

From: [McClure, Dean, EMNRD](#)
To: [Mandi Walker](#)
Cc: [McClure, Dean, EMNRD](#)
Subject: RE: [EXTERNAL] Ludwick LS 13 - 3004508781
Date: Monday, July 11, 2022 1:08:11 PM

Surface commingling application PC-1400 has been withdrawn.

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

From: Mandi Walker <mwalker@hilcorp.com>
Sent: Thursday, July 7, 2022 9:03 AM
To: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Subject: RE: [EXTERNAL] Ludwick LS 13 - 3004508781

Dean, please cancel this request for Surface Commingle.

Thank you,
Mandi

From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Sent: Thursday, March 31, 2022 5:27 PM
To: Mandi Walker <mwalker@hilcorp.com>
Subject: RE: [EXTERNAL] Ludwick LS 13 - 3004508781

Mandi,

Please submit a lease map.

Additionally, please note that the subtraction allocation method for surface commingling is different from downhole commingling. See 19.15.12.10.B.(1)(c) NMAC:

(c) Subtraction method. If production from all except one of the pools or leases to be commingled is separately measured, the operator may determine the production from the remaining pool or lease by the subtraction method as follows:

(i) for oil, the net production from the unmetered pool or lease shall be the difference between the net pipeline runs with the beginning and ending stock adjustments and the sum of the net production of the metered pools or leases;

(ii) for gas, the net production from the unmetered pool or lease shall be the difference between the volume recorded at the sales meter and the sum of the volumes recorded at the individual pool or lease meters.

To use the subtraction method you will need to meter the production from one of the pools, meter the total sold volume, and then subtract the measured pool volume from the total sold volume to determine the unmeasured pool.

Hilcorp will need to propose another method of allocation or else submit a new facility diagram and allocation plan that is compliant with the rule cited above.

The proposed method of allocation is at Hilcorp's discretion, but perhaps using well tests to allocate may be the more viable solution if Hilcorp wishes to not add additional equipment to the facility. In other commingling projects similar in scope to this one, this has usually been accomplished in one of two ways: (a) place a module test separator on site once each month to conduct a well test for each of the pools in which the flow from the pool being tested will be isolated and routed via the test separator for no less than 24 hours, or (b) shut in production from each pool at least once a month for a period no less than 24 hours in which the production from the other pool can be measured. In most cases like this, a variant of option b is used unless the operator's operations already consist of using trailer or skid mounted testing equipment.

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

From: McClure, Dean, EMNRD
Sent: Thursday, March 31, 2022 12:04 PM
To: Mandi Walker <mwalker@hilcorp.com>
Subject: RE: [EXTERNAL] Ludwick LS 13 - 3004508781

I'll try to take a quick look later today incase there is something that would require additional notice and delay approval.

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

From: Mandi Walker <mwalker@hilcorp.com>
Sent: Thursday, March 31, 2022 11:47 AM
To: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Subject: [EXTERNAL] Ludwick LS 13 - 3004508781

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Good afternoon Dean,

I just filed an application and an NOI for Surface Commingle. I filed the NOI under the General Sundry the id # is 94803 and the C-107B id # is 94805.

This is my first time filing one, so if you need anything, just let me know.

Thanks!

Mandi Walker

San Juan North/South (6,7) Regulatory Technician

Hilcorp Energy

346.237.2177

mwalker@hilcorp.com

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