

RECEIVED:	REVIEWER:	TYPE:	APP NO:
-----------	-----------	-------	---------

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

**FOR OCD ONLY**

- ☐ Notice Complete  
☐ Application  
 Content  
 Complete

- 3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

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

\_\_\_\_\_  
 Print or Type Name

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

Form C-107-B  
Revised August 1, 2011

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](mailto:mwalker@hilcorp.com)

NEW MEXICO  
OIL CONSERVATION COMMISSION

Form 7-54-5

WELL LOCATION AND/OR GAS PRORATION PLAT

DATE JUNE 4, 1956

OWNER 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

SECTION 5

5915

PICTURED CLIFF &

AZTEC P.C.

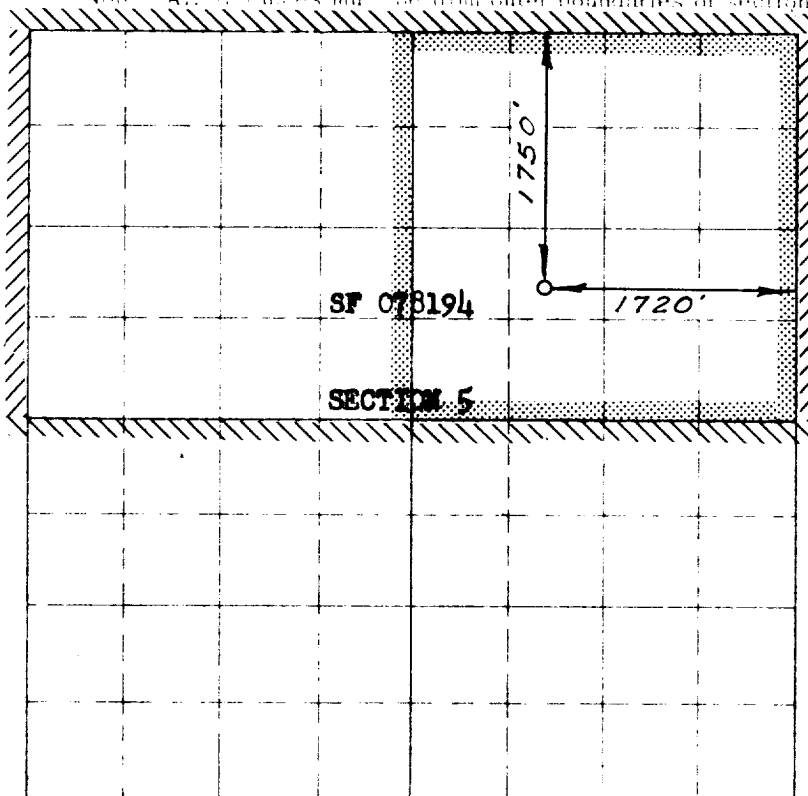
161<sup>81</sup> P.C.

MESA VERDE

BLANCO M.V.

321<sup>81</sup> M.V.

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



Scale 1 inch = equal 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.

Date Surveyed MAY 25, 1956

E. O. Walker  
Registered Professional Engineer and ~~and~~ Land Surveyor

1. Is this well a Dual Comp.  
Yes ☒ No ☐
2. If the answer to Question 1  
is yes, are there any other dually  
completed wells within the  
dedicated acreage. ☒  
Yes ☐ No ☐

Name \_\_\_\_\_

Petroleum Engineer

Position \_\_\_\_\_

El Paso Natural Gas Co.

Representing \_\_\_\_\_

Box 997, Farmington, N.M.

Address \_\_\_\_\_

Seal

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', is written over a faint, larger version of the same signature.

