

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

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Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



ADMINISTRATIVE CENTRAL TANK BATTERY ORDER

Administrative Order CTB-682
Administrative Application Reference No. pPRG1323859225

September 26, 2013

Fasken Oil and Ranch, Ltd.
Attention: Ms. Kim Tyson

Fasken Oil and Ranch, Ltd (OGRID 151416) is hereby authorized to surface commingle oil and gas production from the South Lea; Bone Spring Pool (**37570**) from the following and wells located on the Quail 16 State lease:

Quail 16 State Well No. 3H (**API 30-015-40361**), Unit M, Section 16, T-20-S, R-34-E.

Quail 16 State Well No. 4H (**API 30-015-40531**), Unit N, Section 16, T-20-S, R-34-E.

Quail 16 State Well No. 7H (**API 30-015-40942**), Unit P, Section 16, T-20-S, R-34-E.

Quail 16 State Well No. 8H (**API 30-015-42366**), Unit O, Section 16, T-20-S, R-34-E.

All in Lea County, New Mexico

The commingled oil and gas production from the wells detailed above shall be measured and sold at the Central Tank Battery (CTB), located at the Quail State Well No. 2 wellhead in Unit N, Section 16, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico.

Oil and gas production from each well shall be separately metered. ALLOCATION BASED ON WELL TESTS IN NOT AUTHORIZED. Meters shall be calibrated in accordance with Rule 19.15.12.10.C(2)(b) NMAC.

This installation shall be installed and operated in accordance with the applicable Division Rules. It is the responsibility of the operator to notify the transporter of this commingling authority.

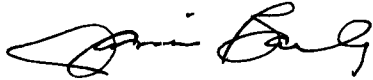
The operator shall notify the Hobbs District office of the Division prior to implementation of the commingling operations.

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This approval is subject to like approval from the New Mexico State Land Office (SLO) before commencing commingling operations.

Sincerely

A handwritten signature in black ink, appearing to read "Jami Bailey". The signature is fluid and cursive, with the first name "Jami" and last name "Bailey" clearly distinguishable.

Jami Bailey
Division Director

JB/db

cc: Oil Conservation Division – Artesia
New Mexico State Land Office