

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



August 14, 2018

Surface Commingling Order PLC-515

MATADOR PRODUCTION COMPANY
Attention: Ms. Jordan Kessler

Pursuant to your application received on July 23, 2018, Matador Production Company (OGRID 228937) is hereby authorized to surface commingle oil and gas production and off lease-measure from the following pools located in Section 3, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico;

BILBREY BASIN; BONE SPRING	(5695)
WC-025 S223203A; WOLFCAMP (GAS)	(98258)

and from the following diversely owned federal wells and leases or Communitization Agreements ("CA") in said Section, Township, and Range in Lea County, New Mexico.

Lease: Pending CA for the Nina Cortell Federal Com Well No. 121H
Description: Lot 4/ Unit D, SW/4 NW/4 and W/2 SW/4 (W/2 W/2 equivalent) of Section 3
Wells: Nina Cortell Federal Com Well No. 121H API 30-025-44548
Nina Cortell Federal Com Well No. 131H API 30-025-44551
Pool: Bilbrey Basin; Bone Spring

Lease: Pending CA for the Nina Cortell Federal Com Well No. 132H
Description: Lot 3/ Unit C, SE/4 NW/4 and E/2 SW/4 (E/2 W/2 equivalent) of Section 3
Well: Nina Cortell Federal Com Well No. 132H API 30-025-44552
Pool: Bilbrey Basin; Bone Spring

Lease: Pending CA for the Nina Cortell Federal Com Well No. 2011H
Description: Lot 3/ Unit C, Lot 4/ Unit D, S/2 NW/4, and SW/4 (W/2 equivalent) of Section 3
Wells: Nina Cortell Federal Com Well No. 201H API 30-025-44554
Nina Cortell Federal Com Well No. 202H API 30-025-44555
Pool: WC-025 S223203A; Wolfcamp (Gas)

The commingled oil and gas production from the wells shall be measured and sold at the Nina Cortell West Central Tank Battery (CTB), located in Unit M of Section 3, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico.

Production from the subject wells shall be determined as follows:

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 Division Rule 19.15.12.10.C (2) NMAC.

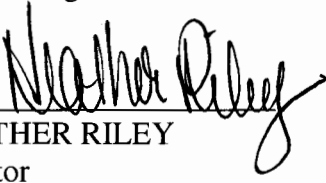
This installation shall be installed and operated in accordance with the applicable Division Rules and Regulations.

This approval is subject to like approval from The Bureau of Land Management before commencing commingling operations.

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

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.

Subsequently drilled wells that produce from the subject pool within the project areas approved by this order may be added to this commingling authority by submittal of a Sundry Notice to the Engineering Bureau in Santa Fe.


HEATHER RILEY
Director

HR/mam

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