

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Susana Martinez**  
Governor

**David Martin**  
Cabinet Secretary

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

**David R. Catanach, Division Director**  
Oil Conservation Division



ADMINISTRATIVE CENTRAL TANK BATTERY ORDER

Administrative Order CTB-736  
Administrative Application Reference No. pMAM1502757279

February 18, 2015

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 Salt Lake; Bone Spring Pool (53560) from the following leases and wells:

| Name                          | API No.      | Footages            | ULSTR        |
|-------------------------------|--------------|---------------------|--------------|
| Laguna "16" State Well No. 2H | 30-025-40680 | 475` FSL & 610` FEL | P-16-20S-32E |
| Laguna 16 State Well No. 9H   | 30-025-42132 | 330` FSL & 990` FWL | M-16-20S-32E |

The project area for these wells include the W/2 W/2, and E/2 E/2 of Section 16, Township 20 South, Range 32 East, NMPM, Lea County, New Mexico

The commingled oil and gas production from the wells detailed above shall be measured and sold at the Laguna "16" State Well No. 2H central tank battery (CTB), located in Unit P, of Section 16, Township 20 South, Range 32 East, NMPM, Lea County, New Mexico.

The oil and gas production from each well shall be continuously measured with allocation meters before commingling with production from other wells. The allocation meters shall be calibrated quarterly in accordance with Rule 19.15.12.10.C (2) NMAC.

This installation shall be installed and operated in accordance with the applicable Division Rules. It is the responsibility of the producer 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.

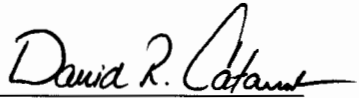
**This approval is subject to like approval from the New Mexico State Land Office before commencing commingling operations.**

February 18, 2015

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Done at Santa Fe, New Mexico, on February 18, 2015.

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A handwritten signature in black ink, reading "David R. Catanach". The signature is fluid and cursive, with a horizontal line drawn underneath it.

DAVID R. CATANACH

Director

DRC/mam

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