District I 1625 N. French Drive, Hobbs, NM 88240 District II 811 S. First St., Artesia, NM 88210

1220 S. St Francis Dr, Santa Fe, NM 87505

District IV

Energy, Minerals and Natural Resources Department District III OIL CONSERVATION DIVISION 1000 Rio Brazos Road, Aztec, NM 87410

Form C-107-B Revised August 1, 2011

State of New Mexico

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 I	FOR SURFACE (	COMMINGLING	(DIVERSE	OWNERSHIP)	
OPERATOR NAME:					
OPERATOR ADDRESS:					
APPLICATION TYPE:	_	_			
_	g Pool and Lease Con	e e —	Storage and Measur	rement (Only if not Surface	e Commingled)
LEASE TYPE: Fee	State Fede				
Is this an Amendment to existing Order Have the Bureau of Land Management ☐ Yes ☐ No					ingling
	` '	L COMMINGLINGS with the following in			
(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 allowal	oles? Tyes TNo				
(3) Has all interest owners been notified b (4) Measurement type: ☐Metering [ (5) Will commingling decrease the value of	Other (Specify)		☐Yes ☐No.	ing should be approved	
		SE COMMINGLINGS with the following in			
<ol> <li>Pool Name and Code.</li> <li>Is all production from same source of some source of source</li></ol>	certified mail of the prop		□Yes □N	o	
	(C) DOOL and	LEACE COMMIN	CLINC		
		LEASE COMMIN s with the following in			
(1) Complete Sections A and E.					
(I		ORAGE and MEA			
(1) Is all production from same source of s		ets with the following	шогшаноп		
(2) Include proof of notice to all interest o	11 ·				
(E) AI		RMATION (for all		ypes)	
(1) A schematic diagram of facility, include		s with the following in	nformation		
<ul> <li>(1) A schematic diagram of facility, included</li> <li>(2) A plat with lease boundaries showing</li> <li>(3) Lease Names, Lease and Well Number</li> </ul>	all well and facility locati	ions. Include lease numbe	ers if Federal or Sta	ate lands are involved.	
I hereby certify that the information above is	true and complete to the	best of my knowledge an	d belief.		
SIGNATURE:	T	TLE:		DATE:	
TYPE OR PRINT NAME			TEL	EPHONE NO.:	
E-MAIL ADDRESS:					

KAISER-FRANCIS OIL COMPANY

P.O. BOX 21468 TULSA, OKLAHOMA 74121-1468

6733 South Yale Avenue, 74136 (918) 494-0000 Fax: (918) 491-4385

8/28/2024

SENT VIA EMAIL

New Mexico Department of Energy, Minerals, and Natural Resources Department Attn: Dean McClure 1220 South St. Francis Drive Santa Fe, New Mexico 87505

Re: Red Hills Federal Facility Pad 1 Surface Commingling

Sec 31 25S-33E

Lea County, New Mexico

Mr. McClure,

Kaiser-Francis Oil Company plans to reduce surface footprint and potential emissions sources from an excess of production tanks and equipment on its Red Hills Facility Pad 1, which contains an Avalon side and a Wolfcamp side at present. These wells are all part of the same federal lease, but KFOC would like to surface commingle the different pools, specifically on the liquid side, to reduce number of active production tanks.

The current facility isolates the (5) Avalon wells from the (8) Wolfcamp wells, on all 3 phases: oil, gas and water. It was designed with IP rates in mind, and now that the wells have been online for ~3.5 years and experienced significant decline, it makes sense to further reduce our surface footprint through surface commingling.

Each well flows full well-stream into its own, unique three-phase separator. Gas from each separator goes through separate, electronic flow meters (EFM) for allocation purposes before going to sales meters provided by MPLX. At this time, for gas sales, the Avalon wells are isolated to their own twin sales meters, while the Wolfcamp wells are isolated to their own twin sales meters. KFOC does not plan to alter the gas sales infrastructure at this time for this project.

The ultimate plan for this dual facility would be full decommission the entire east containment or present Wolfcamp side of the facility, and bring the 8 Wolfcamp wells liquid production to the current Avalon side or west containment. Each well would continue to have its own unique three-phase separator as described above. At present time, the oil flows from each separator to a unique heater treater per well. This surface commingle project would also reduce the number of heaters on site from 14 to ~2-3, as the oil would be commingled on a trunkline (downstream of allocation Coriolis meters) once leaving the separators, and combined to flow into 2-3 heater treaters. The entire east

side containment of current Wolfcamp production tanks would be decommissioned, and the oil would leave the heaters and be commingled in the oil tanks on the current Avalon side or west side containment.

Water would be handled in a similar fashion to oil described above. Water from each three-phase separator would be metered with individual turbine meters for allocation purposes, before being commingled into common water tanks, on the west side containment of current Avalon production tanks. The current west side containment of Avalon production tanks would be the new commingled battery and store the surface commingled oil and water production, prior to the oil being pumped and sold via LACT and prior to water being pumped to disposal. At this time, KFOC plans to move 4 water tanks from the current east Wolfcamp containment to the west Avalon (new commingled) containment for additional water storage. KFOC would also replace/upgrade any tanks in the west containment as needed once the project has been undertaken.

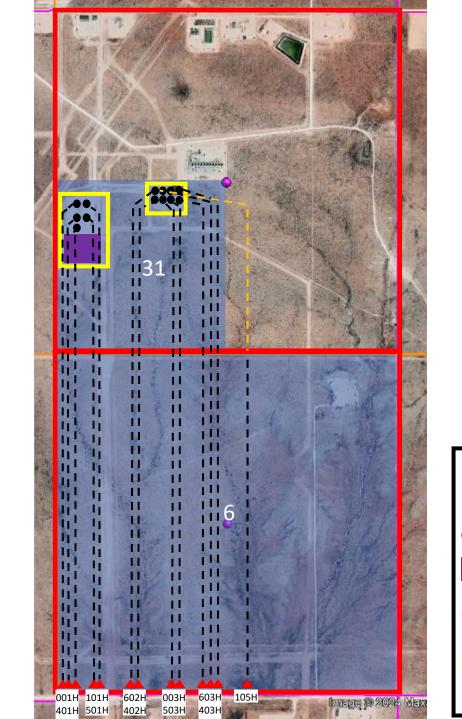
Vent lines on both the oil tanks and water tanks would be upgraded and fabricated to fit the new tank set-up on the west side containment, including vent line to flare. Oil tank vapors from the commingled oil tanks would be collected by a singular VRU, and allocated based on oil Coriolis allocation meters. Similarly, heater treater vapors would be collected by another VRU. The gas from both tanks and heaters VRUs would be commingled and metered, then allocated based on oil Coriolis allocation meters. Vent line to flare would also be re-routed and upgraded to simplest, most efficient path. The vent header system will also be upgraded as well as the thief hatches on the production tanks. All current slop tanks would be removed, and LACT reject and/or circulating line from the oil tanks would be plumbed to one of the active heater treaters. Finally, the tank catching oil/liquid dumped from the free-water knockout would be decommissioned, and the dump plumbed to one of the Oil tanks on the commingled battery.

Ultimately, this project would see up to 24 tanks and 12 heater treaters decommissioned, as well as 12K LACT skid that currently serves the Wolfcamp production.

Sincerely,

#### Christina Opfer

Christina Opfer
Regulatory Manager
Kaiser-Francis Oil Company
ChristinaO@kfoc.net
918-491-4468

