

RECEIVED: 03/26/2019 <sup>2019</sup>	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

<b>Applicant:</b> Hilcorp Energy Company	<b>OGRID Number:</b> 372171
<b>Well Name:</b> Pan American Federal Gas Com B 1E & B 2 wells	<b>API:</b> 30-045-24842 / 30-045-30231
<b>Pool:</b> Aztec Pictured Cliffs/Basin Dakota/Basin Fruitland Coal	<b>Pool Code:</b> 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 holders  
 B.  Royalty, overriding royalty owners, revenue owners  
 C.  Application requires published notice  
 D.  Notification and/or concurrent approval by SLO  
 E.  Notification and/or concurrent approval by BLM  
 F.  Surface owner  
 G.  For all of the above, proof of notification or publication is attached, and/or,  
 H.  No notice required

FOR OCD ONLY	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	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.

Print or Type Name

Cherylene Weston  
 Signature

3-26-19  
 Date

505-564-0779  
 Phone Number

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 I**  
 1625 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 <b>30-045-24842</b>	2. Pool Code <b>71280</b>	3. Pool Name <b>AZTEC PICTURED CLIFFS (GAS)</b>
4. Property Code <b>321826</b>	6. Property Name <b>PAN AMERICAN FEDERAL GAS COM B</b>	6. Well No. <b>001E</b>
7. OGRID No. <b>372171</b>	8. Operator Name <b>HILCORP ENERGY COMPANY</b>	9. Elevation <b>5837</b>

**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**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres <b>153.20 - NE/4</b>				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**

	<b>OPERATOR CERTIFICATION</b>	
	<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>	
	E-Signed By: <i>Cherylene Weston</i> Title: Cherylene Weston, Ops/Regulatory Tech - Sr. Date: 11/20/2018	
	<b>SURVEYOR CERTIFICATION</b>	
<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>		
Surveyed By: Fred B. Kerr, Jr. Date of Survey: 11/14/1980 Certificate Number: 3950		

OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Form C-107  
Revised 10-1-78

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

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

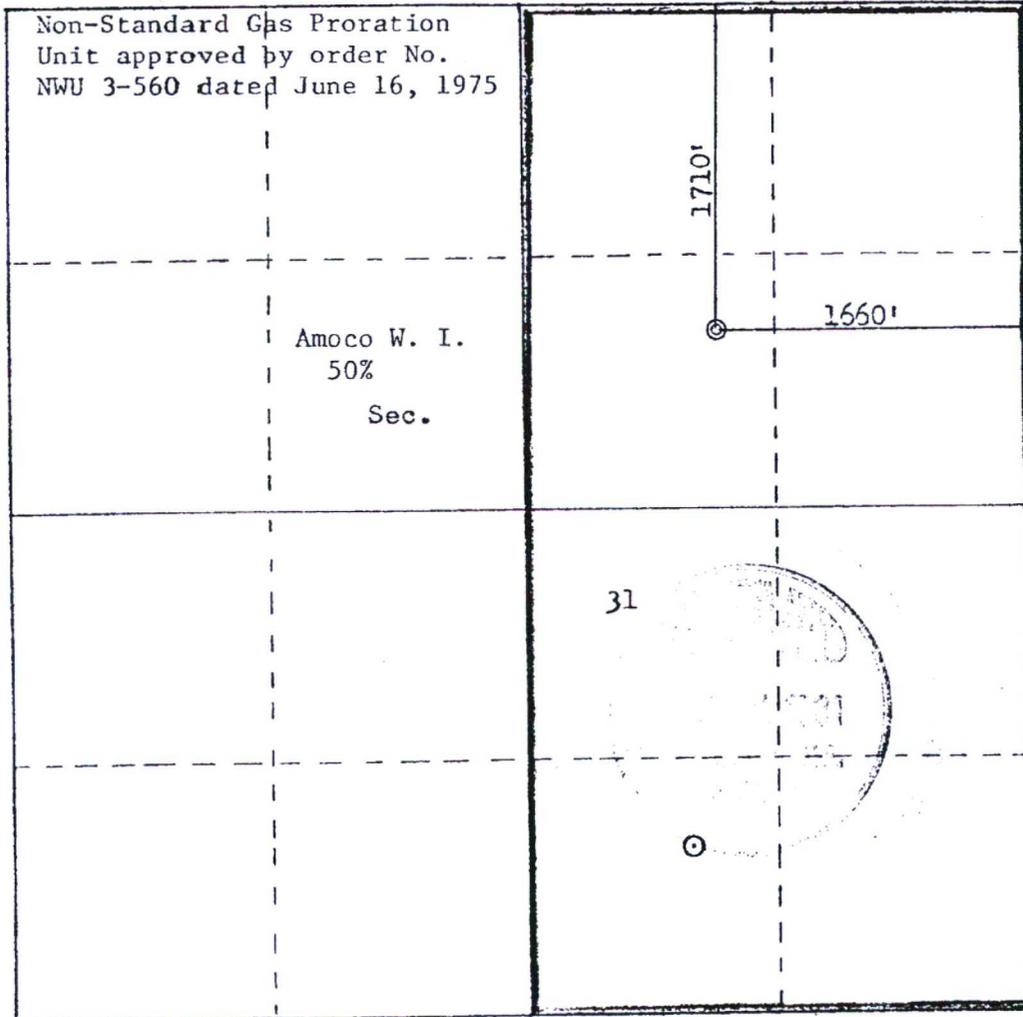
Operator <b>AMOCO PRODUCTION COMPANY</b>		Lease <b>PAN AM-FEDERAL GAS COM "B"</b>		Well No. <b>1E</b>
Unit Letter <b>G</b>	Section <b>31</b>	Township <b>30N</b>	Range <b>11W</b>	County <b>San Juan</b>
Actual Footage Location of Well: <b>1710</b> feet from the <b>North</b> line and <b>1660</b> feet from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