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\_Commingling\_Ludwick\_LS\_13\_20220330081058.pdf

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



## Schematic - Current

Well Name: LUDWICK LS 013

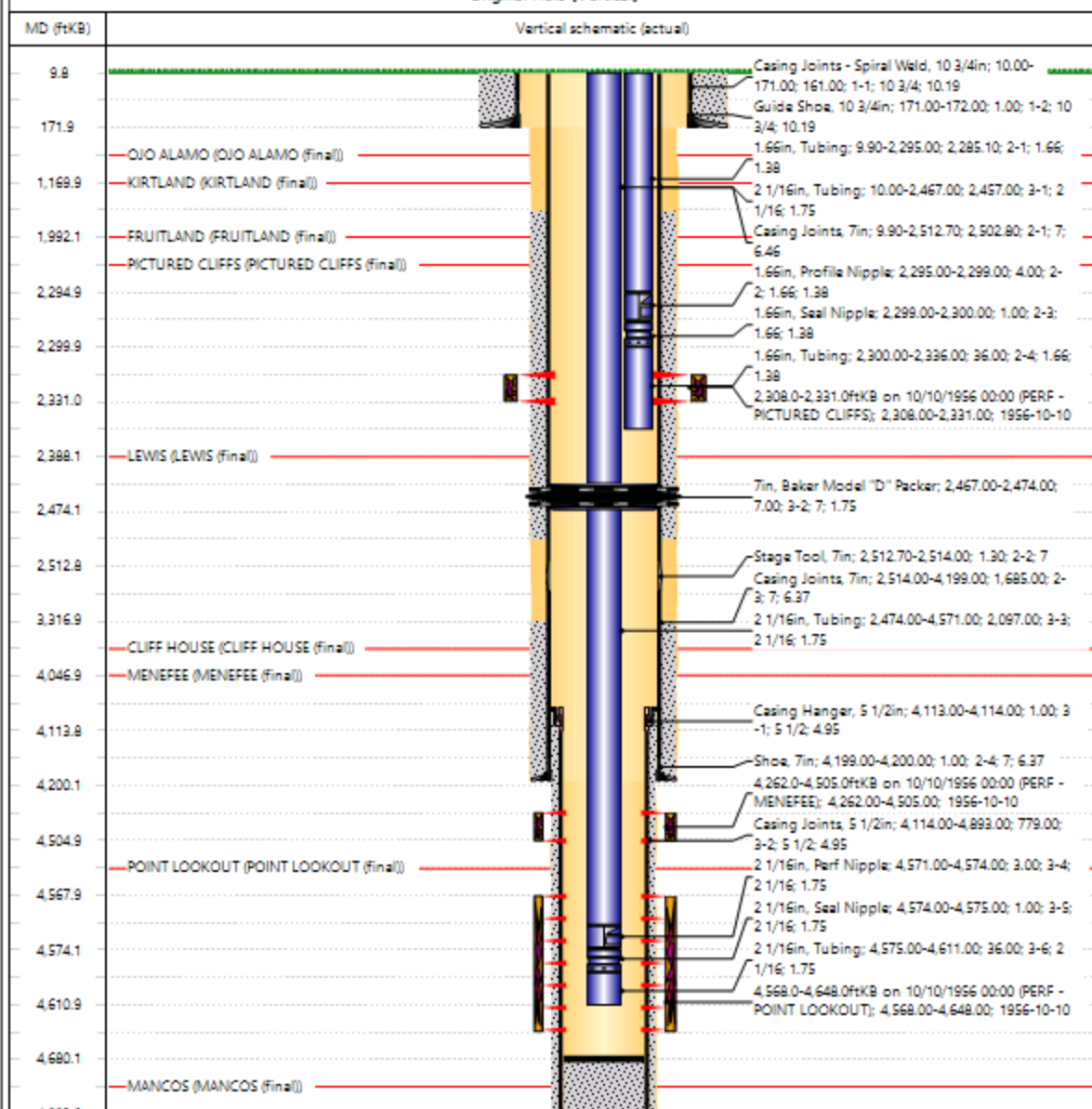
API Well:	Surface Logo Location:	Field Name:	License No:	State/Province:	Well Configuration Type:
9004508781	005-029N-010W-G	PC/MV DUAL		NEW MEXICO	Vertical
Original KB RT Elevation (ft):	KB-Ground Distance (ft):	Original Spud Date:	Rig Release Date:	PSD (All) (ft):	Total Depth All (TVD) (ft):
5,888.00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

