

State of New Mexico  
Energy, Minerals and Natural Resources Department

Susana Martinez  
Governor

David Martin  
Cabinet Secretary

Tony Delfin  
Deputy Cabinet Secretary

David R. Catanach, Division Director  
Oil Conservation Division



June 23, 2016

Surface Commingling Order PLC-450  
Administrative Application Reference No. pMAM1615839701

BC OPERATING, INC.  
Attention: Ms. Sarah Presley

Pursuant to your application received on June 2, 2016, BC Operating, Inc. (OGRID 160825) is hereby authorized to surface commingle gas production from the following pools located in Section 11, Township 23 South, Range 24 East, and Section 19, Township 23 South, Range 25 East, NMPM, Eddy County, New Mexico;

ROCK TANK; UPPER MORROW (GAS)	(84040)
ROCK TANK; LOWER MORROW (GAS)	(84000)

and from the following diversely owned federal leases in said Section, Township, and Range in Lea County, New Mexico.

Lease: Federal Com. NMNM 0303836  
Description: Entire Section 11, Township 23 South, Range 24 East  
Well: Smith Federal Com. Well No. 2  
Pool: Rock Tank; Upper Morrow (Gas)

Lease: Federal Lease NMNM 115403  
Description: W/2 of Section 19, Township 23 South, Range 25 East,  
Well: Dark Canyon Federal Well No. 1  
Pool: Rock Tank; Lower Morrow (Gas)

Commingled gas production from the wells shall be measured and sold at the Dark Canyon Federal Well No. 1 Tank Battery, located in Unit A of Section 24, Township 23 South, Range 24 East, NMPM, Eddy County, New Mexico.

The gas production from each of the identically-owned leases shall be separately metered using a combination of well testing and allocation meters.

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

After initial notification, future wells that will produce from the pools and leases approved by this order may be added to this commingling authority by submittal of a Sundry Notice to the Engineering Bureau in Santa Fe.

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

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

Done at Santa Fe, New Mexico, on June 23, 2016.



**DAVID R. CATANACH**  
Director

DRC/mam

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