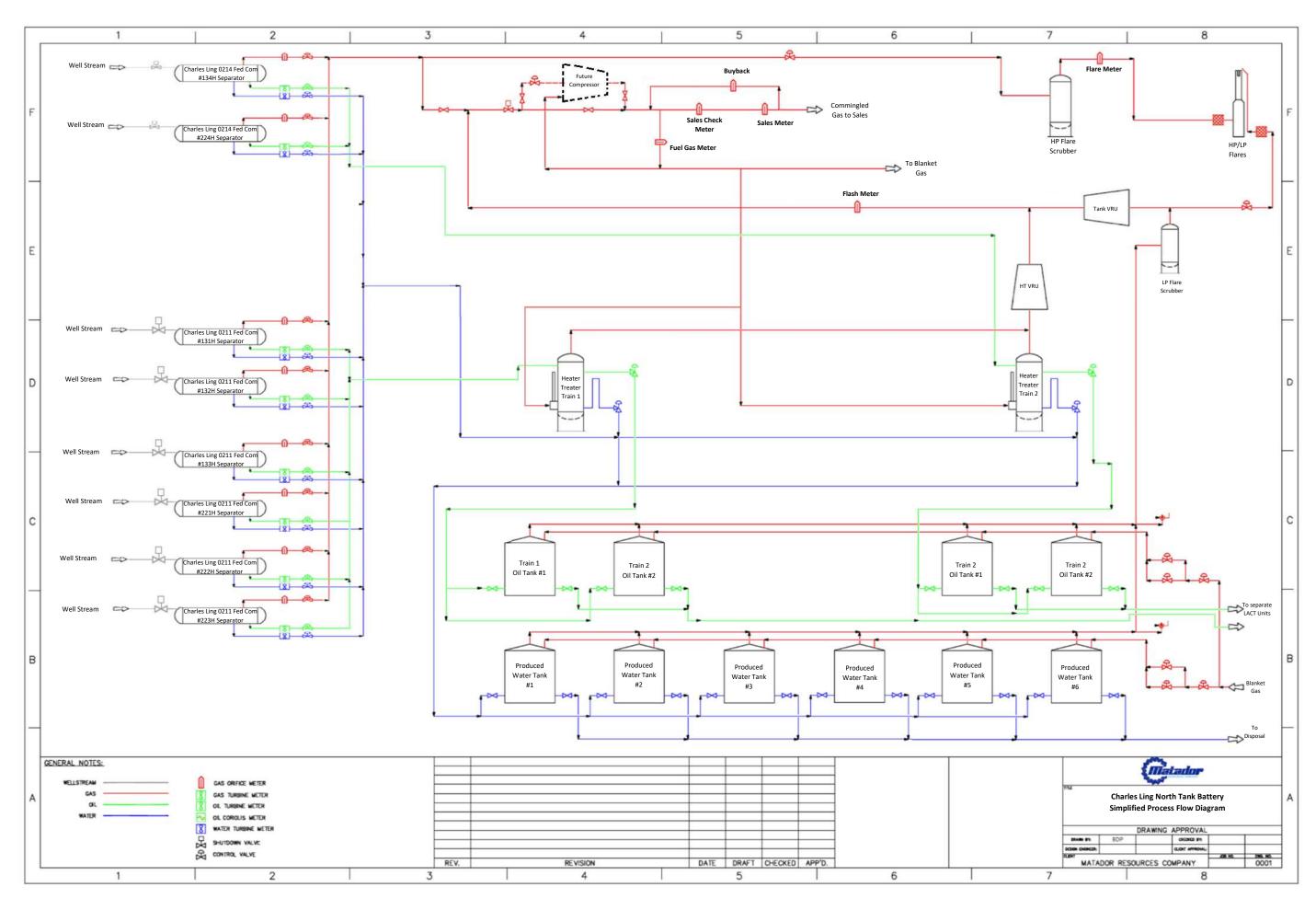


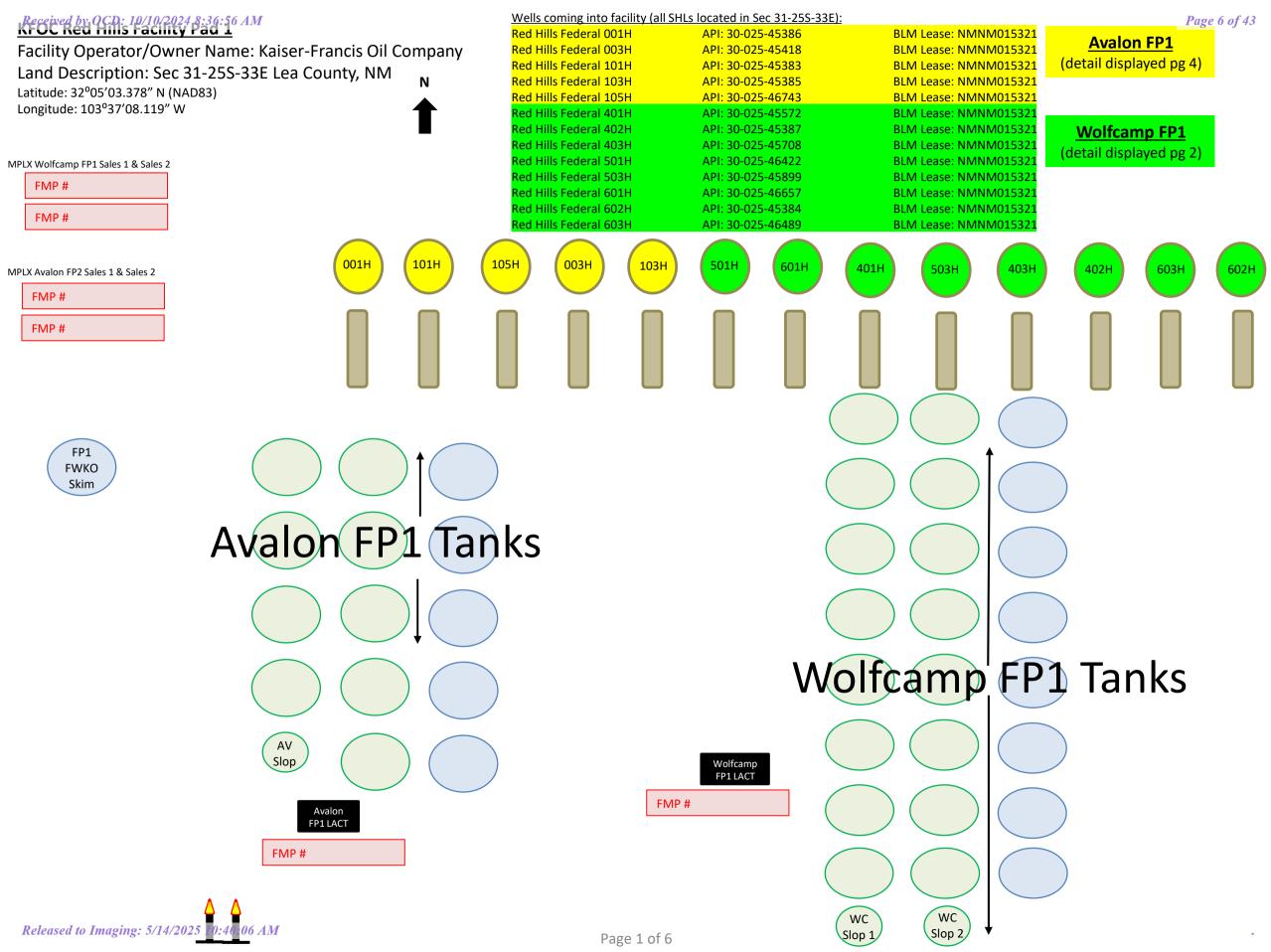
## Legend

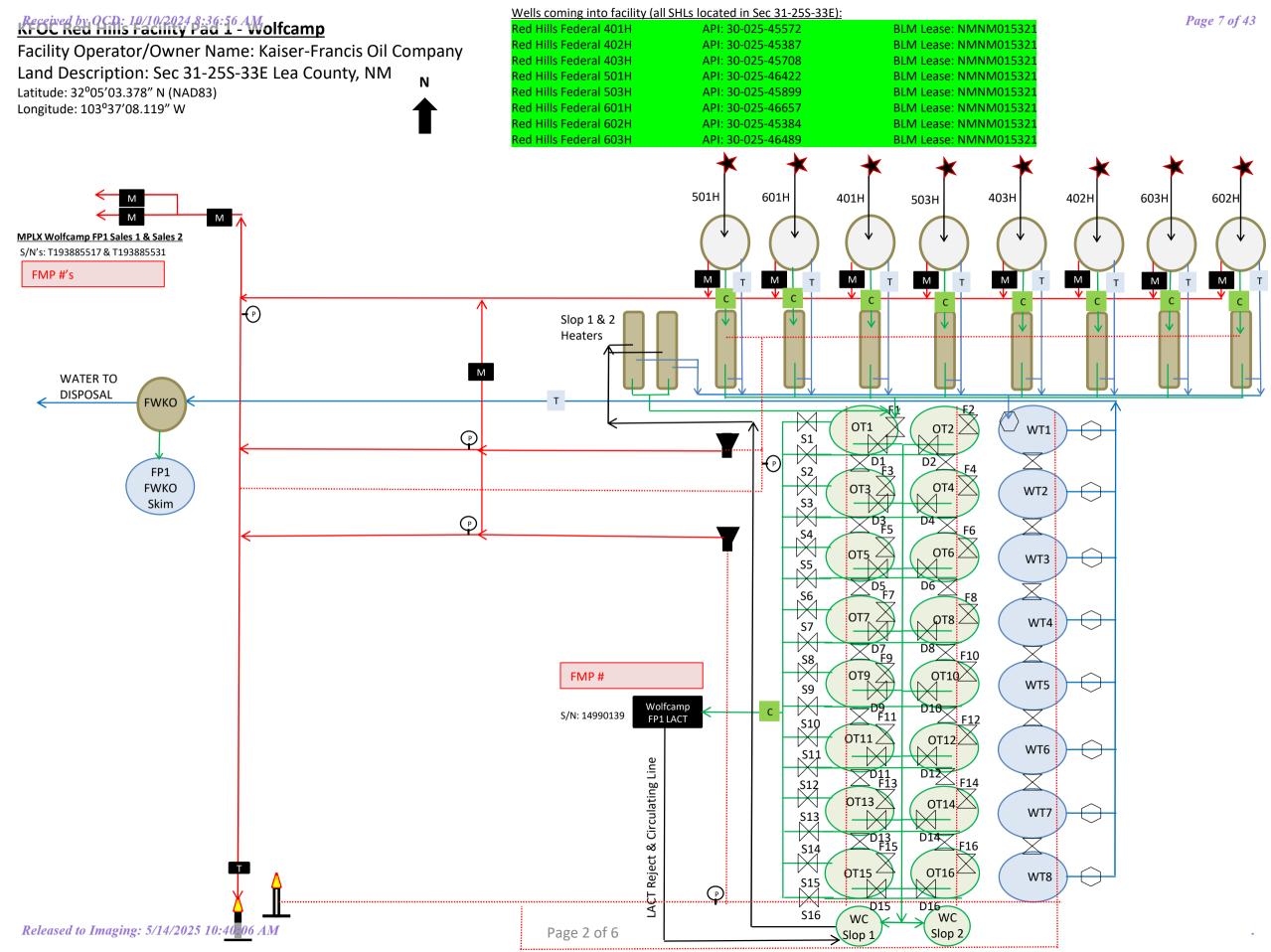
- NMNM15321 478.80 acres
- Surface Hole
- Production Facility
- A Bottom Hole
- -- Wellbore (Completed)
- Wellbore (Uncompleted)
- Red Hills Drill Pads

Received by OCD: 10/10/2024 8:36:56 AM

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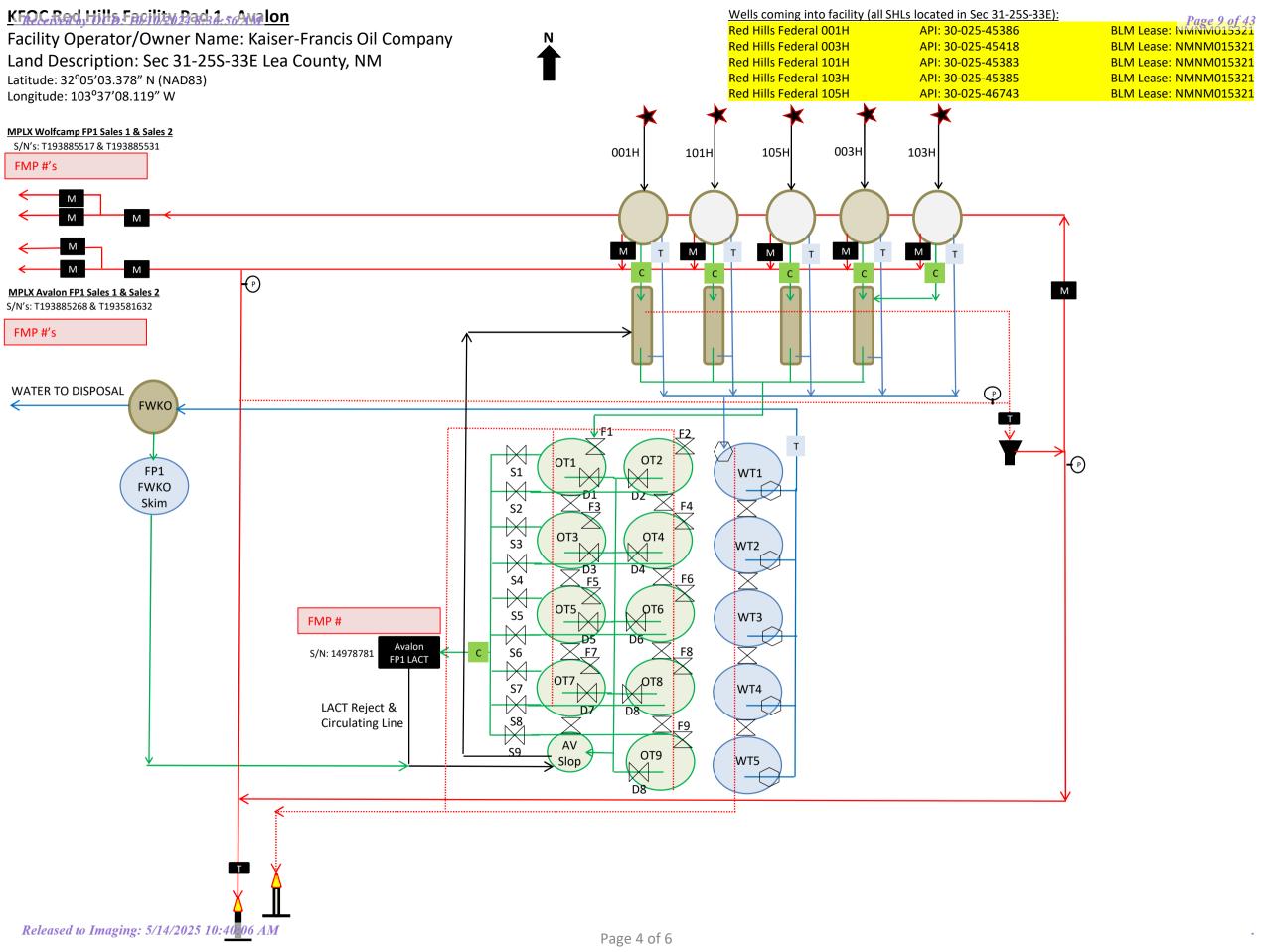




