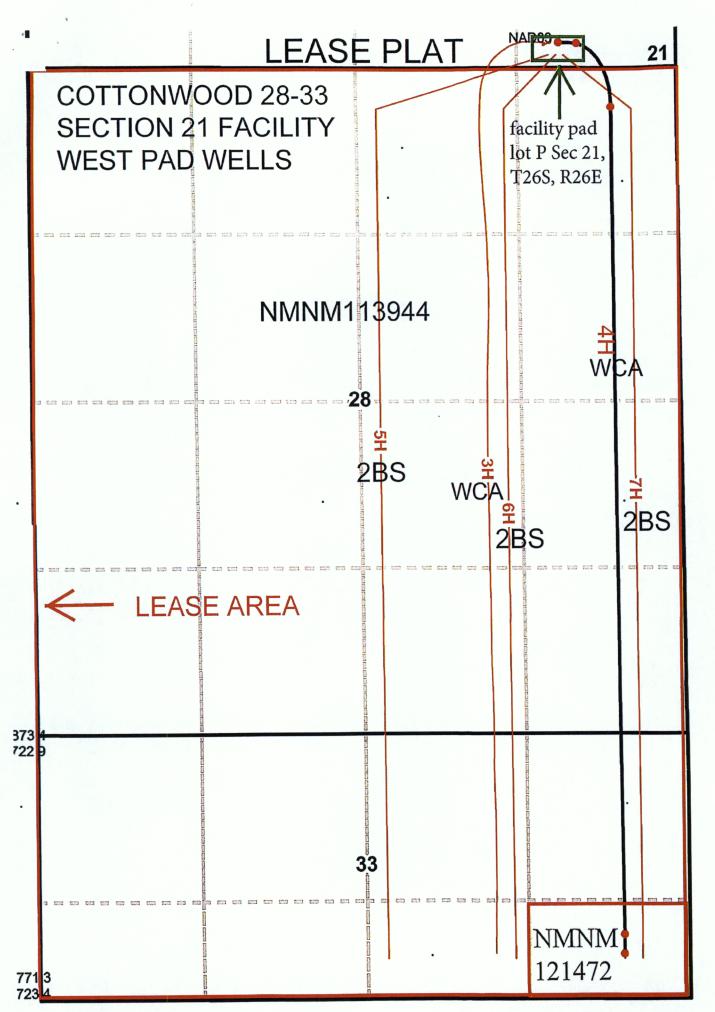
NMOCD Administrative Application Checklist and NMOCD Form C-107B.

Copy of certified mailings and return receipt requested.

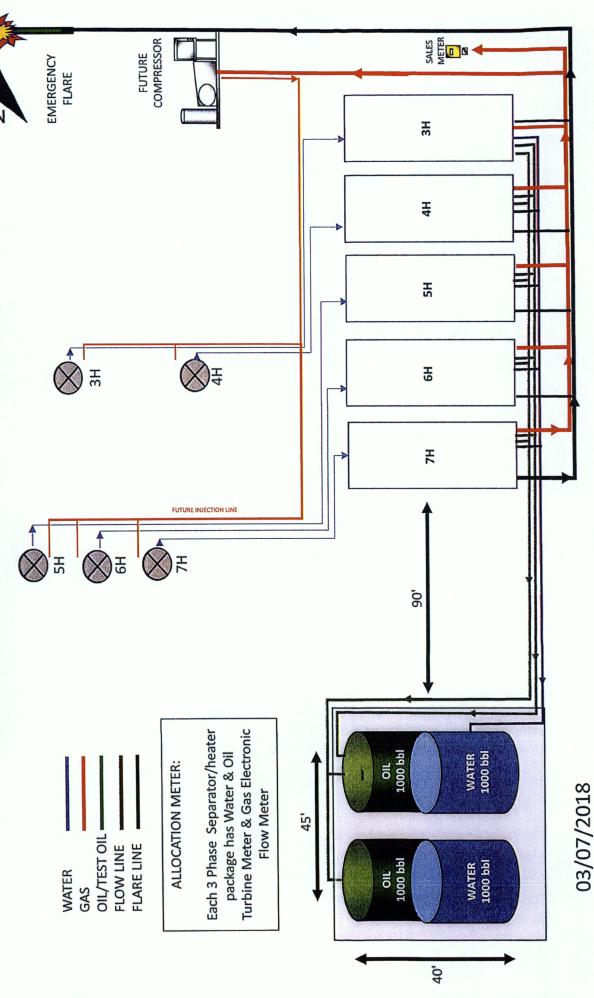
Process and Flow Description:

