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



ADMINISTRATIVE CENTRAL TANK BATTERY ORDER

Administrative Order CTB-859

June 22, 2018

CIMAREX ENERGY CO. OF COLORADO

Attention: Ms. Amithy Crawford

Cimarex Energy Co. of Colorado (OGRID 162683) is hereby authorized to surface commingle oil and gas production and off-lease measure from Scanlon Draw; Bone Spring (Pool code 55510) from the following diversely owned state leases and wells located in Section 17, Township 19 South, Range 29 East in Eddy County, New Mexico:

Lease:

Parkway 17 State Well No. 6H Lease

Description: S/2 S/2 Section 17

Wells:

Parkway 17 State Well No. 6H

API No. 30-015-44275

Lease:

New Mexico State Land Office Parkway 17 State Com Well No. 7H

Communitization Agreement

Description: N/2 S/2 Section 17

Wells:

Parkway 17 State Com Well No. 7H API No. 30-015-44951

The commingled oil and gas production from the wells detailed above shall be measured and sold at the Parkway 17 Well No. 6H Central Tank Battery (CTB), located in Unit M, Section 17, Township 19 South, Range 29 East, NMPM, Eddy 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 measured with allocation meters.

The oil and gas production from each well will flow into a dedicated 3-phase separator. The production stream will be separated into 3 independent streams by the separator and each stream will be measured individually after it exits the separator, before commingling.

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

For future additions of wells and leases to this commingling operation, notice shall only be given to those interest owners in the wells and leases to be added, in accordance with Division Rule 19.15.12.10 C (4) (g) NMAC.

Subsequent wells within leases approved by this order may be added to this administrative surface commingle application with a Sundry notice to the Engineering Bureau.

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.

This administrative order is subject to like approval from the New Mexico State Land Office.

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

HEATHER RILEY

Director

HR/mam

cc: Oil Conservation Division – Artesia

New Mexico State Land Office – Oil, Gas, and Minerals