### Most Recent Job

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

TD: 4,894.0

Original Hole [Vertical]





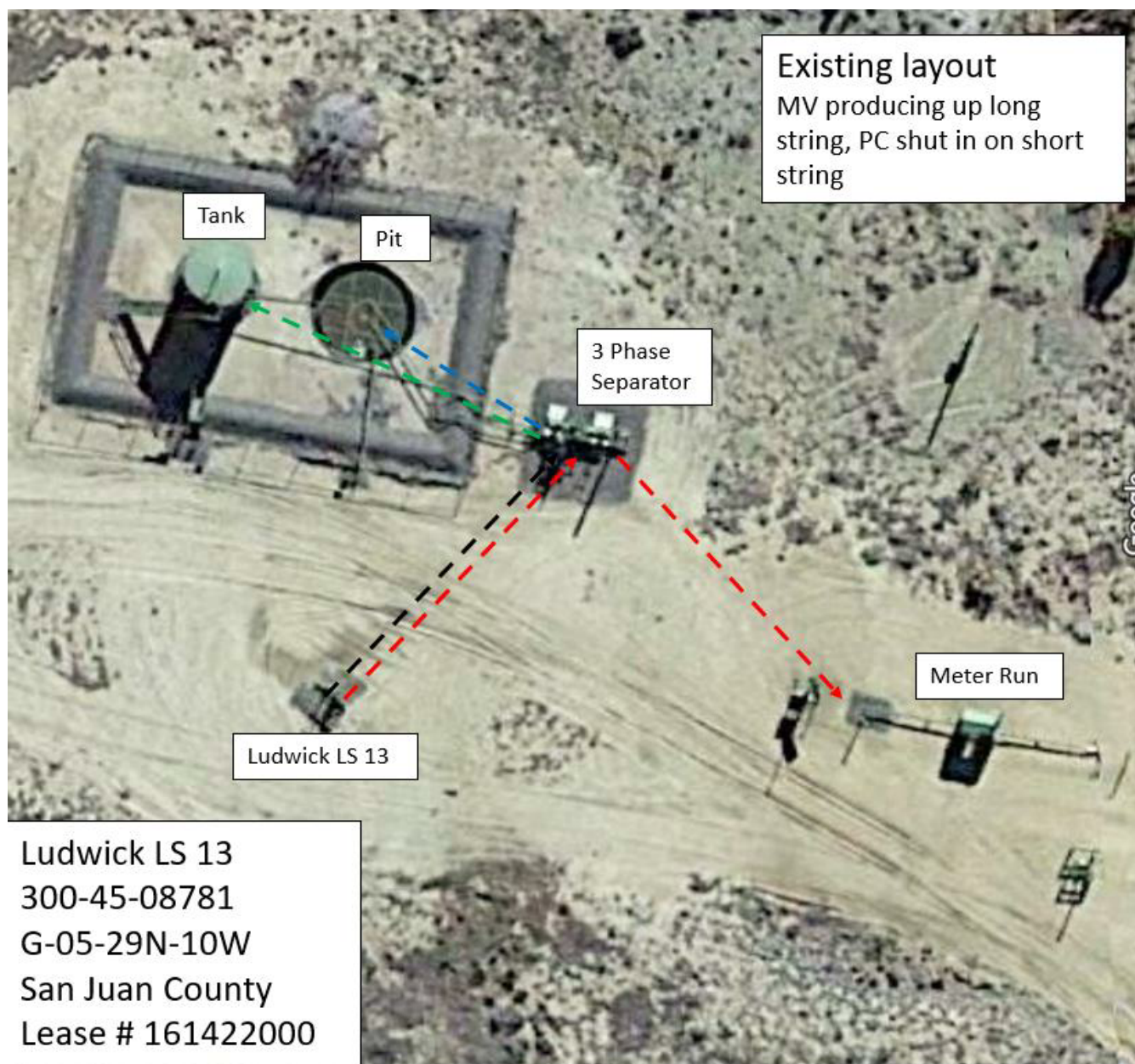
29N 10W