The flow of produced fluids is shown on the enclosed facility diagram. The surface location of the wells and battery are in Lot P of Sec 21, T26S, R26E. This location was the appropriate location for our battery facility as Cave/Karst conditions exist on our lease. The wells are producing from the East half of Sections 28 & 33 in T26S, R26E. Each well will be metered individually before being commingled. The fluid/gas enters the production unit where it is separated into the three components, gas, water and oil. The gas flows through a check meter on the production skid and then to the pipeline sales meter. The oil exits the vessel and flows through a turbine meter and then to the oil production tank. The water exits the vessel and flows through a turbine meter and then to the water production tank.

Sign & date



Cottonwood 28-33 Fed 2BS 5H & 6H; Cottonwood 28-33 Fed Com 2BS 7H; and Cottonwood 28-33 Fed Com WCA 3H & 4H BATTERY DIAGRAM (Lot P, Sec 21, T26S, R26E)



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: (305) 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

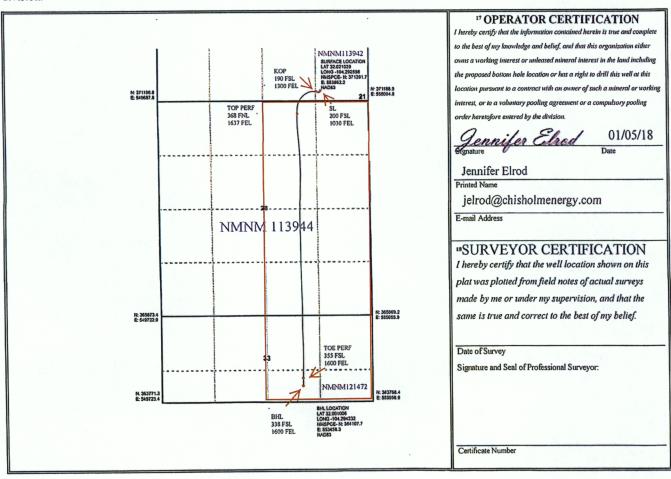
X AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Numb 30-015-43687	er 2 Pool Code 98220	PURPLE SAGE; WOLFCAMP			
⁴ Property Code	COTTONWOOD 28-33 FEI	Froperty Name COTTONWOOD 28-33 FED COM WCA			
7 OGRID No. 372137		* Operator Name CHISHOLM ENERGY OPERATING, LLC			

Surface Location Feet from the East/West line County UL or lot no. Section Township Lot Idn Feet from the North/South line Range 1030 **FEL FSL EDDY 26S** 26E 200 P "Bottom Hole Location If Different From Surface EDDY North/South line East/West line UL or lot no. Lot Idn Feet from the Feet from the Section Township 26E FEL LOT 2 **26S** 338 **FSL** 1600 Order No. 12 Dedicated Acres Joint or Infill 14 Consolidation Code 447.94

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.



DISTRICT I
1025 N. French Dr., Hobbs, NM 88240
Fhone (676) 393-6161 Fax: (576) 393-0720
DISTRICT II
811 S. First St., Artesia, NM 88210
Fhone (675) 746-1283 Fax: (576) 748-9720
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
Fhone (606) 334-6176 Fax: (606) 334-6170

DISTRICT IV 1226 S. St. Francis Dr., Santa Fe, NM 87505 Phone (505) 476-3460 Fax: (505) 476-3462 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

