

State of New Mexico  
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



April 16, 2019

ADMINISTRATIVE POOL/LEASE COMMINGLING ORDER

Administrative Order PLC-562

Hilcorp Energy Company  
Attention: Ms. Cherylene Weston

Pursuant to your application received on March 26, 2019, Hilcorp Energy Company (OGRID 372171) is hereby authorized to surface commingle gas production from the following pools located in Section 31, Township 30 North, Range 11 West, NMPM, San Juan County, New Mexico;

BASIN FRUITLAND COAL (GAS) (71629)  
AZTEC PICTURED CLIFFS (GAS) (71280)  
BASIN DAKOTA (PRORATED GAS) (72319)

and from the following diversely federal leases in said Section, Township, and Range in San Juan County, New Mexico.

Lease: Federal Communitization Agreement NMNM 103108  
Description: Lot 5/ Unit A, Lot 6/ Unit B, Lot 9/ Unit G, Lot 10/ Unit H, Lot 11 / Unit I, Lot 12/ Unit J, Lot 15/ Unit O, and Lot 16/ Unit P (E/2 equivalent) of Section 31  
Well: Pan American Federal Gas Com B Well No. 2 30-045-30231  
Pool: Basin Fruitland Coal (Gas)

Lease: Federal Communitization Agreement NMNM 73765  
Description: Lot 5/ Unit A, Lot 6/ Unit B, Lot 9/ Unit G, Lot 10/ Unit H, Lot 11 / Unit I, Lot 12/ Unit J, Lot 15/ Unit O, and Lot 16/ Unit P (E/2 equivalent) of Section 31  
Well: Pan American Federal Gas Com B Well No. 1E 30-045-24842  
Pools: Basin Dakota (Prorated Gas)  
Aztec Pictured Cliffs (Gas)

The commingled gas production from the wells detailed above shall be measured and sold at the Pan American Federal Gas Com B Well No. 1E and B2 Central Tank Battery (CTB) located in Lot 9/ Unit G of Section 31, Township 30 North, Range 11 West, NMPM, San Juan County, New Mexico.

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 Well No. 2 shall be metered continuously prior to commingling with the Pan American Federal Gas Com B Well No. 1E. Production from the Pan American Federal Gas Com B Well No. 1E shall be determined by subtracting the metered production at the central delivery point minus the metered production at the Pan American Federal Gas Com B Well No. 2.

No commingling of liquids shall occur.

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

Subsequently drilled wells that produce from the subject pool within the project areas approved by this order may be added to this commingling authority by submittal of a Sundry Notice to the Engineering Bureau in Santa Fe.

The operator shall notify the transporter of this commingling authority.

Subject to like approval from the Bureau of Land Management.

The operator shall notify the Aztec District office of the Division upon commencement of commingling operations.



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**Adrienne E. Sandoval**  
**Director**

AS/mam

cc: Oil Conservation Division District Office – Aztec  
Bureau of Land Management – Farmington