

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: BAM Permian Operating, LLC
OPERATOR ADDRESS: 4416 Briarwood Ave., Suite 100 PMB 53, Midland, TX 79707
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

(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. Round Tank; San Andres [52770]
(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: Cory Walk TITLE: Agent DATE: 5/2/2023
TYPE OR PRINT NAME Cory Walk TELEPHONE NO.: 505-466-8120
E-MAIL ADDRESS: cory@permitswest.com

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Table with 6 columns: (1) Pool Names and Codes, Gravities / BTU of Non-Commingled Production, Calculated Gravities / BTU of Commingled Production, Calculated Value of Commingled Production, Volumes

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E-MAIL ADDRESS: cory@permitswest.com

Revised March 23, 2017

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

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



ADMINISTRATIVE APPLICATION CHECKLIST

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

Applicant: BAM Permian Operating, LLC **OGRID Number:** 328565
Well Name: Linley B State #001H **API:** 30-005-64378
Pool: Round Tank; San Andres **Pool Code:** 52770

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 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.

Cory Walk

Print or Type Name

Cory Walk
 Signature

05/02/2023
 Date

(505) 466-8120
 Phone Number

cory@permitswest.com
 e-mail Address

Surface Commingle Request

VC-0373 & VC-0379

Linley State 001H

Linley "B" State 001H

Surface commingling is requested for New Mexico State Land office leases VC-0373 and VC-0379 to prevent waste by utilizing existing storage tanks and sales points for these two leases, which have identical ownership.

Production from the Linley "B" State 001H (VC-0373) would enter the existing Linley State CTB facility (VC-0379) via a 4" flowline straight into its own 6x15 3-phase FWKO. The FWKO will be equipped with turbine meters for the oil and gas production and an electronic flow meter for gas production to provide daily readings, before being commingled into storage tanks for fluid production and into the gas sales line for gas sales.

Wells commingling production at the Linley State #001 Battery:

Linley State 001H

- API: 30-005-64337
- SHL: SWSW, Sec 32, T-15-S, R-29-E
- Producing: W2, Sec 32, T-15-S, R-29-E
- Pool/formation: Round Tank; San Andres [52770]
- Leases Involved: VC-0379-0000

Linley B State 001H

- API: 30-005-64378
- SHL: SWSE, Sec 32, T-15-S, R-29-E
- Producing: E2, Sec 32, T-15-S, R-29-E
- Pool/formation: Round Tank; San Andres [52770]
- Leases Involved: VC-0373-0000



May 18, 2023

To whom it may concern:

The involved leases (VC-0379-0000 and VC-0373-0000) are both presently owned by Dakota Resources Inc. Both leases will be assigned to BAM Permian Operating, LLC pending the approval of the lease assignment applications that were submitted to the New Mexico State Land Office on May 16, 2023.

A handwritten signature in black ink that reads "Cory Walk". The signature is written in a cursive, flowing style.

