

RECEIVED: 03/26/2019	REVIEWER: MAM	TYPE:	APP NO: pMAM1908551408
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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: Hilcorp Energy Company**OGRID Number:** 372171**Well Name:** Pan American Federal Gas Com B 1E & B 2 wells**API:** 30-045-24842 / 30-045-30231**Pool:** Aztec Pictured Cliffs/Basin Dakota/Basin Fruitland Coal**Pool Code:** 71280/71599/71629

**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

PLC-562

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 holdersB. ☒ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☐ Notification and/or concurrent approval by SLOE. ☒ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☒ 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.

Cherylene Weston, Operations/Regulatory Tech-Sr.

Date

3-26-19

Print or Type Name

505-564-0779

Phone Number

Signature

cweston@hilcorp.com

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)					
Basin Dakota (71599)					
Basin Fruitland Coal (71629)					

(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: Cherylene Weston TITLE: Operations/Regulatory Tech-Sr. DATE: 3-26-19

TYPE OR PRINT NAME Cherylene Weston TELEPHONE NO.: 505-564-0779

E-MAIL ADDRESS: cweston@hilcorp.com

District I1625 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 Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170**District IV**1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

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

Form C-102
August 1, 2011

Permit 260151

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-24842	2. Pool Code 71280	3. Pool Name AZTEC PICTURED CLIFFS (GAS)
4. Property Code 321826	5. Property Name PAN AMERICAN FEDERAL GAS COM B	6. Well No. 001E
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 5837

10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
G	31	30N	11W	9	1710	N	1660	E	SAN JUAN

11. Bottom Hole Location if Different From Surface

11. Bottom Hole Location if Different from Surface									
UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 153.20 - NE/4			13. Joint or Infill		14. Consolidation Code			15. 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 style="text-align: center;">OPERATOR CERTIFICATION</p> <p><i>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(s) 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.</i></p> <p>E-Signed By: <i>Cherylene Weston</i> Title: Cherylene Weston, Ops/Regulatory Tech - Sr. Date: 11/20/2018</p> <p style="text-align: center;">SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>Surveyed By: Fred B. Kerr, Jr. Date of Survey: 11/14/1980 Certificate Number: 3950</p>
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OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Form C-107
Revised 10-1-78STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

All distances must be from the outer boundaries of the Section.

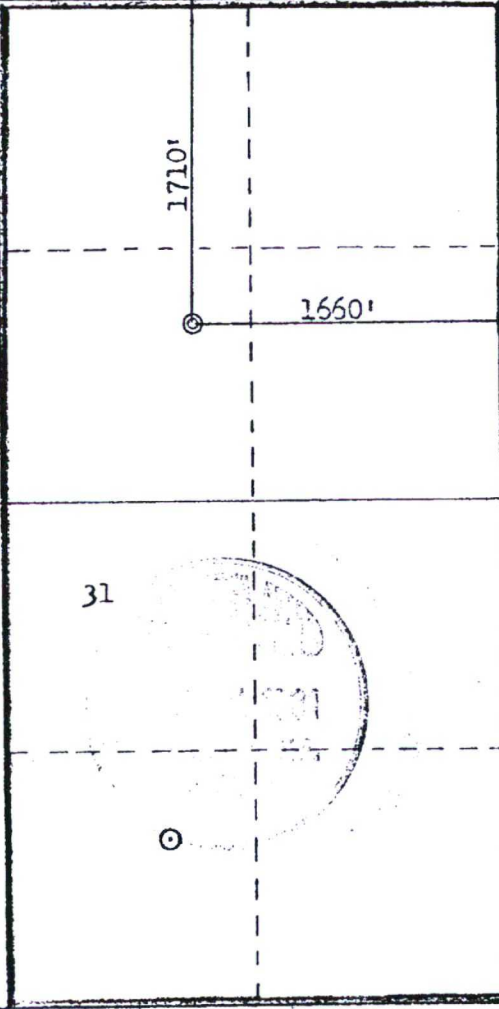
Operator AMOCO PRODUCTION COMPANY			Lease PAN AM-FEDERAL GAS COM "B"		Well No. 1E
Unit Letter G	Section 31	Township 30N	Range 11W	County San Juan	
Actual Footage Location of Well: 1710 feet from the North line and 1660 feet from the East line					
Ground Level Elev. 5837	Producing Formation Dakota		Pool Basin Dakota		Dedicated Acreage: 308.5 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation Communitization

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

Non-Standard Gas Proration Unit approved by order No. NWU 3-560 dated June 16, 1975	
Amoco W. I. 50% Sec.	

