

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

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Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



July 14, 2015

ADMINISTRATIVE POOL/LEASE COMMINGLING ORDER

Administrative Order PLC-422
Administrative Application Reference No. pMAM1516260153

BOPCO, L.P.
Attention: Ms. Tracie Cherry

Pursuant to your application received on June 10, 2015, BOPCO, L.P. (OGRID 260737) is hereby authorized to surface commingle oil and gas production from the following pools located in Section 12, Township 24 South, Range 29 East, and Section 7, Township 24 South, Range 30 East NMPM, Eddy County, New Mexico;

Nash Draw; Delaware/BS (Avalon Sand) (47545)
Pierce Crossing; Bone Spring, East (96473)

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

Lease: Federal Lease NMLC-0068545
Description: W/2 W/2 of Section 7, Township 24 South, Range 30 East
Well: Poker Lake Unit CVX JV PC Well No. 8H

Lease: Communization Agreement NMNM130430
Description: W/2 NE/4, E/2 SE/4, and SE/4 NE/4 of Section 12, Township 24 South, Range 29 East
Well: Poker Lake Unit CVX JV PC Well No. 5H

The commingled oil and gas production from the wells detailed above shall be measured and sold at the PLU Pierce Canyon 12 Federal Battery (CTB) located in Unit P of Section 12, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico.

Production from the subject wells shall be determined as follows:

Oil and gas production from these wells shall be determined using a combination of metering and well testing. Gas production for the well on test goes through a two phase separator,

followed by an allocation meter and then through a sales meter. Production from the well not on test is determined by subtraction of the sales meter minus the well on test meter readings.

The well not in test is routed to the production side of the facility. The produced fluid enters a two-phase separator where the gas is separated, and flows into the pipeline. Oil flows into the heater treater then through the flash tower and finally to the oil storage tanks.

Oil production for the well on test goes through a heater treater. Oil is metered off the treater using a turbine test meter. Oil then flows into an oil production line where it is combined with the other well's oil and flows through a flash tower into one of the 500 barrel oil tanks. Oil from the tanks is sold through a LACT meter directly into the BOPCO PLU pipeline. The daily oil production is determined by tank gauge method and the volume recorded at the LACT unit. Production is allocated back to each well based on the allocation factors determined from the turbine test meter reading for the well in test phase.

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

This approval is subject to like approval from the Bureau of Land Management before commencing commingling operations.

The operator shall notify the Artesia District office of the Division upon commencement of commingling operations.

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



DAVID R. CATANACH
Director

DRC/mam

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