

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
OCD Artesia

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

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.

5. Lease No.
NMNM103876

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

LEGACY RESERVES OPERATING LP

3a. Address

PO BOX 10848
MIDLAND, TX 79702

3b. Phone No. (include area code)

432-689-5200

7. If Unit of CA/Agreement, Name and/or No.

NMNM124318 / NM 126360

8. Well Name and No.

BLITZEN 35 FEDERAL COM #2H + #1H

9. API Well No.

30-015-36058

10. Field and Pool or Exploratory Area

ANDERSON N; WOLFCAMP

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1800 FNL & 330 FEL, SEC. 35, SENE, T16S, R28E

11. County or Parish, State

EDDY CO, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other SEE BELOW
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Surface
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	Commingling

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

TYPE OF ACTION: Surface Commingling, Central Tank Battery & Off Lease Gas Measurement

Legacy Reserves Operating, LP request approval to Surface Commingling production on the following wells at a common central tank battery located on the Blitzen 35 Federal Com #2H well location.

Blitzen 35 Federal Com #1H Lease number NMNM103876, Section 35, NENE, T16S, R28E, API 3001536044

Blitzen 35 Federal Com #2H Lease number NMNM103876, Section 35, SENE, T16S, R28E, API 3001536058

Blitzen 35 Federal Com #1H will require surface commingling and off lease measurement, storage and sales of oil and gas. Blitzen 35 Federal Com #2H will only be requiring surface commingling and off lease measurement and sales of gas.

See attached detailed commingling information, facility diagram and map.

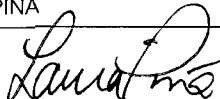
NM OIL CONSERVATION
ARTESIA DISTRICT

AUG 01 2017

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

LAURA PINA

Signature



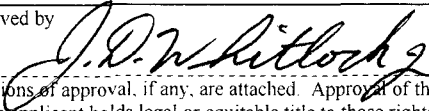
RECEIVED

Title COMPLIANCE COORDINATOR

Date 12/02/2015

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by



Title

TLDET

Date

7/20/17

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

CFD

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)

Ref 8-2-17

APPLICATION FOR, COMMINGLING and OFF LEASE MEASUREMENT AT A COMMON
CENTRAL TANK BATTERY

Proposal for Blitzen "35" Federal Com 1H & Blitzen "35" Federal Com 2H:

Legacy Reserves Operating, LP is requesting approval for the Central Tank Battery, Commingling, and Off lease sales of gas and oil:

List of Wells

Federal Lease NM103876 & CA NM126360				Oil			
Well Name	Location	API #	Pool 96666	BOPD	Gravities	MCFPD	BTU
Blitzen 35 Fed Com 1H	Sec 35, NENE T16SR28E	3001536044	Anderson N; Wolfcamp	34	43	167	1343

Federal Lease NM103876 & CA NM124318				Oil			
Well Name	Location	API #	Pool 96666	BOPD	Gravities	MCFPD	BTU
Blitzen 35 Fed Com 2H	Sec 35, SENE T16SR28E	3001536058	Anderson N; Wolfcamp	55	41	275	1330

Attached map shows the federal leases and well locations in Section 35, NENE-T16S-R28E & Section 35, SENE-T16S-R28E.

The BLM's interest in both wells is the same. Lease NM103876 royalty rate is ~~8.333333%~~, *16 2/3%*
CA NM126360 involves 160 Acres of Lease. Lease NM103876 at a rate of ~~8.333333%~~, *16 2/3%*
CA NM124318 involves 160 acres of Lease.

Details of the Proposed Method of Measurement and Allocation of Production

Oil & Gas metering:

The central tank battery is located on the shared well location for the Blitzen 35 Fed Com #2H well located in Section 35, SE/NE, T16S, R28E on federal lease NM103876 in Eddy County, New Mexico.

Well production from producing well #1H and #2H comes to a common production header at the CTB where isolation valves and lines are available to route each wells production thru either a well test separator or a production separator.

When a well is on test its production is routed thru the 3' x 10' horizontal, 3-phase well test separator. When a well, or even both wells are on production and not on test then their production streams are both commingled into a single, unmetered, 4'x10' vertical, 2-phase production separator.

