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-862

July 18, 2018

MATADOR PRODUCTION COMPANY

Attention: Mr. Adam Rankin

Matador Production Company (OGRID 228937) is hereby authorized to surface commingle oil and gas production and off-lease measure from Purple Sage; Wolfcamp (Gas) Pool (Pool code 98220) from the following diversely owned federal and fee leases and wells in Eddy County, New Mexico:

Lease:

Warren 25 23S 27E RB Well No. 203H Lease

Description:

E/2 Section 25, Township 23 South, Range 27 East, NMPM

Well:

Warren 25 23S 27E RB Well No. 203H

API No. 30-015-43827

Lease:

Proposed Warren Federal Com Well No. 206H Communitization Agreement

Description:

W/2 Section 25, Township 23 South, Range 27 East, NMPM

Well:

Warren Federal Com Well No. 206H

API No. 30-015-43828

The commingled oil and gas production from the wells detailed above shall be measured and sold at the Warren Tank Battery Central Tank Battery (CTB), located in Unit O, Section 25, Township 23 South, Range 27 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.

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

Bureau of Land Management - Carlsbad