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



POOL COMMINGLE

Administrative Order PC-1313

February 14, 2018

Marathon Oil Permian LLC Attention: Jennifer Van Curen

The operator is authorized to surface commingle oil and gas production from the following pools from one state lease located in Section 16, T23S R27E, NMPM, Eddy County, New Mexico:

Forehand Ranch; Bone Spring (24660) Purple Sage; Wolfcamp Gas (98220)

The following wells located on State Lease VB-2092 are currently to be included in this commingle:

Cass 16 State Well No. 4H API 30-015-44370

Forehand Ranch; Bone Spring S/2 N/2 Sec 16, T23S, R27E Dedication

Cass 16 State Well No. 2H API 30-015-42733 Cass 16 State Well No. 3H API 30-015-43869

Purple Sage; Wolfcamp Gas N/2 Sec 16, T23S, R27E Dedication

Commingled oil and gas production from these wells shall be measured for sales at the Cass 16 State CTB, located in Unit H, Section 16, T23S, R27E, NMPM, Eddy County, New Mexico.

The oil and gas production from each of these identically owned (per the application) wells shall be measured prior to sales with periodic allocation meters. As per the application, the oil and gas production from each well will flow into a dedicated 3-phase separator, where oil, water, and gas will be split and then metered prior to commingling for sales.

This installation shall be installed and operated in accordance with the applicable Division Rules. 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 pools within this N/2 of Section 16 may be added to this commingling authority by submittal of a Sundry Notice to the Engineering Bureau in Santa Fe.

This approval is subject to like approval from the State Land Office.

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

HEATHER RILEY

Director

HR/mam

cc: Oil Conservation Division - Artesia District

State Land Office - Oil, Gas, and Minerals Division