The well test separator is equipped with metering equipment for metering all 3 fluid streams, oil, gas and water production following discharge from the vessel. Oil and water are each metered separately using Cameron Nu-Flow MC-II Flow Analyzers (turbine meters). The oil test meter serial number is SN-374105 and the water test meter serial # is SN-373774. Gas is measured using a Cameron Nu-Flow Scanner Model 2000 (orifice meter) with meter serial # SN-D280401. In a given month each producing well is typically tested for multiple days and sometimes multiple times in order to obtain a representative well test for that given month. From these representative well tests monthly total oil, gas and water production is allocated to each producing well.

The measurement of total lease daily and monthly oil production is determined by the utilization of electronic tank level gauges present on each of the 3, 500 bbl steel welded oil tanks. No manual tank gauging is performed.

Oil sales are accomplished by metering oil total commingled oil production thru a LACT unit before being truck hauled to pipeline by Bridger Transportation and sold to Occidental Energy and Marketing. The LACT meter at the Blitzen 35 Fed Com CTB is a 3" Smith Meter, Model E3-SI (turbine meter, Meter #724953, Serial # P644653243). This LACT unit utilizes Linco Electromatic ELMC-TA 1000 totalizer/controller and Invalco BS&W monitor (Model 4728).

Gas sales to DCP Midstream consists of total surface commingled gas production from both wells upon gas separation at both the vertical 2-phase separator or the 3-phase heater treater. The DCP gas meter is located approximately 2000' northeast of the CTB and is off-lease measurement and custody transfer. The DCP meter is a ABB Total Flow, Model UFLOW 6213Y (serial # T113058094). This is an electronic readout orifice meter utilizing a 2.069" ID meter run.

Additionally, a water meter is located at the water tank to provide daily lease water production. This meter is a Turbines Incorporated, Model F012-P-XI turbine meter.

Presently, the custody transfer LACT unit and gas meter are calibrated on a regular basis per purchasing company, API, NMOCD and BLM specifications. The well test separator meters are tested on a demand basis when the lease operator/pumper has a concern in their test accuracy. The BLM and OCD will be notified of any future changes in the facilities.

Process and Flow Descriptions:

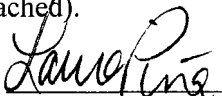
The flow path of oil, gas and water production at the CTB is shown in detail on enclosed facility diagram. An attached map shows the lease boundaries, communization agreement boundaries, location of each well, the CTB facility and the location of the gas sales meter.

The commingling of production from the #1H and #2H wells into one CTB facility is the most economical means of producing the oil and gas reserves of both wells. This surface commingling will reduce total lease operating expense as well as reduce the surface facility footprint and overall air emissions versus having two separate batteries.

We feel this CTB and the incorporation of centralized oil, gas and water measurement will not result in reduced royalty payments or improper measurement of production.

Legacy Reserves Operating, LP understands the requested approval of this CTB will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.

Working, royalty, and overriding interest owners have been notified of this application via certified mail (see attached).

Signed: 
Printed Name: Laura Pina
Title: Compliance Coordinator
Date: 12/02/2015

To calculate the weighted average of the oil or gas, add the daily production times the gravity or BTU for the first well with the daily production times the gravity or BTU of the second well. Divide it by the total daily production for the two wells. This is the weighted average of the gravity or BTU.

Weighted Gravity of Oil

Blitzen 35 Federal Com 1H = 34 BOPD, 42.8 Gravity

Blitzen 35 Federal Com 2H = 55 BOPD, 41.3 Gravity

$(34 \text{ BOPD} \times 42.8 \text{ Gravity}) + (55 \text{ BOPD} \times 41.3 \text{ Gravity}) = 3726.7$

$(3726.7)/(34 \text{ BOPD} + 55 \text{ BOPD}) = \mathbf{41.8730 \text{ or } 41.9 \text{ Weighted Gravity of Oil}}$

Weighted BTU Gas

Blitzen 35 Federal Com 1H = 167 MCFD, 1343 BTU

Blitzen 35 Federal Com 2H = 275 MCFD, 1331 BTU

$(167 \text{ MCFD} \times 1343 \text{ BTU}) + (275 \text{ MCFD} \times 1330 \text{ BTU})$

$(590031)/(167 \text{ MCFD} + 275 \text{ MCFD}) = \mathbf{1334.9118 \text{ or } 1335 \text{ Weighted BTU Gas}}$

Economic Justification Work Sheet

Sonic Federal Tank Battery

Commingle proposal for leases: NM103876 & CA NM126360 and NM103876 & CA NM124318

Federal Lease NM103876 & CA NM126360, Royalty Rate 8.333333% of 160 Acre Well

Well Name	BOPD	Oil Gravity @ 60 deg	Value/bbl	MCFPD	Dry MMBTU	Value/mcf
Blitzen 35 Fed Com 1H	34	42.8	\$42.0191	167	1343	\$2.76013

