

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: _____ OGRID Number: _____
 Well Name: _____ API: _____
 Pool: _____ Pool Code: _____

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

<u>FOR OCD ONLY</u>	
<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.

 Print or Type Name

Al Parker

 Signature

 Date

 Phone Number

 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: Hilcorp Energy Company
OPERATOR ADDRESS: 382 Road 3100, Aztec, NM 87410
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
Aztec Pictured Cliffs (71280)	1118.3	1122.2			582.2 mmcf
Blanco Mesaverde (72319)	1261.3	1240.2			1589.1 mmcf

(2) Are any wells producing at top allowables? Yes No
(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No.
(4) Measurement type: Metering Other (Specify)
(5) Will commingling decrease the value of production? Yes No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING
Please attach sheets with the following information

(1) Pool Name and Code.
(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 attached sheets with the following information

(1) Is all production from same source of supply? Yes No
(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)
Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
(3) Lease Names, Lease and Well Numbers, and API Numbers.

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

SIGNATURE:  TITLE: Operations Regulatory Tech Sr DATE: 3/30/2022

TYPE OR PRINT NAME Amanda Walker TELEPHONE NO.: 346-237-2177

E-MAIL ADDRESS: mwalker@hilcorp.com

NEW MEXICO
OIL CONSERVATION COMMISSION

Form 7-54-5

WELL LOCATION AND/OR GAS PRORATION PLAT

DATE JUNE 4, 1956

OPERATOR EL PASO NATURAL GAS COMPANY LEASE LUDWICK SF 078194

SECTION 13 TOWNSHIP 5 RANGE 29-N RANGE 10-W

ACRES 1750 DIRECTION NORTH DISTANCE 1720 DIRECTION EAST

SAN JUAN

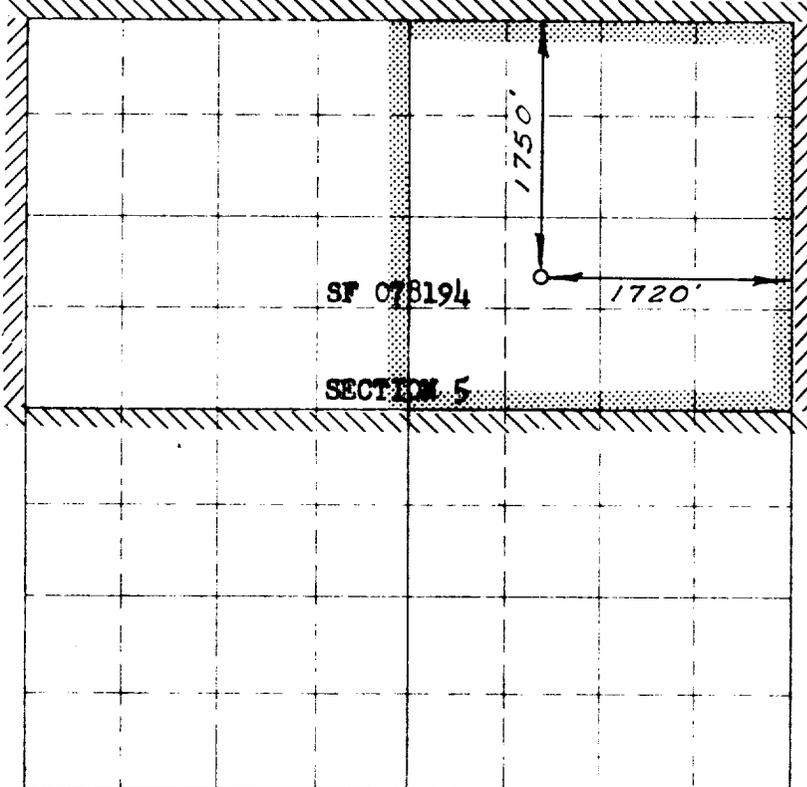
5915

PICTURED CLIFF &
MESA VERDE

AZTEC P.C.
BLANCO M.V.