# FP1 Wolfcamp Gas Meter Breakdown

# Wolfcamp FP1 Sales 1 and Sales 2

- SN's T193885517 & T193885531 (Twin sales meter runs)
  - Red Hills 401H
  - Red Hills 402H
  - Red Hills 403H
  - Red Hills 501H
  - Red Hills 503H
  - Red Hills 601H
  - Red Hills 602H
  - Red Hills 603H
  - Combined Wolfcamp FP1 Oil Tanks VRU and Wolfcamp/Avalon FP1 Heater Treater VRU Gas



# FP1 Avalon Gas Meter Breakdown

# Avalon FP1 Sales 1 and Sales 2

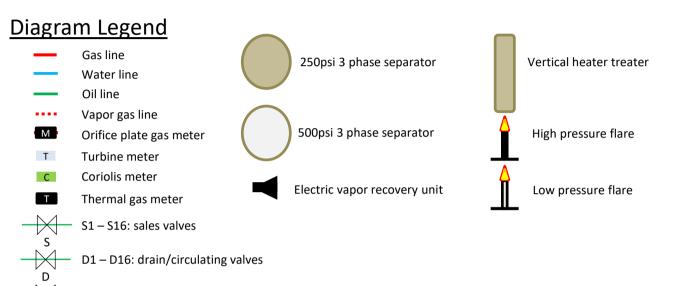
- SN's T193885268 & T193581632 (Twin sales meter runs)
  - Red Hills 001H
  - Red Hills 003H
  - Red Hills 101H
  - Red Hills 103H
  - Red Hills 105H

# Received by QCD: 10/10/2024 8:36:56 AM KFOC Red Hills Facility Pag 1

Facility Operator/Owner Name: Kaiser-Francis Oil Company

Land Description: Sec 31-25S-33E Lea County, NM

Latitude: 32°05'03.378" N (NAD83) Longitude: 103°37'08.119" W



#### Wells coming into facility (all SHLs located in Sec 31-25S-33E): BLM Lease: NMNM015321 Red Hills Federal 001H API: 30-025-45386 Red Hills Federal 003H API: 30-025-45418 BLM Lease: NMNM015321 Red Hills Federal 101H API: 30-025-45383 BLM Lease: NMNM015321 Red Hills Federal 103H API: 30-025-45385 BLM Lease: NMNM015321 Red Hills Federal 105H API: 30-025-46743 BLM Lease: NMNM015321 Red Hills Federal 401H API: 30-025-45572 BLM Lease: NMNM01532 Red Hills Federal 402H API: 30-025-45387 BLM Lease: NMNM01532 Red Hills Federal 403H API: 30-025-45708 BLM Lease: NMNM01532 Red Hills Federal 501H API: 30-025-46422 BLM Lease: NMNM01532: Red Hills Federal 503H API: 30-025-45899 BLM Lease: NMNM01532 Red Hills Federal 601H API: 30-025-46657 BLM Lease: NMNM01532: Red Hills Federal 602H API: 30-025-45384 BLM Lease: NMNM01532 Red Hills Federal 603H API: 30-025-46489 BLM Lease: NMNM01532:

#### Valve Positioning in the Production & LACT Sales Phase

Production into OT1 – OT16

F1 – F16: fill valves

F1 is open

Equalizers open

D1, D2, D3, D4, D5, D6, D7, D8, D9, D10, D11, D12, D13, D14, D15 & D16 are sealed closed \$1, \$2, \$3, \$4, \$5, \$6, \$7, \$8, \$9, \$10, \$11, \$12, \$13, \$14, \$15 & \$16 are open

### Valve Positioning in the Production & Drain/Circulating Phase

Ex: Production into OT1, OT2, OT3, OT4, OT5, OT6, OT7, OT8, OT9, OT10, OT11, OT12, OT13, OT14 & OT15 and drain from OT16

F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F12, F13, F14 &F15 are open and F16 is sealed closed Equalizers closed

D1, D2, D3, D4, D5, D6, D7, D8, D9, D10, D11, D12, D13, D14 & D15 are sealed closed and D16 is open

S1, S2, S3, S4, S5, S6, S7, S8, S9, S10, S11, S12, S13, S14, S15 & S16 are sealed closed

#### **Lease Gas Use Calculations**

(6) Heater Treaters (Avalon): 500 Mbtu/hr burner rating running 24hrs/d.  $500,000\frac{btu}{hr} \div 1213\frac{btu}{scf} \div 1000\frac{scf}{Mcf} \times 24hrs \times (6) = 59.4\frac{Mcf}{d}$  (10) Heater Treaters (Wolfcamp): 500 Mbtu/hr burner rating running 24hrs/d.  $500,000\frac{btu}{hr} \div 1335\frac{btu}{scf} \div 1000\frac{scf}{Mcf} \times 24hrs \times (4) = 89.9\frac{Mcf}{d}$ 

\* 1213, 1335  $\frac{btu}{scf}$  HV determined by gas analysis taken from FMP's #xxxxxx on February 2023 gas volume statement.

OWNER#	OWNER NAME1	OWNER ADDRESS1
0096530	AMERICA WEST RESOURCES LLC	PO BOX 3383
0157970	APOLLO PERMIAN LLC	PO BOX 14779
0117830	BANTAM ROYALTIES LLC	PO BOX 10668
0131080	BPL FISH POND LLC	PO BOX 92032
0178080	CMGC INVESTMENTS LLC	1105 INVERNESS CIRCLE
0936800	CARGOIL & GAS CO LLC	PO BOX 29450
0098930	ELIZABETH ANN CLINE	15400 WHISTLING STRAITS DR
0140120	DAVID TRENT DALTON	1385 HOMESTEAD
0140110	OLIN BRENT DALTON	335 GRANITE ROW
0135770	THOMAS J DEPKE TRUST DTD 11/19/2004	2027 COUNTRY FIELD DRIVE
4067700	PAMELA RENEE DOGGETT	6814 E COUNTY ROAD 95
9902900	BARBARA DUKE OIL & GAS LP	PO BOX 1919
0157680	JAMES P ESSMAN	2305 EAST 17TH STREET, UNIT A
0157710	MACBRAYER MARIE ESSMAN	1209 COUNTRY CLUB DRIVE
0157690	SMITH HENRY ESSMAN	1209 COUNTRY CLUB DRIVE
0160740	F K CAHOON OPERATING LLC	PO BOX 50206
0160730	F K CAHOON PARTNERS LLC	PO BOX 50206
1829000	E M FARHA	1316 NW 150TH TER
0100330	J MICHAEL FEAGAN	3510 TRINITY MEADOWS
0100760	JOE FEAGAN	PO BOX 50307
9724500	FORD GROUP FOUR	PO BOX 457
0099690	FORTIS MINERALS II LLC	PO BOX 736059
2149000	MILTON R FRY	11014 HIDDEN BEND DR
0165950	TERYN DALEY GONZALEZ	11410 TOPEKA AVENUE
4067900	SUE ARMSTRONG GOODGAME	279 EAST PARK DRIVE
0157750	NATALIE SPENCER GUINN	4202 CAT HOLLOW DR
0178390	BOURKE C HARVEY	1608 ROGERS RD
0178420	HOLMAN M C HARVEY TRUST	PO BOX 123767
0178410	WILLIAM Y HARVEY JR	130 DEER CREEK DR
0100310	JSTM PROPERTIES LTD	PO BOX 5441
0100770	KAN TECH PROPERTIES LLC	PO BOX 1841
0157720	KIRSTEN BRANDT KELLEY	5806 DUNBARTON OAKS
0096520	LANI INVESTMENTS LLC	PO BOX 10458
9	OCTAVIA H LEIFESTE	3820 CENTENARY AVE
0168240	LIA CHARITABLE INVESTMENTS LLC	1717 W LOOP S STE 1800
0141290	LLANO NATURAL RESOURCES LLC	PO BOX 65318
0170390	MSH FAMILY REAL ESTATE PTNSP II LLC	4143 MAPLE AVE, SUITE 500
0178090	GREGORY AND MINDY MAHANEY JWRS	3045 S TRENTON AVE
0094630	MERIH ENERGY LLC	PO BOX 1874
0094620	MONTEGO CAPTIAL FUND 3 LTD	PO BOX 2640
0098910	BENJAMIN JACOB OAKES	3214 HICKORY GROVE LANE
0098920	MATTHEW DAVID OAKES	116 N JOHNSON AVE
0098880	MILLIS JEFFREY OAKES	21302 CASTLEMONT LANE