Federal Lease NM103876 & CA NM124318, Royalty Rate 8.333333% of 160 Acre Well

Well Name	BOPD	Oil Gravity @ 60 deg	Value/bbl	MCFPD	Dry MMBTU	Value/mcf
Blitzen 35 Fed Com 1H	55	41.3	\$42.0191	275	1331	\$2.76013

Economic combined production

Federal Lease NM103876 & CA NM126360

Royalty Rate 8.333333% for CA NM126360

Federal Lease NM103876 & CA NM124318




Royalty Rate 8.333333% for CA NM124318

Facility Name	BOPD	Oil Gravity@60deg	Value/bbl	MCFPD	Dry MMBTU	Value/mcf
Blitzen 35 Federal Tank Battery	89	41.9	\$42.0191	442	1335	\$2.76013

*See Attachment for Calculated Weighted Oil Gravity and Dry BTU.

Signed: Laura Pina
 Printed Name: Laura Pina
 Title: Compliance Coordinator
 Date: 12/02/2015

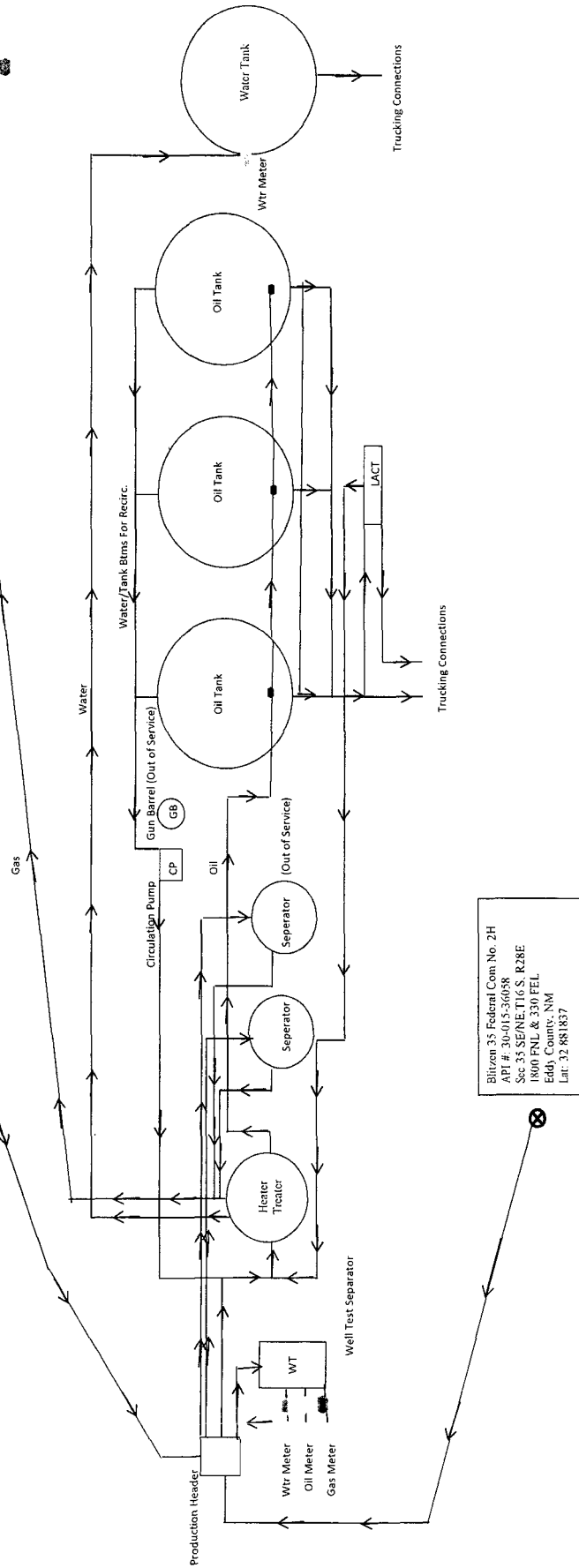
Note: Operator should supply contract rates per BBL and gravity or MCF and BTU. Operator should also provide the sulfur content for sour crude or gas and what the price differentials are. Provide Average Sulfur content if production contains sulfur.