Scale: 1"=1000'

CERTIFICATION

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

Wayne L. Peterson
Name

W. L. Peterson

Position

District Engineer

Company

Amoco Production Company

Date

November 25, 1980

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 knowledge and belief.

Date Surveyed

November 14, 1980

Registered Professional Engineer
and Land Surveyor*Fred B. Kerr Jr.*
Fred B. Kerr Jr.

Certificate No. 3950

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
PO Drawer 00, Artesia, NM 88211-0719

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 1992

Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-30231		*Pool Code 71629 ✓	*Pool Name BASIN FRUITLAND COAL
*Property Code 22800	*Property Name PAN AM FEDERAL GAS COM B		*Well Number 2
*GRID No. 167067	*Operator Name CROSS TIMBERS OPERATING COMPANY		*Elevation 5838' —

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	31	30N	11W		1645	NORTH	1710	EAST	SAN JUAN

¹¹ 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

¹² Dedicated Acres 308.48 E/2	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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

¹⁶ 1413.06' 1255.98' 2511.96' 1645' 1710' 5293.20' 2624.16' 2636.70' 1457.94' 1281.72' 2514.66'				¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Ray Martin Signature Ray Martin Printed Name Production Engineer Title Date ¹⁸ SURVEYOR CERTIFICATION 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. MARCH 20, 2000 Date of Survey Signature and Seal of Professional Surveyor NEALE G. EDWARDS NEW MEXICO 6857 Certificate Number 6857	
LOT 1 LOT 7 LOT 6 LOT 5 LOT 2 LOT 8 LOT 9 LOT 10 LOT 3 LOT 13 LOT 12 LOT 11 LOT 4 LOT 14 LOT 15 LOT 16					

31

30N 11W

NE

USA

NMSF078144

PanAmFed
Gas Com
B002

PanAmFed
Gas Com
B001E

Pan American Federal Gas Com B 1E & B 2 CDP

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 Pan American Federal Gas Com B 2 shall be metered continuously prior to compression and commingling with the Pan American Federal Gas Com B 1E. Production from the Pan American Federal Gas Com B 1E shall be determined by subtracting the metered production at the Pan American Federal Gas Com B 2 from the metered production at the central delivery point.

No commingling of liquids shall occur.





March 11, 2019

RE: Application for Surface Commingling
Pan American Federal Gas Com B 1E (API # 30-045-24842)
Pan American Federal Gas Com B 2 (API # 30-045-30231)
San Juan County, New Mexico

Hilcorp plans to surface commingle existing pay from the Pan American Federal Gas Com B 1E and Pan American Federal Gas Com B 2. As required by Subsection C of 19.15.12.10 New Mexico Administrative Code, we have enclosed a copy of the Commingling Application for your review. No action is required by you unless you object our commingling proposal.

Any objection to this application must be filed in writing within twenty (20) days from this date with the applicant and the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If the 20 day waiting period expires, the Division will conclude that your company has no objection to the application.

This letter represents a good faith effort to adhere with applicable notification requirements. However, if your ownership interest in the Subject Well has recently changed (i.e., new burdens created or you have sold or transferred your interest) please contact Hilcorp immediately to update your file.

Hilcorp appreciates this opportunity to enhance production from the Subject Well and we are thankful for your support.

Regards,

Cherylene Weston

Operations/Regulatory Technician
Hilcorp Energy Company
505-564-0779

Encl.

