

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



November 1, 2019

CENTRAL TANK BATTERY

Administrative Order CTB-911

Matador Production Company
Attention: Ben Peterson
5400 LBJ Freeway Tower 1 Suite 1500 Dallas, TX 75240

Pursuant to your application received on August 29, 2019, Matador Production Company ("Matador") is hereby authorized to surface commingle oil and gas production and off-lease measure from the wells and associated leases identified in the application, which is attached as Exhibit A and incorporated by reference into this Order. The wells produce from the Palmillo; Bone Spring, East pool (Pool code 49553) and are located in Section 6, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico.

Production from the wells shall be determined as follows:

The oil and gas production from each well shall flow into a dedicated 3-phase separator. The production stream shall be separated into 3 independent streams and each stream shall be measured individually before commingling. Additional gas gathered from process equipment after commingling shall be measured and allocated to each well based on the individual well's production.

The commingled oil production from the wells shall be measured and sold at the respective central tank battery ("CTB") described in Exhibit A and measured by a lease automatic custody transfer ("LACT") meter.

The commingled gas production from the wells shall be measured at the CTB using a custody transfer meter except when the gas pipeline is experiencing problems at which time the commingled gas production from the wells shall be measured using the appropriate meters.

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.

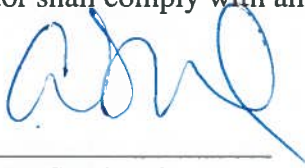
Matador may add subsequently drilled wells that produce from the approved pools within the project areas by submitting a Sundry Notice C-103 to the Engineering Bureau in Santa Fe.

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 the New Mexico State Land Office before commencing commingling operations.

Matador shall notify the Artesia District Office before commingling oil and gas production.

Matador shall comply with all Division Rules and Regulations.



Adrienne Sandoval
Director

AS/dm

cc: OCD – Engineering Bureau
 OCD – Artesia District Office
 New Mexico State Land Office