0098890	STEPHEN WILLIAM OAKES	4700 SPANISHMOSS DR
6862300	GEORGE M O'BRIEN	PO BOX 1743
0168570	SHANNON J OLDHAM	1002 SHIRLEY LN
4412900	ELIZABETH TRUDEAU OVERLY	11410 SHADOW WAY
0168770	PBL OPERATING LLC	13424 CEDAR POINTE DRIVE
0094610	PD III EXPLORATION LTD	PO BOX 871
0138630	PEGASUS RESOURCES LLC	PO BOX 733980
0165280	PEGASUS RESOURCES II LLC	PO BOX 470698
0157670	SANDRA L PIERSON LIFE ESTATE	238 SUNRISE RIDGE COVE
0100790	BROOK B ROBERTS	9090 W FM 2147
0170370	SMP SIDECAR TITAN MINERAL HOLDINGS LP	4143 MAPLE AVE, SUITE 500
0170380	SMP TITAN MINERAL HOLDINGS LP	4143 MAPLE AVE, SUITE 500
0170410	SMP TITAN FLEX LP	4143 MAPLE AVE, SUITE 500
0095070	SERENITY RESOURCES LLC	PO BOX 5240
7868100	SHOGOIL & GAS CO II LLC	PO BOX 29450
0114180	SITIO PERMIAN LLC	1401 LAWRENCE ST STE 1750
0136370	ELLIS CARLA SMITH	2506 METZ PLACE
0157740	MICHAEL GREGORY SPENCER	11 YELLOW TAIL CV
0054150	SPEYSIDE RESOURCES LLC	PO BOX 10458
0177340	JOAN D STARIKA REV TRUST U/A/D 11/2/200	10045 REGENCY WAY
0098120	SUNCREST RESOURCES LLC	PO BOX 164812
0101290	TD MINERALS LLC	8111 WESTCHESTER STE 900
0094650	E M THOMPSON CORPORATION PROFIT SHA	PO BOX 52132
0178070	TREBLE CAPITAL LLC	24 E AYRE ST
0127170	JST TROSCHINETZ CORPORATION PROFIT SH	2410 ROCK SLOUGH RD
0033890	WARLAUF LP	PO BOX 1919
0095060	WARREN VENTURES LTD	808 W WALL ST
0184890	WATUSI ENERGY LLC	PO BOX 52210
7557200	YMC ROYALTY COMPANY L P	1900 SAINT JAMES PL STE 800
1870800	JACK W YOUNG	PO BOX 465
0157730	EMILY SPENCER ZIESCHANG	723 SHADY LANE
9966700	ATLAS OBO ENERGY LP	1900 ST JAMES PLACE #800
6484700	WTG EXPLORATION INC	6 DESTA DR STE 4400
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CITY	STATE	ZIP_CODE	TYPE	INTEREST
MIDLAND	TX	79702	ORI	0.0070225
OKLAHOMA CITY	OK	73113	ORI	0.0022955
MIDLAND	TX	79702	ORI	0.0002405
SOUTHLAKE	TX	76092	ORI	0.0015000
SHAWNEE	ОК	74801	ORI	0.0000420
SANTA FE	NM	87592-9450	ORI	0.0006250
AUSTIN	TX	78717	ORI	0.0000394
KEMPNER	TX	76539	ORI	0.0000328
MEADOW LAKES	TX	78654	ORI	0.0000328
CHESTERFIELD	MO	63017	ORI	0.0024375
MIDLAND	TX	79706	ORI	0.0000378
MIDLAND	TX	79702	ORI	0.0017614
AUSTIN	TX	78702	ORI	0.0008594
MIDLAND	TX	79701	ORI	0.0008594
MIDLAND	TX	79701	ORI	0.0008594
AUSTIN	TX	78763	ORI	0.0000334
AUSTIN	TX	78763	ORI	0.0000665
EDMOND	OK	73013-1524	ORI	0.0007500
MIDLAND	TX	79707	ORI	0.0007531
MIDLAND	TX	79710	ORI	0.0007531
DELAND	FL	32721-0457	ORI	0.0002776
DALLAS	TX	75373-6059	ORI	0.0035303
HOUSTON	TX	77064	ORI	0.0003938
LUBBOCK	TX	79424	ORI	0.0000248
GRAHAM	TX	76450-6461	ORI	0.0000396
AUSTIN	TX	78731	ORI	0.0008592
FORT WORTH	TX	76107	ORI	0.0000250
FORT WORTH	TX	76121-3767	ORI	0.0000250
ALEDO	TX	76008		0.0000250
MIDLAND	TX	79704	ORI	0.0015062
MIDLAND	TX	79702	ORI	0.0010500
MIDLAND	TX	79705	ORI	0.0008595
MIDLAND	TX	79702		0.0004041
DALLAS	TX	75225	ORI	0.0000250
HOUSTON	TX	77027-3049	ORI	0.0009375
LUBBOCK	TX	79464	ORI	0.0000248
DALLAS	TX	75219	ORI	0.0000428
TULSA	OK	74114	ORI	0.0000420
MIDLAND	TX	79702	ORI	0.0037500
MIDLAND	TX	79702	ORI	0.0016667
PEARLAND	TX	77584	ORI	0.0000394
SAN MARCOS	TX	78666	ORI	0.0000394
SPRING	TX	77388	ORI	0.0000393

MCKINNEY	TX	75070	ORI	0.0000394
MIDLAND	TX	79702	ORI	0.0029132
MIDLAND	TX	79705	ORI	0.0000150
HOUSTON	TX	77024	ORI	0.0015000
OKLAHOMA CITY	OK	73131	ORI	0.0000112
MIDLAND	TX	79702	ORI	0.0016667
DALLAS	TX	75373	ORI	0.0034500
FORT WORTH	TX	76147	ORI	0.0019865
AUSTIN	TX	78738-5874	ORI	0.0008594
HORSESHOE BAY	TX	78657	ORI	0.0002625
DALLAS	TX	75219	ORI	0.0001501
DALLAS	TX	75219	ORI	0.0000857
DALLAS	TX	75219	ORI	0.0000214
MIDLAND	TX	79704	ORI	0.0000195
SANTA FE	NM	87592-9450	ORI	0.0009375
DENVER	CO	80202	ORI	0.0000385
MIDLAND	TX	79705	ORI	0.0015625
SUNSET VALLEY	TX	78745	ORI	0.0008592
MIDLAND	TX	79702-7458	ORI	0.0013799
PALM BEACH GARDENS	FL	33412	ORI	0.0020000
FORT WORTH	TX	76161	ORI	0.0025288
DALLAS	TX	75225	ORI	0.0051416
MIDLAND	TX	79710	ORI	0.0007667
SHAWNEE	OK	74801	ORI	0.0003093
SAN ANGELO	TX	76904	ORI	0.0009000
MIDLAND	TX	79702	ORI	0.0012537
MIDLAND	TX	79701	ORI	0.0002600
MIDLAND	TX	79710	ORI	0.0000875
HOUSTON	TX	77056	ORI	0.0016721
WHITESBORO	TX	76273	ORI	0.0000999
BRYAN	TX	77802	ORI	0.0008595
HOUSTON	TX	77056	WI	0.0390853
MIDLAND	TX	79705-5540	WI	0.0578906

INITIAL USPS TRACKING #	STATUS	DATE RECEIVED	20 DAY PERIOD LAPSE
7016 0600 0001 0478 2844	Delivered	9/9/2024	9/29/2024
7016 0600 0001 0478 2837	Delivered	9/5/2024	9/25/2024
7016 0600 0001 0478 2820	Delivered	9/11/2024	10/1/2024
7016 0600 0001 0478 2813	Delivered	9/10/2024	9/30/2024
7016 0600 0001 0478 2806	Delivered	9/3/2024	9/23/2024
7016 0600 0001 0478 2790	Delivered	9/5/2024	9/25/2024
7016 0600 0001 0478 2783	Delivered	9/3/2024	9/23/2024
7016 0600 0001 0478 2776	Delivered		1/20/1900
7016 0600 0001 0478 2769	Delivered	9/3/2024	9/23/2024
7016 0600 0001 0478 2752	Delivered	9/3/2024	9/23/2024
7016 0600 0001 0478 2745	Delivered	9/6/2024	9/26/2024
7016 0600 0001 0478 2738	Delivered	9/6/2024	9/26/2024
7016 0600 0001 0478 2721	Delivered	9/10/2024	9/30/2024
7016 0600 0001 0478 2714	Delivered		1/20/1900
7016 0600 0001 0478 2707	Delivered	9/9/2024	9/29/2024
7016 0600 0001 0478 2691	Delivered	9/4/2024	9/24/2024
7016 0600 0001 0478 2684	Delivered	9/4/2024	9/24/2024
7016 0600 0001 0478 2578	Delivered	8/31/2024	9/20/2024
7016 0600 0001 0478 2561	Delivered	8/31/2024	9/20/2024
7021 2720 0000 3735 6418	Delivered	9/3/2024	9/23/2024
7021 2720 0000 3735 6401	Delivered	9/9/2024	9/29/2024
7021 2720 0000 3735 6395	Delivered	9/1/2024	9/21/2024
7021 2720 0000 3735 6388	Delivered	9/3/2024	9/23/2024
7021 2720 0000 3735 6371	Delivered	9/3/2024	9/23/2024
7021 2720 0000 3735 6357	Delivered	9/13/2024	10/3/2024
7021 2720 0000 3735 6364	Delivered	9/5/2024	9/25/2024
7021 2720 0000 3735 4339	Delivered	9/3/2024	9/23/2024
7017 2620 0001 0264 7050	Delivered	9/16/2024	10/6/2024
7017 2620 0001 0264 7043	Delivered	9/5/2024	9/25/2024
7017 2620 0001 0264 7036	Delivered	9/4/2024	9/24/2024
7017 2620 0001 0264 7029	Delivered	9/9/2024	9/29/2024
7017 2620 0001 0264 7012	Delivered	9/3/2024	9/23/2024
7017 2620 0001 0264 6992	Delivered	9/10/2024	9/30/2024
7017 2620 0001 0264 6985	Delivered	9/3/2024	9/23/2024
7011 2970 0002 9250 4933	Delivered	9/9/2024	9/29/2024
7011 2970 0002 9250 4940	Delivered	9/16/2024	10/6/2024
7017 2620 0001 0264 6978	Delivered	9/6/2024	9/26/2024
7017 2620 0001 0264 6961	Delivered	8/31/2024	9/20/2024
7017 2620 0001 0264 6954			1/20/1900
7017 2620 0001 0264 6947	Delivered	9/9/2024	9/29/2024
7017 2620 0001 0264 6930	Delivered	9/16/2024	10/6/2024
7017 2620 0001 0264 6923	Delivered	9/4/2024	9/24/2024
7018 0360 0000 7201 9228	Delivered	9/3/2024	9/23/2024

7021 2720 0000 3735 4322	Delivered	9/3/2024	9/23/2024
7018 0360 0000 7201 9198	Delivered	9/9/2024	9/29/2024
7018 0360 0000 7201 9204	Delivered		1/20/1900
7018 0360 0000 7201 9211	Delivered		1/20/1900
7018 2290 0000 6405 6251	Delivered	9/3/2024	9/23/2024
7018 2290 0000 6405 6268	Delivered	9/17/2024	10/7/2024
7018 2290 0000 6405 6275	Delivered	9/1/2024	9/21/2024
7018 2290 0000 6405 6282	Delivered	9/5/2024	9/25/2024
7018 2290 0000 6405 6299	Delivered	9/6/2024	9/26/2024
7018 2290 0000 6405 6305	Delivered		1/20/1900
7011 2970 0002 9250 4964	Delivered	9/6/2024	9/26/2024
7015 1730 0001 8444 8836	Delivered	9/9/2024	9/29/2024
7018 2290 0000 6405 6336	Delivered	9/6/2024	9/26/2024
7018 2290 0000 6405 6343	Delivered	9/16/2024	10/6/2024
7018 2290 0000 6405 6350	Delivered	9/5/2024	9/25/2024
7018 2290 0000 6405 6367	Delivered	9/3/2024	9/23/2024
7018 2290 0000 6405 6374	Delivered		1/20/1900
7018 2290 0000 6405 6381	Delivered	9/11/2024	10/1/2024
7018 2290 0000 6405 6398	Delivered	9/10/2024	9/30/2024
7015 0640 0004 9355 2683	Delivered	9/13/2024	10/3/2024
7018 2290 0000 6405 6404	Delivered	9/11/2024	10/1/2024
7018 2290 0000 6405 6411	Delivered	9/3/2024	9/23/2024
7015 0640 0004 9355 2690	Delivered	9/4/2024	9/24/2024
7018 2290 0000 6405 6428	Delivered	9/10/2024	9/30/2024
7018 2290 0000 6405 6435	Delivered		1/20/1900
7018 2290 0000 6405 6442	Delivered	9/6/2024	9/26/2024
7018 2290 0000 6405 6459	Delivered	9/3/2024	9/23/2024
7018 2290 0000 6405 6466	Delivered	9/9/2024	9/29/2024
7018 2290 0000 6405 6510	Delivered	9/11/2024	10/1/2024
7011 2970 0002 9250 4971	Delivered	9/4/2024	9/24/2024
7018 2290 0000 6405 6480	Delivered		1/20/1900
7018 2290 0000 6405 6497	Delivered	9/3/2024	9/23/2024
7011 2970 0002 9250 4742	Delivered	9/3/2024	9/23/2024

