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-871

October 2, 2018

RKI EXPLORATION & PRODUCTION, LLC

Attention: Ms. Caitlin O'Hair

RKI Exploration & Production, LLC (OGRID 246289) 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 fee leases and wells located in Section 10, Township 23 South, Range 27 East, NMPM in Eddy County, New Mexico:

Lease: Cass Draw 10 23 27 Fee Well No. 401H; Case Number 16399, R-Pending

Description: S/2 of Section 10

Well: Cass Draw 10 23 27 Fee Well No. 401H API No. 30-015-45043

Lease: Johnson 10 23 27 Fee Well No. 401H; Case Number 16400, R-Pending

Description: N/2 of Section 10

Well: Johnson 10 23 27 Fee Well No. 401H API No. 30-015-45044

The commingled oil and gas production from the wells detailed above shall be measured and sold at the Cass Draw/Johnson Tank Battery (CTB), located in Unit H, Section 9, 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.

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