Ρ

RECEIVED:	REVIEWER:	TYPE:	APP NO:	
		ABOVE THIS TABLE FOR OCD	DIVISION USE ONLY	
	- Geologi	co oil conserv cal & Engineerin ancis Drive, San	g Bureau –	
	ADMINIST	RATIVE APPLICAT	ION CHECKLI	ST
THIS	CHECKLIST IS MANDATORY FOR A REGULATIONS WHICH RE	LL ADMINISTRATIVE APPLIC EQUIRE PROCESSING AT TH		
Applicant: <u>Manzar</u>				GRID Number: <u>330289</u>
Well Name: Rain				PI: <u>30-015-49490</u>
Pool: Benson; Delaw	vare (O)		PC	ool Code: <u>97083</u>
A. Location	ICATION: Check those n – Spacing Unit – Simul NSL INSP PH	taneous Dedicatio	۹]	□sd
[I] Con [[II] Inje	one only for [1] or [1] nmingling – Storage – M DHC ■CTB □P ction – Disposal – Pressu WFX □PMX □S	LC PC C	OLS OLM anced Oil Rec EOR PPR	covery
A. Offse B. Roya C. Appl D. Notifi E. Notifi F. Surfa G. For a	N REQUIRED TO: Check t operators or lease hol lty, overriding royalty or ication requires publish cation and/or concurre cation and/or concurre ce owner Il of the above, proof o otice required	ders wners, revenue ov ed notice ent approval by S ent approval by B	wners LO LM	Notice Complete Application Content Complete
administrative	N: I hereby certify that approval is accurate hat no action will be ta	and complete to	the best of my	

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Cory Walk

Print or Type Name

Date

04-01-2024

505-466-8120

Phone Number

cory@permitswest.com e-mail Address

Walk

notifications are submitted to the Division.

Released to Imaging: 8/9/2024 11:01:20 AM

District I

LEASE TYPE:

State of New Mexico Energy, Minerals and Natural Resources Department Form C-107-B Revised August 1, 2011

1625 N. French Drive, Hobbs, NM 88240 <u>District II</u> 811 S. First St., Artesia, NM 88210 <u>District III</u> 1000 Rio Brazos Road, Aztec, NM 87410 <u>District IV</u> 1220 S. St Francis Dr, Santa Fe, NM 87505

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:	Manzanita Operating, LLC
OPERATOR ADDRESS:	P.O. Box 3489, Midland, TX 79702
APPLICATION TYPE:	

Fee

Pool Commingling XLease Commingling Pool and Lease Commingling Off-Lease Storage and Measurement (Only if not Surface Commingled)

State X Federal

XYes No

Is this an	Amendment to existing Order?	es <u>x</u> No	If "Yes", 1	please include	e the appropriate	Order No	
Have the	Bureau of Land Management (BLM)	and State L	and office	(SLO) been n	otified in writing	of the propose	ed commingling
X Yes	No						

		L COMMINGLING s with the following in			
(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
(2) Are any wells producing at top allowat	oles? 🛛 Yes 🗌 No				
(3) Has all interest owners been notified by	y certified mail of the pro	posed commingling?	\Box Yes \Box No.		

(4) Measurement type: Metering Other (Specify)

(5) Will commingling decrease the value of production? Types INo If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING Please attach sheets with the following information

(1) Pool Name and Code. Benson; Delaware (O) [97083]

(2) Is all production from same source of supply? X Yes \Box No

(3) Has all interest owners been notified by certified mail of the proposed commingling?

(4) Measurement type: X Metering X Other (Specify) Metering & Tank Gauging

(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

Is all production from same source of supply? ☐Yes ☐No
 Include proof of notice to all interest owners.

(E) ADDITIONAL I	NFORMATION (for all applica	tion types)
Please attach	sheets with the following informati	on
(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 Fede	ral or State lands are involved.
(3) Lease Names, Lease and Well Numbers, and API Numbe	rs.	
I hereby certify that the information above is true and complete	to the best of my knowledge and belief.	
SIGNATURE: Cory Walk	TITLE: Consultant	DATE: 04/01/2024
TYPE OR PRINT NAME Cory Walk		TELEPHONE NO.:505-466-8120
E-MAIL ADDRESS: cory@permitswest.com		_



April 1, 2024

New Mexico Oil Conservation Division 1220 South Saint Francis Drive Santa Fe, NM 87505

Re: Request for lease surface commingling Rainmaker Federal #1 and others Sec. 5, T19S, R31E API: 30-015-49490 & others Benson; Delaware (O) [97083] Eddy County, NM

Dear Mr. McClure:

Manzanita Operating, LLC, is filing a surface commingling application for lease commingling of oil, water and gas at their Rainmaker Federal #1 CTB. This application includes a total of 3 wells but also seeks approval for the ability to add future wells and leases to these facilities.

Commingling will not reduce the total value of remaining production.

Please contact the undersigned should you have any questions or need any additional information.

Sincerely,

Cory Walk

Cory Walk Agent Permits West Inc. (505) 466-8120 cory@permitswest.com

Proposed Allocation Procedure

- The Rainmaker and the Haymaker leases are on Federal Lands, with 12.5% Royalty to the BLM on each lease.
- The Rainmaker #1, Rainmaker #2, and Haymaker #1 will each produce into a central tank battery on the Rainmaker #1 location.
- Each well will produce into a designated separator, from which each wells production will be measured.
- The Oil produced from each well will be metered at the oil outlet of each wells separator before being co-mingled into the tank battery oil storage tanks.
- The water produced from each well will be metered at the water outlet of each wells separator before being co-mingled into the water storage tank.
- The Gas produced from each well will be metered at the gas outlet of each well's separator before being co-mingled and sent to DCP's sales meter nearby.
- The oil will be metered again when sold by gauging the tank the oil is transported out of before and after the purchaser has taken possession of the oil into his tanker.