M AMENDED REPORT

API Number 30-015-44648	Pool Code 64010	Pool Name WELCH; BONE SPRING		
Property Code	The state of the s	Property Name COTTONWOOD 28-33 FED 2BS		
OGRID No. 372137	•	ator Name GY OPERATING, LLC	Elevation 3384	

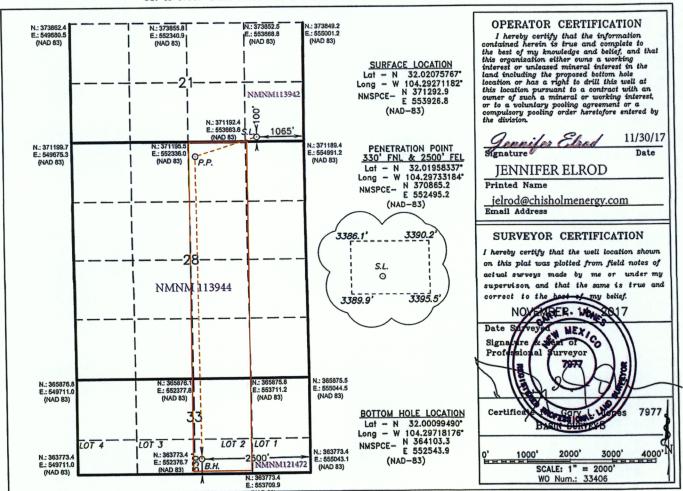
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	North/South line	FEET from the	East/West Line	County
Р	21	26 S	26 E		100	SOUTH	1065	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section 33	Township 26 S	Range 26 E	Lot Idn	FEET from the	North/South line	FEET from the 2500	East/West Line EAST	County
Dedicated Acres	Joint o	r Infill Co	nsolidation	Code Ore	der No.				

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



DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone (575) 393-6161 Pax: (576) 393-0720
DISTRICT II
811 S. First St., Artesia. NM 86210
Phone (576) 748-1283 Fax: (576) 748-9720

Phone (575) 748-1283 Fax: (575) 748-9720

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone (505) 334-6170

DISTRICT IV 1226 S. St. Francis Dr., Santa Fe, NM 87505 Phone (505) 476-3460 Fax: (506) 478-3462 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

☐ AMENDED REPORT

(44, 44, 44, 44, 44, 44, 44, 44, 44, 44,	WELL LOCATION AND	ACREAGE DEDICATION PLAT	AMBRIDED REFORM
API Number 30-015-44649	Pool Code 64010	Pool Name WELCH; BONE SPRING	
Property Code 320688	COTTONWOOD 28	Well Number 6H	
OGRID No. 372137	•	ator Name GY OPERATING, LLC	Elevation 3384'

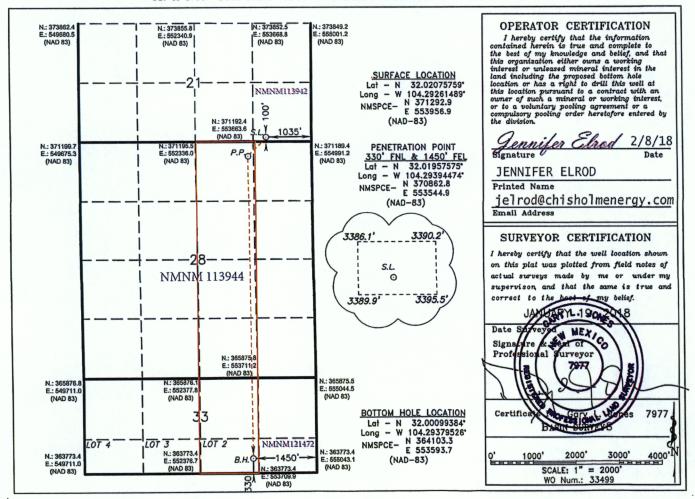
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	North/South line	FEET from the	East/West Line	County
Р	21	26 S	26 E		100	SOUTH	1035	EAST	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 1	33	26 S	26 E		330	SOUTH	1450	EAST	EDDY
1	Dedicated Acres	Joint o	r Infill	Consolidation	Code Or	der No.				
	223.21									

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



District I
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Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
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