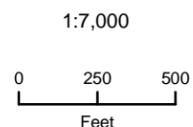
Cory Walk

BAM Permian Operating, LLC

Linley B State #001H Commingling Overview Map

Section 32, Township 15S, Range 29E
Chaves County, New Mexico

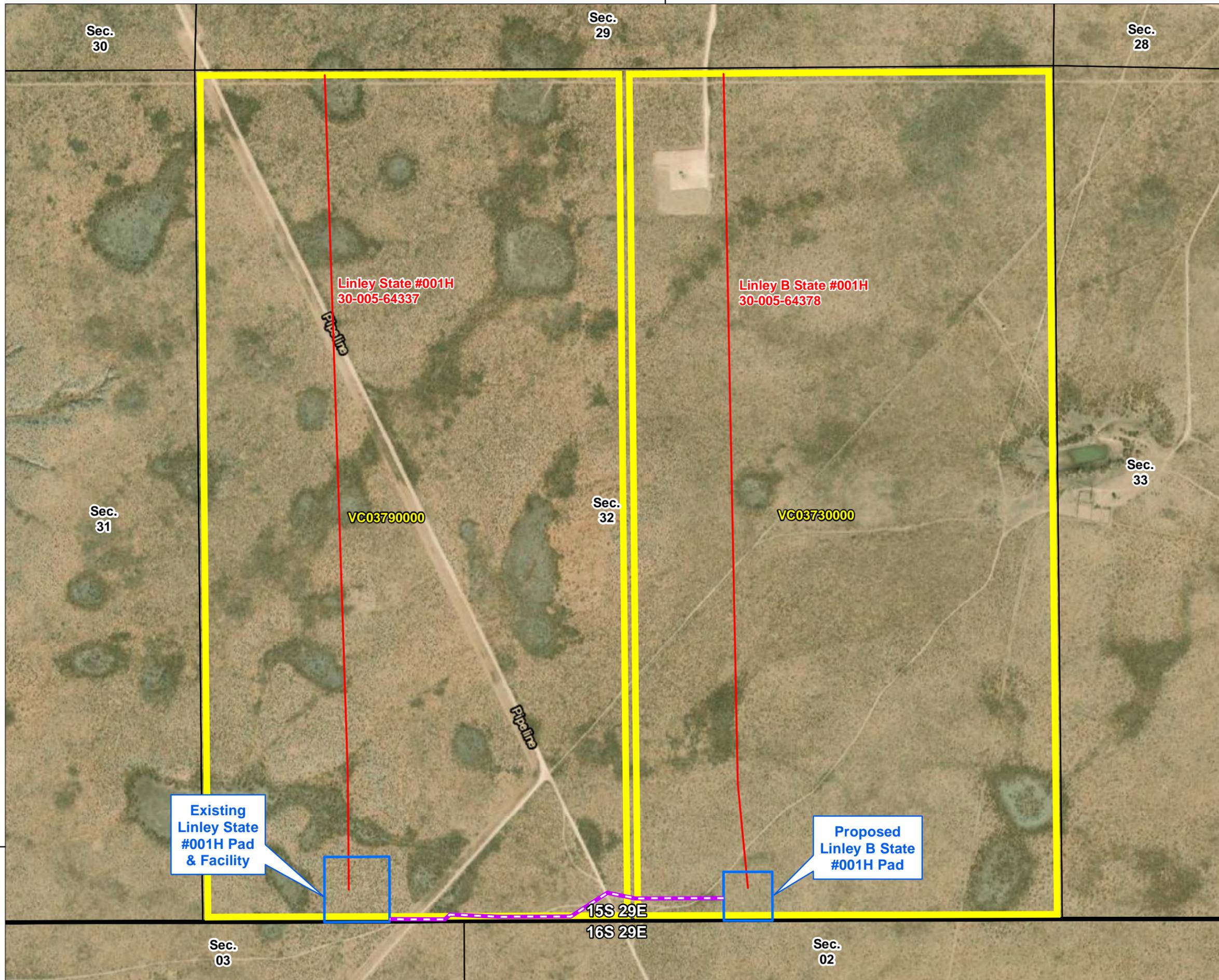
-  Wellbore
-  Wellpad
-  Flowline
-  State O&G Lease

