

ABOVE THIS LINE FOR DIVISION USE ONLY

## NEW MEXICO OIL CONSERVATION DIVISION

- 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

#### Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]  
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]  
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]  
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

#### [1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication  
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement  
☐ DHC ☐ CTB ☒ PLC ☐ PC ☐ OLS ☐ OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

- [D] Other: Specify \_\_\_\_\_

#### [2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

- [A] ☒ Working, Royalty or Overriding Royalty Interest Owners

- [B] ☐ Offset Operators, Leaseholders or Surface Owner

- [C] ☐ Application is One Which Requires Published Legal Notice

- [D] ☒ Notification and/or Concurrent Approval by BLM or SLO  
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

- [E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,

- [F] ☐ Waivers are Attached

#### [3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **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.

Tracie J. Cherry  
 Print or Type Name

*Tracie J. Cherry*  
 Signature

Sr. Regulatory Analyst  
 Title

07/22/16  
 Date

tjcherry@basspet.com  
 e-mail Address

**BOPCO, L.P.**

P.O. Box 2760  
Midland, Tx 79702  
(432) 683-2277  
(432) 687-0329 (fax)

RECEIVED OGD  
2016 JUL 28 P 3:36

July 22, 2016

Oil Conservation Division  
Engineering Bureau  
1220 South St. Francis Drive  
Santa Fe, NM 87505

Re: Application for Pool and Lease Commingle  
Poker Lake Unit CVX JV PB 001H  
Poker Lake CVX JV PC 002H  
Eddy County, NM

Gentlemen:

BOPCO, L.P. respectfully requests permission Pool and Lease Commingle for the referenced wells in in Eddy County.

BOPCO would like to request the following documents in the application package be held as "Confidential"

- Certified Mail List (containing interest owner addresses and names)
- Economic Justification Worksheet (contains contract pricing)

Confidentiality has also been requested on these items in the application submitted to the Bureau of Land Management.

If you have any questions or need additional information, please call me at 432/683-2277.

Sincerely,



Tracie J Cherry  
Sr. Regulatory Analyst

Enclosures

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: BOPCO, LP

OPERATOR ADDRESS: PO Box 2760

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
Wildcat G-03 S263016K; B.S. (97863)	Grav 43.4 /BTU 1124.2				
Wildcat G-05 S263001O; B.S. (97814)	Grav 45/BTU 1102.7				

(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) Tank gauging (see attached for measurement and allocation)

(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: Sr. Regulatory Analyst

DATE: 07/22/16

TYPE OR PRINT NAME Tracie J Cherry

TELEPHONE NO.: 432/683-2277

E-MAIL ADDRESS: tjcherry@basspet.com

APPLICATION FOR COMMINGLING OIL AND GAS AT A TANK BATTERY

BOPCO, LP (260737) is requesting approval for surface commingling, off-lease storage, off-lease measurement and off-lease sales of oil and gas from the following formation(s) and well(s):

Lease Number: NMLC069513A  
 NMOCD Property Code: 315265

Well Name	API	Loc ¼, ¼ Sec. Twp. Rng.	Pool	Lease	Royalty Rate	Oil BOPD	Oil Grav	MCFPD	BTU
Poker Lake CVX JV PB 002H*	30-015-39932-00-S1	SHL: SWSE 03 26S 30E BHL: NWNE 03 26S 30E	Wildcat G-03 S263016K; Bone Spring (97863)	NMLC069513A (160 ac)	12.5%	11	43.4	149	1124.2

\*Well currently down due to mechanical failure. Production rate taken from last well test. Well to be returned to production.

Federal Agreement  
 Number: NMNM71016M PA  
 NMOCD Property Code: 313363

Well Name	API	Loc ¼, ¼ Sec. Twp. Rng.	Pool	Lease	Royalty Rate	Oil BOPD	Oil Grav	MCFPD	BTU
Poker Lake Unit CVX JV PB 001H	30-015-37030-00-S1	SHL: SWSE 01 26S 30E BHL: NWNE 01 26S 30E	Wildcat G-05 S263001O; Bone Spring (97814)	NMLC069513A (160 ac)	12.5%	27	45	1206	1102.7

