



Date: May 01, 2019

From: Pedro Mora Sivira

Subject: Commingling Production of Wells Going to Remuda 100 Battery

State Leases: E058949, E058948 & E052299
Eddy County, New Mexico

Remuda North 25 State 902H (Bone Spring Sand)
Remuda North 25 State 904H (Bone Spring Sand)
Remuda South 25 State 902H (Bone Spring Sand)
Remuda South 25 State 904H (Bone Spring Sand)
Remuda South 30 State 111H (Wolfcamp)
Remuda South 30 State 112H (Wolfcamp)
Remuda South 30 State 121H (Wolfcamp)
Remuda South 30 State 122H (Wolfcamp)

Mr. McMillan:

Regarding the application for a pool/lease commingle for the Remuda 100 Battery, the production decline of the wells is in accordance with the production decline presented in Order R-14299.

The ranges of decline and recommended testing schedule is:

Range 1 = 0-3 months, testing at least three (3) times a month for 24 hrs

Range 2 = 3-12 months, testing at least twice a month for 24 hrs

Range 3 = 12+ months, testing monthly for 24hrs

The facility will be utilizing allocation by individual test to meet future growth.

Pedro Mora Sivira
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A handwritten signature in blue ink, appearing to be 'Pedro Mora Sivira', written over a faint blue rectangular box.