

District I (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II (575) 748-1283
811 S. First St., Artesia, NM 88210
District III (505) 334-6178
1000 Rio Brazos Road, Aztec, NM 87410
District IV (505) 827-8198
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-106
Revised August 1, 2011

ACT Permit No. _____

NOTICE OF INTENTION TO UTILIZE AUTOMATIC CUSTODY TRANSFER EQUIPMENT

Operator Breitbart Operating LP (370080)

Address 1111 Bagby Street, Suite 1600, Houston, TX 77002 County Lea

Lease(s) to be served by this ACT Unit Encore M State, Encore M Fee

Pool(s) to be served by this ACT Unit Blinberry Oil and Gas (Oil) (6660), Tubb Oil and Gas (Oil) (62700), Drinkard (19190), Wantz/Abo (62700), WC-025 G-04 S22370201; Devonian (98168)

Location of ACT System: Unit N Section 20 Township 22 South Range 37 East

Order No. authorizing commingling between leases if more than one lease is to be served by this system.

PLC - 436 - A (attached)

Date 11/02/2016

Order No. authorizing commingling between pools if more than one pool is to be served by this system

See attached well list and DHC Order Nos.

Date _____

Authorized transporter of oil from this system Plains All American Pipeline

Transporter's address 333 Clay Street, Suite 1600, Houston, TX 77002

Maximum expected daily through-put for this system: 2000 bbls oil

If system fails to transfer oil due to malfunction or otherwise, waste by overflow will be averted by:

CHECK ONE: A. ☐ Automatic shut-down facilities B. ☒ Providing adequate available capacity to receive production
as required by 19.15.18.15.C(8) NMAC during maximum unattended time of lease operation
19.15.18.15.C(9) NMAC

If "A" above is checked, will flowing wells be shut-in at the header manifold or at the wellhead?

Maximum well-head shut-in pressure _____

If "B" above is checked, how much storage capacity is available above the normal high working level of the

surge tank 2500 BBLs.

What is the normal maximum unattended time of lease operation? 12 (safety alarms with call-outs installed) Hours.

What device will be used for measuring oil in this ACT unit?

CHECK ONE: ☒ Positive displacement meter

☐ Weir-type measuring vessel

☐ Positive volume metering chamber

☐ Other; describe _____

Remarks: _____

OPERATOR:

I hereby certify above information is true and complete to best of my knowledge and subject ACT system will be installed and operated in accordance with Rule 19.15.18.15 NMAC. Approval of this Form

C-106 does not eliminate necessity of an approved C-104 prior to running any oil or gas from this system.

Signature Shelly Doescher

Printed Name & Title Shelly Doescher, Agent

E-mail Address shelly_doescher@yahoo.com

Date 06/18/2018

Telephone 505-320-5682

OIL CONSERVATION DIVISION

Approved by: Mary Brown

Title: AO/IO

Date: 6/21/2018

INSTRUCTIONS: Submit one copy of Form C-106 with following attachments to appropriate district office.

- 1) Lease plat showing all wells which will be produced in ACT system.
- 2) Schematic diagram of battery and ACT equipment showing all major components and means employed to prove accuracy of measuring device.

SCAN TO 30-025-38961

3) Letter from transporter agreeing to utilization of ACT system as shown on schematic diagram.