Signed:   
 Tracie J Cherry

Title: Sr. Regulatory Analyst

Date: 07/22/14

Well Name	BOPD	Oil Gravity @60 deg.	BOPD X gravity	Value /BBL		MCFPD	Dry BTU	MCFPD X BTU	Value/mcf
001H	27	45	1215	44.88		1206	1102.7	1329856	2.32
002H	11	43.4	477.4	44.88		149	1124.2	167505.8	2.32
			0			0	0	0	
			0			0	0	0	
			0			0	0	0	
			0			0	0	0	
<b>Composite</b>	<b>38</b>	<b>44.5368421</b>	<b>1692.4</b>	<b>53.718</b>		<b>1355</b>	<b>1105.06</b>	<b>1497362</b>	<b>2.934</b>

Crude oil sold in New Mexico that is not high sulphur content (sour) and has an API gravity of less than 45 degrees is almost always sold as "deemed 40 degrees". This designation indicates all crude oil, will be estimated to be 40 degrees and sweet and payment will be made based on that estimation.

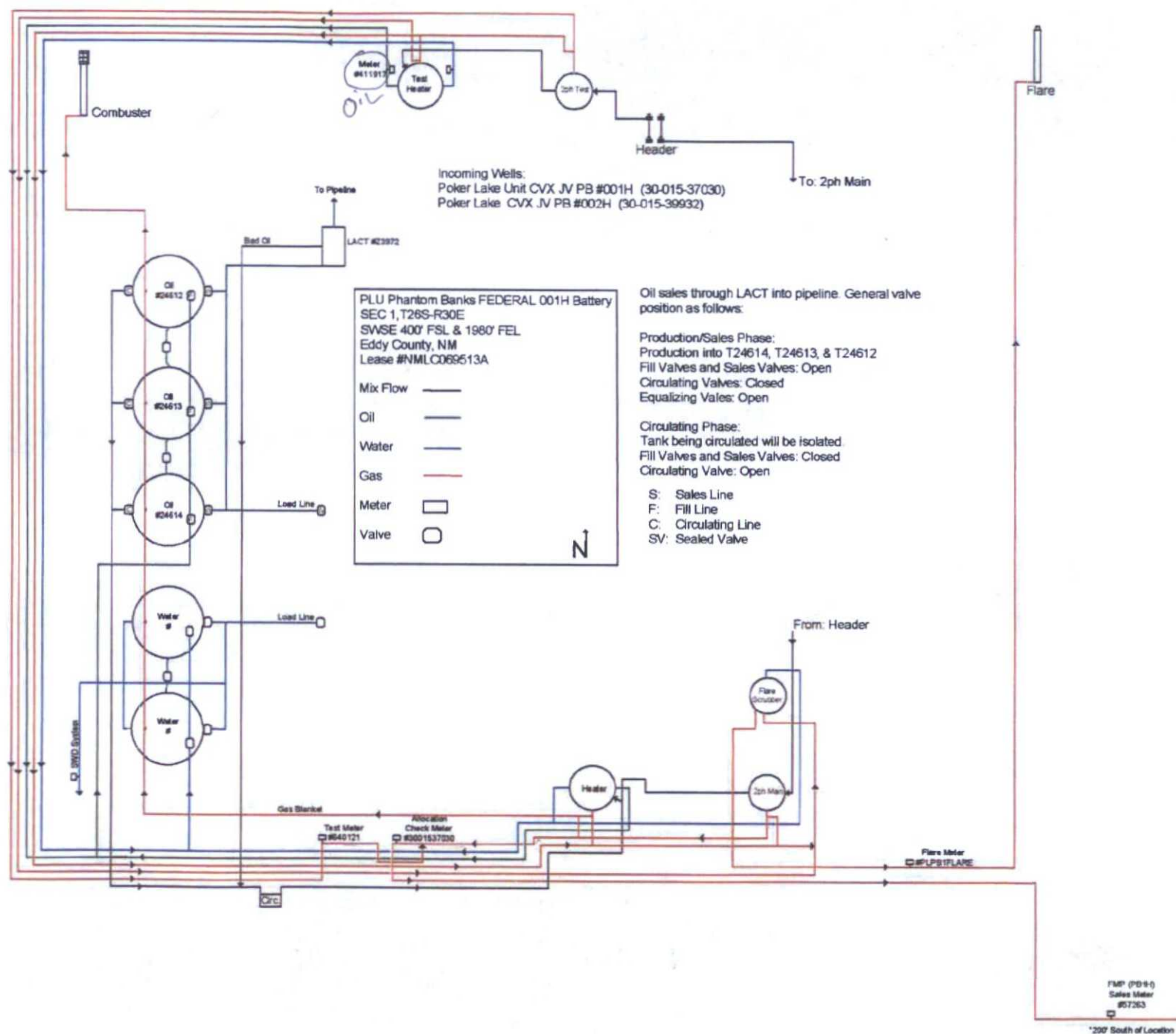
Gas sold at Energy Transfer sales meter is based on the Index price of either Gas Daily Midpoint or IFERC FOM for Permian basin-El Paso. Price for MMBTU is the combined BTU value at the sales meter. There are no deductions based on quality or sulfur content.