District I
1625 N. French Drive, Hobbs, NM 88240
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State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised August 1, 2011

OIL CONSERVATION DIVISION
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Basin Fruitland Coal (71629)					

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(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: _____

TYPE OR PRINT NAME Cherylene Weston TELEPHONE NO.: 505-564-0779

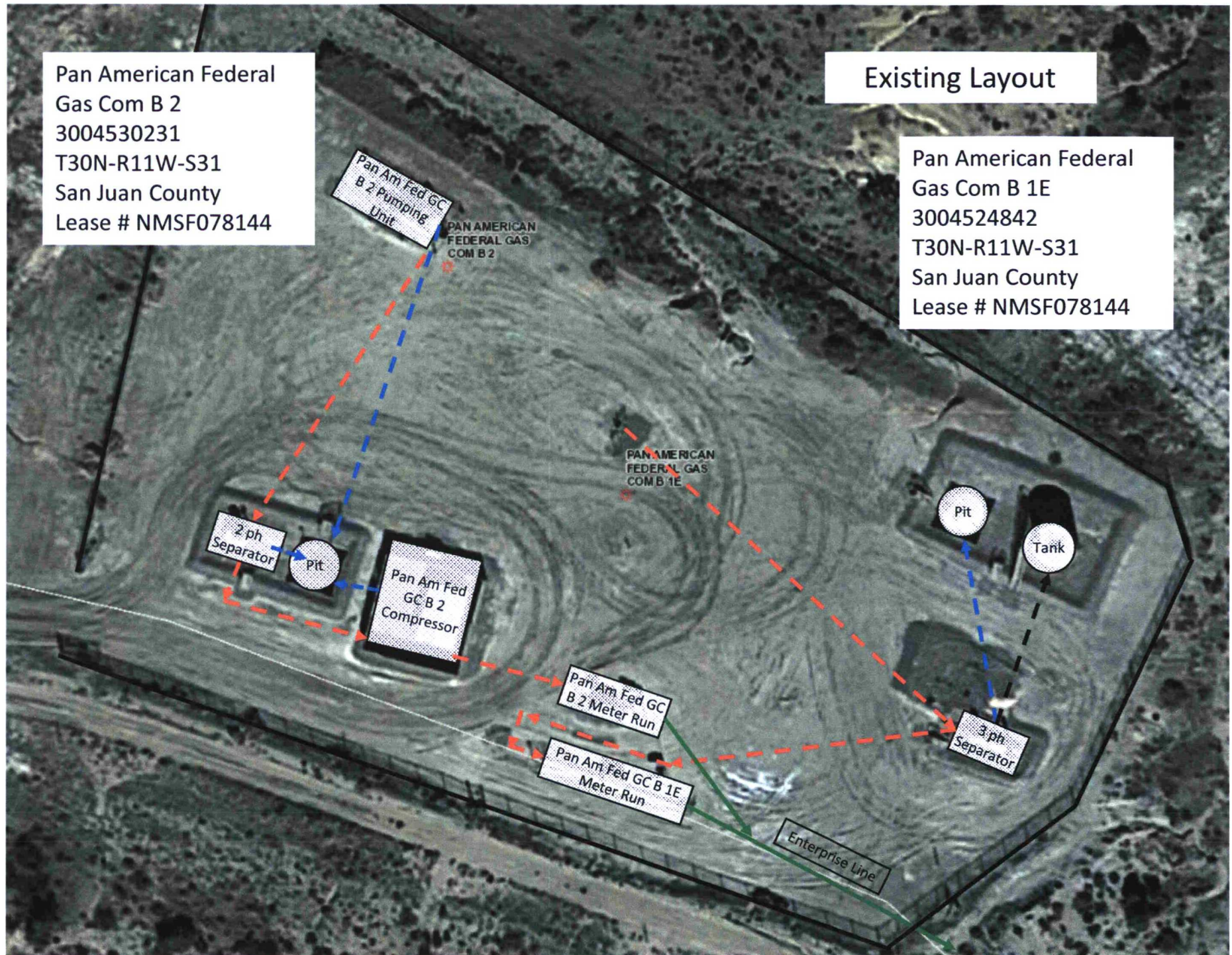
E-MAIL ADDRESS: cweston@hilcorp.com

Certified Number	Sender	Recipient	Date Mailed	Delivery Status
92148969009997901771224975	Brenda Guzman	, BECKY ANN HOLMES, PO BOX 133, SONORA, TX, 76950 Code: Pan Am Federal Gas Com B 1E_B 2 Surface Commingle	3/11/2019	Signature Pending
92148969009997901771224982	Brenda Guzman	CRAIG T FERGUSON, BP AMERICA PRODUCTION COMPANY, 737 N ELDRIDGE PARKWAY E3-12.173B, HOUSTON, TX, 77079 Code: Pan Am Federal Gas Com B 1E_B 2 Surface Commingle	3/11/2019	Signature Pending
92148969009997901771224999	Brenda Guzman	, BRONCO OIL COMPANY, PO BOX 892338, OKLAHOMA CITY, OK, 73189 Code: Pan Am Federal Gas Com B 1E_B 2 Surface Commingle	3/11/2019	Signature Pending
92148969009997901771225002	Brenda Guzman	EDWARD H FORGOTSON, ANN MONTOURI FORGOTSON, POA, 1800 PURDY AVE, #902, MIAMI BEACH, FL, 33139 Code: Pan Am Federal Gas Com B 1E_B 2 Surface Commingle	3/11/2019	Signature Pending