Page 5 of 22

Oil Production Example (Table & Flow Chart Below)

- In this example you can see each well producing into a designated 3-phase separator at the tank battery.
- As each well unloads from its separator, the oil, water, and gas are metered
- That production from each well, can be divided by the Monthly Production for the Tank Battery, to calculate an allocation percentage for the month for each well.
- In the hypothetical example below, Well #1 produces 130.8 bbls of oil for the month of January, Well #2 produces 272 bbls of oil, and Well #3 produces 492.9 bbls.
- The Total Oil produced for the month for the Tank Battery was 895.6.
- Dividing each well's production by the Total Oil produced gives us each wells allocation % for that month: For Well #1 130.8/895.6 = 14.6%; For Well #2 272/895.6 = 30.4%, For Well #3 492.9/895.6 = 55%
- Oil was sold to a truck-hauling purchaser from tanks #1 and #2, each load was 170.19, 164.61, 172.98 and 172.98 bbls respectively, the total oil sold for the month is 680.8 bbls of oil.
- By multiplying each wells allocation percentage by the amount of oil sold, each well will be given each wells allocation of the production sold. IE: Well #1 14.6% x 680.8 bbls = 99.4 bbls; Well #2 30.4% x 680.8 bbls = 206.8 bbls; Well #3 55% x 680.8 bbls = 492.9 bbls.