161⁸¹ P.C.
321⁸¹ M.V.

Note: All dimensions must be from outer boundaries of section.



Scale 1 inch = 1 mile



NOTE

This section of form is to be used for gas wells only

I hereby certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

Here surveyed MAY 25, 1956

E. O. Walker

Registered Professional Engineer and ~~xxx~~ Land Surveyor

1. Is this well a Dual Comp. Yes _____ No _____

Yes _____ No _____

2. If the answer to Question 1

is yes, are there any other dually completed wells within the dedicated acreage. Yes _____ No _____

Yes _____ No _____

Name _____
Position Petroleum Engineer

Representing El Paso Natural Gas Co.

Address Box 997, Farmington, N.M.

Filed

Farmington, New Mexico



March 30, 2022

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

**Re: C-107-B (Surface Commingle)
Ludwick LS 013
API No. 30-045-08781
G-05, T29N-R10W
San Juan County, NM**

Gentlemen:

Concerning Hilcorp Energy Company's C-107-B application to surface commingle production in the subject well, this letter serves to confirm the following:

All working interests are identical between the Aztec Pictured Cliffs (Pool Code: 71280) and the Blanco Mesaverde (Pool Code: 72319) in the spacing units dedicated to these formations. Therefore, no notice to interest owners is required.

If you have any questions or concerns, please contact the undersigned using the information provided below.

Sincerely,

By: HILCORP ENERGY COMPANY,
Its General Partner

A handwritten signature in blue ink, appearing to read 'Carson Parker Rice', written over a light blue horizontal line.

Carson Parker Rice
Landman – San Juan Basin
Hilcorp Energy Company
1111 Travis Street
Houston, Texas 77002
713-757-7108 Direct
Email: carice@hilcorp.com

Well Name: LUDWICK LS	Well Location: T29N / R10W / SEC 5 / SWNE / 36.756393 / -107.904099	County or Parish/State: SAN JUAN / NM
Well Number: 13	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMSF078194	Unit or CA Name:	Unit or CA Number:
US Well Number: 3004508781	Well Status: Producing Gas Well	Operator: HILCORP ENERGY COMPANY

Notice of Intent

Sundry ID: 2664478

Type of Submission: Notice of Intent

Type of Action: Commingling (Surface)

Date Sundry Submitted: 03/30/2022

Time Sundry Submitted: 08:11

Date proposed operation will begin: 04/04/2022

Procedure Description: Hilcorp Energy requests to Surface Commingle the above mentioned well, please see the attached proposal.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

NOI__Surface_Ccommingle_Ludwick_LS_13_20220330081058.pdf

Well Name: LUDWICK LS

Well Location: T29N / R10W / SEC 5 / SWNE / 36.756393 / -107.904099

County or Parish/State: SAN JUAN / NM

Well Number: 13

Type of Well: CONVENTIONAL GAS WELL

Allottee or Tribe Name:

Lease Number: NMSF078194

Unit or CA Name:

Unit or CA Number:

US Well Number: 3004508781

Well Status: Producing Gas Well

Operator: HILCORP ENERGY COMPANY

Conditions of Approval

Specialist Review

2664478_CMMNGLNG_SRFC_LUDWICK_LS_13_3004508781_KR_03312022_20220331082353.pdf

Operator Certification

I certify that the foregoing is true and correct. 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. Electronic submission of Sundry Notices through this system satisfies regulations requiring a submission of Form 3160-5 or a Sundry Notice.

Operator Electronic Signature: AMANDA WALKER

Signed on: MAR 30, 2022 08:11 AM

Name: HILCORP ENERGY COMPANY

Title: Operations/Regulatory Technician

Street Address: 1111 TRAVIS ST.