Breitbart Operating LP Encore M State Wells LACT Unit Application

Well Name	Location	API #
Encore M State No. 001 DHC-HOB-0295 Pools: Blinebry Oil and Gas (Oil) (6660) Drinkard (19190)	Sec 30, T22S, R37E (UL A, 40 Acres)	30-025-38961
Encore M State No. 002 DHC-HOB-0363 Pools: Blinebry Oil and Gas (Oil) (6660) Drinkard 19190)	Sec 19, T22S, R37E (UL G, 40 Acres)	30-025-39541
Encore M State No. 003 DHC-4702 Pools: Blinebry Oil and Gas (Oil) (6660) Drinkard (19190), Wantz;Abo (62700)	Sec 19, T22S, R37E (UL C, 40 Acres)	30-025-39751
Encore M State No. 004 DHC-HOB-469 Pools: Blinebry Oil and Gas (Oil) (6660) Drinkard (19190)	Sec 19, T22S, R37E (UL H, 40 Acres)	30-025-40091
Encore M State No. 005 DHC-4698 Pools: Blinebry Oil and Gas (Oil) (6660) Drinkard (19190), Wantz;Abo (62700)	Sec19-22S-37E (UL A, 40 Acres)	30-025-40299
Encore M State No. 006 DHC-4699 Pools: Blinebry Oil and Gas (Oil) (6660) Drinkard (19190) Wantz;Abo (62700)	Sec 19, T22S, R37E (UL I, 40 Acres)	30-025-40398
Encore M State No. 007 DHC-4701 Pools: Blinebry Oil and Gas (Oil) (6660) Drinkard (19190) Wantz;Abo (62700)	Sec 19, T22S, R37E (UL B, 40 Acres)	30-025-40399
Encore M State No. 008 DHC-4705 Pools: Blinebry Oil and Gas (Oil) (6660) Drinkard (19190) Wantz;Abo (62700)	Sec19, T22S, R37E (UL J, 40 Acres)	30-025-40721
Encore M State No. 009 Pools: Blinebry Oil and Gas (Oil) (6660) Drinkard (19190) Wantz;Abo (62700)	Sec 20, T22S, R7E (UL D, 40 Acres)	30-025-40749
Encore S State No. 010 DHC-4771 Pools: Blinebry Oil and Gas (Oil) (6660) Tubb Oil and Gas (Oil) (60240) Drinkard (19190) Wantz;Abo (62700)	Sec 17, T22S, R37E (UL M, 40 Acres)	30-025-41061

SCAN TO
THIS WELL.

Encore M State No. 011 Sec 20, T22S, R37E (UL M, 40 Acres) 30-025-44028
DHC-4826

Pools: Blinebry Oil and Gas (Oil) (6660)
Tubb Oil and Gas (Oil) 60240
Drinkard (19190)
Wantz;Abo (62700)

Encore M State No. 014 Sec 20, T22S, R37E (UL N, 40 Acres) 30-025-41942
DHC-4704

Pools: Blinebry Oil and Gas (Oil) (6660)
Drinkard (19190)
Wantz;Abo (62700)

Encore M State No. 015 Sec20, T22S, R37E (UL J, 40 Acres) 30-025-42363
DHC-4737-A

Pools: Blinebry Oil and Gas (Oil) (6660)
Tubb Oil and Gas (Oil) (60240)
Drinkard (19190)
Wantz;Abo (62700)

Encore M State No. 016 Sec 29, T22S, R37E (UL B, 40 Acres) 30-025-42391

Pools: Blinebry Oil and Gas (Oil) (6660)
Tubb Oil and Gas (Oil) (60240)
Drinkard (19190)
Wantz;Abo (62700)

Encore M State No. 018 Sec 20, T22S, R37E (UL O, 40 Acres) 30-025-42392
DHC-4735-A

Pools: Blinebry Oil and Gas (Oil) (6660)
Tubb Oil and Gas (Oil) (60240)
Drinkard (19190)
Wantz;Abo (62700)

Encore M State No. 019 Sec 20, T22S, R37E (UL I, 40 Acres) 30-025-42779
Pool: Wildcat Devonian (WC – 025 G04 S2237201)

Encore M State No. 020 Sec 20, T22S, R37E (UL G, 40 Acres) 30-025-43656
DHC-4814

Pools: Blinebry Oil and Gas (Oil) (6660)
Tubb Oil and Gas (Oil) (60240)
Drinkard (19190)
Wantz;Abo (62700)

The following is a Fee Lease:

Encore M 21 Fee No. 001 Sec 21, T22S, R37E (UL L, 40 Acres) 30-025-43444
DHC-4799-0

Pools: Blinebry Oil and Gas (Oil) (6660)
Tubb Oil and Gas (Oil) (60240)
Drinkard (19190)
Wantz;Abo (62700)

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Tony Delfin
Acting Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



November 2, 2016

ADMINISTRATIVE POOL/LEASE COMMINGLING ORDER

Administrative Order PLC-436-A
Administrative Application Reference No. pKSC1628533987