D		ved I	L. 0	CD.	Rair	m	aker	СТВ					County Eddy			N	State			NMOCD			Date From 01/01/24	1		Date to 02/01/24					Dana (of 22
Tank	1	veu i	5 -	2	4/ 3/ 40 4	4 /	03.07 F	*1					,	Wa	ter 1		1	Pumper							Dav	/s in the Mc	onth				Page 6 of 22
Size	50	00	:	500										5	00		0				John Doe					31					7
Bbl/in	2.7	79	2	2.79				1	2	0	0	Total	Runs,	2	.78		0	Well #1	Well #2	Well #3	Well #1	Well #2	Well #3	Well #1	Well #2	Well #3	Oil Tank	WATER Transfer	Gas Sales		
Day	Ft	In	Ft	In	Ft In		Ft In	Barrels	Barrels	Barrels	Barrels	Stock	Bbls	Ft	In	Ft	In	Gas	Gas	Gas	Oil	Oil	Oil	Water	Water	Water	Guages	Meter	Meter		
1	1	5	1	8				47.43	55.80	0	0	103.23	0.00	7	0			7	7	8	0.0	0.0	0.0	0.00	0.00	0.00	0.0	0	22		
2	2	3	1	8				75.33	55.80	0	0	131.13	0.00	7	0			7	7	8	7.9	10.0	10.0	5.00	10.00	15.00	27.9	30	22		
3	2	9	1	8				92.07	55.80	0	0	147.87	0.00	7	0			7	7	8	2.0	6.0	8.7	5.00	10.00	15.00	16.7	30	22		
4	3	7	1	8				119.97	55.80	0	0	175.77	0.00	7	0			7	7	8	1.9	10.0	16.0	5.00	10.00	15.00	27.9	30	22		
5	4	4.8	1	8				147.31	55.80	0	0	203.11	0.00	7	0			7	7	8	1.0	10.0	16.3	5.00	10.00	15.00	27.3	30	22		
6	5	3.3	1	8				176.61	55.80	0	0	232.41	0.00	7	0			7	7	8	3.0	10.3	16.0	5.00	10.00	15.00	29.3	30	22		
7	5	11	1	8				198.09	55.80	0	0	253.89	0.00	7	0			7	7	8	2.5	3.0	16.0	5.00	10.00	15.00	21.5	30	22		
8	6	11	1	8				231.57	55.80	0	0	287.37	0.00	7	0			7	7	8	7.0	10.5	16.0	5.00	10.00	15.00	33.5	30	22		
9	7	5	1	8				248.31	55.80	0	0	304.11	0.00	7	0			7	7	8	0.0	0.0	16.7	5.00	10.00	15.00	16.7	30	22		
-	8	0	1	8				267.84	55.80	0	0	323.64	0.00	7	0			7	7	8	1.0	4.5	14.0	5.00	10.00	15.00	19.5	30	22		
	9	0	1	8				301.32	55.80	0	0	357.12	0.00	7	0			7	7	8	8.0	10.0	15.5	5.00	10.00	15.00	33.5	30	22		
	9	9	1	8		_		326.43	55.80	0	0	382.23	0.00	3	7			7	7	8	5.0	5.0	15.1	5.00	10.00	15.00	25.1	30	22		
	0	7	1	8				354.33	55.80	0	0	410.13	0.00	4	8			7	7	8	4.0	8.0	15.9	5.00	10.00	15.00	27.9	30	22		
	1	5	1	8				382.23	55.80	0	0	438.03	0.00	5	7			7	7	8	4.0	8.0	15.9	5.00	10.00	15.00	27.9	30	22		
	2	4	1	8	+ + -			412.92	55.80	0	0	468.72	0.00	6	9			7	7	8	4.0	10.7	16.0	5.00	10.00	15.00	30.7	30	22	_	
	3	3	1	8	+ + -			443.61	55.80	0	0	499.41	0.00	7	11			7	7	8	2.0	10.0	18.7	5.00	10.00	15.00	30.7	30	22	_	
17		3	1	8				477.09	55.80	0	0	532.89	0.00	9	0			7	7	8	4.0	10.5	19.0	5.00	10.00	15.00	33.5	30	22	-	
	9	2	2	8				306.90	89.28	0	0		170.19		2			7	7	8	6.0	11.5	16.0	5.00	10.00	15.00	33.5	30	22	-	
	9	2	3	8				306.90	122.76	0	0	429.66	0.00	6	0			7	7	8	4.0	13.5	16.0	5.00	10.00	15.00	33.5	30	22		
	9	2	4	6				306.90	150.66	0	0	457.56	0.00	7	0			7	7	8	2.0	8.0	17.9	5.00	10.00	15.00	27.9	30	22		
	9	2	5	2				306.90	172.98	0	0	479.88	0.00	8	0			7	7	8	4.0	8.0	10.3	5.00	10.00	15.00	22.3	30	22		
	9	2	6	0	+ $+$ $-$		-	306.90	200.88	0	0	507.78	0.00	9	0			7	7	8	4.0	7.9	16.0	5.00	10.00	15.00	27.9	30	22		
23 24	9	2	7 8	0	+ $+$ $-$		-	306.90	234.36	0	0	541.26 577.53	0.00	6 7	4			7 7	7	8	4.5	10.0	19.0	5.00	10.00	15.00	33.5	30	22		
	9	2	8	0				306.90 306.90	270.63	0	0		0.00	6	0			7	7	8	10.0	8.0	18.3	5.00	10.00	15.00	36.3	30	22 22		
	9	2	9 10	0				306.90	301.32 334.80	0	0	608.22 641.70	0.00	7	0			7	7	8 8	4.0 8.0	10.0 8.0	16.7 17.5	5.00 5.00	10.00 10.00	15.00 15.00	30.7 33.5	30 30	22		
	9	2	11	0				306.90	368.28	0	0	675.18	0.00	6	1			7	7	8	8.0	8.5	17.0	5.00	10.00	15.00	33.5	30	22		
		2	11	9				306.90	393.39	0	0	700.29	0.00	7	0			7	7	8	2.0	10.1				15.00	25.1	30	22		
	9	2	6	9 10				306.90	228.78	0	0	563.58	164.61	8	0			7	7	8	2.0	10.1	13.0 15.4	5.00 5.00	10.00	15.00	25.1	30	22		
	1	0	1	8				368.28	55.80	0	0		172.98	9	1			7	7	8	5.0	10.5	18.0	5.00	10.00	15.00	33.5	30	22		
	-	10	2	8				195.30	89.28	0	0	284.58	172.98	6	2			7	7	8	5.0	10.5	18.0	5.00	10.00	15.00	33.5	30	22		
		10	3	8				195.30	122.76	0	0	318.06	0.00	7	1			7	7	8	5.0	10.5	18.0	5.00	10.00	15.00	33.5	30	22		
	-		~	5						- V	~	5.0.00	5.50					224.0	224.0	256.0							895.6) <m< th=""><th>onthly Totals</th></m<>	onthly Totals
E	ndir	ng Sto	ock:			31	18.1	ן ן	Run	Apply.	Tank	Tick	et	Оре	ening	Clo	osing	Seal	Seal	Beg	End	Obs.	Obs.	BS&W	T	un,					•
		nning		:k:		10	03.2	1	Day	Day	No.	Num	ber	Ft	In	Ft	In	On	Off	Temp	Temp	Temp	Gravity	%		bls	Code			I	Down Code Description
c	ther	Disp	osal	s:		C	0.0		18	18	1	123	34	14	3	9	2								17	0.19					
c	il So	old fro	om Ta	anks		68	30.8		29	29	2	123		11		6	10								16	4.61					
Ν	lont	hly Oi	il Pro	d:		89	95.6		30	30	2	123	36	6	10	1	8								17	2.98					
Ν	lonti	hly W	ater	Prod:		93	30.0		31	31	1	123	37	11	0	5	10									2.98					
Ν	lont	hly Ga	as Pr	od:		70	04.0]																	680.76		Total Oil	Sold			
					Oil F	Produ	uced	Oil All. %	Oil Sold All.	Gas MCF	Gas %	Gas Sold	Nater bb	Wat	er %	Water	Transf														
A	lloca	ation	Well	#1		13	30.8	14.6%	99.4	224.0	31.8%	224.0	155.0		16.7%		155.0														
RA	lea	awaht	wdw	<i>tagin</i>	g: 8/9/2	2024	12 101:01:	20 AM%	206.8	224.0	31.8%	224.0	310.0		33.3%		310.0														•
		ation	Well	#3		49	92.9	55.0%	374.7	256.0	36.4%		465.0		50.0%		465.0														

Well #1

Well #2

Oil Allocation Flow Chart

bbls

- Total oil produced by battery measured by gauges of oil tanks AND summing of daily oil is 895.6 bbls
- Dividing each well's total by the battery's total will give the wells allocation %

Oil Production Measured for each well Well #1 Oil – 130.8 bbls / 895.6 bbls = 14.6% by reading Meter at end of month Well #2 Oil – 272 bbls / 895.6 bbls = 30.4% Oil from Meter Well #3 Oil – 492.9 bbls / 895.6 bbls = 55% Well #1 Reading: 130.8 Oil bbls Manifold Oil from Oil Meter Oil Sold Oil Purchased into Well #2 Storage Reading: Gauges: transport truck Tanks 272 bbls 680.8 bbls Using each well's allocation % and • Meter Oil from multiplying by the total oil sold will give each Reading: Well #3 well's allocation of oil sold: 492.9