FACILITY SKETCH	
Blitzen 35 Fed Com Battery	
Sec 35, T16S, R28E Eddy County, NM	
Legend:	 Wellhead:  Oil:  Meters:

Blitzen 35 Federal Com No. 1H
 API # 30-015-36044
 Sec 35 NE/NE, T16 S, R28E
 330 FNL & 990 FEL
 Eddy County, NM
 Lat: 32.885882

NORTH

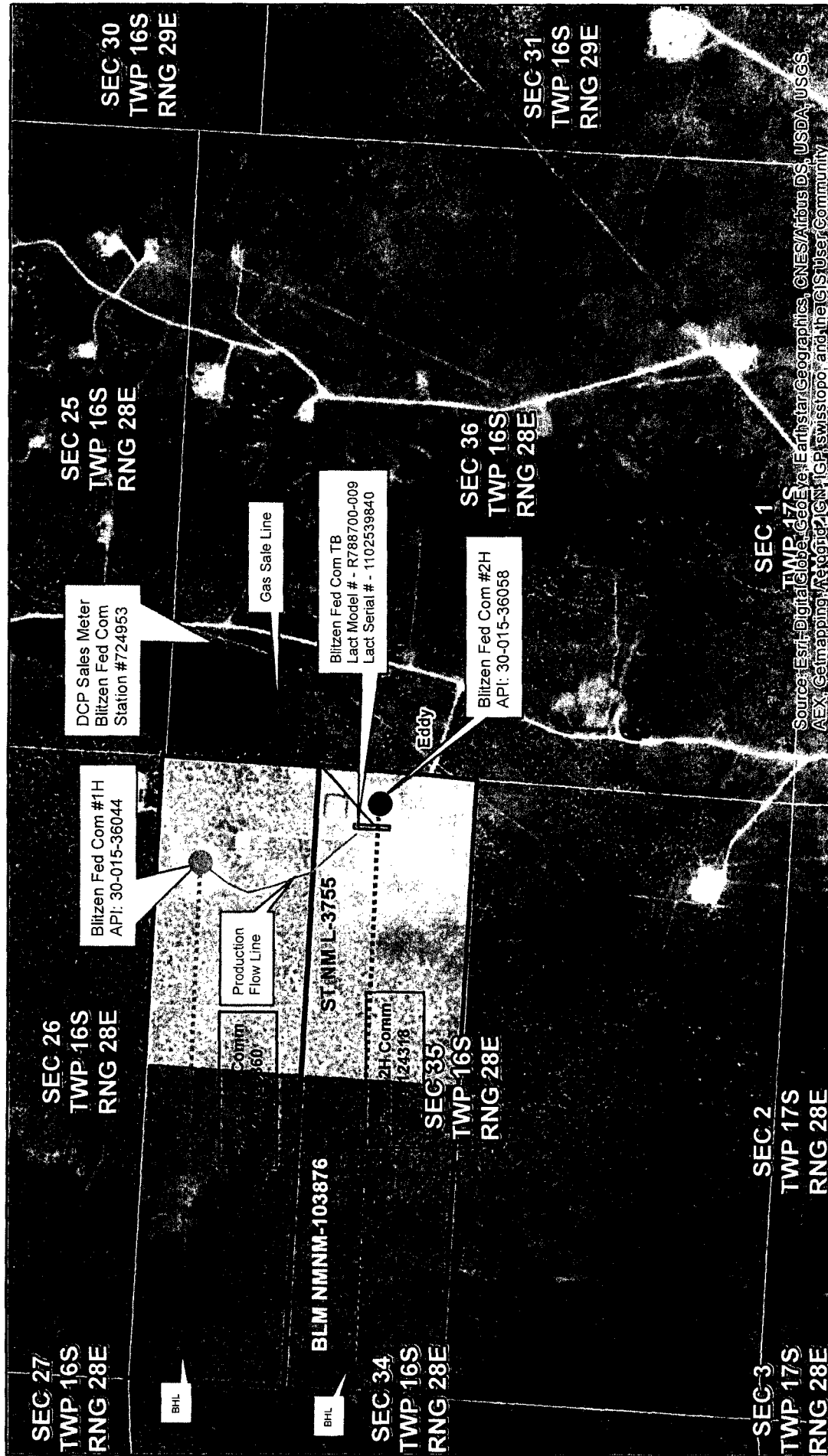

Gas Sales Meter
 DCP Station #714953
 +/- 2000' NE of CTB



Blitzen 35 Federal Com No. 2H
 API # 30-015-36058
 Sec 35 SE/NE, T16 S, R28E
 1800 FNL & 330 FEL
 Eddy County, NM
 Lat: 32.881837