X AMENDED REPORT

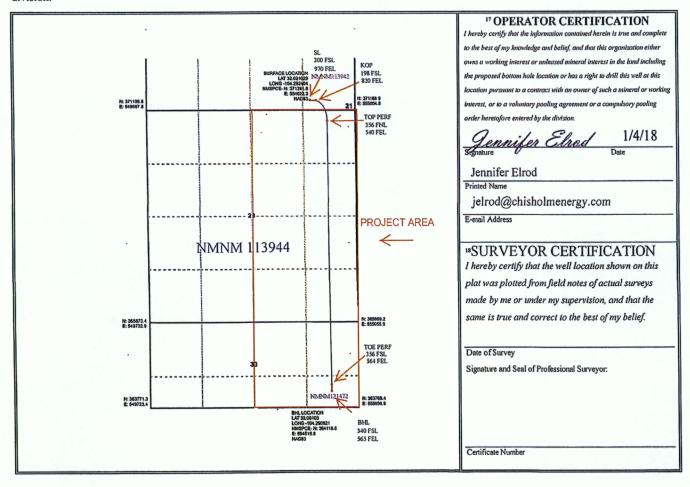
WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	PURPLE SAGE;	⁵ Property Name
30-015-43690	98220		WOLFCAMP
⁴ Property Code	COTTONWOOD 28-33 FE	⁶ Well Number 4H	
⁷ OGRID No.	8 Opera	9 Elevation	
372137	CHISHOLM ENERGY OPERATING	3384	

Surface Location

UL or lot no. P	Section 21	Township 26S	Range 26E	Lot Idn	Feet from the 200	North/South line FSL	Feet from the 970	East/West line FEL	County EDDY
			" Bot	ttom Hol	e Location If	Different Fron	n Surface		
UL or lot no. LOT 1	Section 33	Township 26S	Range 26E	Lot Idn	Feet from the 340	North/South line FSL	Feet from the	East/West line FEL	EDDY County
12 Dedicated Acres 447.94	¹³ Joint of	r Infill HC	Consolidation (Code 15 Or	der No.				

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.



DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone (676) 393-6161 Fax: (576) 393-0720
DISTRICT II 811 S. First St., Artesia, NM 88210 Phone (575) 748-1283 Fax: (575) 748-9720 DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410 Phone (505) 334-6178 Fax: (505) 334-6170

1226 S. St. Francis Dr., Santa Fe, NM 87505 Phone (505) 476-3460 Fax: (505) 476-3462

DISTRICT IV

223.23

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

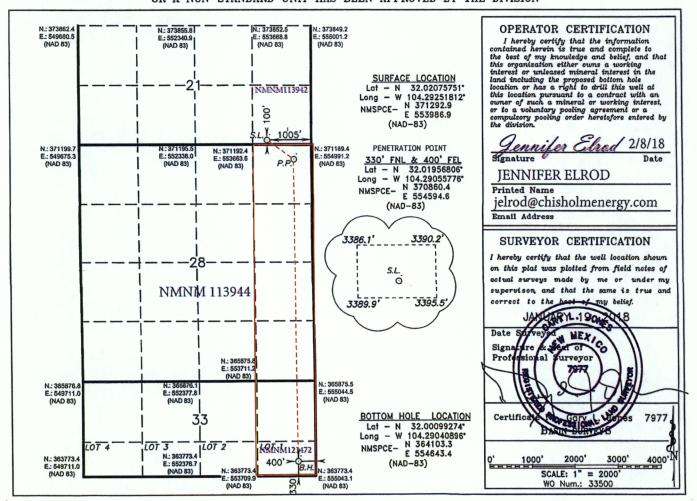
1226 South St. Francis Dr. Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

M AMENDED REPORT

API Number			I	Pool Code		Pool Name			
30-015	5-44650		64010 WELCH; BONE SPRING					NG	
Property (Code				Property Nam			Well No	
320688			CO	TTONWO	OD 28-33	FED COM 2BS	3	7H	
OGRID N	0.		Operator Name					Eleva	
372137			CHISHOLM ENERGY OPERATING, LLC				338	4′	
Surface Location									
UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	North/South line	FEET from the	East/West Line	County
Р	21	26 S	26 E		100	SOUTH	1005	EAST	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 1	33	26 S	26 E		330	SOUTH	400	EAST	EDDY
Dedicated Acre	s Joint	r Infill Co	nsolidation (Code Or	der No.				