Signed:   
Tracie J Cherry

Title: Sr. Regulatory Analyst

Date: 07/22/14

**CONFIDENTIAL**



### **Oil & Gas metering and Allocation:**

The PLU Phantom Banks 1 Federal Battery has three (3), 500 bbl oil tanks on the location. Two (2) wells utilize this location as a common tank battery. Gas from both wells also flows to this battery, through a gas "allocation meter" then to either a (metered) flare or a common gas sales meter, Energy Transfer Sales Meter #57263 located approximately 200' South of the tank battery location, SWSE Sec 01 T26S-R30E. The PLU Phantom Banks 1 Federal Battery sits on the well location for Poker Lake Unit CVX JV PB #1H

Oil production from wells Poker Lake Unit CVX JV PB #1H (a Participating Area well) & Poker Lake CVX JV PB #2H (a lease well) flow from their respective locations to a header located on the North side of the location. This header is configured so that PA well production can be metered at all times. Oil production is allocated daily back to each well using the subtraction method from the test meter (#411917) off the heater treater and daily tank gauging. Oil is then sold through a LACT meter (#Z3972) into the pipeline. The LACT meter is proven quarterly.

Gas production is allocated on a daily basis; volume is calculated using readings from allocation meter (Mtr #3001537030) and Energy Transfer sales meter (Mtr #57263). All EFM gas meters are calibrated quarterly and conform to Onshore Order 5 and API standards. The Energy Transfer gas meter is also calibrated quarterly.

### **Process and Flow Descriptions and Allocation Method:**

The flow of production is shown in detail on enclosed facility diagram. A map is included with this application outlining lease boundaries, location of wells, facility, and gas sales meter. All wells are located inside the Poker Lake Unit boundaries.

The shared tank battery is located on the West side of the well pad for the Poker Lake Unit CVX JV PB #1H located in the SWSE Sec. 01, 26S-30E on Federal lease NMLC069513A and PA-NMNM71016M. The production from both wells enters from the north side of the facility.

The PA well is routed through the "test" equipment and will be continuously measured. Production flows to a Test Two-Phase separator, where gas is discharged into a gas line and the water/oil stream goes to the heater treater. Gas from the separator is routed to either an Electronic Flow Meter (EFM) gas test meter (Meter #640121) and then through the EFM allocation check meter (Meter #3001537030) and Energy Transfer Sales meter (Meter #57263) just south of the location or to the EFM metered flare stack (Meter #PLPB1FLARE). After separation, the oil/water stream is routed to the heater treater, the small amount of gas separated at this point is routed to the EFM metered flare stack (Meter PLPB1FLARE) on the Northeast side of the location. Custody transfer occurs and royalty payment is made at the Energy Transfer sales meter. Gas is measured and royalty paid on gas routed to flare. Production is allocated to the lease well using the subtraction method.

After separation, the PA well's produced oil and water stream go through the heater treater. Oil is metered off the heater treater using a turbine test meter (#411917). The oil then flows into an oil production line where it is combined with the other wells' oil and flows into one of the 500 bbl. oil tanks. Oil from the tanks is sold through a LACT meter (#Z3972) directly into the BOPCO PLU pipeline. The water combines with water from the other well and flows to one of two 500 bbl. produced water tanks. Water flows from the tanks to a water disposal system.

The lease well is routed to the "main" Two-Phase separator where gas is discharged into the gas line and the oil/water stream flows to the production heater treater. At this point, gas from the lease well will

combine with the gas from the PA well up stream of the allocation check meter or be routed to the metered flare. After separation, the oil/water stream is routed through a heater treater. Oil then combines with the production from the PA well and travels to the oil storage tanks. Water is discharged into the water line to travel to the water tanks.