Blitzen Fed Com 1H & 2H

Section 35-16S-28E, Eddy County New Mexico



Legend

- Blitzen Fed Com 2H
- Blitzen Fed Com 1H
- Blitzen Fed Com Tank Battery

Date: 12/1/2015

026

NMNM 083066

NMNM 126360

NMNM 103876

085

NMNM 124318

NMNM 103875

NMNM 106859

CROW FL
26 FEDE

NMNM 083066

BLITZEN 35
FEDERAL COM 1H

RED LAKE UNIT

NMNM 126360

NMNM 103876

BLITZEN 35
FEDERAL

NMNM 124318

NMNM 103875

NMNM 106859

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page**

Run Time: 04:34 PM

Page 1 of 2

Run Date: 11/17/2015

01 12-22-1987;101STAT1330;30USC181 ET SE
Case Type 312021: O&G LSE COMP PD -1987
Commodity 459: OIL & GAS
Case Disposition: AUTHORIZED

Total Acres
160.000
Serial Number
NMNM-- - 103876

Name & Address			Serial Number: NMNM-- - 103876	Int Rel	% Interest
COG OPERATING LLC	600 W ILLINOIS AVE	MIDLAND TX 797014882	LESSEE	100.000000000	
LEGACY RESERVES OPERATING LP	303 W WALL ST STE 1800	MIDLAND TX 797015106	OPERATING RIGHTS	0.000000000	

Serial Number: NMNM-- - 103876								
Mer Twp	Rng	Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23	0160S	0280E	035	ALIQ	NW;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 103876				
Act Date	Code	Action	Action Remark	Pending Office
01/18/2000	387	CASE ESTABLISHED	200001104	
01/19/2000	191	SALE HELD		
01/19/2000	267	BID RECEIVED	\$105600.00;	
01/19/2000	392	MONIES RECEIVED	\$320.00;	
01/24/2000	392	MONIES RECEIVED	\$105280.00;	
02/14/2000	237	LEASE ISSUED		
02/14/2000	974	AUTOMATED RECORD VERIF	MCS	
03/01/2000	496	FUND CODE	05;145003	
03/01/2000	530	RLTY RATE - 12 1/2%		
03/01/2000	868	EFFECTIVE DATE		
04/11/2000	084	RENTAL RECEIVED BY ONRR	\$240.00;11/MULTIPLE	
01/04/2001	084	RENTAL RECEIVED BY ONRR	\$240.00;21/397	
01/16/2002	963	CASE MICROFILMED/SCANNED		
03/01/2002	315	RENTAL RATE DET/ADJ	\$10.00;	
03/01/2002	531	RLTY RATE - 16 2/3%	/A/	
05/22/2002	284	REINSTATEMENT FILED	CLASS II;	
05/22/2002	393	DEC ISSUED	ADL REQUIREMENTS;	
05/22/2002	791	TERMINAT'N NOTICE ISSUED	CLASS II;	
05/22/2002	974	AUTOMATED RECORD VERIF	LBO	
07/10/2002	610	PUBLISHED	67FR45758	
08/15/2002	282	REINSTATEMENT APPROVED	CLASS II EFF 3/1/02;	
08/15/2002	974	AUTOMATED RECORD VERIF	LBO	
05/24/2004	791	TERMINAT'N NOTICE ISSUED	CLASS II;	
05/24/2004	974	AUTOMATED RECORD VERIF	LR	
07/30/2004	792	TERMINATION VACATED		
07/30/2004	974	AUTOMATED RECORD VERIF	LR	
03/26/2007	140	ASGN FILED	CHASE OIL/COG OIL &;1	
03/26/2007	932	TRF OPER RGTS FILED	CHASE OIL/COG OIL &;1	
05/02/2007	139	ASGN APPROVED	EFF 04/01/07;	
05/02/2007	933	TRF OPER RGTS APPROVED	EFF 04/01/07;	
05/02/2007	974	AUTOMATED RECORD VERIF	MV	
01/08/2010	246	LEASE COMMITTED TO CA	NMNM124318	
03/17/2010	940	NAME CHANGE RECOGNIZED	COG O&G/COG OPER	
02/22/2011	246	LEASE COMMITTED TO CA	CA NM126360	
06/20/2011	643	PRODUCTION DETERMINATION	/1/	

NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page

Run Time: 04:34 PM

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Run Date: 11/17/2015

06/20/2011	650	HELD BY PROD - ACTUAL	/1/
06/20/2011	658	MEMO OF 1ST PROD-ACTUAL	/1/NMNM126360;
07/10/2013	932	TRF OPER RGTS FILED	COG OPERA/LEGACY RE;1
01/06/2014	933	TRF OPER RGTS APPROVED	EFF 08/01/13;
01/06/2014	974	AUTOMATED RECORD VERIF	LBO

Serial Number: NMNM-- - 103876

Line Nr	Remarks
0002	RENTAL PD 2000-2007 DUE 03/08
0003	BONDED OPERATOR
0004	01/06/14 LEGACY RES OP LP NM001015 NM/SW \$25K;

**BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(LIVE) SERIAL REGISTER PAGE**

Run Date/Time: 07/12/17 08:20 AM

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01 02-25-1920;041STAT0437;30USC181

Total Acres

Serial Number

Case Type 318310: O&G COMMUNITIZATION AGRMT

160.000

NMNM-- - 126360

Commodity 410: NATURAL GAS

Case Disposition: AUTHORIZED

Case File Juris: CARLSBAD FIELD OFFICE

Serial Number: NMNM-- - 126360

Name & Address

Int Rel

%Interest

BLM CARLSBAD FO	620 E GREENE ST	CARLSBAD NM 88220	OFFICE OF RECORD	0.000000000
LEGACY RESERVES OPERATING LP	PO BOX 10848	MIDLAND TX 797027848	OPERATOR	100.000000000

Serial Number: NMNM-- - 126360

Mer Twp	Rng	Sec	SType	Nr Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23	0160S	0280E	035	ALIQ	N2N2;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 126360

Act Date	Code	Action	Action Remarks	Pending Office
02/22/2011	387	CASE ESTABLISHED		
02/22/2011	516	FORMATION	ABO/WOLFCAMP	
02/22/2011	525	ACRES-NONFEDERAL	80.00;50.00% STATE	
02/22/2011	526	ACRES-FED INT 100%	80.00;50.00%	
02/22/2011	654	AGRMT PRODUCING	BLITZEN 35 FED COM 1	
02/22/2011	868	EFFECTIVE DATE		
06/20/2011	658	MEMO OF 1ST PROD-ACTUAL		

Line Nr

Remarks

Serial Number: NMNM-- - 126360

0001	RECAPITULATION EFFECTIVE 02/22/2011			
0002	TR#	LEASE SERIAL NO	AC COMMITTED	% INTEREST
0003	1	NMNM 103876	80.00	50.00
0004	2	STATE	80.00	50.00
0005		TOTAL	160.00	100.00

**BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(LIVE) SERIAL REGISTER PAGE**

Run Date/Time: 07/12/17 08:02 AM

Page 1 of 1

01 02-25-1920;041STAT0437;30USC181

Total Acres

Serial Number

Case Type 318310: O&G COMMUNITIZATION AGRMT

160.000

NMNM-- - 124318

Commodity 410: NATURAL GAS

Case Disposition: AUTHORIZED Case File Juris: CARLSBAD FIELD OFFICE

Serial Number: NMNM-- - 124318

Name & Address

Int Rel

%Interest

BLM CARLSBAD FO	620 E GREENE ST	CARLSBAD NM 88220	OFFICE OF RECORD	0.000000000
LEGACY RESERVES OPERATING LP	PO BOX 10848	MIDLAND TX 797027848	OPERATOR	100.000000000

Serial Number: NMNM-- - 124318

Mer Twp Rng Sec SType Nr Suff Subdivision

District/Resource Area

County

Mgmt Agency

23	0160S	0280E	035	ALIQ	S2N2;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
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Serial Number: NMNM-- - 124318

Act Date	Code	Action	Action Remarks	Pending Office
01/08/2010	868	EFFECTIVE DATE		
02/11/2010	387	CASE ESTABLISHED		
02/11/2010	516	FORMATION	ABO:WOLFCAMP	
02/11/2010	525	ACRES-NONFEDERAL	80.00;50.0000%	
02/11/2010	526	ACRES-FED INT 100%	80.00;50.0000%	
02/11/2010	654	AGRMT PRODUCING	2H BLITZEN 35 FED COM	
03/04/2010	334	AGRMT APPROVED	CA-NM124318	

