State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

Ken McQueen Cabinet Secretary

Matthias Sayer Deputy Cabinet Secretary Heather Riley, Division Director Oil Conservation Division



January 30, 2018

Surface Commingling Order PLC-496 Administrative Application Reference No. pMAM1735255825

ROVER OPERATING, LLC Attention: Ms. Connie Swan

Pursuant to your application received on December 18, 2017, Rover Operating, LLC (OGRID 371484) is hereby authorized to surface commingle oil and gas production from the following pools located in Section 23, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico;

BLINEBRY OIL AND GAS (OIL) (6660)DRINKARD (19190)EUMONT; YATES-7-RVRS-QUEEN (OIL) (22800)PENROSE SKELLY: GRAYBURG (50350)

and from the following diversely owned fee wells and leases in Section 5, Township 22 South, Range 37 East, in Lea County, New Mexico.

Lease:

Grizzell Deep Well No. 1

Dedication:

SE/4 SW/4, Section 5, Township 22 South, Range 37 East

Well:

Grizzell Deep Well No. 1

API 30-025-10074

Pool:

Blinebry Oil and Gas (Oil)

Drinkard (DHC-424)

Lease:

Grizzell Deep Well No. 2

Dedication:

NW/4 SW/4, Section 5, Township 22 South, Range 37 East

Wells:

Grizzell Deep Well No. 2

API 30-025-26149

Pool:

Drinkard

Lease:

J W Grizzel A Well No. 2

Dedication:

NE/4 SW/4 of Section 5, Township 22 South, Range 37 East

Well:

J W Grizzel A Well No. 2

API 30-025-10065

Pool:

Eumont; Yates 7-Rvrs-Queen (Oil)

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Lease:

J W Grizzel A Well No. 3

Dedication:

NW/4 SW/4 of Section 5, Township 22 South, Range 37 East

Well:

J W Grizzel A Well No. 3

API 30-025-10050

Pool:

Penrose Skelly; Grayburg

The combined acreage of the oil and gas spacing units for these wells includes the E/2 SW/4 and the NW/4 SW/4 of Section 5, all in Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

Commingled oil and gas production from the wells shall be measured and sold at the Grizzell "A" J.W. Boyd Central Tank Battery (CTB), located in Unit N of Section 5, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

Production from the subject wells shall be determined as follows:

The oil and gas production from each of the diversely-owned leases shall be separately metered using a combination of well testing and allocation meters. Each well shall be tested monthly for a minimum of 24 hours. During the test, the remaining wells shall be shut-in as per the application.

The allocation meters shall be calibrated quarterly in accordance with Division Rule 19.15.12.10.C (2) NMAC.

This installation shall be installed and operated in accordance with the applicable Division Rules and Regulations.

The Operator shall notify the transporter of this commingling authority and the District Office prior to implementation of commingling operations.

HEATHER RILEY

Director

HR/mam

cc: Oil Conservation Division - Hobbs District Office