Well #1 Oil –14.6% x 680.8 bbls = 99.4 bbls Well #2 Oil –30.4% x 680.8 bbls = 206.8 bbls Well #3 Oil –55% x 680.8 bbls = 374.7 bbls

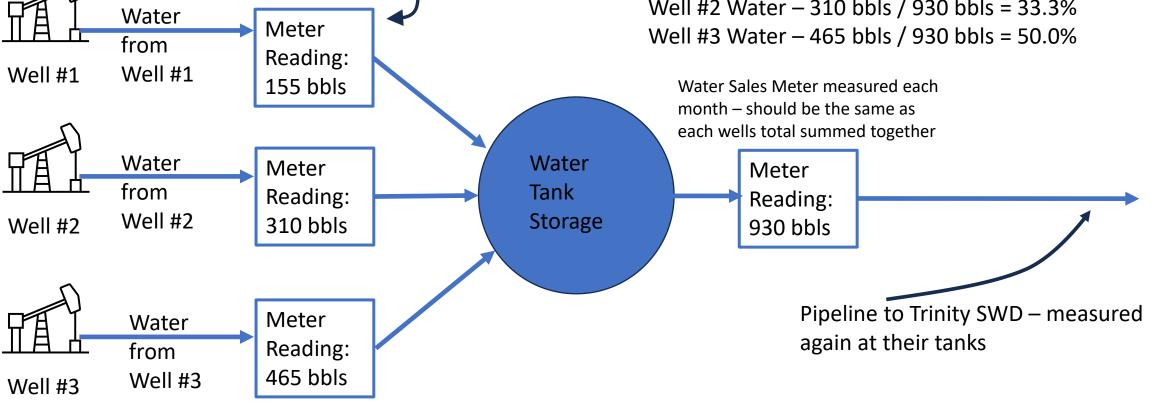
Well #3

Water Production Measured for each

well by reading Meter at end of month

- Total water produced by battery ٠ measured by water Through SWD Meter = 930 bbls
- Dividing each well's total by the ٠ battery's total will give the wells allocation %

Well #1 Water – 155 bbls / 930 bbls = 16.7% Well #2 Water – 310 bbls / 930 bbls = 33.3% Well #3 Water – 465 bbls / 930 bbls = 50.0%



Gas Allocation Flow Chart

Gas Production Measured for each well

- Total gas produced by battery measured by gas DCP Sales Meter = 704 MCF
- Dividing each well's total by the battery's total will give the wells allocation %

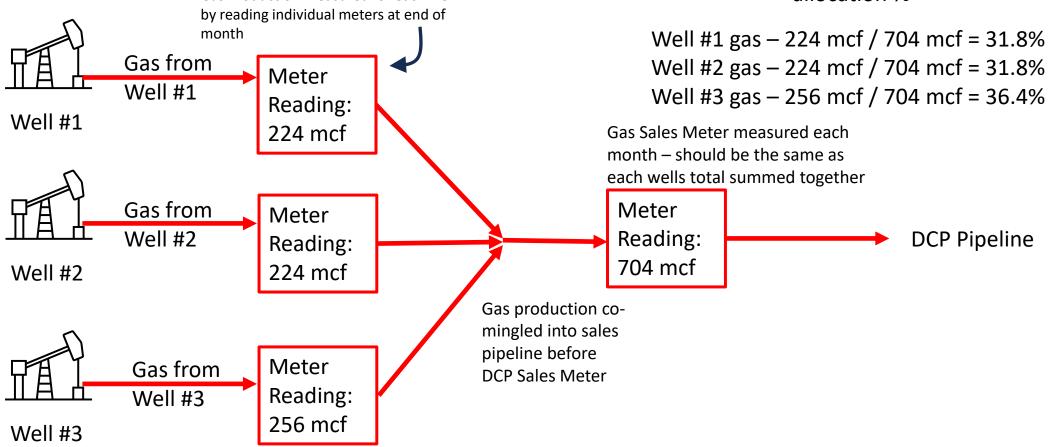


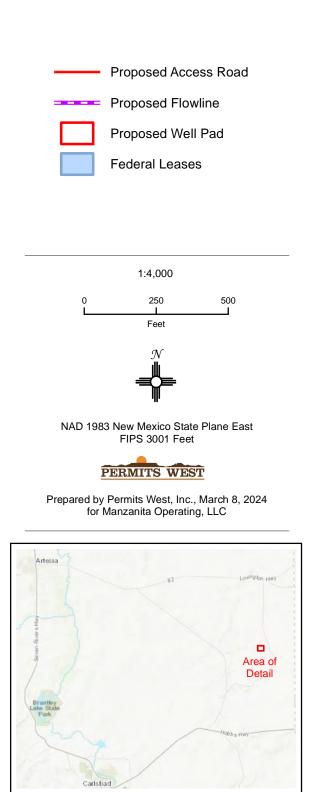
Exhibit A: Well List

Lease	Well	ΑΡΙ	Location	Operator	Pool Name [Code]	Spacing
NMLC-0069033	Rainmaker Federal 001	30-015-49490	Sec. 5, T-19-S, R-31-E	Manzanita Operating, LLC	BENSON; DELAWARE (O) [97083]	40
NMLC-0069033	Rainmaker Federal 002	30-015-54595	Sec. 5, T-19-S, R-31-E	Manzanita Operating, LLC	BENSON; DELAWARE (O) [97083]	40
NMNM-082902	Haymaker Federal 001	30-015-54648	Sec. 8, T-19-S, R-31-E	Manzanita Operating, LLC	BENSON; DELAWARE (O) [97083]	40