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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.



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 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 11, 1980

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

Certificate No. *3950*  
KERR 19

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

District II  
PO Drawer DD, 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
*OGRID No. 167067	*Operator Name CROSS TIMBERS OPERATING COMPANY		*Elevation 5838' —

<sup>10</sup> Surface Location

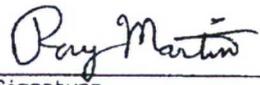
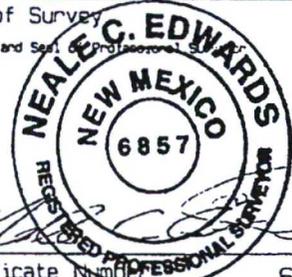
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	31	30N	11W		1645	NORTH	1710	EAST	SAN JUAN

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres 308.48 E/2	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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

<sup>16</sup> 1413.06' LOT 1 2624.16' LOT 2 2636.70' LOT 3 LOT 4 1457.44'	1255.98' LOT 7 LOT 8 1281.72'	2511.96' LOT 6 1645' 31 2514.66'	LOT 5 1710' LOT 10 5293.20' LOT 11 LOT 12 LOT 15 LOT 16	<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.   Signature Ray Martin Printed Name Production Engineer Title  Date  <sup>18</sup> 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 Certificate Number 6857
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31

30N 11W

NE

USA  
NMSF078144

PanAmFed  
Gas Com  
B 002

PanAmFed  
Gas Com  
B 001E



## **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  
District II  
811 S. First St., Artesia, NM 88210  
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State of New Mexico  
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Form C-107-B  
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Basin Fruitland Coal (71629)				

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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