BREITBURN OPERATING LP

Attn: Ms. Shelly Doescher

Pursuant to your application received on October 11, 2016, Breitburn Operating LP (OGRID 370080) is hereby authorized to surface commingle oil and gas production from the following pools located in Township 22 South, Range 37 East, NMPM, Lea County, New Mexico;

Blinebry Oil and Gas (Oil)	(6660)
Wantz; Abo	(62700)
Drinkard	(19190)
Tubb Oil and Gas (Oil)	(60240)
WC-025 G-04 S223720I; Devonian	(98168)

and from the wells identified in Attachment No. A, and made part of this order. These wells are located on a New Mexico Trust Lease and a fee lease in Township 22 South, Range 37 East, Lea County, New Mexico.

Each of the surface facilities is a meter and sales point for the oil and gas production for the wells listed in Attachment A.

The commingled oil and gas production for the Encore M State Well No. 2, Encore M State Well No. 3, Encore M State Well No. 4, Encore M State Well No. 5, Encore M State Well No. 6, Encore M State Well No. 7, Encore M State Well No. 8, Encore M State Well No. 9, Encore M State Well No. 10, Encore M State Well No. 11, Encore M State Well No. 12, Encore M State Well No. 13, and Encore M State Well No. 17 shall be measured and sold at the Encore M State Satellite No. 1 central tank battery (Encore M State Satellite No. 1 CTB) located in Unit G, Section 19, Township 22 South, Range 37 East, Lea County, NMPM, New Mexico.

The commingled oil and production for the Encore M State Well No. 14, Encore M State Well No. 15, Encore M State Well No. 16, Encore M State Well No. 18, and Encore M State Well No. 19 M and the Encore M 21 Fee Well No. 1 shall be measured and sold at the Encore M State Satellite No. 2 central tank battery (Encore M State Satellite No. 2 CTB) located in Unit N, Section 20, Township 22 South, Range 37 East, Lea County, NMPM, New Mexico. Further, the oil and

gas production for the Encore M State Well No. 19, which is a unique lease, shall be continuously metered separately before commingling with other wells at the Encore M State Satellite No. 2. Likewise, the Encore M 21 Fee Well No. 1 shall be measured separately before commingling with the other wells at the Encore M State Satellite No. 2. The Encore M 21 Fee Well No. 1 is being drilled, and shall produce from either the Devonian formation or will be downhole commingled in the Blinebry Oil and Gas (Oil), Wantz; Abo, Drinkard, and Tubb Oil and Gas (Oil) Pools, depending on well results.

The Encore M State Well No. 1 shall be measured and sold at the Encore M State Battery No. 1 central tank battery (M State Battery No. 1) located in Unit A, Section 30, Township 22 South, Range 37 East, Lea County, NMPM, New Mexico.

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.

This Division Order supersedes Division Order PLC-436, issued December 14, 2015.

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

The operator shall notify the transporter of this commingling authority.

The operator shall notify the Hobbs District Office upon commencement of commingling operations.

DONE at Santa Fe, New Mexico, on November 2, 2016.



DAVID R. CATANACH
Director

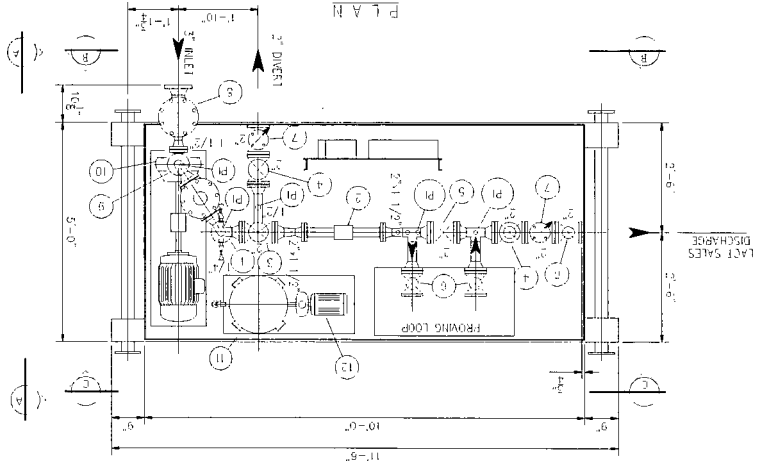
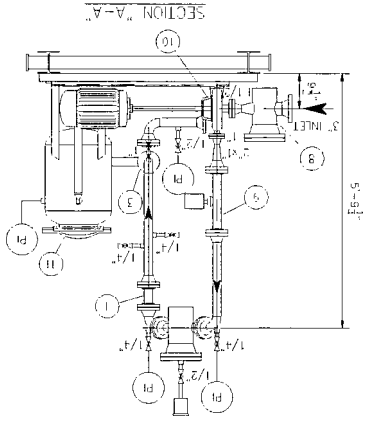
DRC/mam

