

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

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David R. Catanach, Division Director
Oil Conservation Division



ADMINISTRATIVE CENTRAL TANK BATTERY ORDER

Administrative Order CTB-806
Administrative Application Reference No. pMAM1633338654

December 15, 2016

MATADOR PRODUCTION COMPANY
Attention: Ms. Jordan Kessler

Matador Production Company (OGRID 228937) is hereby authorized to surface commingle oil and gas production from Culebra Bluff; Wolfcamp, South (Gas) (Pool code: 75750) from the following diversely owned leases located in Section 5, Township 24 South, Range 28 East, Eddy County, New Mexico:

Lease: Jimmy Kone 05 24S 28E RB Well No. 226H
Description: N/2 of Section 5, Township 24 South, Range 28 East, NMPM
Well: Jimmy Kone 05 24S 28E Well No. 226H 30-015-43958

Lease: Jimmy Kone 05 24S 28E RB Well No. 208H
Description: S/2 of Section 5, Township 24 South, Range 28 East, NMPM; Hearing Order R-14160
Wells: Jimmy Kone 05 24S 28E RB Well No. 208H 30-015-43389
Jimmy Kone 05 24S 28E RB Well No. 203H 30-015-43475
Jimmy Kone 05 24S 28E RB Well No. 223H 30-015-43477
Jimmy Kone 05 24S 28E RB Well No. 228H 30-015-43542

The combined project area for these wells includes the entire Section 5, Township 24 South, Range 28, East, NMPM, Eddy County, New Mexico.

The commingled oil and gas production from the wells detailed above shall be measured and sold at the Jimmy Kone 05 24S 28E Well No. 223H central tank battery (CTB), located in Unit I, of Section 5, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico.

Production from the subject and proposed wells shall be determined as follows:

The oil and gas production from each of the wells listed in this application and subsequent wells within the specified leases shall be separately measured with allocation meters. Further, after the wells within the leases achieve identical ownership, a combination of well-testing and metering shall be permitted. Presently, wells within the Jimmy Kone 05 24S 28E RB Well No. 208H lease have diverse ownership pursuant to the requirements in Hearing Order R-14160.

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

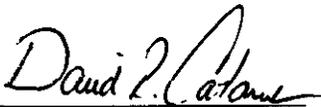
Subsequently drilled wells that produce from the subject pool within the project areas approved by this order may be added to this commingling authority by submittal of a Sundry Notice to the Engineering Bureau in Santa Fe.

This administrative order approves off-lease measurement for the present and future wells and leases in this application.

This installation shall be installed and operated in accordance with the applicable Division Rules. It is the responsibility of the producer to notify the transporter of this commingling authority.

The operator shall notify the Artesia District office of the Division prior to implementation of the commingling operations.

Done at Santa Fe, New Mexico, on December 15, 2016.



DAVID R. CATANACH
Director

DRC/mam

cc: Oil Conservation Division – Artesia