Line Nr Remarks

Serial Number: NMNM-- - 124318

0001	/A/RECAPITULATION EFFECTIVE 2/11/2010			
0002	TR#	LEASE SERIAL NO	AC COMMITTED	% INTEREST
0003	1	STATE	80.00	50.0000
0004	2	NMNM 103876	80.00	50.0000
0005		TOTAL	160.00	100.0000



December 2, 2015

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Interest Owners

Re: Request for a CTB & Commingle
Blitzen "35" Federal Com #1H & Blitzen "35" Federal Com #2H
Sec 35, NE/NE, T16S, R28E & Sec 35, SE/NE, T16S, R28E
API Number: 30-015-36044 & 30-015-36058
Pool 96666 Anderson N; Wolfcamp
Eddy County, NM

Interest Owners:

This is to advise you that Legacy Reserves Operating, LP, is filing an application with the New Mexico Oil Conservation Division ("NMOCD") seeking approval for a Central Tank Battery & Off-Lease Gas Measurement, Sales & Storage for the above mention wells.

This permit application is being submitted as the original operator, COG Operating LLC, neglected to do so back in 2010 when the initial well, #2H was drilled and completed.

A copy of our application submitted to the Division is attached.

Any objections or requests that a hearing should be held regarding this application must be submitted to the New Mexico Oil Conservation Division Santa Fe office within 20 days from the date of this letter.

Please contact the undersigned at (432) 689-5273 should you have any questions or need anything further.

Sincerely,

Laura Pina
Compliance Coordinator
Legacy Reserves Operating, LP

Enclosure

Legacy Reserves

303 West Wall, Suite 1800 • Midland, Texas 79701 • P. O. Box 10848 • Midland, Texas 79702
OFFICE 432-689-5200 • FAX 432-221-6314

CERTIFIED MAILING LIST

Wells and Leases:

Blitzen "35" Federal Com 1H (NM103876 & CA NM126360)

Blitzen "35" Federal Com 2H (NM103876 & CA NM124318)

Respondent Name/Address:

Certified Mailing Number:

Ventana Minerals LLC
P. O. Box 359
Artesia, NM 88211-0359

7014 3490 0000 0970 2174

RSC Resources, LP
6824 Island Circle
Midland, TX 79707-0000

7014 3490 0000 0970 2181

Peregrine Production LLC
P. O. Box 50655
Midland, TX 79710

7014 3490 0000 0970 2198

Newkumet Exploration Inc.
P. O. Box 11330
Midland, TX 79702

7014 3490 0000 0970 2204

Estate of G. K. McDonald
P. O. Box 2690
Lubbock, TX 79493

7014 3490 0000 0970 2211

Diakan Minerals LLC
P. O. Box 693
Artesia, NM 88211-0693

7014 3490 0000 0970 2228

Robert C. Chase
P. O. Box 297
Artesia, NM 88211-0297

7015 0640 0006 9387 4585

Chase Oil Corporation
P. O. Box 1767
Artesia, NM 88211-1767

7015 0640 0006 9387 4592

William N. Beach LTD
800 North Marienfeld, Ste. 200
Midland, TX 79701

7015 0640 0006 9387 4608

State of New Mexico
P. O. Box 2308
Santa Fe, NM 87504

7015 0640 0006 9387 4615

CERTIFIED MAILING LIST

Wells and Leases:

Blitzen "35" Federal Com 1H (NM103876 & CA NM126360)

Blitzen "35" Federal Com 2H (NM103876 & CA NM124318)

Respondent Name/Address:

Certified Mailing Number:

Mark F. Schweinfurth
8600 Skyline Drive, Apt. 1222
Dallas, TX 75243

7015 0640 0006 9387 4622

The Russell Paul Rose GST
P. O. Box 1060
Levelland, TX 79336

7015 0640 0006 9387 4639

Randy Prude
203 West Wall, Ste. 1200
Midland, TX 79701

7015 0640 0006 9387 4646

Office of Natural Resources
P. O. Box 25627
Denver, CO 80225-0627

7015 0640 0006 9387 4653

S. Howard Norton III
4607 17th Street
Lubbock, TX 79419

7015 0640 0006 9387 4660

Norton LLC
60 Beach Avenue
South Dartmouth, MA 02748

7015 0640 0006 9387 4677

John W. Norton
4514 Englewood Ave.
Lubbock, TX 79414-1227

7015 0640 0006 9387 4684

D D Narrell Family Trust
4284 South FM RD 644
Lorlane, TX 79532

7015 0640 0006 9387 4691

McDonald Company
P. O. Box 93733
Lubbock, TX 79493

7015 0640 0006 9387 4707

Lucy V. Lindsay
P. O. Box 2690
San Angelo, TX 76902-2690

7015 0640 0006 9387 4714

CERTIFIED MAILING LIST

Wells and Leases:

Blitzen "35" Federal Com 1H (NM103876 & CA NM126360)

Blitzen "35" Federal Com 2H (NM103876 & CA NM124318)

Respondent Name/Address:

Certified Mailing Number:

David L. Holland
3000 N. Garfield, Ste. 107
Midland, TX 79705

7015 0640 0006 9387 4721

Deborah Brown Grissen
P. O. Box 2690
San Angelo, TX 76902-2690

7015 0640 0006 9387 4738

The Karen Rose Durrett GST
P. O. Box 1060
Levelland, TX 79336

7015 0640 0006 9387 4745

Beach Exploration Inc.
800 N. Marienfeld, Ste. 200
Midland, TX 79701

7015 0640 0006 9387 4752

Jasper H. Baldwin Jr.
P. O. Box 590
Hunt, TX 78024-0590

7015 0640 0006 9387 4769

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- 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

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
 [A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD
 Check One Only for [B] or [C]
 [B] Commingling - Storage - Measurement
☐ DHC ☒ CTB ☐ PLC ☐ PC ☐ OLS ☒ OLM
 [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR
 [D] Other: Specify _____
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ☐ Does Not Apply
 [A] ☒ Working, Royalty or Overriding Royalty Interest Owners
 [B] ☐ Offset Operators, Leaseholders or Surface Owner
 [C] ☐ Application is One Which Requires Published Legal Notice
 [D] ☒ Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] ☐ Waivers are Attached
- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **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.

Laura Pina

Print or Type Name

Signature

Compliance Coordinator

Title

Date

lpina@legacylp.com

Email 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: Legacy Reserves Operating, LP

OPERATOR ADDRESS: P.O. Box 10848, Midland, TX 79702

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 Previous Operator: Concho Resources Inc. did not submit an Application for Surface Commingling.

(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
Pool 96666: Anderson N; Wolfcamp Blitzen 35 Federal Com 1H	42.8/1312	42.8/1312		\$42.0191/bbl \$2.73016/mcf	34 BOPD 167 MCFPD
Pool 96666: Anderson N; Wolfcamp Blitzen 35 Federal Com 2H	41.3/1312	42.8/1312		\$42.0191/bbl \$2.73016/mcf	55 BOPD 275 MCFPD

(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: Laura Pina

TITLE: Compliance Officer

DATE: December 02, 2015

TYPE OR PRINT NAME: Laura Pina

TELEPHONE NO.: 432.689.5273

E-MAIL ADDRESS: lpina@legacylp.com

**Bureau of Land Management
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972**

**Blitzen 35 Federal Com 1H, 3001536044
Blitzen 35 Federal Com 2H, 3001536058
Lease NMNM 103876, CAs NMNM126360 & NMNM124318**

Legacy Reserves Operating LP

July 20, 2017

Condition of Approval

Surface commingling and off lease/CA measurement and sales

1. This approval is subject to like approval by the New Mexico Oil Conservation Division.
2. This agency shall be notified of any spill or discharge as required by NTL-3A.
3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments or product accountability.
4. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days, an application for right-of-way approval must be submitted to the Realty Section if not already done.
5. Approval for combining production from various sources is a privilege which is granted to lessees for the purpose of aiding conservation and extending the economic life of leases. Applicants should be cognizant that failure to operate in accordance with the provisions outlined in the Authorized Officer's conditions of approval and/or subsequent stipulations or modifications will subject such approval to revocation.
6. Gas measurement for allocation must be measured as per Federal Regulations, AGA and API requirements for sales meters.
7. All gas and oil subject to royalty shall be measured as per federal regulations and shall be reported to ONRR as required. All gas which is vented, flared or used on lease shall be reported as per 43 CFR 3178 & 3179 to ONRR. All gas which is vented or flared shall be subject to royalty, unless prior approval was given by the authorized officer.
8. This agency shall be notified of any change in sales method or location of sales point.
9. Additional wells and/or leases require additional commingling approvals.
10. Notify this office 24 Hrs. prior to any meter calibration/proving to allow time for an inspector to witness.