SECOND TRACKING #	DATE RECEIVED	20 DAY PERIOD LAPSE
7786 3871 0095	9/20/2024	10/10/2024
7786 7163 6459	9/20/2024	10/10/2024
770071030433	3/20/2024	10/10/2024
		1/20/1900

7786 3880 8282	9/19/2024	10/9/2024
7786 3921 5229	9/19/2024	10/9/2024
7786 3934 5132	9/19/2024	10/9/2024
7786 3941 1300	9/19/2024	10/9/2024
7786 3997 1309	9/19/2024	10/9/2024
7786 4002 6588	9/19/2024	10/9/2024

COMMENT	
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No authorized recipient available- Notice left 9/3	
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Party has until 9/28 to pickup item	
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No authorized recipient available- Notice left 9/10	4
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Available for pickup before 9/17
, ,

#### KAISER-FRANCIS OIL COMPANY

Date:

May 8, 2025

To:

State of New Mexico Oil Conservation Division

Re:

Surface Commingling Application- Red Hills Federal FP1

#### To Whom it May Concern:

This letter shall serve as notice to you that, as of the date above, ownership in the wells/leases and pools referenced in this commingling and off-lease measurement application are identical, as defined in 19.15.12.7.B. The leases and pools to be commingled through this application are initially dedicated to the following wells:

Well Name	Location	Pool Code/Name	Status
Red Hills Federal 001H	L-31-25S-33E	[97994] WC-025 G-06 S253329D; UPR BONE SPRIN	Producing
Red Hills Federal 401H	L-31-25S-33E	[98158] WC-025 G-09 S253236A;UPR WOLFCAMP	Producing
Red Hills Federal 601H	L-31-25S-33E	[98158] WC-025 G-09 S253236A;UPR WOLFCAMP	Producing
Red Hills Federal 101H	L-31-25S-33E	[97994] WC-025 G-06 S253329D; UPR BONE SPRIN	Producing
Red Hills Federal 501H	L-31-25S-33E	[98158] WC-025 G-09 S253236A;UPR WOLFCAMP	Producing
Red Hills Federal 602H	K-31-25S-33E	[98158] WC-025 G-09 S253236A;UPR WOLFCAMP	Producing
Red Hills Federal 402H	K-31-25S-33E	[98158] WC-025 G-09 S253236A;UPR WOLFCAMP	Producing
Red Hills Federal 003H	K-31-25S-33E	[97994] WC-025 G-06 S253329D; UPR BONE SPRIN	Producing
Red Hills Federal 503H	K-31-25S-33E	[98158] WC-025 G-09 S253236A;UPR WOLFCAMP	Producing
Red Hills Federal 603H	K-31-25S-33E	[98158] WC-025 G-09 S253236A;UPR WOLFCAMP	Producing
Red Hills Federal 403H	K-31-25S-33E	[98158] WC-025 G-09 S253236A;UPR WOLFCAMP	Producing
Red Hills Federal 103H	K-31-25S-33E	[97994] WC-025 G-06 S253329D; UPR BONE SPRIN	Producing
Red Hills Federal 105H	K-31-25S-33E	[97994] WC-025 G-06 S253329D; UPR BONE SPRIN	Producing
	Red Hills Federal 001H Red Hills Federal 401H Red Hills Federal 601H Red Hills Federal 101H Red Hills Federal 501H Red Hills Federal 602H Red Hills Federal 402H Red Hills Federal 403H Red Hills Federal 603H Red Hills Federal 403H Red Hills Federal 403H Red Hills Federal 103H	Red Hills Federal 001H L-31-25S-33E Red Hills Federal 401H L-31-25S-33E Red Hills Federal 601H L-31-25S-33E Red Hills Federal 101H L-31-25S-33E Red Hills Federal 501H L-31-25S-33E Red Hills Federal 602H K-31-25S-33E Red Hills Federal 402H K-31-25S-33E Red Hills Federal 003H K-31-25S-33E Red Hills Federal 503H K-31-25S-33E Red Hills Federal 603H K-31-25S-33E Red Hills Federal 403H K-31-25S-33E Red Hills Federal 403H K-31-25S-33E Red Hills Federal 103H K-31-25S-33E	Red Hills Federal 001H         L-31-25S-33E         [97994] WC-025 G-06 S253329D; UPR BONE SPRIN           Red Hills Federal 401H         L-31-25S-33E         [98158] WC-025 G-09 S253236A;UPR WOLFCAMP           Red Hills Federal 601H         L-31-25S-33E         [98158] WC-025 G-09 S253236A;UPR WOLFCAMP           Red Hills Federal 101H         L-31-25S-33E         [97994] WC-025 G-06 S253329D; UPR BONE SPRIN           Red Hills Federal 501H         L-31-25S-33E         [98158] WC-025 G-09 S253236A;UPR WOLFCAMP           Red Hills Federal 602H         K-31-25S-33E         [98158] WC-025 G-09 S253236A;UPR WOLFCAMP           Red Hills Federal 402H         K-31-25S-33E         [98158] WC-025 G-09 S253236A;UPR WOLFCAMP           Red Hills Federal 003H         K-31-25S-33E         [97994] WC-025 G-06 S253329D; UPR BONE SPRIN           Red Hills Federal 503H         K-31-25S-33E         [98158] WC-025 G-09 S253236A;UPR WOLFCAMP           Red Hills Federal 603H         K-31-25S-33E         [98158] WC-025 G-09 S253236A;UPR WOLFCAMP           Red Hills Federal 403H         K-31-25S-33E         [98158] WC-025 G-09 S253236A;UPR WOLFCAMP           Red Hills Federal 103H         K-31-25S-33E         [97994] WC-025 G-06 S253329D; UPR BONE SPRIN           Red Hills Federal 105H         K-31-25S-33E         [97994] WC-025 G-06 S253329D; UPR BONE SPRIN

As of the date below, I certify that this information is true and correct to the best of the knowledge.

Regards,

Brendon Kushnerick

Staff Landman

Date



U.S. Department of the Interior BUREAU OF LAND MANAGEMENT

Sundry Print Reports
10/10/2024

Well Name: RED HILLS Well Location: T25S / R33E / SEC 31 / County or Parish/State: LEA /

LOT 3 / 32.0859126 / -103.618626

Well Number: 001H Type of Well: OIL WELL Allottee or Tribe Name:

Lease Number: NMNM15321 Unit or CA Name: Unit or CA Number:

COMPANY

#### **Notice of Intent**

**Sundry ID:** 2808814

Type of Submission: Notice of Intent

Type of Action: Commingling (Surface)

Date Sundry Submitted: 08/28/2024 Time Sundry Submitted: 07:50

Date proposed operation will begin: 08/28/2024

Procedure Description: Submitting to fulfill NMOCD C-107B Surface Commingling (Red Hills Federal Facility Pad 1) requirement. US Well Number Well Name Well Number Operator Lease/Case Number 3002545386 RED HILLS 001H KAISER FRANCIS OIL COMPANY NMNM15321 3002545418 RED HILLS 003H KAISER FRANCIS OIL COMPANY NMNM15321 3002545385 RED HILLS 103H KAISER FRANCIS OIL COMPANY NMNM15321 3002545385 RED HILLS 103H KAISER FRANCIS OIL COMPANY NMNM15321 300254572 RED HILLS 401H KAISER FRANCIS OIL COMPANY NMNM15321 3002545572 RED HILLS 401H KAISER FRANCIS OIL COMPANY NMNM15321 3002545708 RED HILLS 403H KAISER FRANCIS OIL COMPANY NMNM15321 3002545708 RED HILLS 403H KAISER FRANCIS OIL COMPANY NMNM15321 3002545899 RED HILLS 503H KAISER FRANCIS OIL COMPANY NMNM15321 3002545384 RED HILLS 602H KAISER FRANCIS OIL COMPANY NMNM15321 3002545384 RED HILLS 602H KAISER FRANCIS OIL COMPANY NMNM15321 3002545384 RED HILLS 602H KAISER FRANCIS OIL COMPANY NMNM15321

#### **Surface Disturbance**

Is any additional surface disturbance proposed?: No

#### **NOI Attachments**

**Procedure Description** 

NMOCD\_C\_107B\_Single\_Lease\_Pool\_Commingling\_Red\_Hills\_FPad1\_20240830073158.pdf

Page 1 of 2

eceived by OCD: 10/10/2024 8:36:56 AM Well Name: RED HILLS

Well Location: T25S / R33E / SEC 31 /

LOT 3 / 32.0859126 / -103.618626

County or Parish/State: Page 24 of

Well Number: 001H

Type of Well: OIL WELL

**Allottee or Tribe Name:** 

Lease Number: NMNM15321

**Unit or CA Name:** 

**Unit or CA Number:** 

**US Well Number:** 3002545386

Operator: KAISER FRANCIS OIL

**COMPANY** 

#### **Operator**

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

**Operator Electronic Signature: CHRISTINA OPFER** Signed on: AUG 30, 2024 07:32 AM

Name: KAISER FRANCIS OIL COMPANY

Title: Regulatory Manager

Street Address: 6733 S YALE AVENUE

City: TULSA State: OK

Phone: (918) 491-4468

Email address: CHRISTINAO@KFOC.NET

#### **Field**

**Representative Name:** 

**Street Address:** 

City:

State:

Zip:

Phone:

**Email address:** 

#### **BLM Point of Contact**

**BLM POC Name: JONATHON W SHEPARD** 

**BLM POC Phone:** 5752345972

**Disposition:** Accepted

Signature: Jonathon Shepard

**BLM POC Title:** Petroleum Engineer

BLM POC Email Address: jshepard@blm.gov

Disposition Date: 10/09/2024

Page 2 of 2

Form 3160-5 (June 2019)

# UNITED STATES DEPARTMENT OF THE INTERIOR

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2021

	Expires: Octo
Lease Serial No.	N IN AN IN A 4 5

BUREAU OF LAND MANAGEMENT			3. Lease Serial No.	NMNM15321
SUNDRY NOTICES AND REPORTS ON WELLS  Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.			6. If Indian, Allottee or Tribe	Name
SUBMIT IN 1	TRIPLICATE - Other instructions on pag	e 2	7. If Unit of CA/Agreement,	Name and/or No.
I. Type of Well  Oil Well  Gas W	/ell Other		8. Well Name and No. RED HILLS/001H	
2. Name of Operator KAISER FRANC	CIS OIL COMPANY		9. API Well No. 300254538	66
3a. Address	3b. Phone No.	(include area code)	10. Field and Pool or Explora	·
4. Location of Well <i>(Footage, Sec., T.,R</i> SEC 31/T25S/R33E/NMP	.,M., or Survey Description)		11. Country or Parish, State LEA/NM	
12. CHE	CK THE APPROPRIATE BOX(ES) TO INI	DICATE NATURE C	F NOTICE, REPORT OR OT	THER DATA
TYPE OF SUBMISSION		TYPE	OF ACTION	
✓ Notice of Intent	Acidize Deep Alter Casing Hydr	en [ aulic Fracturing [	Production (Start/Resume) Reclamation	Water Shut-Off Well Integrity
Subsequent Report		Construction [	Recomplete	Other
Subsequent report	Change Plans Plug	and Abandon	Temporarily Abandon	
Final Abandonment Notice	Convert to Injection Plug	Back	Water Disposal	
completion of the involved operation completed. Final Abandonment Not is ready for final inspection.)  Submitting to fulfill NMOCD C-US Well Number Well Name Was 3002545386 RED HILLS 001H 30025454818 RED HILLS 101H 3002545383 RED HILLS 101H 3002545385 RED HILLS 103H 3002546743 RED HILLS FEDI 3002545387 RED HILLS 401H 3002545387 RED HILLS 402H 3002545708 RED HILLS 403H 3002546422 RED HILLS FEDI 3002545899 RED HILLS 503H Continued on page 3 additional	I be perfonned or provide the Bond No. on fins. If the operation results in a multiple conices must be filed only after all requirement  107B Surface Commingling (Red Hills Fivell Number Operator Lease/Case Number Operator Operator Number Operator Operato	repletion or recomplets, including reclamates, including reclamate	ion in a new interval, a Form ion, have been completed and 1) requirement.	3160-4 must be filed once testing has been
4. I hereby certify that the foregoing is CHRISTINA OPFER / Ph: (918) 49	, , ,	Regulatory I	Manager	
Signature (Electronic Submissio		Title Date	08/30/	2024
	THE SPACE FOR FEDI	ERAL OR STA	TE OFICE USE	
Approved by				
JONATHON W SHEPARD / Ph: (5	75) 234-5972 / Accepted	Petrole Title	um Engineer	10/10/2024 Date
	ned. Approval of this notice does not warran quitable title to those rights in the subject leduct operations thereon.		LSBAD	
Etla 19 II C C Section 1001 and Title 42	LLC C Section 1212 males it a griller for a		and willfully to make to	Innovement or against of the Unit-1 Ct-t

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.