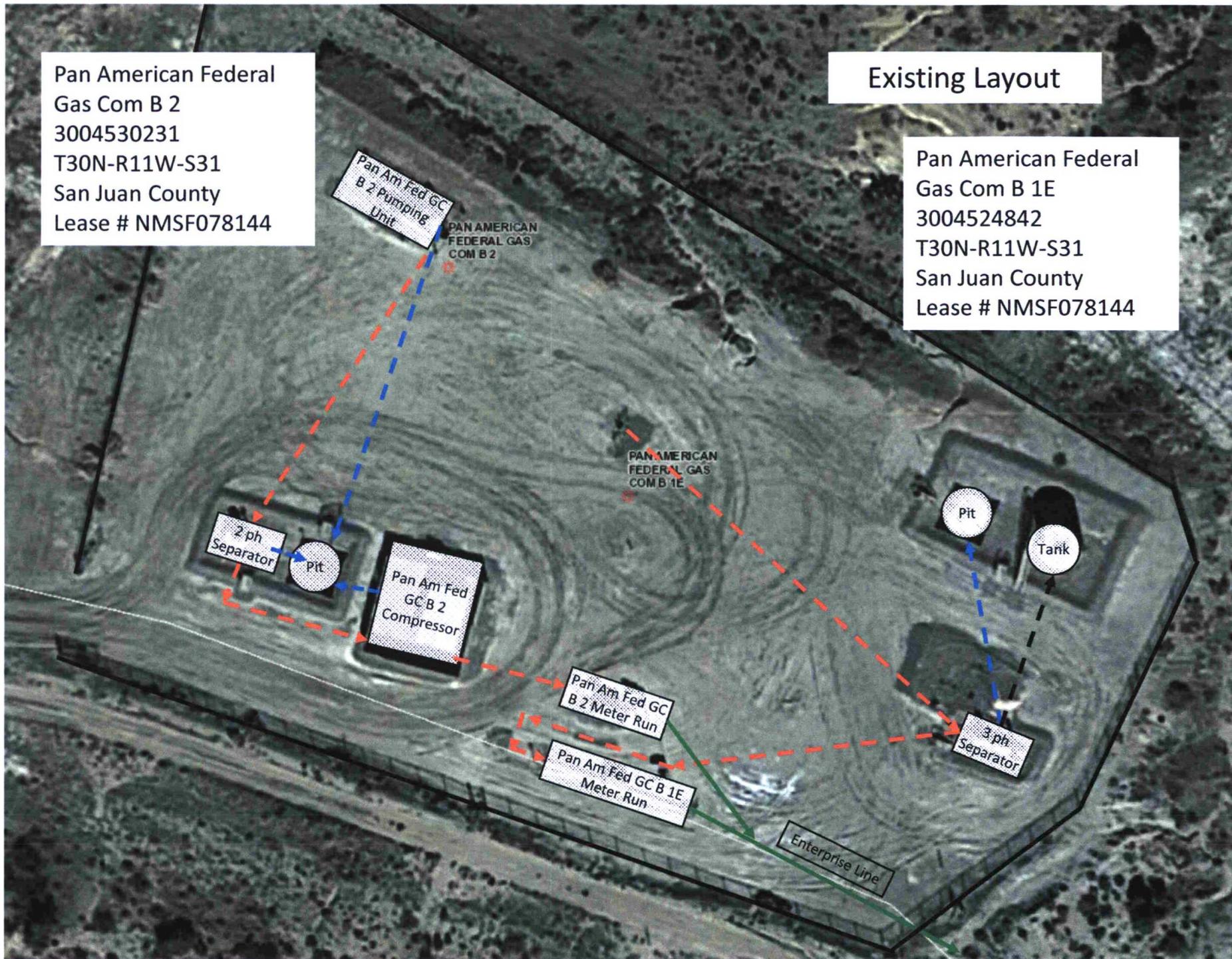
<b>Certified Number</b>	<b>Sender</b>	<b>Recipient</b>	<b>Date Mailed</b>	<b>Delivery Status</b>
92148969009997901771224975	Brenda Guzman	, BECKY ANN HOLMES, PO BOX 133, SONORA, TX, 76950 Code: Pan Am Federal Gas Com B 1E_B 2 Surface Commingle	3/11/2019	Signature Pending
92148969009997901771224982	Brenda 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