**Summary:**

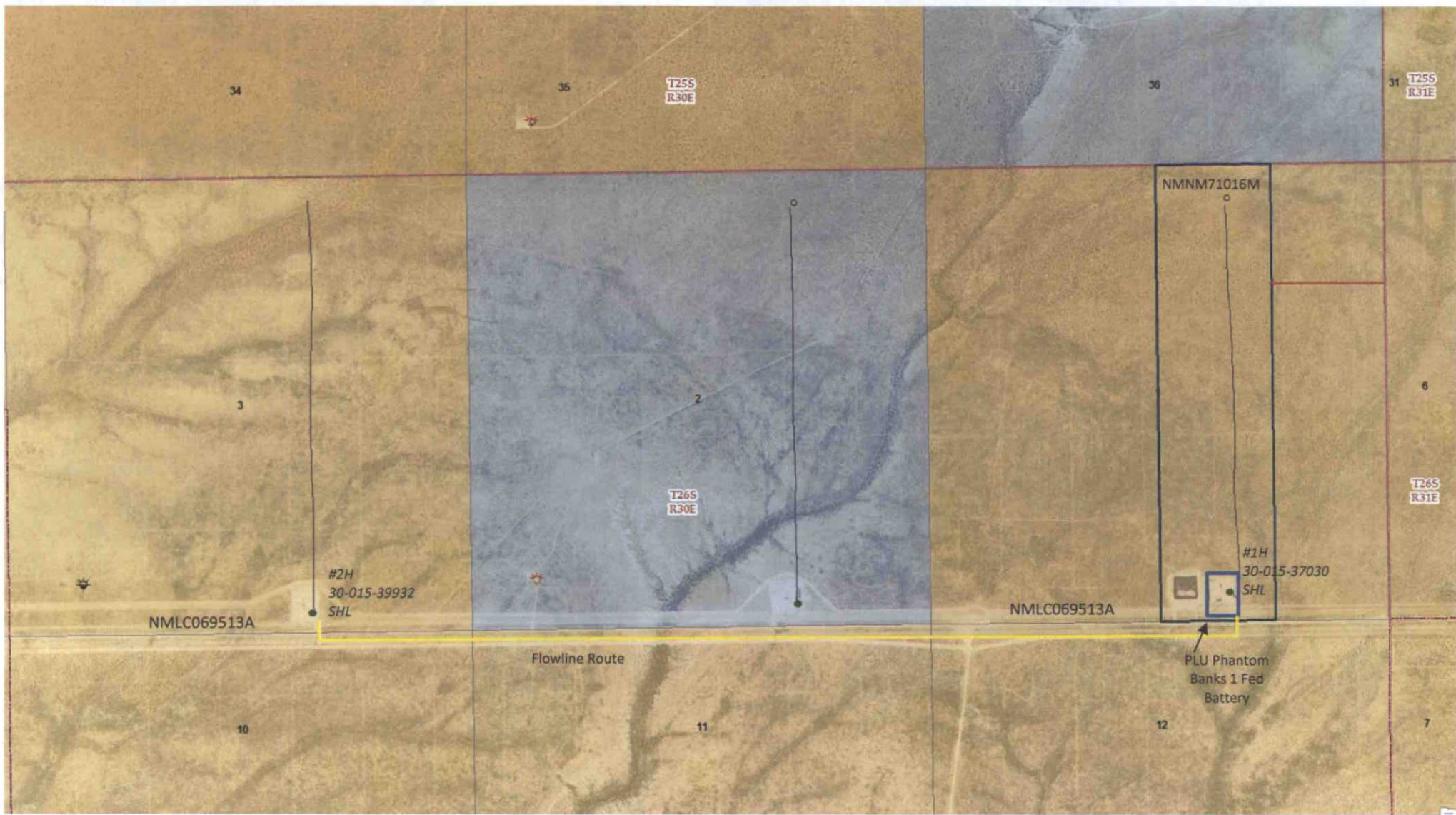
The commingling of production is in the interest of conservation and minimizing waste. BOPCO, L.P. believes this will result in the most effective and economic means of producing the reserves in place from the affected wells and will not result in reduced royalty or improper measurement of production. The proposed commingling will reduce the surface facility footprint and overall emissions.

BOPCO, L.P. understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.

Working, royalty, and overriding interest owners have been notified of this proposal via certified mail (see attached).

The BLM and NMOCD will be notified of any future changes in the facilities.