(Instructions on page 2)

#### **GENERAL INSTRUCTIONS**

This form is designed for submitting proposals to perform certain well operations and reports of such operations when completed as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area or regional procedures and practices, are either shown below, will be issued by or may be obtained from the local Federal office.

#### SPECIFIC INSTRUCTIONS

*Item 4* - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13: Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to the top of any tubing left in the hole; method of closing top of well and date well site conditioned for final inspection looking for approval of the abandonment. If the proposal will involve **hydraulic fracturing operations**, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

#### **NOTICES**

The privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c)and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

**BURDEN HOURS STATEMENT:** Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240

(Form 3160-5, page 2)

#### **Additional Information**

#### **Additional Remarks**

 $3002546657\ RED\ HILLS\ FEDERAL\ 601H\ KAISER\ FRANCIS\ OIL\ COMPANY\ NMNM15321$   $3002545384\ RED\ HILLS\ 602H\ KAISER\ FRANCIS\ OIL\ COMPANY\ NMNM15321$   $3002546489\ RED\ HILLS\ FEDERAL\ 603H\ KAISER\ FRANCIS\ OIL\ COMPANY\ NMNM15321$ 

#### **Location of Well**

0. SHL: LOT 3 / 2225 FSL / 400 FWL / TWSP: 25S / RANGE: 33E / SECTION: 31 / LAT: 32.0859126 / LONG: -103.618626 ( TVD: 0 feet, MD: 0 feet ) PPP: LOT 3 / 2042 FSL / 369 FWL / TWSP: 25S / RANGE: 33E / SECTION: 31 / LAT: 32.0854108 / LONG: -103.6187228 ( TVD: 9138 feet, MD: 9250 feet ) BHL: LOT 4 / 103 FSL / 376 FWL / TWSP: 26S / RANGE: 33E / SECTION: 6 / LAT: 32.0655762 / LONG: -103.6186269 ( TVD: 9250 feet, MD: 16543 feet )

<u>District I</u> 1625 N. French Drive, Hobbs, NM 88240 <u>District II</u> 811 S. First St., Artesia, NM 88210

811 S. First St., Artesia, NM 88210

<u>District III</u>
1000 Rio Brazos Road, Aztec, NM 87410

<u>District IV</u>
1220 S. St. Francis Dr. Sonte Fo. NM

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.

		COMMINGLING	(DIVERSE	OWNERSHIP)	
	ancis Oil Company				
	ale Ave. Tulsa OK 741	36			
APPLICATION TYPE:					
Pool Commingling Lease Commingling	ng ☐Pool and Lease Co	ommingling Off-Lease	Storage and Measur	rement (Only if not Surface	e Commingled)
LEASE TYPE:  Fee	State Fede				
Is this an Amendment to existing Order Have the Bureau of Land Management   ✓ Yes □ No					ingling
	` '	OL COMMINGLIN ts with the following in			
(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
WC-025 G-06 S253329D;UPR BONE SPRIN [97994]	45.6	47			
Wildcat Upper Wolfcamp Oil Pool [98158	] 47.6				
(4) Measurement type: Metering (5) Will commingling decrease the value	of production? Yes	•		ing should be approved	
	• •	SE COMMINGLING  to with the following in			
Please attach sheets with the following information  (1) Pool Name and Code.  (2) Is all production from same source of supply?					
	(C) POOL and	I LEASE COMMIN	GLING		
	Please attach sheet	ts with the following in	nformation		
(1) Complete Sections A and E.					
(I	*	TORAGE and MEA ets with the following			
(1) Is all production from same source of	supply?				
(2) Include proof of notice to all interest of	owners.				
(E) Al		ORMATION (for all ts with the following in		vpes)	
<ol> <li>A schematic diagram of facility, included</li> <li>A plat with lease boundaries showing</li> <li>Lease Names, Lease and Well Number</li> </ol>	ding legal location. all well and facility locat			ate lands are involved.	
I hereby certify that the information above is	s true and complete to the	e best of my knowledge an	d belief.		
SIGNATURE: Christina Opfer	Т	TTLE: Regulatory Ma	anager	DATE: 8/23/	2024
TYPE OR PRINT NAME Christina Op	fer		TEL	EPHONE NO.: 918-49	91-4468
E-MAIL ADDRESS: ChristinaO@kfo	c.net				

#### KAISER-FRANCIS OIL COMPANY

P.O. BOX 21468 TULSA, OKLAHOMA 74121-1468

6733 South Yale Avenue, 74136 (918) 494-0000 Fax: (918) 491-4635

August 28, 2024

Re: Red Hills Federal Unit Pool Commingling

Sec 31 25S-33E & Sec 6 26S-33E

Lea County, New Mexico

To Whom it May Concern,

Kaiser-Francis Oil Company plans to reduce surface footprint and potential emissions sources from an excess of production tanks and equipment on its Red Hills Facility Pad 1, which contains an Avalon side and a Wolfcamp side at present. These wells are all part of the same federal lease, but KFOC would like to pool commingle the different pools, specifically on the liquid side, to reduce number of active production tanks.

The current facility isolates the (5) Avalon wells from the (8) Wolfcamp wells, on all 3 phases: oil, gas and water. It was designed with IP rates in mind, and now that the wells have been online for ~3.5 years and experienced significant decline, it makes sense to further reduce our surface footprint through pool commingling.

Each well flows full well-stream into its own, unique three-phase separator. Gas from each separator goes through separate, electronic flow meters (EFM) for allocation purposes before going to sales meters provided by MPLX. At this time, for gas sales, the Avalon wells are isolated to their own twin sales meters, while the Wolfcamp wells are isolated to their own twin sales meters. KFOC does not plan to alter the gas sales infrastructure at this time for this project.

The ultimate plan for this dual facility would be full decommission the entire east containment or present Wolfcamp side of the facility, and bring the 8 Wolfcamp wells liquid production to the current Avalon side or west containment. Each well would continue to have its own unique three-phase separator as described above. At present time, the oil flows from each separator to a unique heater treater per well. This pool commingle project would also reduce the number of heaters on site from 14 to ~2-3, as the oil would be commingled on a trunkline (downstream of allocation Coriolis meters) once leaving the separators, and combined to flow into 2-3 heater treaters. The entire east side containment of current Wolfcamp production tanks would be decommissioned, and the oil would leave the heaters and be commingled in the oil tanks on the current Avalon side or west side containment.

Water would be handled in a similar fashion to oil described above. Water from each three-phase separator would be metered with individual turbine meters for allocation purposes, before being commingled into common water tanks, on the west side containment of current Avalon production tanks. The current west side containment of Avalon production tanks would be the new commingled battery and store the commingled oil and water production, prior to the oil being pumped and sold via LACT and prior to water being pumped to disposal. At this time, KFOC plans to move 4 water tanks from the current east Wolfcamp containment to the west Avalon (new commingled) containment for additional water storage. KFOC would also replace/upgrade any tanks in the west containment as needed once the project has been undertaken.

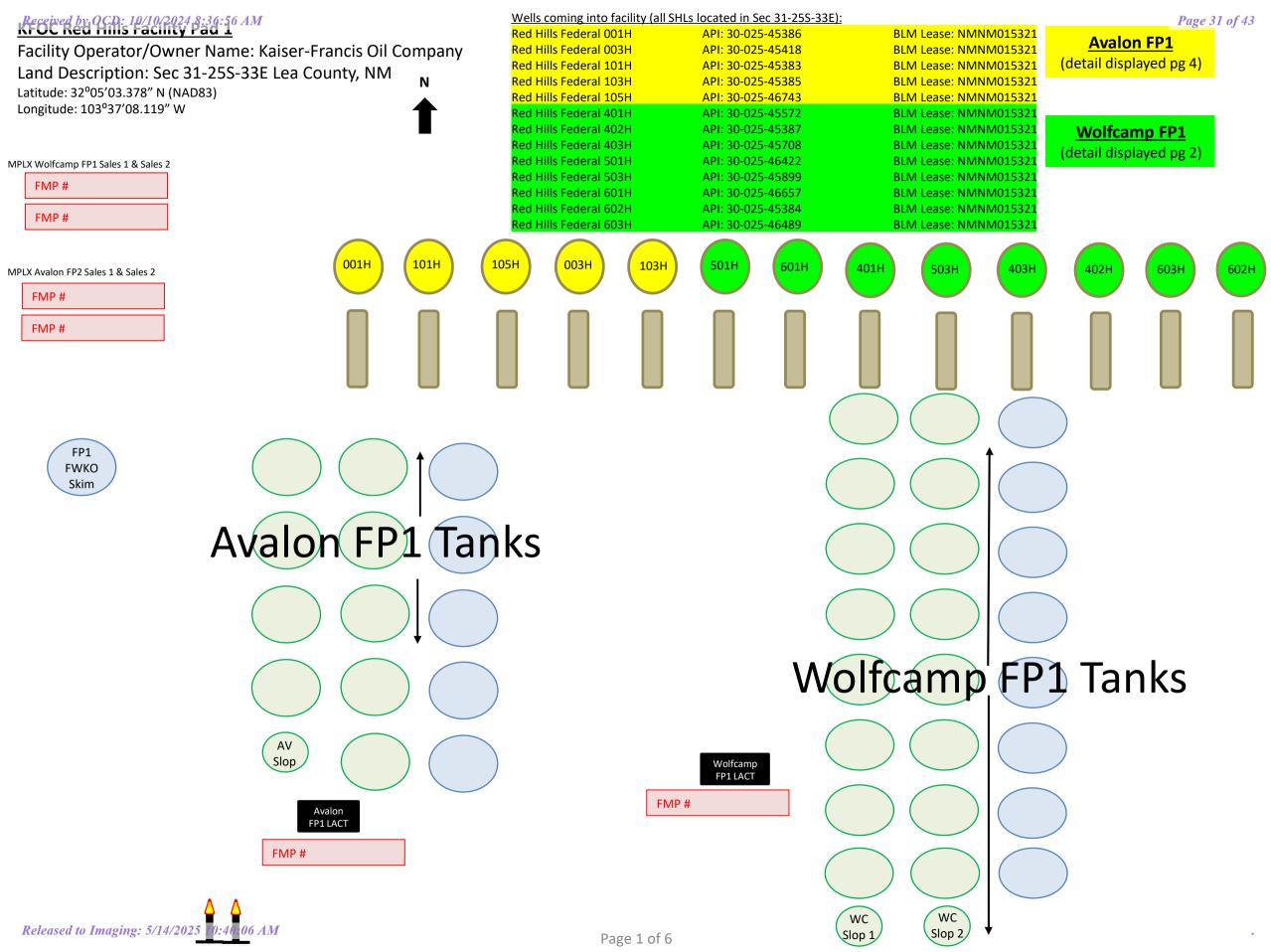
Vent lines on both the oil tanks and water tanks would be upgraded and fabricated to fit the new tank set-up on the west side containment, including vent line to flare. Oil tank vapors from the commingled oil tanks would be collected by a singular VRU, and allocated based on oil Coriolis allocation meters. Similarly, heater treater vapors would be collected by another VRU. The gas from both tanks and heaters VRUs would be commingled and metered, then allocated based on oil Coriolis allocation meters. Vent line to flare would also be re-routed and