92148969009997901771225019	Brenda Guzman	FORGOTSON FAMILY PARTNERSHIP, EDWARD H FORGOTSON INDV and AGENT ANN MONTOURI FORGOTSON, POA, 1800 PURDY AVE #902, MIAMI BEACH, FL, 33139 Code: Pan Am Federal Gas Com B 1E_B 2 Surface Commingle	3/11/2019	Signature Pending
92148969009997901771225026	Brenda Guzman	, GWYNDLON CLAYBROOK, PO BOX 1719, BRECKENRIDGE, TX, 76424-1719 Code: Pan Am Federal Gas Com B 1E_B 2 Surface Commingle	3/11/2019	Signature Pending
92148969009997901771225033	Brenda Guzman	, JASON NEAL WILLIAMS AND LINDA LOU, WILLIAMS FAMILY TRUST 2038 PINION SPRINGS DR, HENDERSON, NV, 89074-4111 Code: Pan Am Federal Gas Com B 1E_B 2 Surface Commingle	3/11/2019	Signature Pending
92148969009997901771225040	Brenda Guzman	, LEON LEE WILLIAMS, 604 LENORA DR, MIAMI, TX, 79059 Code: Pan Am Federal Gas Com B 1E_B 2 Surface Commingle	3/11/2019	Signature Pending
92148969009997901771225057	Brenda Guzman	, MARTHA KIMBERLY MANN, 2043 HICKORY, COLORADO CITY, TX, 79512 Code: Pan Am Federal Gas Com B 1E_B 2 Surface Commingle	3/11/2019	Signature Pending
92148969009997901771225064	Brenda Guzman	, OFFICE OF NATURAL RESOURCES REVENUE, LAKEWOOD ACCTG CENT ONSHORE P O BOX 25627, DENVER, CO, 80225-0627 Code: Pan Am Federal Gas Com B 1E_B 2 Surface Commingle	3/11/2019	Signature Pending

Pan American Federal
Gas Com B 2
3004530231
T30N-R11W-S31
San Juan County
Lease # NMSF078144