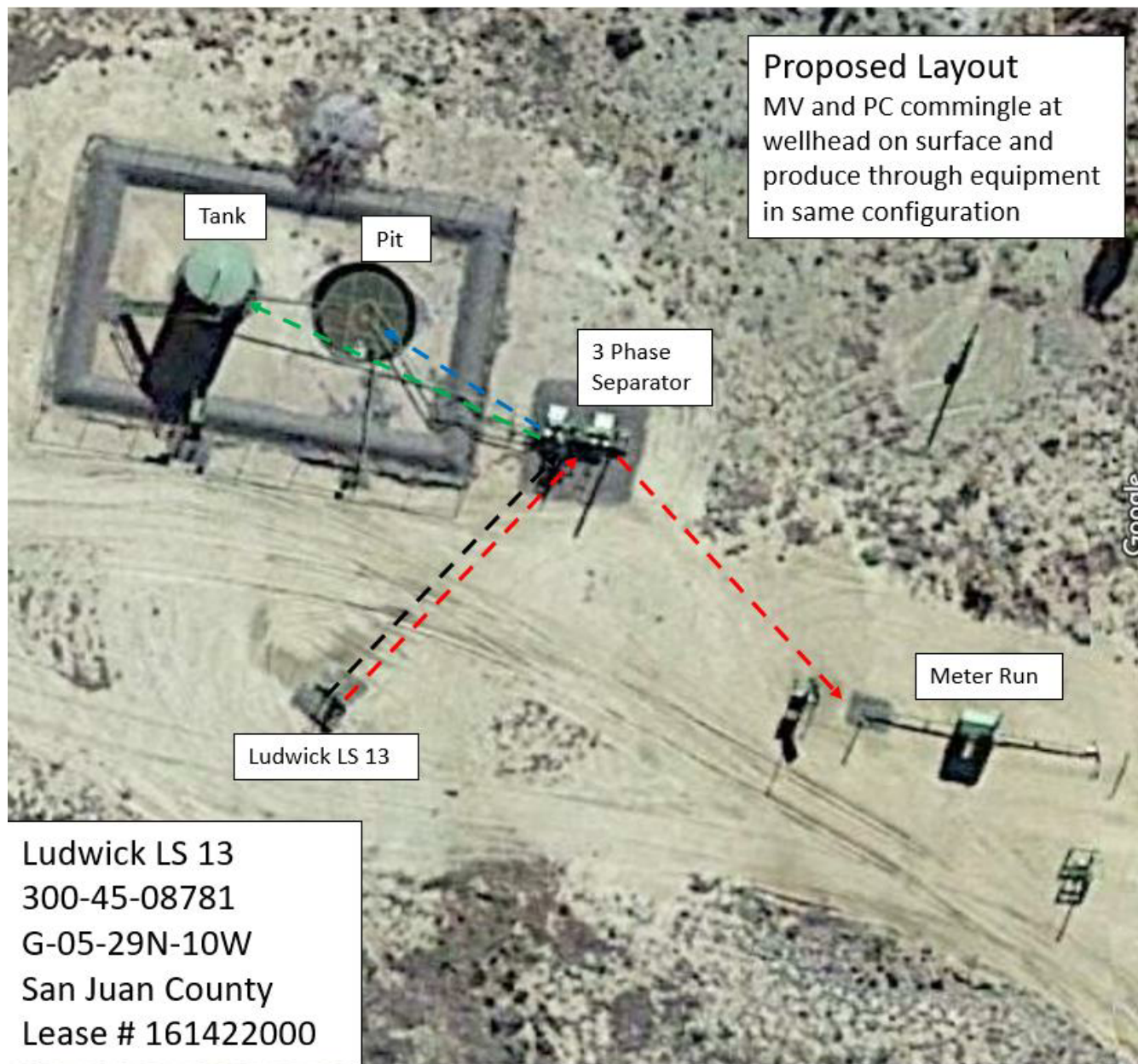
G-05 NE

Ludwick LS 13









Well	Ludwick LS 13	
Formation	Mesaverde	Pictured Cliffs
Production (mcf/d)		
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