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

CERTIFIED MAIL RETURN RECEIPT REQUESTED

March 7, 2018

TO:

See Exhibit "A"

RE:

Application for Pool/Lease Surface Commingle for

Cottonwood 28-33 W/2 of Sections for

Welch: Bone Spring & Purple Sage; Wolfcamp Pools

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) and New Mexico Oil Conservation Division (NMOCD) seeking approval for Pool/Lease Surface Commingle permit at a central Tank Battery. Our application to the BLM and NMOCD is attached. Each well is individually metered before being commingled. This battery location on Section 21 was the appropriate location for our battery facility as Cave/Karst conditions exist on our lease.

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.

To expedite the approval process, I have provided a waiver statement below for your convenience. Please sign and return to my e-mail bwatson@chisholmenergy.com. Also, for your convenience, is a self-addressed stamped return envelope. If you have any questions, please call me at 972.979.0132.

Sincerely,

Bettie Watson,

Bettie Watson, Regulatory Consultant

I have received a copy of the referenced commingle filing. I agree to waive the 20-day protest period required by the regulations as stated above for the referenced commingle filing.

Print Name:

Date:

Company Name:

Date:



EXHIBIT "A"

APPLICATION FOR POOL/LEASE SURFACE COMMINGLE & STORAGE for Cottonwood 28-33 W/2 of Sections for Welch; Bone Spring & Purple Sage; Wolfcamp Pools Section 21, T26S, R26E - Eddy County, New Mexico

Owners to be Served Notice of this Filing

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

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

> Duane A. Davis P. O. Bo 823085

Dallas, Texas 75382

Oxy Y-1 Company 2095 East Bender Blvd. Hobbs, NM 88240

EOG A Resources, Inc. 105 S. 4th Street Artesia, NM 88210

EOG M Resources, Inc. 105 S. 4th Street Artesia, NM 88210

EOG Y Resources, Inc. 105 S. 4th Street Artesia, NM 88210

Transaction # 406925; Process Identifier: 00852-84126 Form 3160-5 (June 2015) FORM APPROVED UNITED STATES OMB NO. 1004-0137 DEPARTMENT OF THE INTERIOR Expires: January 31, 2018 **BUREAU OF LAND MANAGEMENT** Lease Serial No. NMNM113944 SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-enter an 6. If Indian, Allottee or Tribe Name abandoned well. Use form 3160-3 (APD) for such proposals. 7. If Unit or CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE - Other instructions on page 2 Well Name and No. COTTONWOOD 28-33 FED COM WCA 3H 1. Type of Well **UNKNOWN OTH** ☐ Oil Well ☐ Gas Well ☒ Other: JENNIFER ELROD Contact: 9. API Well No. 2. Name of Operator 30-015-43687 CHISHOLM ENERGY HOLDINGS LLŒ-Mail: jelrod@chisholmenergy.com 10. Field and Pool or Exploratory Area
WELCH;BS&PURPLESAGE;WFCMP 3b. Phone No. (include area code) 801 CHERRY ST., SUITE 1200 UNIT-20 FORT WORTH, TX 76102 Ph: 817-953-3728 11. County or Parish, State 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 21 T26S R26E Mer NMP SESE 200FSL 1030FEL EDDY COUNTY, NM 32.021029 N Lat, 104.292598 W Lon 12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF ACTION TYPE OF SUBMISSION ■ Water Shut-Off □ Production (Start/Resume) ☐ Acidize T Deepen Notice of Intent □ Well Integrity ☐ Hydraulic Fracturing ☐ Reclamation ☐ Alter Casing ☐ Subsequent Report Other Casing Repair ☐ New Construction □ Recomplete Surface Commingling □ Temporarily Abandon ☐ Plug and Abandon ☐ Change Plans ☐ Final Abandonment Notice ■ Water Disposal ☐ Plug Back ☐ Convert to Injection 13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposed of completed operation, clearly state an permisin details, including estimated stating date of any proposed work and approximate duration in the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection. **BCW** Chisholm Energy Operating, LLC is requesting approval for a Central Tank Battery, Lease Commingle & Storage of the following wells in different pools on BLM Leases. BLM Lease: BLM NMNM113944 Location - Eddy Co.,Tx Well Names API# 30-015-43687 Pool: Purple Sage; Cottonwood 28-33 Fed Com WCA 3H SESE, 21, T26S, R26E Wolfcamp/98220 SESE, 21, T26S, R26E 30-015-44648 Pool: Welch; Bone Cottonwood 28-33 Fed 2BS 5H Spring/6401