City: HOUSTON

State: TX

Phone: (346) 237-2177

Email address: mwalker@hilcorp.com

Field Representative

Representative Name:

Street Address:

City:

State:

Zip:

Phone:

Email address:

BLM Point of Contact

BLM POC Name: KENNETH G RENNICK

BLM POC Title: Petroleum Engineer

BLM POC Phone: 5055647742

BLM POC Email Address: krennick@blm.gov

Disposition: Approved

Disposition Date: 03/31/2022

Signature: Kenneth Rennick

NOI – Surface Commingle (Pictured Cliffs and Mesaverde)

Well Name: Ludwick LS 13

API #: 3004508781

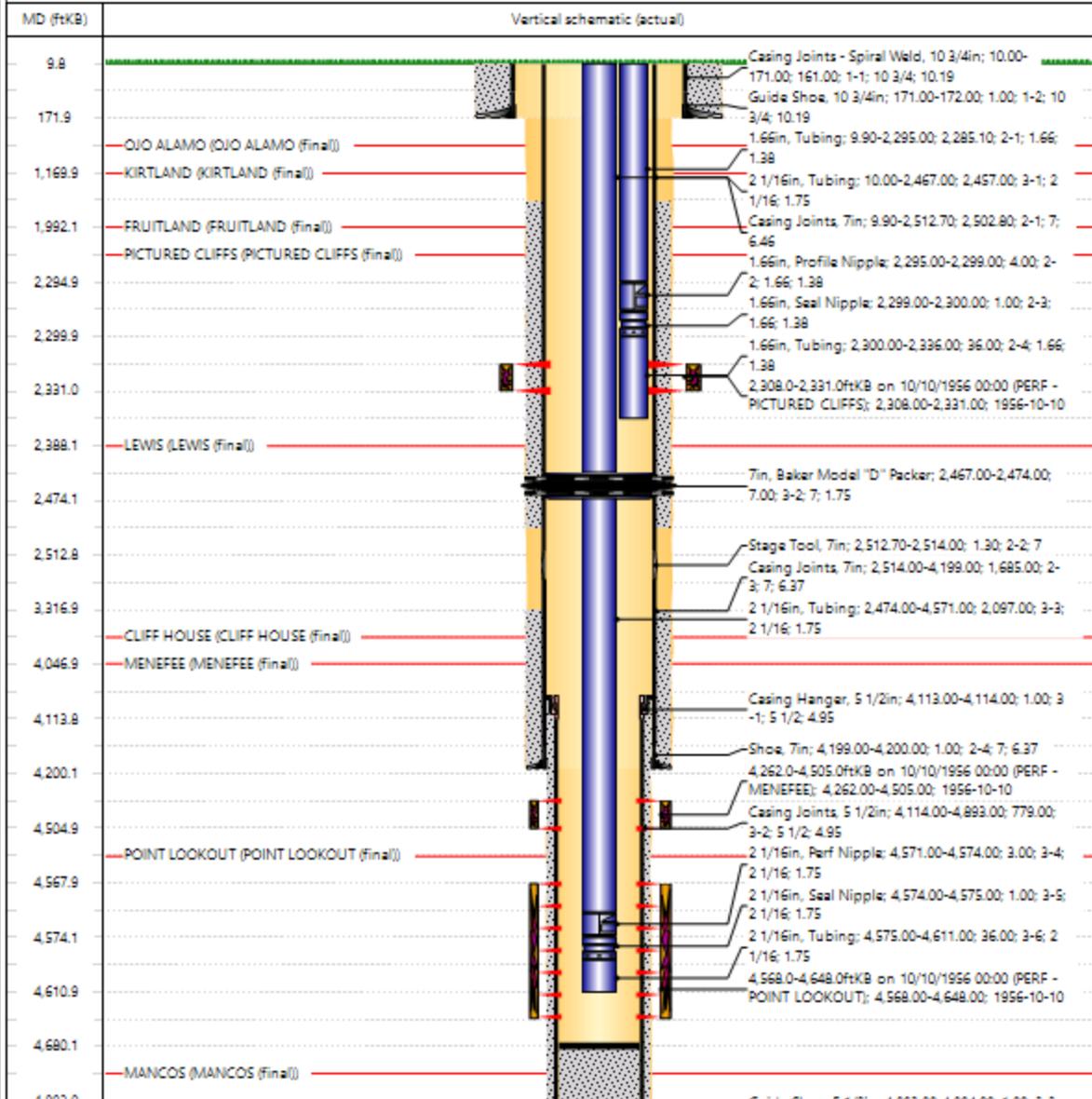
The pictured cliffs short string has been shut-in since 2017. Hilcorp proposes to modify existing surface piping on the wellhead to allow surface commingling of Pictured Cliffs and Mesaverde gas upstream of the existing meter run. The Mesaverde has been producing continuously and Pictured Cliffs production will be allocated by subtraction method. Application C-107B will be filed with NMOCD for this proposal. Ownership of the Pictured Cliffs and Mesaverde is common in this wellbore.