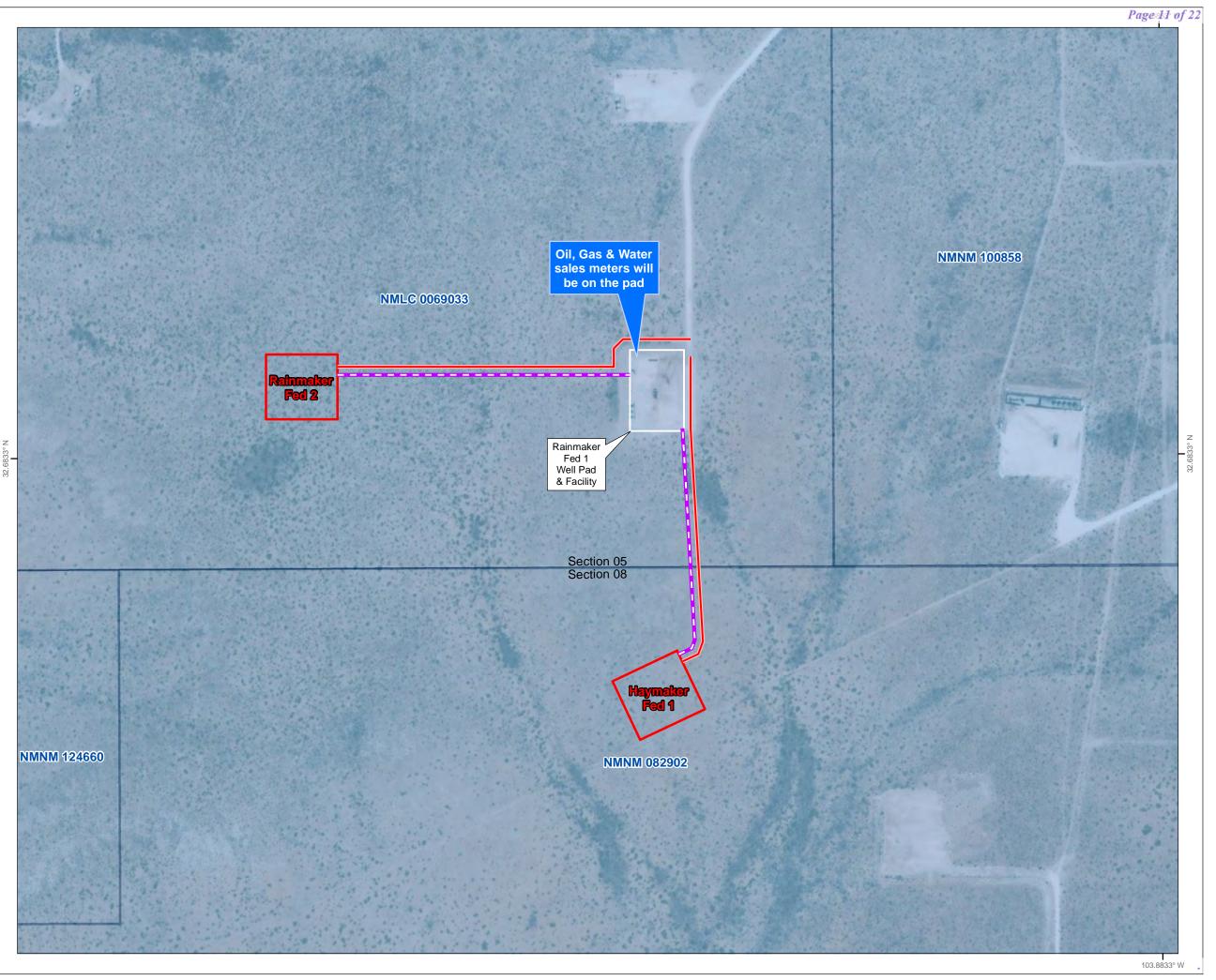


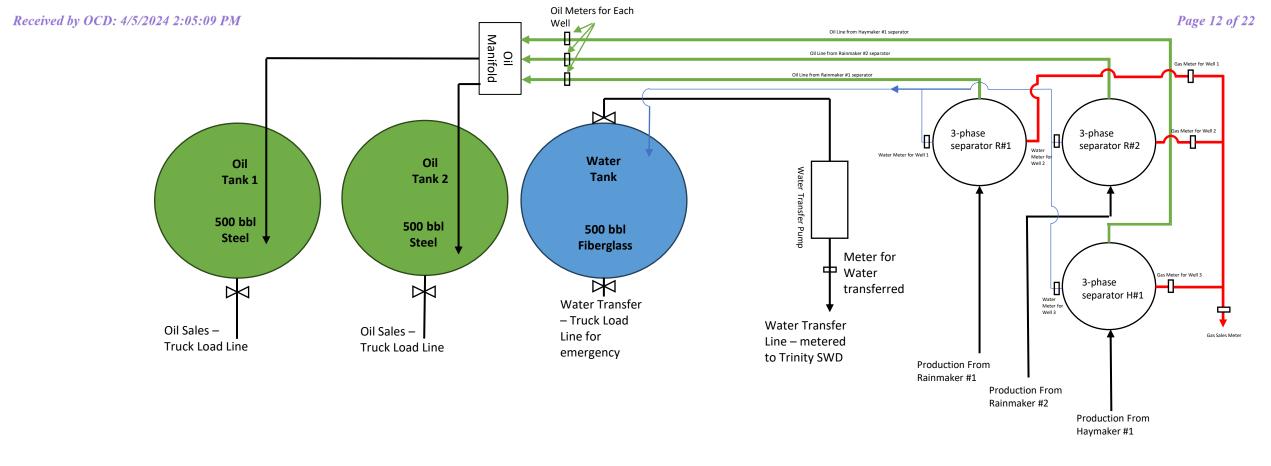
Rainmaker Federal #1 Facility Commingle Overview Map

