

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

Heather Riley, Division Director
Oil Conservation Division



September 18, 2018

Surface Commingling Order PLC-519

CHISHOLM ENERGY OPERATING, LLC
Attention: Ms. Jennifer Elrod

Pursuant to your application received on August 28, 2018, Chisholm Energy Operating, LLC (OGRID 372137) is hereby authorized to surface commingle and off-lease measure oil and gas production from the following pools located in Township 23 South, Range 26 East, NMPM, Eddy County, New Mexico;

YARROW; BONE SPRING, SOUTH (87780)
PURPLE SAGE; WOLFCAMP (GAS) (98220)

and from the following diversely owned state wells and leases located in Township 23 South, Range 26 East, in Eddy County, New Mexico.

Lease:	Dark Canyon 15 22 State Com 3BS Well No. 4H Communitization Agreement; Hearing Order R-14671	
Description:	W/2 W/2 of Section 15 and W/2 NW/4 of Section 22	
Well:	Dark Canyon 15 22 State Com 3BS Well No. 4H	API 30-015-44647
Pool:	Yarrow; Bone Spring, South	
Lease:	Dark Canyon 15 22 State Com WCB Well No. 2H Communitization Agreement; Hearing Order R-14672	
Description:	W/2 of Section 15 and NW/4 of Section 22	
Wells:	Dark Canyon 15 22 State Com WCB Well No. 2H	API 30-015-44538
	Dark Canyon 15 22 State Com WCA Well No. 3H	API 30-015-44539
Pool:	Purple Sage; Wolfcamp (Gas)	

The commingled oil and gas production from the wells shall be measured and sold at the Dark Canyon 15 22 State Com WCA Well No. 3H Production Facility Central Tank Battery (CTB), located in Unit D of Section 15, Township 23 South, Range 26 East, NMPM, Lea County, New Mexico.

Production from the subject wells shall be determined as follows:

The oil and gas production from each of the diversely-owned leases shall be measured with allocation meters.

The oil and gas production from each well will flow into a dedicated 3-phase separator. The production stream will be separated into 3 independent streams by the separator and each stream will be measured individually after it exits the separator, before commingling.

The allocation meters shall be calibrated quarterly in accordance with Division Rule 19.15.12.10.C (2) NMAC.


This installation shall be installed and operated in accordance with the applicable Division Rules and Regulations.

This approval is subject to like approval from New Mexico State Land Office before commencing commingling operations.

The Operator shall notify the transporter of this commingling authority and the Artesia District Office prior to implementation of commingling operations.

Additional wells added to the approved leases with a Sundry notice to the Bureau.

For future additions of wells and leases to this commingling operation, notice shall only be given to those interest owners in the wells and leases to be added, in accordance with Division Rule 19.15.12.10 C (4) (g) NMAC.


HEATHER RILEY
Director

HR/mam

cc: Oil Conservation Division District Office – Artesia
New Mexico State Land Office – Oil, Gas, and Minerals