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-868

September 5, 2018

PERCUSSION PETROLEUM OPERATING, LLC

Attention: Mr. Brian Wood

Percussion Petroleum Operating, LLC (OGRID 371755) is hereby authorized to surface commingle oil and gas production and off-lease measure from Crow Flats; Wolfcamp Pool (Pool code 97102) from the following diversely owned federal leases and wells located in Section 22, Township 16 South, Range 28 East, NMPM in Eddy County, New Mexico:

Lease: Federal Communitization Agreement NMNM 121789

Description: S/2 S/2 of Section 16

Well: Comet 22 Federal Well No. 1 API No. 30-015-35832

Lease: Federal Communitization Agreement NMNM 121410

Description: N/2 S/2 of Section 16

Well: Comet 22 Federal Well No. 2 API No. 30-015-35818

The commingled oil and gas production from the wells detailed above shall be measured and sold at the Comet 22 Federal Tank Battery (CTB), located in Unit L, Section 22, Township 16 South, Range 28 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. Further, the gas will be sold at the gatherer's meter located in Unit E, Section 22, Township 16 South, Range 28 East.

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