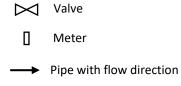
Sections 5&8, T. 19S, R. 31E Eddy County, New Mexico



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Rainmaker/Haymaker Co-Mingling Facility Diagram

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Name	Address	City	State	ZIP	Tracking Number
Boaz Energy II, LLC	3300 N. A St Bldg 7 Ste 150	Midland	TX	79705	9589-0710-5270-0750-2784-97
Bull Creek Services	905 Keystone Ct	Midland	ТΧ	79705	9589-0710-5270-0750-2785-03
Bureau of Land Management	620 E Greene Street	Carlsbad	NM	88220	9589-0710-5270-0750-2785-10
Chi Energy Inc.	PO Box 1799	Midland	ТΧ	79702	9589-0710-5270-0750-2785-27
COG Operating LLC	PO Box 22295, Network Pl	Chicago	IL	60673-1222	9589-0710-5270-0750-2785-34
Douglas H. Christensen	PO Box 52738	Midland	ТΧ	79710	9589-0710-5270-0750-2785-41
EOG Resources Inc.	5509 Champions Dr.	Midland	ТΧ	79706	9589-0710-5270-0750-2785-58
Fedro & Associates L.P.	PO Box 10872	Midland	ТΧ	79702	9589-0710-5270-0750-2785-65
First String Pipe Rentals LLC	PO Box 476	Wink	ТΧ	79789	9589-0710-5270-0750-2785-72
Forrest Kroschel	1811 Potomac Unit C	Houston	ТΧ	77057	9589-0710-5270-0750-2785-89
Great Western Drilling LTD.	PO Box 1659	Midland	ТΧ	79702	9589-0710-5270-0750-2785-96
Hawkins Exploration, Inc	200 N. Loraine, Ste 1100	Midland	ТΧ	79701	9589-0710-5270-0750-2786-02
Lavanco Energy, LTD.	PO Box 60087	San Angelo	ТΧ	76906	9589-0710-5270-0750-2786-19
Manzanita Operating, LLC	PO Box 3489	Midland	ТΧ	79702	9589-0710-5270-0750-2786-26
McCombs Energy LTD.	755 E Mulberry Ave, Ste 600	San Antonio	ТΧ	78212	9589-0710-5270-0750-2786-33
Oxy Y-1 Company	PO Box 27570	Houston	ТΧ	77227	9589-0710-5270-0750-2786-40
Panthaky LLC	2000 N H. ST	Midland	ТΧ	79705	9589-0710-5270-0750-2786-57
R.L. Yadon Investments LLC	PO Box 8715	Midland	ТΧ	79708	9589-0710-5270-0750-2786-64
Slayton Investments, LLC	PO Box 2035	Roswell	NM	88202	9589-0710-5270-0750-2786-71
Slayton Investments, LLC	PO Box 2023	Roswell	NM	88202	9589-0710-5270-0750-2786-88

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PS Form 3800, January Rein makers haymaker Seanaver Seanaver Seanaver Seanaver





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PS Form 3800, January 2013 Praketo battonake