Well Name: LUDWICK LS 013

API Well ID: 9004508781	Surface Lease Location: 005-029N-010W-G	Field Name: PC/MV DUAL	License No.:	State/Province: NEW MEXICO	Well Configuration Type: Vertical
Original XE RT Elevation (ft): 5,888.00	IG-Ground Distance (ft): 10.00	Original Spud Date: 7/6/1956 00:00	Rig Release Date:	PERM (All) (Y/N): Original Hole - 4,680.0	Total Depth All (TVD) (ft):

Most Recent Job				
Job Category:	Primary Job Type:	Secondary Job Type:	Actual Start Date:	End Date:

TD: 4,894.0 Original Hole [Vertical]

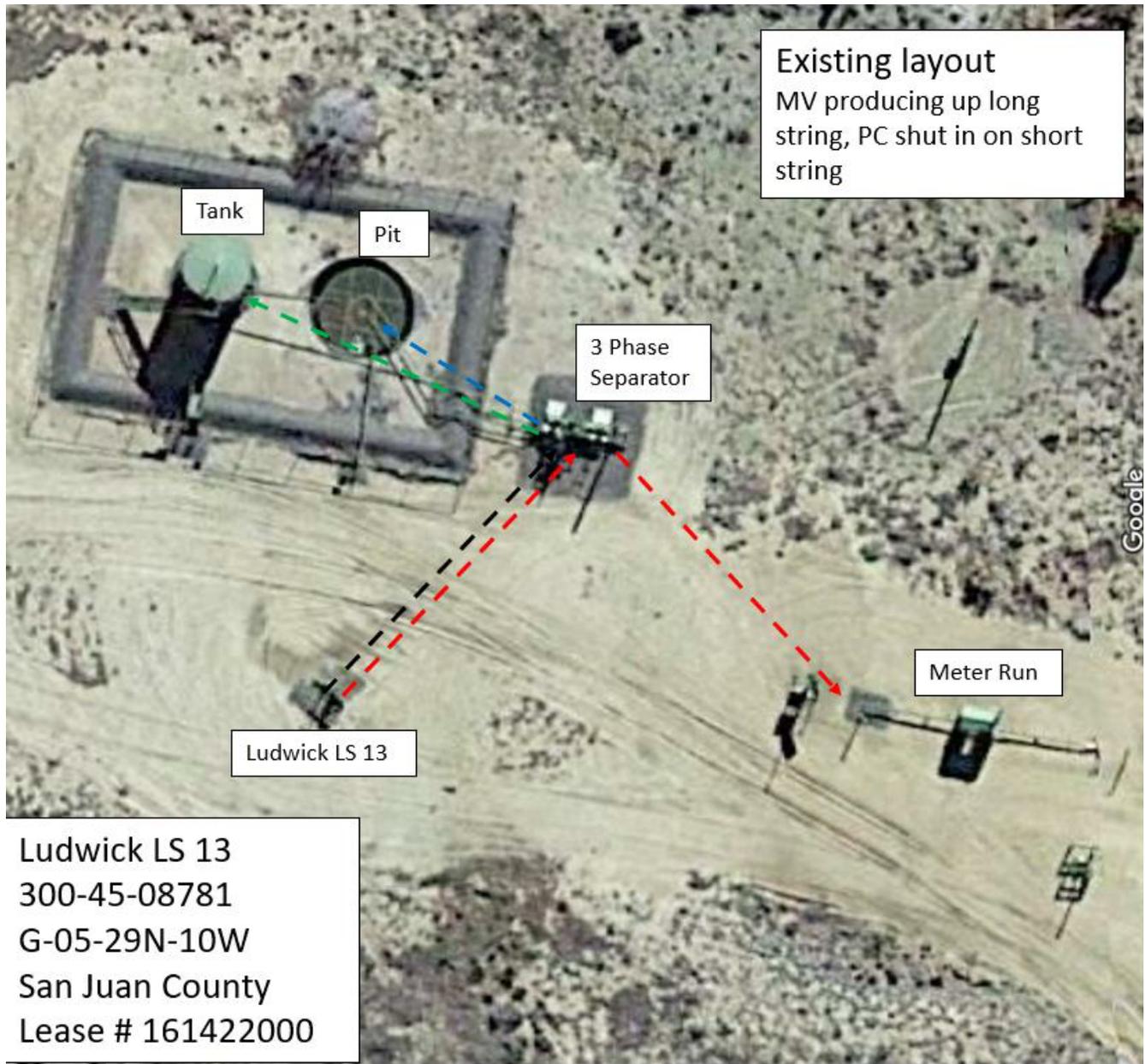


29N 10W

G-05 NE

Ludwick LS 13





Existing layout
MV producing up long
string, PC shut in on short
string

Tank

Pit

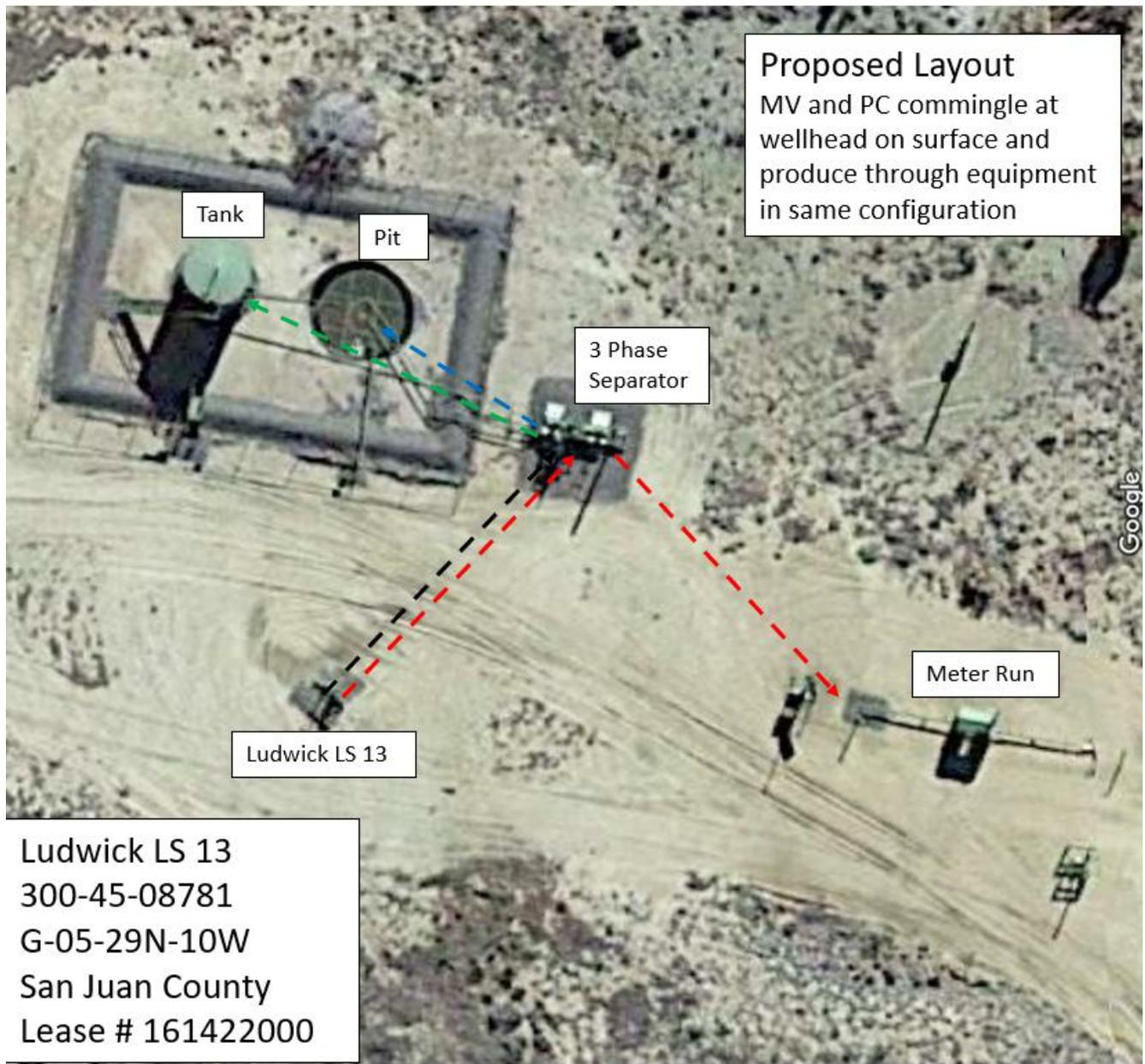
3 Phase
Separator

Meter Run

Ludwick LS 13

Ludwick LS 13
300-45-08781
G-05-29N-10W
San Juan County
Lease # 161422000

Google



Proposed Layout