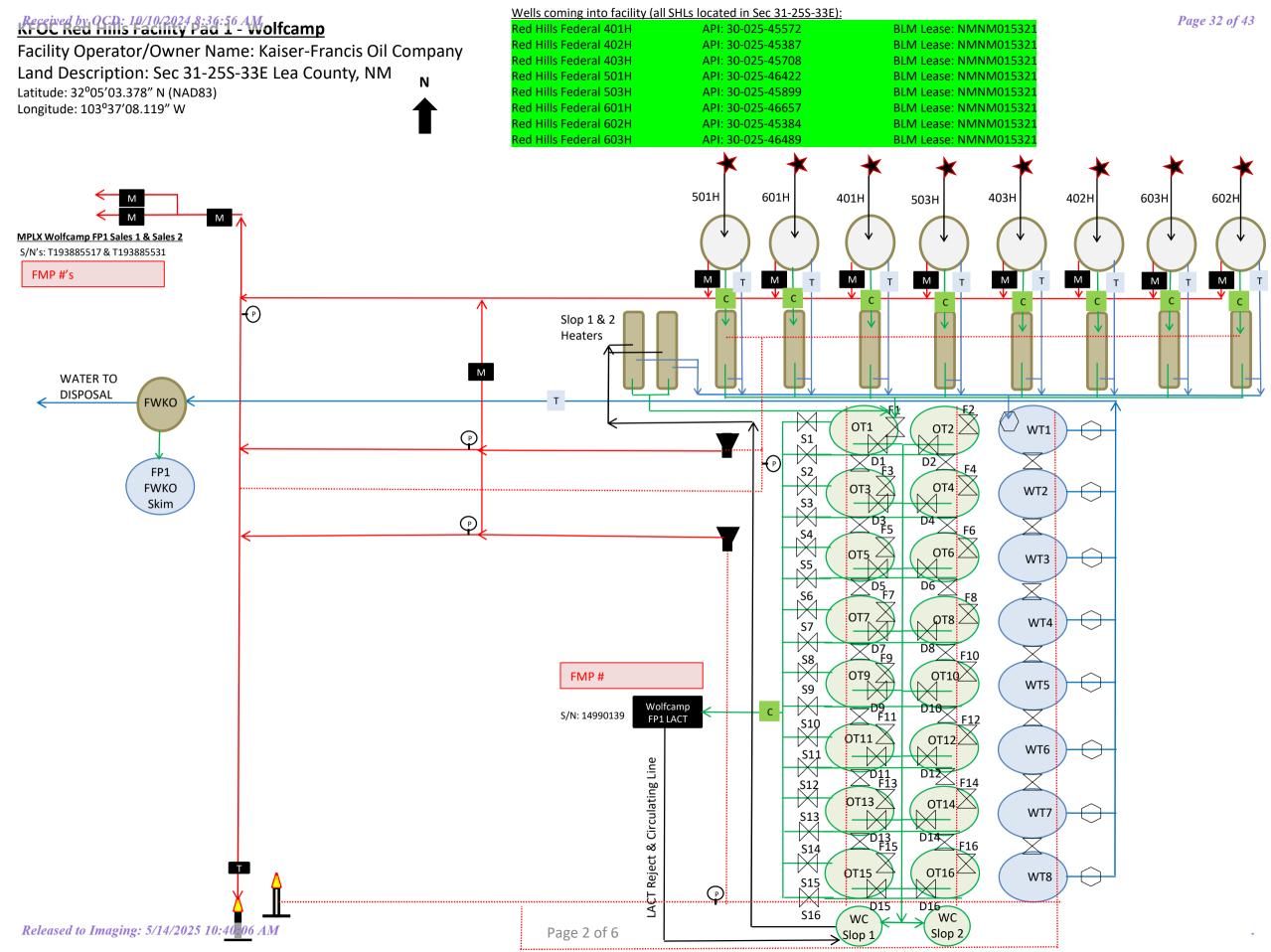
upgraded to simplest, most efficient path. The vent header system will also be upgraded as well as the thief hatches on the production tanks. All current slop tanks would be removed, and LACT reject and/or circulating line from the oil tanks would be plumbed to one of the active heater treaters. Finally, the tank catching oil/liquid dumped from the free-water knockout would be decommissioned, and the dump plumbed to one of the Oil tanks on the commingled battery.

Ultimately, this project would see up to 24 tanks and 12 heater treaters decommissioned, as well as 12K LACT skid that currently serves the Wolfcamp production.

Regards,

Chris Fleming Production Engineer

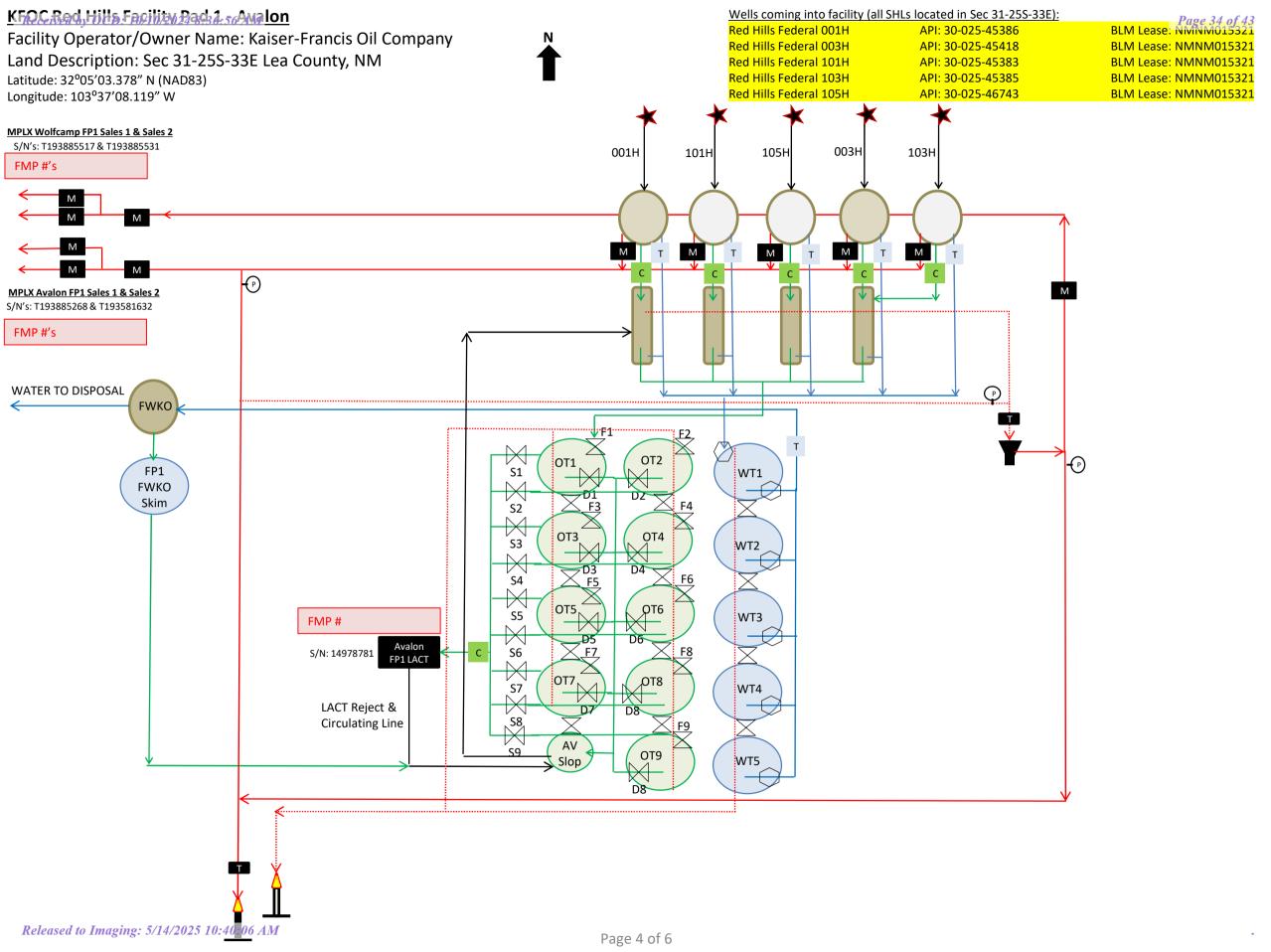




# FP1 Wolfcamp Gas Meter Breakdown

# Wolfcamp FP1 Sales 1 and Sales 2

- SN's T193885517 & T193885531 (Twin sales meter runs)
  - Red Hills 401H
  - Red Hills 402H
  - Red Hills 403H
  - Red Hills 501H
  - Red Hills 503H
  - Red Hills 601H
  - Red Hills 602H
  - Red Hills 603H
  - Combined Wolfcamp FP1 Oil Tanks VRU and Wolfcamp/Avalon FP1 Heater Treater VRU Gas



# FP1 Avalon Gas Meter Breakdown

# Avalon FP1 Sales 1 and Sales 2

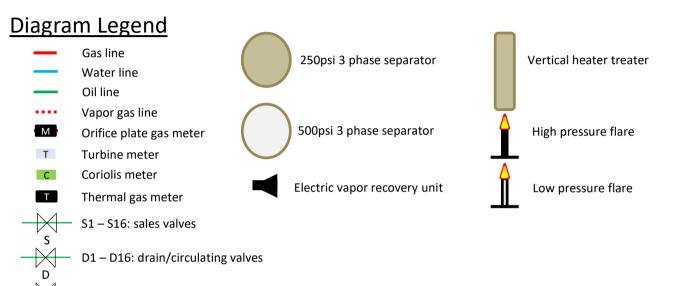
- SN's T193885268 & T193581632 (Twin sales meter runs)
  - Red Hills 001H
  - Red Hills 003H
  - Red Hills 101H
  - Red Hills 103H
  - Red Hills 105H