City, State, ZIP+4® PO Box 476

Street and Apt. No., or PO Bost String Pipe Rentals LLC-

Wink, TX 79789

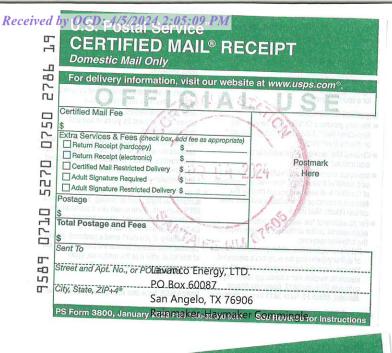
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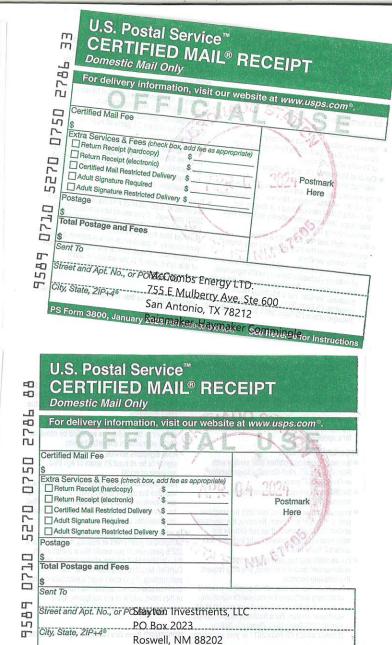
Page 14 of 22 U.S. Postal Service[™] **CERTIFIED MAIL® RECEIPT** N 4 For delivery information, visit our w 57 n. bsite at *www.usps.com*® Certified Mail Fee 5 Extra Services & Fees (check box, add fee as appropriate) 2 Return Receipt (electronic) Certified Mail Restricted Delivery n Adult Signature Required 'n Adult Signature Restricted Dell 5 Postmark Here 11 5 Total Postage and Fees ent Te I Street and Apt. No., or POChic Energy Inc. 95 T City, State, Zip+46-----PO_Box 1799_ PS Form 3800, January Rata makerobiayosaker Commingusor Instru Midland, TX 79702 U.S. Postal Service[™] **CERTIFIED MAIL® RECEIPT** ŋ Domestic Mail Only LO For delivery information, visit our website at www.usps.com =0 P-Ads TABLE G Certified Mail Fee in Extra Services & Fees (check box, add fee as appropriate) 5 Return Receipt (hardcopy) \$_ Return Receipt (electronic) \$ Certified Mail Restricted Delivery \$_ Postmarl 202 Postman Here Adult Signature Required n. Adult Signature Restricted Delivery \$____ LO -7 Total Postage and Fees P ent To T treet and Apt. No., or PC Borroc Associates L. FD City, State, ZIP+4® PO.Box 10872 T Midland, TX 79702 PS Form 3800, January Raiss makess baymak U.S. Postal Service[™] **CERTIFIED MAIL® RECEIPT** Domestic Mail Only For delivery information, visit our website at www.usps.com c Cl 1224 F-Comp. C Joan Certified Mail Fee S Extra Services & Fees (check box, add fee as appropriate, 5-Return Receipt (hardcopy) Postmark Return Receipt (electronic) Here Certified Mail Restricted Delivery \$ Adult Signature Required \$ 5 Adult Signature Restricted Delivery \$ n NIN OTHOS LO stage Total Postage and Fees -7 23 ent To Street and Apt. No., or POlitawikins Exploration, Inc 11 200 N. Loraine, Ste 1100 ED S City, State, ZIP+4® Midland, TX 79701

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Page 15 of 22 U.S. Postal Service[™] CERTIFIED MAIL® RECEIPT 11 Л For delivery information, visit our websi nu. 50 Certified Mail Fee - and the Extra Services & Fees (check box, add fee as appropriate) 27 Return Receipt (electronic) Certified Mall Restricted Delivery P-Adult Signature Required Adult Signature Restricted Deliv Postmark Here 0770 Total Postage and Fees ent To T Street and Apt. No., or PCOMY No.1 Company City, State, ZIP+46-----PQ_Box 27570 Houston, TX 77227 PS Form 3800, January Raiser U.S. Postal Service[™] **CERTIFIED MAIL® RECEIPT** 77 Domestic Mail Only . 1 For delivery information, visit our website at www.usps.com -0 n Certified Mail Fee LO Extra Services & Fees (check box, add fee as appropriate 6 Return Receipt (hardcopy) Return Receipt (electronic) Certified Mail Restricted Delivery Postmark P-Adult Signature Required Here Adult Signature Restricted Delivery \$ Ln. stage Total Postage and Fees FT and a bat ent To 0 Street and Apt. No., or POStayton Investments, LLC--0 5 PO Box 2035 City, State, ZIP+4® T Roswell, NM 88202 PS Form 3800, January Reiz Pakeso Lawataker Sea Wavagle for Instruct

Received by OCD: 4/5/		•
Affidavi	t of Publ	ication
	No.	26814
State of New Mexico	_	1
County of Eddy:		1
Danny Scott	enny /	la
being duly sworn, sayes	that he is the	Publisher
of the Artesia Daily Pres	ss, a daily newspape	r of General
circulation, published in	English at Artesia,	said county
and state, and that the he	ereto attached	
Leg	al Ad	
was published in a regu	lar and entire issue	of the said
Artesia Daily Press, a da	aily newspaper duly	qualified
for that purpose within t	he meaning of Chap	ter 167 of
the 1937 Session Laws	of the state of New	Mexico for
1 Consecutiv	e weeks/day on the	same
day as follows:		
First Publication	April	4, 2024
Second Publication		
Third Publication		1
Fourth Publication		2 1
Fifth Publication		
Sixth Publication		,
Seventh Publication		
Eighth Publication		1
Subscribed ans sworn be	fore me this	
4th day of	April	2024
Notary Pul Comr	TISHA ROMINE blic, State of New Mexi nission No. 1076338 ommission Expires 05-12-2027	
Notary Pul	olic, Eddy County	, New Mexico

Legal Notice

Manzanita Operating, LLC located at PO Box 3489, Midland TX 79702 is applying to the NMOCD for lease surface commingling at their Rainmaker Federal #1 CTB located in Eddy County, Section 5, T19S-R31E. Wells are producing from Sections 5 & 8, T19S-R31E. Production will be from the BENSON; DELAWARE (O) [97083] pool. Manzanita is also seeking the ability to add future wells and leases to the proposed commingle application.

Pursuant to Statewide Rule 19.15.12.10, interested parties must file objections or requests for hearing in writing with the NM Oil Conservation Division, 1220 South Saint Francis Dr., Santa Fe, NM 87505, within 20 days after publication, or the NMOCD may approve the application. For questions pertaining to the application, please contact Cory Walk at 505-466-8120.

Published in the Artesia Daily Press, Artesia, N.M., April 4, 2024 Legal No. 26814.

