State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

Ken McQueen Cabinet Secretary

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CENTRAL TANK BATTERY

Administrative Order CTB-861

July 19, 2018

Lime Rock Resources II,A, L.P. Attention: Mr. Mike Pippin

Lime Rock Resources II,A, L.P. (OGRID 277558) is hereby authorized to surface commingle oil and gas production and off-lease measure from the Red Lake; Glorieta-Yeso Pool (Pool code: 51120) from the following diversely owned fee leases located in Township 18 South, Range 26 East, Eddy County, New Mexico:

Lease: Brainard 11 G Well No. 3 Lease

Description: SW/4 NE/4 of Section 11, Township 18 South, Range 26 East

Well: Brainard 11 G Well No. 3 Lease API 30-015-35744

Lease: Brainard Gas Com Well No. 2 Lease

Description: NW/4 NE/4 of Section 11, Township 18 South, Range 26 East

Well: Brainard Gas Com Well No. 2 API 30-015-21582

Lease: Brainard 11 P Well No. 4 Lease

Description: SE/4 SE/4 of Section 11, Township 18 South, Range 26 East

Well: Brainard 11 P Well No. 4 Lease API 30-015-40978

Lease: Higgins Cahoon 12 M Well No. 2 Lease

Description: NW/4 NW/4 of Section 12, Township 18 South, Range 26 East

Well: Higgins Cahoon 12 M Well No. 2 API 30-015-44412

Lease: Brainard 12 L Well No. 1 Lease

Description: NE/4 SW/4 of Section 12, Township 18 South, Range 26 East

Well: Higgins Cahoon 12 M Well No. 2 API 30-015-43300

Lease: Higgins Cahoon 12 D Well No. 3 Lease

Description: NW/4 NW/4 of Section 12, Township 18 South, Range 26 East

Well: Higgins Cahoon 12 D Well No. 3 API 30-015-43116

The commingled oil and gas production from the wells detailed above shall be measured and sold at the Brainard Gas Com Well No. 2 Central Tank Battery (CTB), located in Unit B, Section 11, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico.

Your application has been duly filed under the provisions of Division Rules 19.15.12.10.C NMAC and 19.15.4.12.A (8) NMAC.

It is also understood that you have given due notice of this application to all owners in the mineral interest estate ("affected parties") as defined in Rule 19.15.12.10.C (4) NMAC.

Production from the subject wells shall be determined as follows:

Oil and gas production from the Higgins Cahoon 12 D Well No. 3 shall be measured separately from the other wells subject to this administrative application before commingling.

Oil and gas production from all of the remaining wells in this application shall be measured with a combination of metering and well testing. After the oil is measured, it is commingled with production from the Higgins Cahoon 12 D Well No. 3. After the gas is measured, it is commingled with the Higgins Cahoon 12 D Well No. 3, and sold at the gatherer's meter located at the CTB.

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 Artesia District office of the Division prior to implementation of the commingling operations.

HEATHER RILEY

Director

HR/mam

cc: Oil Conservation Division - Artesia