# Received by QCD: 10/10/2024 8:36:56 AM KFOC Red Hills Facility Pag 1

Facility Operator/Owner Name: Kaiser-Francis Oil Company

Land Description: Sec 31-25S-33E Lea County, NM

Latitude: 32°05'03.378" N (NAD83) Longitude: 103°37'08.119" W



#### Wells coming into facility (all SHLs located in Sec 31-25S-33E): BLM Lease: NMNM015321 Red Hills Federal 001H API: 30-025-45386 Red Hills Federal 003H API: 30-025-45418 BLM Lease: NMNM015321 Red Hills Federal 101H API: 30-025-45383 BLM Lease: NMNM015321 Red Hills Federal 103H API: 30-025-45385 BLM Lease: NMNM015321 Red Hills Federal 105H API: 30-025-46743 BLM Lease: NMNM015321 Red Hills Federal 401H API: 30-025-45572 BLM Lease: NMNM01532 Red Hills Federal 402H API: 30-025-45387 BLM Lease: NMNM01532 Red Hills Federal 403H API: 30-025-45708 BLM Lease: NMNM01532 Red Hills Federal 501H API: 30-025-46422 BLM Lease: NMNM01532: Red Hills Federal 503H API: 30-025-45899 BLM Lease: NMNM01532 Red Hills Federal 601H API: 30-025-46657 BLM Lease: NMNM01532: Red Hills Federal 602H API: 30-025-45384 BLM Lease: NMNM01532 Red Hills Federal 603H API: 30-025-46489 BLM Lease: NMNM01532:

#### Valve Positioning in the Production & LACT Sales Phase

Production into OT1 – OT16

F1 – F16: fill valves

F1 is open

Equalizers open

D1, D2, D3, D4, D5, D6, D7, D8, D9, D10, D11, D12, D13, D14, D15 & D16 are sealed closed \$1, \$2, \$3, \$4, \$5, \$6, \$7, \$8, \$9, \$10, \$11, \$12, \$13, \$14, \$15 & \$16 are open

## Valve Positioning in the Production & Drain/Circulating Phase

Ex: Production into OT1, OT2, OT3, OT4, OT5, OT6, OT7, OT8, OT9, OT10, OT11, OT12, OT13, OT14 & OT15 and drain from OT16

F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F12, F13, F14 &F15 are open and F16 is sealed closed Equalizers closed

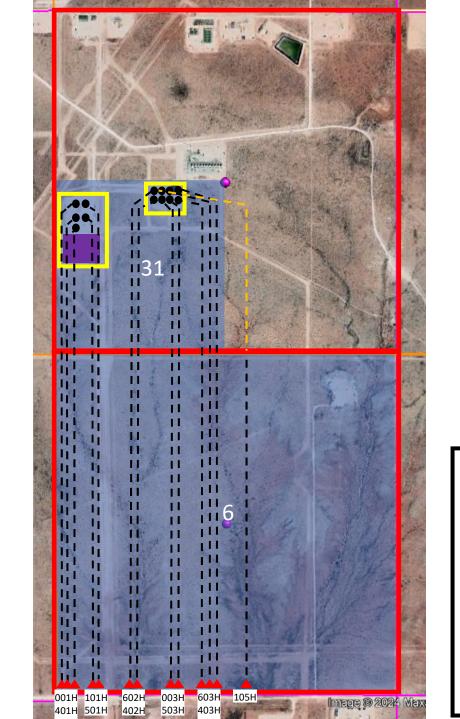
D1, D2, D3, D4, D5, D6, D7, D8, D9, D10, D11, D12, D13, D14 & D15 are sealed closed and D16 is open

S1, S2, S3, S4, S5, S6, S7, S8, S9, S10, S11, S12, S13, S14, S15 & S16 are sealed closed

#### **Lease Gas Use Calculations**

(6) Heater Treaters (Avalon): 500 Mbtu/hr burner rating running 24hrs/d.  $500,000\frac{btu}{hr} \div 1213\frac{btu}{scf} \div 1000\frac{scf}{Mcf} \times 24hrs \times (6) = 59.4\frac{Mcf}{d}$  (10) Heater Treaters (Wolfcamp): 500 Mbtu/hr burner rating running 24hrs/d.  $500,000\frac{btu}{hr} \div 1335\frac{btu}{scf} \div 1000\frac{scf}{Mcf} \times 24hrs \times (4) = 89.9\frac{Mcf}{d}$ 

\* 1213, 1335  $\frac{btu}{scf}$  HV determined by gas analysis taken from FMP's #xxxxxx on February 2023 gas volume statement.



## Legend

NMNM15321 478.80 acres

Surface Hole

Production Facility

**A** Bottom Hole

- Wellbore (Completed)

-- Wellbore (Uncompleted)

Red Hills Drill Pads

v				Revised March 23, 2017
RECEIVED:	REVIEWER:	TYPE:	APP NO:	
		ABOVE THIS TABLE FOR OCD E	IVISION USE ONLY	
	- Geolog	CO OIL CONSERV lical & Engineering Francis Drive, Sant	g Bureau –	STOP NEW ACKNOWLED
	ADMINIS1	RATIVE APPLICATI	ON CHECKLIST	
THIS C	HECKLIST IS MANDATORY FOR REGULATIONS WHICH I	ALL ADMINISTRATIVE APPLIC. REQUIRE PROCESSING AT THE		
Applicant:			OGR	ID Number:
Well Name:			API:	Cada
			Pool	Code:
SUBMIT ACCURA	ATE AND COMPLETE IN	NFORMATION REQUI		THE TYPE OF APPLICATION
A. Location  B. Check or	CATION: Check those - Spacing Unit - Simulist ISL    \text{NSP}  ne only for [1] or [11]	ultaneous Dedicatio PROJECT AREA)	n	SD
_ [    ] Injec	mingling – Storage – I   DHC	PLC □PC □C sure Increase – Enha	anced Oil Recove	FOR OCD ONLY
A. Offset B. Royalt C. Applic D. Notific	REQUIRED TO: Check operators or lease ho y, overriding royalty of cation requires publish ation and/or concurtation and/or concur	olders owners, revenue ov ned notice rent approval by SL	ners O	Notice Complete  Application Content Complete
G.☐ For all	e owner of the above, proof tice required	of notification or pu	ıblication is attac	hed, and/or,
administrative understand the	I: I hereby certify that approval is accurate at no action will be tare submitted to the D	e and <b>complete</b> to taken on this applica	he best of my kno	• •
No	te: Statement must be comp	leted by an individual with	managerial and/or sup	pervisory capacity.
			Date	
Print or Type Name				
			Phone Number	

e-mail Address

Christina Opfer

Signature

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

# APPLICATION FOR SURFACE COMMINGLING SUBMITTED BY KAISER-FRANCIS OIL COMPANY

**ORDER NO. PLC-975** 

#### **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. Kaiser-Francis Oil Company ("Applicant") submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells as described in Exhibit A ("Application").
- 2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
- 3. 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.
- 4. Applicant provided notice of the Application to the Bureau of Land Management ("BLM") or New Mexico State Land Office ("NMSLO"), as applicable.
- 5. Applicant certified the commingling of oil and gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil and gas production to less than if it had remained segregated.

#### **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.

Order No. PLC-975 Page 1 of 3

- 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, leases, and wells as described in Exhibit A.
  - Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells 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. 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.
- 4. 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.
- 5. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10 C.(2) NMAC.
- 6. 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.
- 7. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
- 8. 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).

Order No. PLC-975 Page 2 of 3

9. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**DATE:** <u>5/14/2025</u>

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

GERASIMOS RAZATOS DIRECTOR (ACTING)

Page 3 of 3

Order No. PLC-975

#### State of New Mexico Energy, Minerals and Natural Resources Department

#### Exhibit A

Order: PLC-975

**Operator:** Kaiser-Francis Oil Company (12361)

Central Tank Battery: Red Hills Federal Facility Pad 1

Central Tank Battery Location: UL L, Section 31, Township 25 South, Range 33 East

**Gas Title Transfer Meter Location:** 

#### **Pools**

**Pool Name** 

**Pool Code** 

**WC-025 G-06 S253329D;UPR BONE SPRIN** 

97994

WC-025 G-09 S253236A;UPR WOLFCAMP

98158

#### Leases as defined in 19.15.12.7(C) NMAC

Lease

UL or Q/Q

S-T-R

NMNM 015321

SW/4, SE/4 SE/4

31-25S-33E

All 06-26S-33E

Wells				
Well API	Well Name	UL or Q/Q	S-T-R	Pool
20 025 45202	DED HILL C PEDED AT #101H	W/2 SW/4	31-25S-33E	07004
30-025-45383	RED HILLS FEDERAL #101H	W/2 W/2	06-26S-33E	97994
30-025-45384	RED HILLS FEDERAL #602H	SW/4	31-25S-33E	00150
30-025-45364	RED HILLS FEDERAL #002H	W/2	06-26S-33E	98158
30-025-45385	RED HILLS FEDERAL #103H	E/2 SW/4	31-25S-33E	97994
30-025-45365	RED HILLS FEDERAL #103H	E/2 W/2	06-26S-33E	91994
30-025-45386	RED HILLS FEDERAL #001H	W/2 SW/4	31-25S-33E	97994
30-023-43360	RED HILLS FEDERAL #001H	W/2 W/2	06-26S-33E	91994
30-025-45387	45387 RED HILLS FEDERAL #402H	SW/4	31-25S-33E	00150
30-025-45567		W/2	06-26S-33E	98158
30-025-45418	418 RED HILLS FEDERAL #003H	E/2 SW/4	31-25S-33E	97994
30-023-43410		E/2 W/2	06-26S-33E	9/994
30-025-45572	RED HILLS FEDERAL #401H	W/2 SW/4	31-25S-33E	98158
30-023-43372	RED HILLS FEDERAL #401H	W/2 W/2	06-26S-33E	90130
30-025-45708	RED HILLS FEDERAL #403H	E/2 SW/4	31-25S-33E	98158
30-023-43706	RED HILLS FEDERAL #403H	E/2 W/2	06-26S-33E	90130
30-025-45899	RED HILLS FEDERAL #503H	SW/4	31-25S-33E	98158
30-023-43099	RED HILLS FEDERAL #303H	W/2	06-26S-33E	90130
30-025-46422	DED HILLS BEDED AT #501H	SW/4	31-25S-33E	98158
30-023-40422	RED HILLS FEDERAL #501H	W/2	06-26S-33E	90130
30 025 46490	30-025-46489 RED HILLS FEDERAL #603H	SW/4	31-25S-33E	98158
30-043-40409		<b>W</b> /2	06-26S-33E	70130
30-025-46657	RED HILLS FEDERAL #601H	SW/4	31-25S-33E	98158
30-023-4003/	025-4005/ KEU HILLS FEDERAL #001H	W/2	06-26S-33E	70130
30-025-46743	RED HILLS FEDERAL #105H	W/2 E/2	06-26S-33E	97994

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 376217

#### **CONDITIONS**

Operator:	OGRID:
KAISER-FRANCIS OIL CO	12361
PO Box 21468	Action Number:
Tulsa, OK 741211468	376217
	Action Type:
	[C-107] Surface Commingle or Off-Lease (C-107B)

#### CONDITIONS

Created By		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.	5/14/2025