From:	McClure, Dean, EMNRD on behalf of Engineer, OCD, EMNRD
To:	Cory Walk
Cc:	McClure, Dean, EMNRD; Lowe, Leonard, EMNRD; Rikala, Ward, EMNRD; Wrinkle, Justin, EMNRD; Powell, Brandon, EMNRD; Paradis, Kyle O; Walls, Christopher
Subject:	Approved Administrative Order CTB-1116
Date:	Friday, August 9, 2024 8:46:04 AM
Attachments:	CTB1116 Order.pdf

NMOCD has issued Administrative Order CTB-1116 which authorizes Manzanita Operating, LLC (330289) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-49490	Rainmaker Federal #1	0	5-19 S-31E	97083
30-015-54595	Rainmaker Federal #2	Ν	5-19 S-31E	97083
30-015-54648	Haymaker Federal #1	В	8-19S-31E	97083

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.

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

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

APPLICATION FOR SURFACE COMMINGLINGSUBMITTED BY MANZANITA OPERATING, LLCORDER NO. CTB-1116

<u>ORDER</u>

The Director of the New Mexico Oil Conservation Division ("OCD"), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

FINDINGS OF FACT

- 1. Manzanita Operating, LLC ("Applicant") submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells identified in Exhibit A ("Application").
- 2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
- 3. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
- 4. Applicant provided notice of the Application to the Bureau of Land Management ("BLM") or New Mexico State Land Office ("NMSLO"), as applicable.
- 5. Applicant in the notice for the Application stated that it sought authorization to prospectively include additional pools, leases, and wells in accordance with 19.15.12.10.C.(4)(g) NMAC.
- 6. Applicant stated that it sought authorization to surface commingle and off-lease measure, as applicable, oil and gas production from wells which have not yet been approved to be drilled, but will produce from a pool and lease identified in Exhibit A.

CONCLUSIONS OF LAW

- 7. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.
- 8. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10.A.(2) NMAC, 19.15.12.10.C.(4)(c) NMAC, and 19.15.12.10.C.(4)(e) NMAC, as applicable.
- 9. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9.A.(5) NMAC and 19.15.23.9.A.(6) NMAC, as applicable.

Order No. CTB-1116

- 10. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10.B.(1) NMAC or 19.15.12.10.C.(1) NMAC, as applicable.
- 11. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10.B.(3) NMAC and 19.15.12.10.C.(4)(h) NMAC.
- 12. Applicant satisfied the notice requirements for the subsequent addition of pools, leases, and wells in the notice for the Application, in accordance with 19.15.12.10.C.(4)(g) NMAC. Subsequent additions of pools, leases, and wells within Applicant's defined parameters, as modified herein, will not, in reasonable probability, reduce the commingled production's value or otherwise adversely affect the interest owners in the production to be added.
- 13. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

<u>ORDER</u>

1. Applicant is authorized to surface commingle oil and gas production from the pools, leases, and wells identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

Applicant is authorized to surface commingle oil and gas production from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

- 2. The allocation of oil and gas production to wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A shall be determined in the same manner as to wells identified in Exhibit A that produce from that pool and lease, provided that if more than one allocation method is being used or if there are no wells identified in Exhibit A that produce from the pool and lease, then allocation of oil and gas production to each well not included in Exhibit A shall be determined by OCD prior to commingling production from it with the production from another well.
- 3. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling it with production from another well.
- 4. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.
- 5. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and

Order No. CTB-1116

regardless of the reason or authorization pursuant to 19.15.28.8.B. NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8.E. NMAC.

- 6. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10.C.(2) NMAC.
- 7. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
- 8. Applicant may submit an application to amend this Order to add pools, leases, and subsequently drilled wells with spacing units adjacent to or within the tracts commingled by this Order by submitting a Form C-107-B in accordance with 19.15.12.10.C.(4)(g) NMAC, provided the pools, leases, and subsequently drilled wells are within the identified parameters included in the Application.
- 9. If a well is not included in Exhibit A but produces from a pool and lease identified in Exhibit A, then Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau after the well has been approved to be drilled and prior to off-lease measuring or commingling oil or gas production from it with the production from another well. The Form C-103 shall reference this Order and identify the well, proposed method to determine the allocation of oil and gas production to it, and the location(s) that commingling of its production will occur.
- 10. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
- 11. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
- 12. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

GERASIMOS RAZATOS DIRECTOR (ACTING)

DATE: 7/25/2024

Order No. CTB-1116

	State of New Me	exico		
	Energy, Minerals and Natural Re	esources Department		
	Exhibit	Α		
	Order: CTB-1116			
	Operator: Manzanita Op	erating, LLC (330289	9)	
	Central Tank Battery: Rainmaker Fe	deral #1 Central Tan	k Battery	
Centr	al Tank Battery Location: UL O, Section	5, Township 19 Sout	h, Range 31 Eas	t
Gas Title	Transfer Meter Location: UL O, Section	5, Township 19 Sout	h, Range 31 Eas	t
	Pools			
	-	ool Name	Pool Code	
	BENSON	; DELAWARE (O)	97083	
	Leases as defined in 19.15	5.12.7(C) NMAC		
	Lease	UL or Q/Q	S-T-R	
	NMNM 105442264 (NMLC 0069033)	N O	5-198-31E	
	NMNM 105444849 (NMNM 082902)	В	8-19S-31E	
	Wells			
Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-49490	Rainmaker Federal #1	0	5-19S-31E	97083
30-015-54595	Rainmaker Federal #2	Ν	5-198-31E	97083

Haymaker Federal #1

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30-015-54648

8-19S-31E

97083

B

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

CONDITIONS

Operator:	OGRID:
Manzanita Operating, LLC	330289
PO Box 3489	Action Number:
Midland, TX 79705	330607
	Action Type:
	[C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS Created By Condition Condition Date 8/9/2024 dmcclure Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.

Page 22 of 22

Action 330607