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #406925 verified by the BLM Well Information System
For CHISHOLM ENERGY HOLD NGS LLC, sent to the Carlsbad

Name (Printed/Typed) JENNIFER ELROD

Title SENIOR REGULATORY TECH

Signature (Electronic Submission)

Date 03/07/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

Title Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Additional data for EC transaction #406925 that would not fit on the form

32. Additional remarks, continued

0 Cottonwood 28-33 Fed 2BS 6H Spring/64010

SESE, 21, T26S, R26E

30-015-44649 Pool: Welch; Bone

BLM Leases: BLM NMNM113944 & BLM NMNM121472 Cottonwood 28-33 Fed Com WCA 4H SESE, 21, T26S, R26E Wolfcamp/98220 30-015-43690 Pool: Purple Sage;

Cottonwood 28-33 Fed Com 2BS 7H Spring/64010

SESE, 21, T26S, R26E

30-015-44650 Pool: Welch; Bone

4Н	SI	36.5 3.15 3.94	5.59
Com WCA	VATER-BB	80286.5 65030.15 43049.94	188,366.59
28-33 Fed (AS-MCF V	16407 23686 14225	54,318
Cottonwood	OIL-BBLS G	4832.34 14234.25 8867.78	27,934.37
Cottonwood 28-33 Fed Com 285 7H Cottonwood 28-33 Fed Com WCA 3H Cottonwood 28-33 Fed Com WCA 4H	OIL-BBLS GAS-MCF WATER-BBLS OIL-BBLS GAS-MCF WATER-BBLS OIL-BBLS GAS-MCF WATER-BBLS	78,887.50 74,922.85 44,137.06	197,947.41 27,934.37
28-33 Fed Co	AS-MCF W	12,429 43,967 28,484	84,880
Cottonwood	OIL-BBLS G	4,832.34 14,234.25 8,867.78	0.00 27,934.37
2BS 7H	R-BBLS	duce	0.00
33 Fed Com	ACF WATE	tarted to pro	0
onwood 28-	BBLS GAS-I	This well has not started to produce	0.00
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28-33 Fed	-MCF WA	started to	0
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=	OIF-	This	0
2BS 5H	TER-BBLS	roduce	0.00
8-33 Fed 2	MCF WAT	tarted to p	0
Cottonwood 28-33 Fed 2BS 5H	LS GAS-I	Jan-18 Feb-18 Mar-18 This well has not started to produce	00.00
	OIL-BBI	This wel	0
MTH		Jan-18 Feb-18 Mar-18	

