

State of New Mexico
Energy, Minerals and Natural Resources Department

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Cabinet Secretary

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Heather Riley, Division Director
Oil Conservation Division



ADMINISTRATIVE CENTRAL TANK BATTERY ORDER

Administrative Order CTB-878

November 7, 2018

Marathon Oil Permian LLC
Attention: Ms. Jennifer Van Curen

Marathon Oil Permian LLC (OGRID 372098) is hereby authorized to surface commingle oil and gas production and off-lease measure oil and gas production from the Grama Ridge; Bone Springs, West Pool (Pool code 28432) from the following diversely owned state leases located in Section 8, Township 22 South, Range 34 East, Lea County, New Mexico:

Lease: Grama Ridge 8 State Com Well No. 2H Communitization Agreement
Description: W/2 E/2 of Section 8
Wells: Grama Ridge 8 State Com Well No. 2H API 30-025-43607
Grama Ridge 8 State Com Well No. 5H API 30-025-45610

Lease: Grama Ridge 8 State Com Well No. 3H Communitization Agreement
Description: E/2 of Section 8
Well: Grama Ridge 8 State Com Well No. 3H API 30-025-43608

The commingled oil and gas production from the wells detailed above shall be measured and sold at the Grama Ridge 8 State Com Well No. 2H, 3H, 5H Central Tank Battery (CTB), located in Unit O, Section 8, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico.

Production from the subject wells shall be determined as follows:

The oil and gas production from each of the diversely-owned leases shall be measured with allocation meters.

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.

Your application has been duly filed under the provisions of Division Rules 19.15.12.10.C NMAC and 19.15.4.12.A (8) NMAC.

It is also understood that you have given due notice of this application to all owners in the mineral interest estate ("affected parties") as defined in Rule 19.15.12.10.C (4) NMAC.

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

Subsequent wells within leases approved by this order may be added to this administrative surface commingle application with a Sundry notice to the Engineering Bureau.

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.

This administrative order is subject to like approval from the New Mexico State Land Office.

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



HEATHER RILEY
Director

HR/mam

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