

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-863

July 24, 2018

CIMAREX ENERGY COMPANY OF COLORADO

Attention: Ms. Amithy Crawford

Cimarex Energy Company of Colorado (OGRID 162683) is hereby authorized to surface commingle oil and gas production and off-lease measure from Benson; Bone Spring Pool (Pool code 5200) from the following diversely owned federal leases and wells located in Township 19 South, Range 30 East, NMPM in Eddy County, New Mexico:

Lease: Federal Lease NMNM 0560353
Description: N/2 N/2 Section 10, and NW/4 NW/4 of Section 11
Well: Crescent Hale 10 Federal Well No. 1H API No. 30-015-39824

Lease: Federal Communitization Agreement NMNM 134757
Description: S/2 N/2 Section 10, and SW/4 NW/4 of Section 11
Well: Crescent Hale 10 Federal Com Well No. 2H API No. 30-015-39825

Lease: Federal Lease NMNM 0560353
Description: N/2 S/2 Section 10, and NW/4 SW/4 of Section 11
Well: Crescent Hale 10 Federal Well No. 3H API No. 30-015-40784

Lease: Federal Communitization Agreement NMNM 137157
Description: S/2 N/2 Section 10, and SW/4 SE/4 and S/2 SW/4 of Section 11
Well: Crescent Hale 10 Federal Com Well No. 4H API No. 30-015-43847

The commingled oil and gas production from the wells detailed above shall be measured and sold at the Crescent Hale 10 Federal Well No. 3H (CTB), located in Unit K, Section 11, Township 19 South, Range 30 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.

A handwritten signature in black ink, appearing to read "Heather Riley", is written over a horizontal line.

HEATHER RILEY
Director

HR/mam

cc: Oil Conservation Division – Artesia
Bureau of Land Management - Carlsbad