



Approved

PLC

Order

Approved: 09/05/19

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Secretary

Adrienne Sandoval, Director
Oil Conservation Division



September 5, 2019

Administrative Order PLC-597

MATADOR PRODUCTION COMPANY
Attention: Ms. Kaitlyn Luck

Pursuant to your application received on August 15, 2019, 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 Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico;

AVALON; BONE SPRING, EAST	(3713)
BURTON FLAT; WOLFCAMP, EAST (GAS)	(73480)
BURTON FLAT UPPER WOLFCAMP EAST OIL	(98315)

and from the following diversely owned federal wells and proposed Federal Communitization agreements in Section 29 and Section 30, all in Township 20 South, Range 29 East, in Eddy County, New Mexico.

Lease: Proposed Leatherneck 3029 Federal Com Well No. 125H Federal Communitization Agreement; Hearing Order R-20782
Description: N/2 N/2 of Section 29 and Lot 1/ Unit D, N/2 NE/4, and NE/4 NW/4 (N/2 N/2 equivalent) of Section 30
Wells: Leatherneck 3029 Federal Com Well No. 125H API 30-015-46000
Leatherneck 3029 Federal Com Well No. 131H API 30-015-46001
Pool: Avalon; Bone Spring, East

Lease: Proposed Leatherneck 3029 Federal Com Well No. 126H Federal Communitization Agreement; Hearing Order R-20783
Description: S/2 N/2 of Section 29 and Lot 2/ Unit E, S/2 NE/4, and SE/4 NW/4 (S/2 N/2 equivalent) of Section 30
Wells: Leatherneck 3029 Federal Com Well No. 126H API 30-015-46002
Leatherneck 3029 Federal Com Well No. 136H API 30-015-45986
Pool: Avalon; Bone Spring, East

Lease: Proposed Leatherneck 3029 Federal Com Well No. 201H Federal
Communitization Agreement; Case No. 20623 Hearing Order R-Pending
Description: N/2 of Section 29 and Lot 1/ Unit D, Lot 2/ Unit E, NE/4 and E/2 NW/4 (N/2
equivalent) of Section 30
Wells: Leatherneck 3029 Federal Com Well No. 201H API 30-015-45983
Leatherneck 3029 Federal Com Well No. 221H API 30-015-45985
Pool: Burton Flat; Wolfcamp, East (Gas)

Lease: Proposed Leatherneck 3029 Federal Com Well No. 206H Federal
Communitization Agreement; Case No. 20624 Hearing Order R-Pending
Description: S/2 N/2 of Section 29 and Lot 2/ Unit E, S/2 NE/4, and SE/4 NW/4 (S/2 N/2
equivalent) of Section 30
Wells: Leatherneck 3029 Federal Com Well No. 206H API 30-015-45984
Leatherneck 3029 Federal Com Well No. 121H API 30-015-45999
Pool: Burton Flat Upper Wolfcamp East Oil

The commingled oil and gas production from the wells shall be measured and sold at the Leatherneck 3029 Federal Central Tank Battery (CTB), located in Lot 1/ Unit D of Section 30, Township 20 South, Range 29 East, NMPM, Eddy 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.

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.

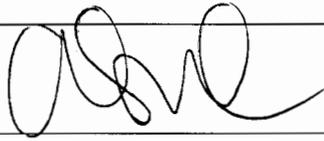
The allocation meters shall be calibrated quarterly in accordance with Rule 19.15.12.10.C (2) NMAC.

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

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

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

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Adrienne Sandoval
Director

AS/mam

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