CERTIFIED MAILING LIST  
BOPCO, LP  
INTEREST OWNERS  
POKER LAKE UNIT CVX JV PB #001H  
POKER LAKE CVX JV PB #002H

Certified #7160 3901 9846 4322 4485

Matlock Minerals Ltd, Co.  
P O Box 1090  
Roswell, NM 88202-1090

Certified Letter #7160 3901 9846 4322 4492

Good Earth Minerals, LLC  
P O Box 1090  
Roswell, NM 88202-1090

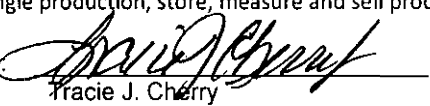
Certified Letter #7160 3901 9846 4322 4508

Chevron USA, Inc.  
P O Box 730436  
Dallas, TX 75373-0436

**CONFIDENTIAL**

I, Tracie J Cherry, do hereby certify the interest owners in the wells shown were notified, via certified mail, of BOPCO, LP's application to surface commingle production, store, measure and sell production off lease. A copy of the notice letter is attached hereto.

Signed:

  
Tracie J. Cherry

Title: Sr. Regulatory Analyst

Date:

07/22/14

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

**NM OIL CONSERVATION**

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

SEP 14 2015

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☒ AMENDED REPORT  
*effective 09/01/15*

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-015-39932		<sup>2</sup> Pool Code 96403	<sup>3</sup> Pool Name Wildcat; Bone Spring
<sup>4</sup> Property Code 315265	<sup>5</sup> Property Name Poker Lake CVX JV PB		<sup>6</sup> Well Number 2H
<sup>7</sup> OGRID No. 260737	<sup>8</sup> Operator Name BOPCO, LP		<sup>9</sup> Elevation 3163

<sup>10</sup> Surface Location									
UL or lot no. O	Section 3	Township 26S	Range 30E	Lot Idn	Feet from the 300	North/South line South	Feet from the 1980	East/West line East	County Eddy

<sup>11</sup> Bottom Hole Location If Different From Surface									
UL or lot no. B	Section 3	Township 26S	Range 30E	Lot Idn	Feet from the 232	North/South line North	Feet from the 1979	East/West line East	County Eddy

<sup>12</sup> Dedicated Acres 160	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order 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.

<sup>16</sup> 	<sup>17</sup> <b>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 undivided 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.	
	Signature: <i>Tracie J. Cherry</i> Date: <i>09/17/15</i> Printed Name: Tracie J. Cherry E-mail Address: tjcherry@basspet.com	
	<sup>18</sup> <b>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.	
	Date of Survey: Signature and Seal of Professional Surveyor: Certificate Number:	

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

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2014 JUN - 9 P 3: 50

☐ AMENDED REPORT

*Effective 06/01/14*

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-015-37030	<sup>2</sup> Pool Code 97814	<sup>3</sup> Pool Name Wildcat G-05 S2630010; Bone Spring
<sup>4</sup> Property Code 3/3363	<sup>5</sup> Property Name Poker Lake Unit CVX JV PB	<sup>6</sup> Well Number 1H
<sup>7</sup> OGRID No. 260737	<sup>8</sup> Operator Name BOPCO, LP	<sup>9</sup> Elevation 3222

<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
O	1	26S	30E		400	South	1980	East	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
B	1	26S	30E		405	North	1984	East	Eddy

<sup>12</sup> Dedicated Acres 160	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order 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.

	<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>Tracie J Cherry</i> <i>06/04/14</i> Signature Date</p> <p>Tracie J Cherry Printed Name</p> <p>jcherry@basspet.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</p> <p>Signature and Seal of Professional Surveyor:</p>
	<p>Certificate Number</p>

Application to Surface Commingle  
BOPCO, LP  
Poker Lake Unit 261 Battery  
Eddy County, NM

[illegible]

**Production Summary Report**  
**API: 30-015-39932**  
**POKER LAKE CVX JV PB #002H**  
**Printed On: Wednesday, August 17 2016**

		Production				
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I
2016	[97863] WILDCAT G-03 S263016K;BONE SPRING	Jan	2	1	42	1
2016	[97863] WILDCAT G-03 S263016K;BONE SPRING	Feb	0	0	0	0
2016	[97863] WILDCAT G-03 S263016K;BONE SPRING	Mar	0	0	0	0
2016	[97863] WILDCAT G-03 S263016K;BONE SPRING	Apr	0	0	0	0
2016	[97863] WILDCAT G-03 S263016K;BONE SPRING	May	0	0	0	0
2016	[97863] WILDCAT G-03 S263016K;BONE SPRING	Jun	0	0	0	0