cc: Oil Conservation Division District Office – Hobbs
New Mexico State Land Office – Oil, Gas, and Minerals

Attachment A: Breitburn Surface commingle Township 22 South, Range 37 East

API Well #	Well Name	Sec	F N/S	F E/W	Pool(s)	Lease	Dedicated acreage	Remarks	Remarks 2	Surface facility
30-025-41061	ENCORE M STATE#10	17	770 S	770 W	Binebrey Oil and Gas (Oil); Drinkard, Tubb Oil and Gas (Oil); and Wantz Abo	State Lease B-934	SW/4 SW/4	identical ownership		Satellite No. 1
30-025-39541	ENCORE M STATE#2	19	1700 N	1700 E	Binebrey Oil and Gas (Oil); Drinkard, Tubb Oil and Gas (Oil); and Wantz Abo	State Lease B-934	SW/4NE/4	identical ownership		Satellite No. 1
30-025-39751	ENCORE M STATE#3	19	660 N	2140 W	Binebrey Oil and Gas (Oil); Tubb Oil and Gas (Oil); Drinkard; and Wantz Abo	State Lease B-934	NE/4 NW/4	identical ownership		Satellite No. 1
30-025-40091	ENCORE M STATE#4	19	1962 N	603 E	Binebrey Oil and Gas (Oil); Tubb Oil and Gas (Oil); Drinkard; and Wantz Abo	State Lease B-934	NW/4 NE/4	identical ownership		Satellite No. 1
30-025-40299	ENCORE M STATE#5	19	639 N	531 E	Binebrey Oil and Gas (Oil); Drinkard; and Wantz; Abo	State Lease B-934	NE/4 NE/4	identical ownership		Satellite No. 1
30-025-40398	ENCORE M STATE#6	19	2181 S	574 E	Binebrey Oil and Gas (Oil); Tubb Oil and Gas (Oil); Drinkard; and Wantz Abo	State Lease B-934	NE/ 4 SE/4	identical ownership		Satellite No. 1
30-025-40399	ENCORE M STATE#7	19	749 N	1610 E	Binebrey Oil and Gas (Oil); Tubb Oil and Gas (Oil); Drinkard; and Wantz Abo	State Lease B-934	NW/4 SE/4	identical ownership		Satellite No. 1
30-025-40721	ENCORE M STATE#8	19	2340 S	1650 E	Binebrey Oil and Gas (Oil); Tubb Oil and Gas (Oil); Drinkard; and Wantz Abo	State Lease B-934	NW/4 SE/4	identical ownership		Satellite No. 1
30-025-41531	ENCORE M STATE#13	19	1900 N	2160 W	Binebrey Oil and Gas (Oil); Tubb Oil and Gas (Oil); Drinkard; and Wantz Abo	State Lease B-934	SE/4 NW/4	identical ownership		Satellite No. 1
30-025-41529	ENCORE M STATE#11	20	978 S	641 W	Binebrey Oil and Gas (Oil); Tubb Oil and Gas (Oil); Drinkard; and Wantz Abo	State Lease B-934	SW/4 SW/4	identical ownership		Satellite No. 1
30-025-41530	ENCORE M STATE#12	20	2264 S	1702 W	Binebrey Oil and Gas (Oil); Tubb Oil and Gas (Oil); Drinkard; and Wantz Abo	State Lease B-934	SW/4 SW/4	identical ownership		Satellite No. 1
30-025-41942	ENCORE M STATE#14	20	579 S	2042 W	Binebrey Oil and Gas (Oil); Tubb Oil and Gas (Oil); Drinkard; and Wantz Abo	State Lease B-934	SE/4 SW/4	identical ownership		Encore M State Battery No. 2
30-025-42363	ENCORE M STATE#15	20	2004 S	1975 E	Binebrey Oil and Gas (Oil); Drinkard; Tubb Oil and Gas (Oil); and Wantz Abo	State Lease B-934	NW/4 SE/4	identical ownership		Encore M State Battery No. 2
30-025-42392	ENCORE M STATE#16	20	870 S	2050 E	Binebrey Oil and Gas (Oil); Drinkard; Tubb Oil and Gas (Oil); and Wantz Abo	State Lease B-934	SW/4 SE/4	identical ownership		Encore M State Battery No. 2
30-025-42391	ENCORE M STATE#16	25	645 N	1800 E	Binebrey Oil and Gas (Oil); Drinkard; Tubb Oil and Gas (Oil); and Wantz Abo	State Lease B-934	NW/4 NE/4	identical ownership		Encore M State Battery No. 2
30-025-42359	ENCORE M STATE#17	29	1840 N	2145 W	Binebrey Oil and Gas (Oil); Drinkard; Tubb Oil and Gas (Oil); and Wantz Abo	State Lease B-934	SE/4 NW/4	identical ownership		Satellite No. 1
30-025-36961	ENCORE M STATE#1	30	742 N	1294 E	Binebrey Oil and Gas (Oil); Tubb Oil and Gas (Oil); Drinkard; and Wantz Abo	State Lease B-934	NE/4 NE/4	identical ownership		Encore M State Battery No.1
30-025-40749	ENCORE M STATE#9	20	468 N	300 W	Binebrey Oil and Gas (Oil); Tubb Oil and Gas (Oil); Drinkard; and Wantz Abo	State Lease B-934	NW/4 NW/4	diverse ownership	Unique lease/payout	Satellite No. 1
30-025-42778	ENCORE M STATE#19	20	2070 S	750 E	WC-025 G-04 S223720; Devonian	State Lease B-934-25	NW/4 NW/4	diverse ownership	Unique lease	Encore M State Battery No. 2
30-025-43444	ENCORE M21 Fee#1	21	2130 S	660W	WC-025 G-04 S223720; Devonian	Fee Lease	NW/4 SW/4	Waiting on completion	Unique lease	Encore M State Battery No. 2
30-025-43444	ENCORE M21 Fee#1	21	2130 S	660W	Binebrey Oil and Gas (Oil); Drinkard; Tubb Oil and Gas (Oil); and Wantz Abo	Fee Lease	NW/4 SW/4	Applicable if Devonian dry	Unique lease	Encore M State Battery No. 2