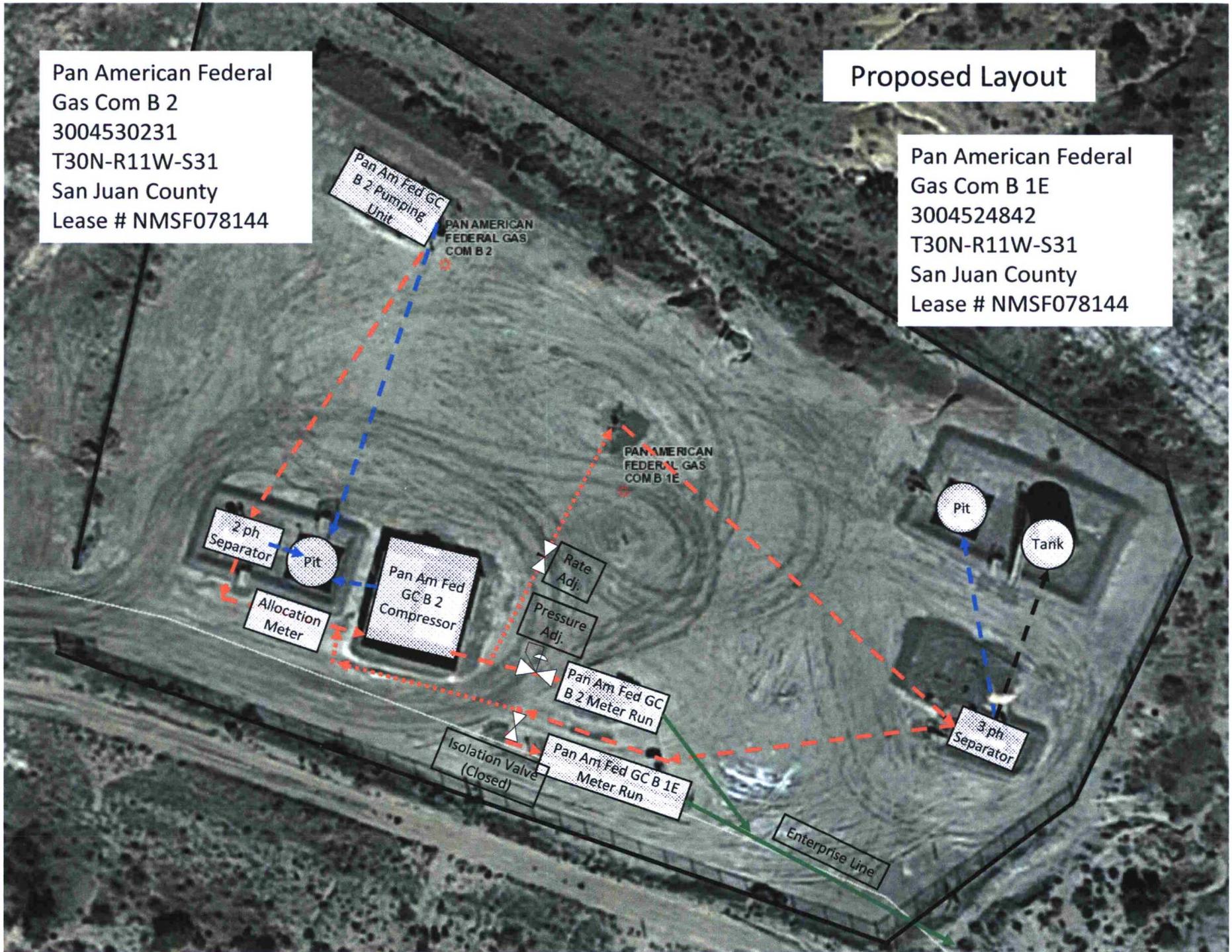
Pan American Federal  
Gas Com B 1E  
3004524842  
T30N-R11W-S31  
San Juan County  
Lease # NMSF078144



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





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

Well	Pumping Unit		Separator(s)		Vented Gas (mcfpd)
	Engine	Fuel Usage (mfcps)	Burners (y/n)	Fuel Usage (mfcps)	
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	mcfpd

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