MV and PC commingle at wellhead on surface and produce through equipment in same configuration

Tank

Pit

3 Phase Separator

Meter Run

Ludwick LS 13

Ludwick LS 13
300-45-08781
G-05-29N-10W
San Juan County
Lease # 161422000

Google

Well	Ludwick LS 13	
Formation	Mesaverde	Pictured Cliffs
Production (mcf)		
September	26	0
October	26	0
November	25	0
December	26	0
January	25	0
February	24	0

Ludwick LS 13 Surface Commingle

Proposed Allocation Procedure

Production from the subject wells shall be determined as follows:

The wells shall be measured with a combination of metering and subtraction. The Mesaverde long string will be metered continuously prior to commingling the surface piping with the Pictured Cliffs short string. Production from the Pictured Cliffs side will be determined by subtracting the metered production after the commingle from prior production for the Mesaverde only.

It is not anticipated that the Pictured Cliffs side will produce measurable liquids but all liquids will be measured in the same manner.

**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
6251 COLLEGE BLVD.
FARMINGTON, NEW MEXICO 87402**

AFMSS 2 Sundry ID 2664478

Attachment to notice of Commingling (Surface):

Well: Ludwick LS 13

CONDITIONS OF APPROVAL

1. Within 30 days after work is completed, file a subsequent report detailing work completed with exact dates (month, day, year).
2. Also, within 30 days after work is completed, file an updated completion report within AFMSS 2 changing the completion codes from D1 and D2 to C1 and C2. Indicate in the subsequent report which completion code is for which producing zone.
3. If applicable, in the submitted completion report update the lease or agreement the production will be reported. Include this information in the subsequent report.

K. Rennick 03/31/2022