U.S. Postal Service U.S. Postal Service 2937 CERTIFIED MAILT RECEIPT # CERTIFIED MAIL RECEIPT (Domestic Mail Only; No Insurance Coverage Provided) (Domestic Mail Only; No Insurance Coverage Provided) П TU. For delivery information visit our website at v For delivery information visit our website at www 127 리가 F Postage Postage 0000 3/7/2018 Postmark Ŋ Certified Fee Certified Fee 3|7|20|8 Return Receipt Fee (Endorsement Required) Return Receipt Fee (Endorsement Required) 1,1,60 Restricted Delivery Fee (Endorsement Required) Restricted Delivery Fee (Endorsement Required) Total Postage & Fees | \$ Total Postage & Fees 7005 Ŋ Sent To Sent To 700 EOG Y Resources, Inc. EOG M Resources, Inc. Street, Apt. No.; Street, Apt. No.; 105 S. 4th Street 105 S. 4th Street or PO Box No. or PO Box No. City, State, ZIP+4 Artesia, NM 88210 City, State, ZIP+4 Artesia, NM 88210 See Reverse for Instructions PS Form 3800, June 2002 PS Form 3800, June 2002 See Reverse for Instructions U.S. Postal Service U.S. Postal Service GERTIFIED MAILT RECEIPT 교 CERTIFIED MAIL RECEIPT . 1 1 1 (Domestic Mail Only; No Insurance Coverage Provided) (Domestic Mail Only; No Insurance Coverage Provided) For delivery information visit our website at www For delivery information visit our website at www.usps.com 757 1. 1 A 1 15. ... 1 127 Ma Postage Postage 0002 3|7/2018 3/7/2018 Certified Fee Certified Fee Postmark of Return Receipt Fee (Endorsement Required) Return Receipt Fee (Endorsement Regulred) 1160 1160 Restricted Delivery Fee (Endorsement Required) Restricted Delivery Fee (Endorsement Required) Total Postage & Fees \$ Total Postage & Fees Sent To Sent To OXY Y-1 Company EOG A Resources, Inc. Street, Apt. No.; or PO Box No. Street, Apt. No.; 2095 East Bender Blvd. 105 S. 4th Street or PO Box No. City, State, ZIP+4 Hobbs, NM 88240 City, State, ZIP+4 Artesia, NM 88210 PS Form 3800, June 2002 U.S. Postal Service. U.S. Postal Service. CERTIFIED MAIL RECEIPT 2900 근라무나 CERTIFIED MAIL RECEIPT (Domestic Mall Only; No Insurance Coverage Provided) (Domestic Mail Only; No Insurance Coverage Provided) 151 Postage Postage 000 3/7/2018 ы 3/7/2018 Cedified Fee 000 Certified Fee Return Receipt Fee (Endorsement Required) Return Receipt Fee (Endorsement Required) 1,160 Restricted Delivery Fee (Endorsement Required) 1160 Restricted Delivery Fee (Endorsement Required) Total Postage & Fees Total Postage & Fees 005 7005 Sent To Sent To Nearburg Producing Company Duane A. Davies Street, Apt. No.; Attn: Kathie Craft Street, Apt. No.; P.O. Box 823085 or PO Box No. P.O. Box 823085 City, State, ZIP+4 Dallas, TX 75382 City, State, ZIP+4 Dallas, TX 75382