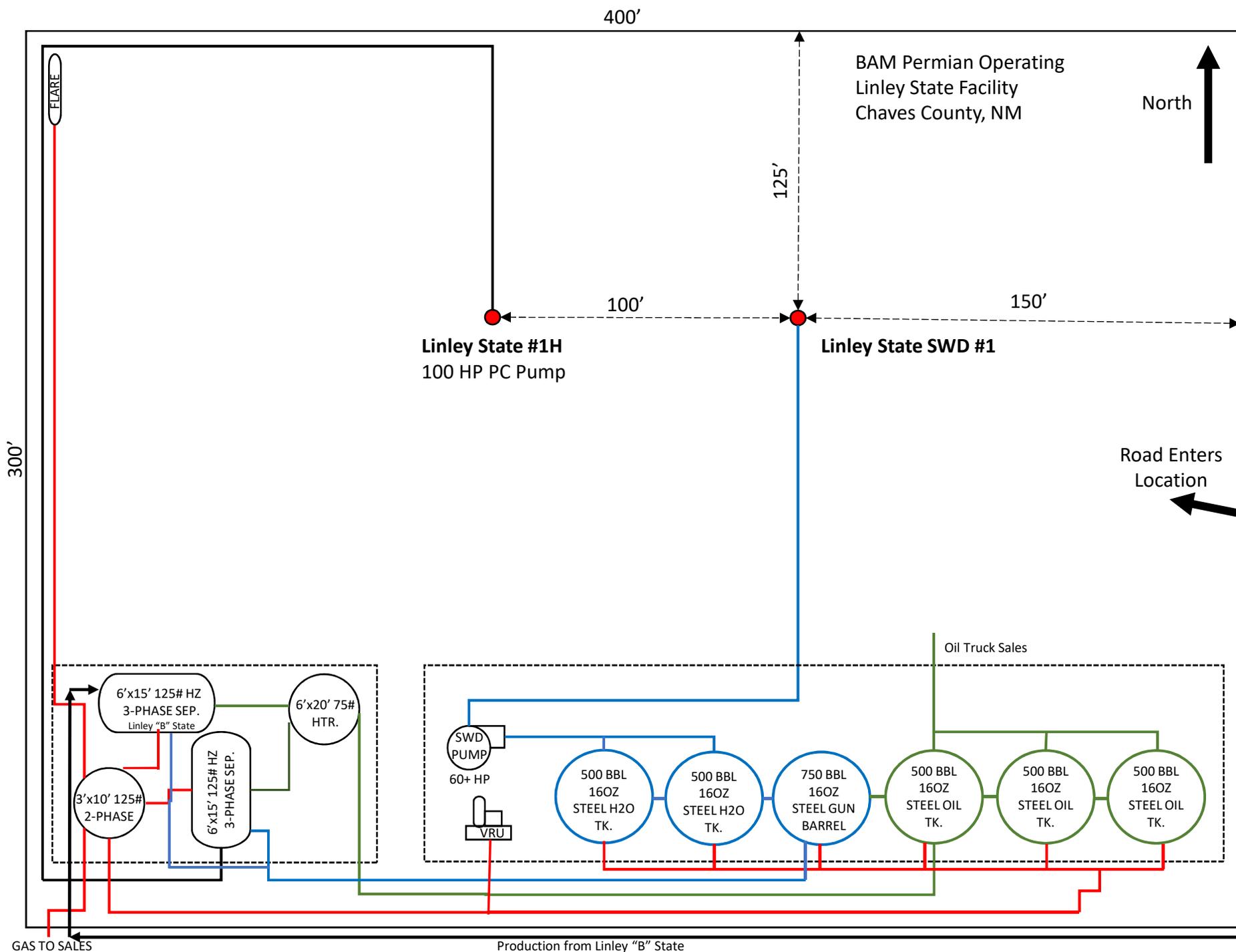


NAD 1983 New Mexico State Plane East
FIPS 3001 Feet



Prepared by Permits West, Inc., May 2, 2023
for BAM Permian Operating, LLC





GAS TO SALES

Production from Linley "B" State

7022 1670 0001 2804 4574

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 Return Receipt (electronic) \$
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 Adult Signature Required \$
 Adult Signature Restricted Delivery \$
 Postage \$
 Total Postage and Fees \$

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 PO Box 1148
 Santa Fe, NM 87504
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 City, State, ZIP+4®
 Linley B St 1H

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

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 Santa Fe, NM 87504
 Linley B St 1H
 9590 9402 7420 2055 9822 39

2. Article Number (Transfer from service label)
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 Addressee

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Sent To **Dakota Resource Inc**
 4519 Santa Rosa Dr.
 Midland, TX 79707
 Street and Apt. No., or PO Box No.
 City, State, ZIP+4®
 Linley B St 1H

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Surface Commingle Request

VC-0373 & VC-0379

Linley State 001H

Linley "B" State 001H

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Wells commingling production at the Linley State #001 Battery:

Linley State 001H

- API: 30-005-64337
- SHL: SWSW, Sec 32, T-15-S, R-29-E
- Producing: W2, Sec 32, T-15-S, R-29-E
- Pool/formation: Round Tank; San Andres [52770]
- Leases Involved: VC-0379-0000

Linley B State 001H

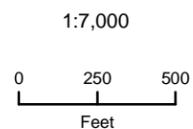
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- Pool/formation: Round Tank; San Andres [52770]
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BAM Permian Operating, LLC

Linley B State #001H Commingling Overview Map

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Chaves County, New Mexico

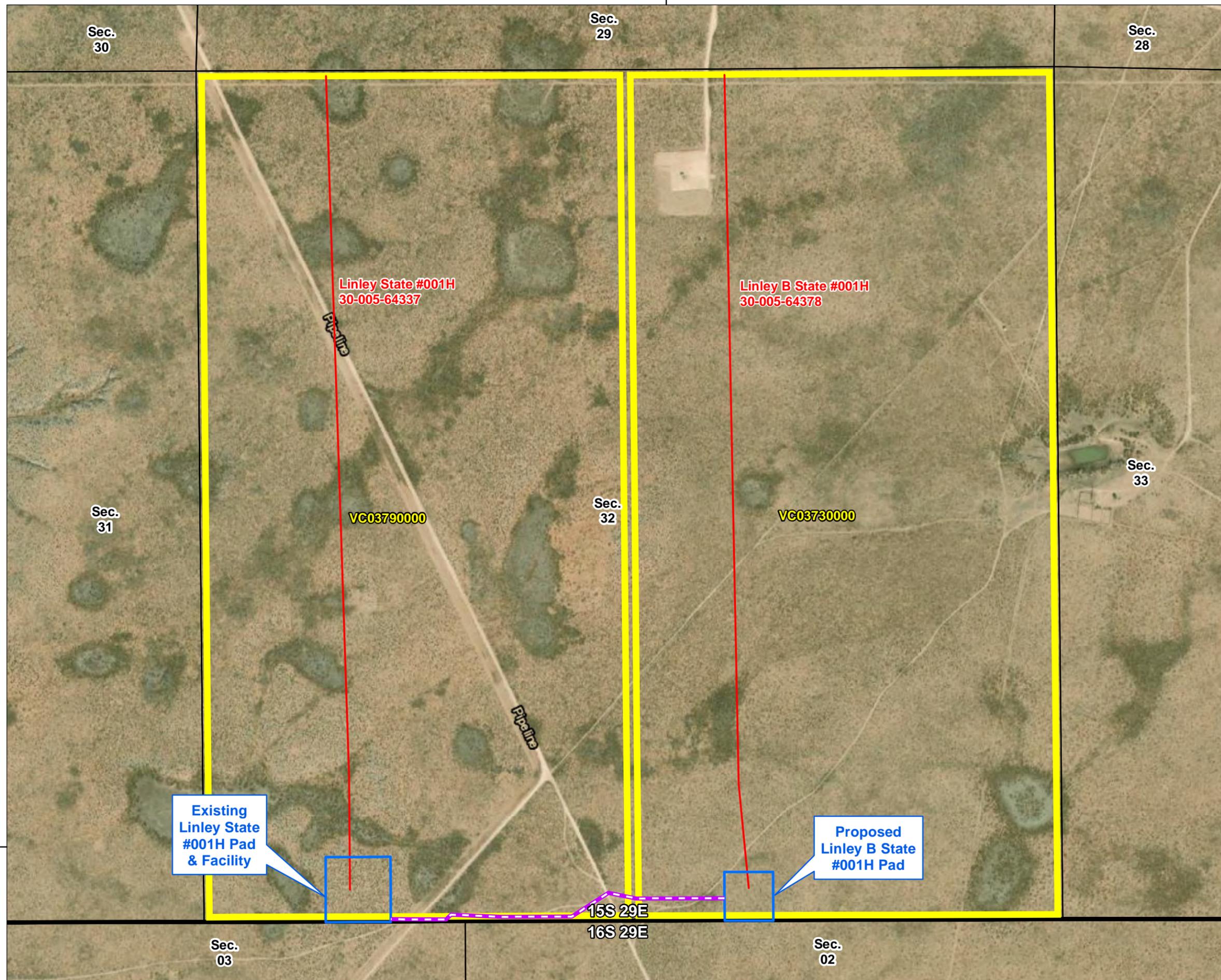
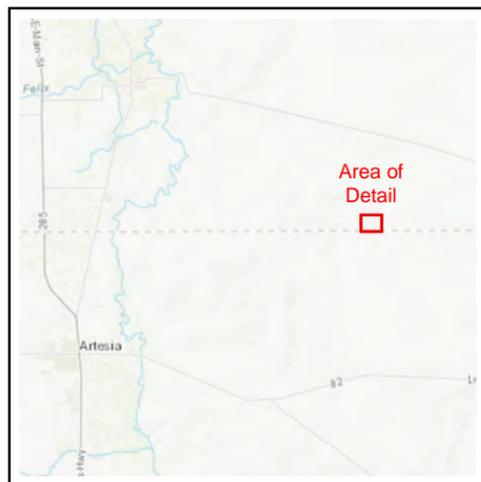
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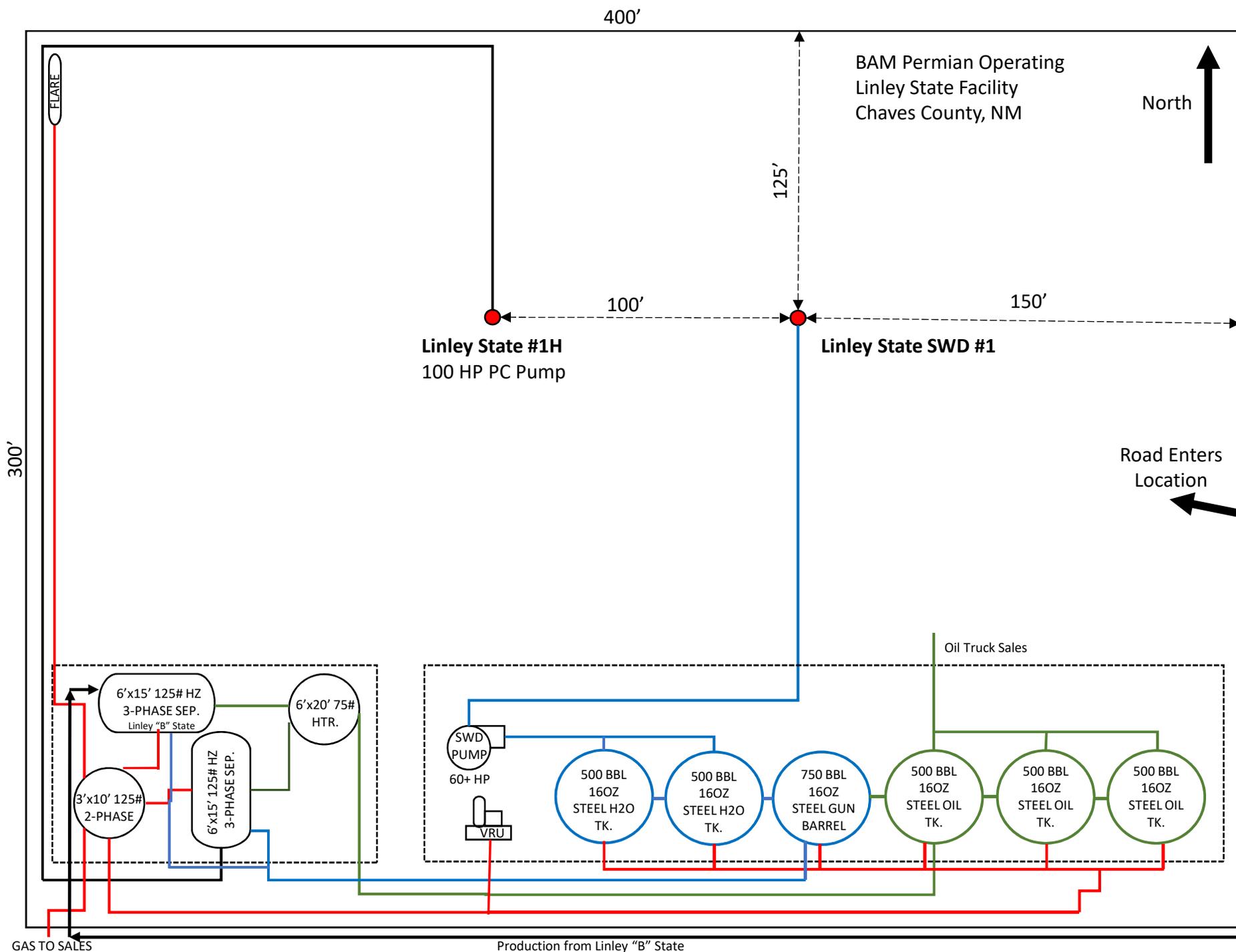