1	2" METRIC 1/2"-150# RF FMC
2	2"-150# 2-WAY STATIC VALVE
3	DIAPHRAGM VALVE, 2"-150# RF
4	BACK PRESSURE VALVE, 2"-150# RF
5	BLOCK & BLEED VALVE, 2"-150# RF
6	BALL VALVE, 2"-150# RF
7	SWING CHECK VALVE, 2"-150# RF
8	STRAINER, 2"-150# RF
9	BS & W PROBE, 2"-150# RF
10	PUMP, GOUTS 3196 1.15-2
11	SAMPLE POU, MOOSE 15 GALLON
12	SAMPLE POU PUMP





Breitburn Operating LP (370080)
1111 Bagby, Suite 1600
Houston, Texas 77002

Attn: Alex McCammon

Reference: Encore M State
 Section 22 Township 37 East
 Eddy County, New Mexico

Dear Mr. McCammon,

This letter is provided as indication that Plains Marketing LP is in agreement with Breitburn Operating LP utilizing an ACT meter, as illustrated on the attached schematic, for measurement and delivery to Plains at the above referenced property.

Please contact the undersigned should you have questions or require additional information regarding this approval, please do not hesitate to contact the undersigned at (281) 630 - 8571 .

Sincerely,

Blake Vaughan

A handwritten signature in cursive script, appearing to read "Blake Vaughan".