See Reverse for Instructions

PS Form 3800, June 2002

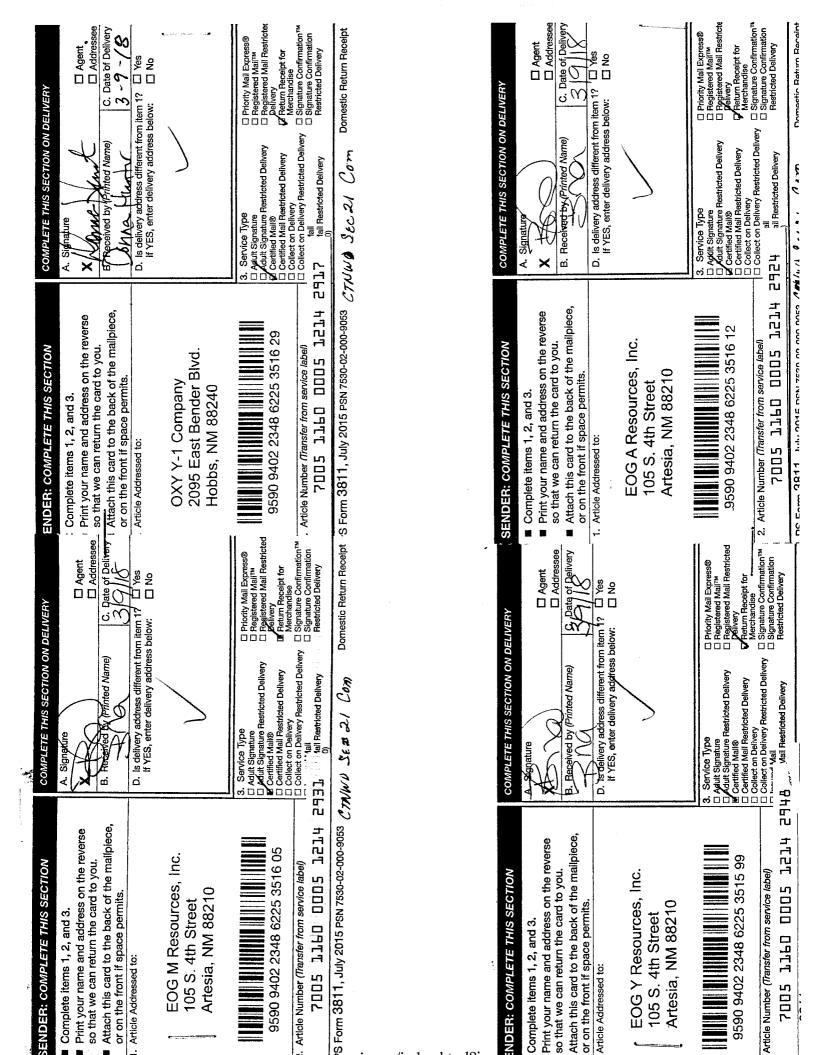
PS Form 3800, June 2002

U.S. Postal Service CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided) For delivery information visit our website at www.usps.com Postage 3/7/2018 Certified Fee Postmark Return Receipt Fee (Endorsement Required) Restricted Delivery Fee (Endorsement Required) \$7.83 Total Postage & Fees New Mexico Oil Conservation Sent To Attn: Michael McMillan Street, Apt. No.; or PO Box No. 1220 S St. Francis Drive City, State, ZIP+4 Santa Fe, NM 87505 See Reverse for Instructions PS Form 3800, June 2002

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2887	CERTIFIED MAILTH RECEIPT (Domestic Mail Only; No Insurance Coverage Provided) For delivery information visit our website at www.usps.com					
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7005	Street, Apt. No.; or PO Box No.	Nearburg Producing Co F/B The Nearburg Producing Co Attn: Kathie Craft P.O. Box 823085 Dallas, TX 75382	Employee Fulld			
	PS Form 3800, June 20	002	See Reverse for Instructions			



SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	LIVERY
 Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	A. Signature X B. Received by Printed Name)	Agent ☐ Addressee ☐ C. Date of Delivery
1. Article Addressed to:	D. Is delively address different fund item 1? If YES, enter delivery address below:	goon-1? ☐ Yes ow: ☐ No
Nearburg Producing Co F/B/O The Nearburg Producing Co Employee Fund Attn: Kathie Craft P.O. Box 823085 Dallas, TX 75382	>	, were particularly to a
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2. Article Number <i>(Transfer from service label)</i> 7005 1.1150 0005 1.214 Z	☐ Collect on Delivery Restricted Delivery ☐ 'Alail' Alail Restricted Delivery ☐ Delivery ☐ Delivery ☐ Delivery	☐ Signature Commation ☐ Signature Confirmation Restricted Delivery
PS Form 3811, July 2015 PSN 7530-02-000-9053	Dom	Domestic Return Receipt

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COMPLETE THIS SECTION ON DELIVERY	A. Signature A Agent A Addressee B. Received by (Printed/Name) C. Date of Delivery	D. Is defivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No		3. Service Type C Priority Mail Express® C Adult Signature D Adult Signature Restricted Delivery C Certified Mail® D Priority Mail Restricted D Priorit
ENDER: COMPLIETE THIS SECTION	Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.	Article Addressed to:	Nearburg Producing Company Attn: Kathie Craft P.O. Box 823085 Dallas, TX 75382	9590 9402 2348 6225 3516 43