Existing Layout

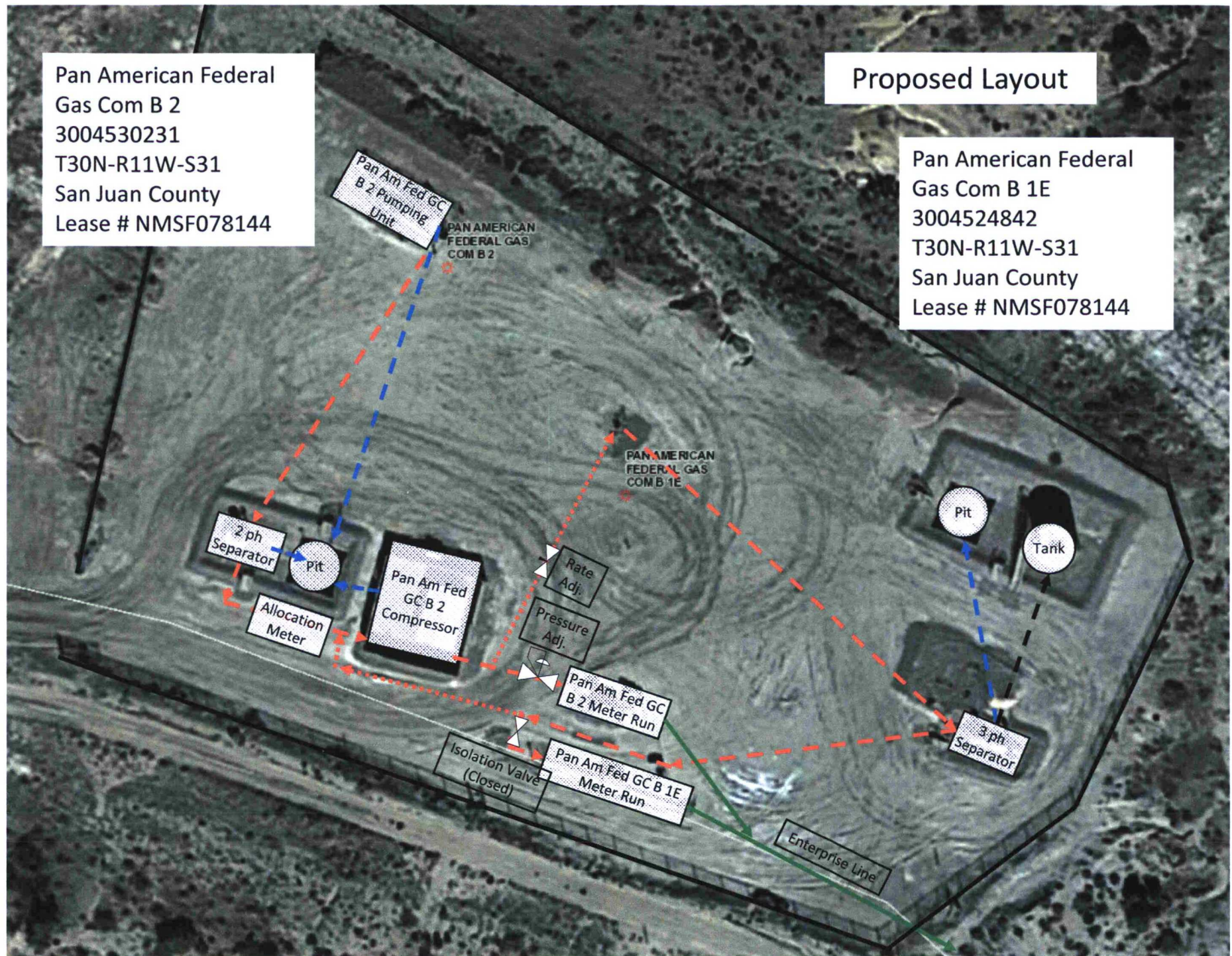
Pan American Federal
Gas Com B 1E
3004524842
T30N-R11W-S31
San Juan County
Lease # NMSF078144



Pan American Federal
Gas Com B 2
3004530231
T30N-R11W-S31
San Juan County
Lease # NMSF078144

Proposed Layout

Pan American Federal
Gas Com B 1E
3004524842
T30N-R11W-S31
San Juan County
Lease # NMSF078144



WELL INFORMATION

[illegible]

Pan American Federal Gas Com B 1E
Pan American Federal Gas Com 2 Surface Commingle

	Pumping Unit		Separator(s)		
Well	Engine	Fuel Usage (mfcfd)	Burners (y/n)	Fuel Usage (mfcfd)	Vented Gas (mfcfd)
Pan American Federal Gas Com B 1E	None - Plunger Lift	0	Y	1	0
Pan American Federal Gas Com B 2	LUFKIN - Arrow C-46	2.6	Y	1	0

Compressor Information		
Location:	Pan American Federal Gas Com B 1E	
Package ID	20001811	
HEC Compressor #	Unit 001605	
Lat/Long:	36.771502 / -108.028134	
Manufacturer:	Catepillar	
Engine:	G3306NA/1612	
Horse Power:	145	hp
Fuel Usage:	18.47	mcfd

Well	Pan American Federal Gas Com B 1E	Pan American Federal Gas Com B 2
Formation	Basin Dakota	Basin Fruitland Coal
Production (mcf)		
September	33	85
October	39	55
November	34	38
December	29	27
January	0	2
February	0	19

