

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



December 14, 2015

ADMINISTRATIVE POOL/LEASE COMMINGLING ORDER

Administrative Order PLC-436
Administrative Application Reference No. pMAM1534239069

BREITBURN OPERATING LP
Attn: Ms. Shelly Doescher

Pursuant to your application received on December 7, 2015, Breitburn Operating LP (OGRID 370080) is hereby authorized to surface commingle oil gas production from the following pools located in Township 22 South, Range 37 East, NMPM, Lea County, New Mexico;

Blinebry Oil and Gas (Oil)	(6660)
Wantz; Abo	(62700)
Drinkard	(19190)
Tubb Oil and Gas (Oil)	(60240)
WC-025 G-04 S223720I; Devonian	(98168)

and from diversely owned wells identified in Attachment No. 1, and made part of this order. These wells are located on New Mexico State Lease B-934 in Township 22 South, Range 37 East, Lea County, New Mexico.

All wells, except the Encore M State Well No. 9 have identical ownership; therefore within this application, there are two leases, per agreement.

The commingled oil production for the Encore M State Well No. 2, Encore M State Well No. 3, Encore M State Well No. 4, Encore M State Well No. 5, Encore M State Well No. 6, Encore M State Well No. 7, Encore M State Well No. 8, Encore M State Well No. 9, Encore M State Well No. 10, and Encore M State Well No. 12 shall be metered with a combination of well testing and allocation meters at the M-State Satellite No. 1 central tank battery (CTB) located in Unit G, Section 19, Township 22 South, Range 37 East, Lea County, NMPM, New Mexico. The gas production for these wells shall be metered and sold at the M-State Satellite No. 1 CTB. The commingled oil production for the Encore M State Well No. 14, Encore M State Well No. 15, and Encore M State Well No. 16 shall be measured with a combination of well testing and allocation meters at the M-State Satellite No. 2 central tank battery (CTB) located in Unit A, Section 30, Township 22 South, Range 37 East, Lea County, NMPM, New Mexico. The gas production for these wells shall be metered and sold at the M-State Satellite No. 2 CTB. The oil and gas

production for the Encore M State Well No. 19 shall be continuously metered separately. The commingled oil production then flows to the Encore M State central tank battery (CTB) where it is sold, located in Unit N, Section 30, Township 22 South, Range 37 East, Lea County, NMPM, New Mexico.

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

All parties owning an interest in the subject wells have waived objection.

The surface commingling facility is an active facility; however, the addition of the Devonian pool and the change in ownership necessitated the pool lease commingling application.

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 operator shall notify the transporter of this commingling authority.

The operator shall notify the Hobbs District Office upon commencement of commingling operations.

DONE at Santa Fe, New Mexico, on December 14, 2015.



DAVID R. CATANACH
Director

DRC/mam

cc: Oil Conservation Division District Office – Aztec
New Mexico State Land Office – Oil, Gas, and Minerals

EXHIBIT 1

APPLICATION FOR POOL/LEASE COMMINGLE

Application proposal for Encore M State lease:

Encore M State Lease. State Lease No. B-934

Well Name	Location	API #	BTU (*)	Oil Gravity
Encore M State No. 001 DHC-HOB-0295 Pools: Blinebry Oil and Gas (Oil) (6660) Drinkard (19190)	A-30-22S-37E	30-025-38961	1230 (est.)	39.0
Encore M State No. 002 DHC-HOB-0363 Pools: Blinebry Oil and Gas (Oil) (6660) Drinkard 19190)	G-19-22S-37E	30-025-39541	1229	39.0
Encore M State No. 003 DHC-4702 Pools: Blinebry Oil and Gas (Oil) (6660) Drinkard (19190), Wantz;Abo (62700)	C-19-22S-37#	30-025-39751	1229	39.0
Encore M State No. 004 DHC-HOB-469 Pools: Blinebry Oil and Gas (Oil) (6660) Drinkard (19190)	H-19-22S-37E	30-025-40091	1229	39.0
Encore M State No. 005 DHC-4698 Pools: Blinebry Oil and Gas (Oil) (6660) Drinkard (19190), Wantz;Abo (62700)	A-19-22S-37E	30-025-40299	1229	39.0
Encore M State No. 006 DHC-4699 Pools: Blinebry Oil and Gas (Oil) (6660) Drinkard (19190) Wantz;Abo (62700)	I-19-22S-37E	30-025-40398	1229	39.0
Encore M State No. 007 DHC-4701 Pools: Blinebry Oil and Gas (Oil) (6660) Drinkard (19190) Wantz;Abo (62700)	B-19-22S-37E	30-025-40399	1229	39.0
Encore M State No. 008 DHC-4705 Pools: Blinebry Oil and Gas (Oil) (6660) Drinkard (19190) Wantz;Abo (62700)	J-19-22S-37E	30-025-40721	1229	39.0

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Encore M State No. 009 DHC-4700	D-20-22S-37E	30-025-40749	1190**	39.0
Pools: Blinebry Oil and Gas (Oil) (6660) Drinkard (19190) Wantz;Abo (62700)				
Encore S State No. 010 DHC-4771	M-17-22S-37E	30-025-41061	1229	39.0
Pools: Blinebry Oil and Gas (Oil) (6660) Drinkard (19190) Wantz;Abo (62700) Tubb Oil and Gas (Oil) (60240)				
Encore M State No. 011 DHC - TBD	M-20-22S-37E	30-025-41529	Not yet drilled	
Pools: Blinebry Oil and Gas (Oil) (6660) Drinkard (19190) Wantz;Abo (62700)				
Encore M State No. 012 DHC-4703-A	K-20-22S-37E	30-025-41530	1229	39.0
Pools: Blinebry Oil and Gas (Oil) (6660) Drinkard (19190) Wantz;Abo (62700) Tubb Oil and Gas (Oil)(60240)				
Encore M State No. 013 DHC-TBD	F-19-22S-37E	30-025-41531	Not yet drilled	
Pools: Blinebry Oil and Gas (Oil) (6660) Drinkard (19190) Wantz;Abo (62700)				
Encore M State No. 014 DHC 4704	N-20-22S-37E	30-025-41942	1253	39.0
Pools: Blinebry Oil and Gas (Oil) (6660) Drinkard (19190) Wantz;Abo (62700)				
Encore M State No. 015 DHC 4737A	J-20-22S-37E	30-025-42363	1253	39.0
Pools: Blinebry Oil and Gas (Oil) (6660) Tubb Oil and Gas (Oil) (60240) Drinkard (19190) Wantz;Abo (62700)				
Encore M State No. 016 DHC 4736A	B- 29-22S-37E	30-025-42391	1253	39.0
Pools: Blinebry Oil and Gas (Oil) (6660) Tubb Oil and Gas (Oil) (60240) Drinkard (19190) Wantz;Abo (62700)				

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Encore M State No. 17 DHC 4734	F-29-22S-37E	30-025-42393	Not yet drilled	
Pools: Blinebry Oil and Gas (Oil) (6660) Drinkard (19190) Wantz;Abo (62700)				
Encore M State No. 018 DHC 4735A	O-20-22S-37E	30-025-42392	Not yet drilled	
Pools: Blinebry Oil and Gas (Oil) (6660) Tubb Oil and Gas (Oil) (60240) Drinkard (19190) Wantz;Abo (62700)				
Encore M State No. 019 DHC (None)	I-20-22S-37E	30-025-42779	1514***	40.0
Pool: Wildcat Devonian (WC - 025 G04 S2237201)				

BTU Notes

***The BTU values are from samples collected at the sales point of the respective tank battery November 2015. The values are Dry BTU test values. Records attached.**

**** Gas analysis for Encore M State No. 009 attached.**

***** Gas analysis for Encore M State No. 019 attached.**