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FIPS 3001 Feet



Prepared by Permits West, Inc., May 2, 2023
for BAM Permian Operating, LLC





GAS TO SALES

Production from Linley "B" State

Oil Truck Sales

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May 18, 2023

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Cory Walk

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



ADMINISTRATIVE APPLICATION CHECKLIST

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Applicant: BAM Permian Operating, LLC **OGRID Number:** 328565
Well Name: Linley B State #001H **API:** 30-005-64378
Pool: Round Tank; San Andres **Pool Code:** 52770

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]
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 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
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 F. Surface owner
 G. For all of the above, proof of notification or publication is attached, and/or,
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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.

Cory Walk

Print or Type Name

Cory Walk
 Signature

05/02/2023
 Date

(505) 466-8120
 Phone Number

cory@permitswest.com
 e-mail Address

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

**APPLICATION FOR SURFACE COMMINGLING
SUBMITTED BY BAM PERMIAN OPERATING, LLC**

ORDER NO. CTB-1197

ORDER

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

FINDINGS OF FACT

1. BAM Permian Operating, LLC (“Applicant”) submitted a complete application to surface commingle the oil and gas production from the pools and leases described in Exhibit A (“Application”).
2. Applicant included a complete list of the wells currently dedicated to each pool and lease.
3. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
4. Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7(B) NMAC.
5. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.

CONCLUSIONS OF LAW

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

10. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10(B)(3) NMAC and 19.15.12.10(C)(4)(h) NMAC.
11. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

1. Applicant is authorized to surface commingle oil and gas production from the pools and leases as described in Exhibit A.

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

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

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

9. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
10. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
11. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
12. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ALBERT C. S. CHANG
DIRECTOR**

DATE: 2/6/26

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: CTB-1197
Operator: BAM Permian Operating, LLC (328565)
Central Tank Battery: Linley State Central Tank Battery
Central Tank Battery Location: UL M, Section 32, Township 15 South, Range 29 East
Gas Title Transfer Meter Location: UL M, Section 32, Township 15 South, Range 29 East

Pools

Pool Name	Pool Code
ROUND TANK;SAN ANDRES	52770

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
SLO Lease VC-0379-0001	W2	32-15S-29E
SLO Lease VC-0373-0001	E2	32-15S-29E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-005-64337	LINLEY STATE #001H	W2W2	32-15S-29E	52770
30-005-64378	LINLEY B STATE #001H	W2E2	32-15S-29E	52770

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

General Information
Phone: (505) 629-6116

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

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

CONDITIONS

Action 218137

CONDITIONS

Operator: BAM Permian Operating, LLC 4416 Briarwood Ave Midland, TX 79707	OGRID: 328565
	Action Number: 218137
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS

Created By	Condition	Condition Date
sarah.clelland	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please email us at OCD.Engineer@emnrd.nm.gov .	2/10/2026