RECEIVED:	REVIEWER:	TYPE:	APP NO:	
		ABOVE THIS TABLE FOR OCD DI	IVISION USE ONLY	
	-	O OIL CONSERV/ cal & Engineering ancis Drive, Santo	g Bureau –	
	ADMINISTR	ATIVE APPLICATI	ON CHECKLIST	
THIS	CHECKLIST IS MANDATORY FOR ALL REGULATIONS WHICH REC	L ADMINISTRATIVE APPLICA QUIRE PROCESSING AT THE		
Applicant: <u>Manza</u>				RID Number: <u>330289</u>
Well Name: <u>Rain</u>				30-015-49490
Pool: Benson; Delay	vare (O)		Pool	l Code: <u>97083</u>
A. Location	ICATION: Check those w n – Spacing Unit – Simulta NSL 🛛 NSP (PRC	aneous Dedicatio	n _	]sd
[1] Con [	one only for [1] or [1] nmingling – Storage – Me DHC ■CTB □PL ction – Disposal – Pressu WFX □PMX □SV	.C	anced Oil Recov	/ery
A. Offse B. Royc C. Appl D. Notif E. Notif F. Surfa G. For a	N REQUIRED TO: Check t t operators or lease hold lity, overriding royalty ow ication requires publishe ication and/or concurre ication and/or concurre ce owner II of the above, proof of otice required	ders vners, revenue ow ed notice ent approval by SL ent approval by BL	vners O .M	Notice Complete Application Content Complete
administrative	N: I hereby certify that t e approval is <b>accurate</b> c hat <b>no action</b> will be tak	and <b>complete</b> to t	he best of my kr	nowledge. I also

notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Cory Walk

Print or Type Name

Cory Walk

04-09-2025 Date

505-466-8120

Phone Number

cory@permitswest.com e-mail Address

Signature

District I 1625 N. French Drive, Hobbs, NM 88240 District II 811 S. First St., Artesia, NM 88210 District III 1000 Rio Brazos Road, Aztec, NM 87410

**Fee** 

District IV 1220 S. St Francis Dr, Santa Fe, NM 87505

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-107-B Revised August 1, 2011

#### **OIL CONSERVATION DIVISION** 1220 S. St Francis Drive Santa Fe, New Mexico 87505

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

#### APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME:	Manzanita Operating, LLC
OPERATOR ADDRESS:	P.O. Box 3489, Midland, TX 7970

С APPLICATION TYPE:

LEASE TYPE:

02

Deol Commingling Deol and Lease Commingling Off-Lease Storage and Measurement (Only if not Surface Commingled)

State X Federal

Is this an Amendment to existing Order? XYes No If "Yes", please include the appropriate Order No. **CTB-1116** Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling X Yes INo

	. ,	L COMMINGLIN s with the following in			
(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
(2) Are any wells producing at top allowal	bles? Yes No				
(3) Has all interest owners been notified b	y certified mail of the pro	posed commingling?	Yes No.		

(4)

(5)

#### **(B) LEASE COMMINGLING** Please attach sheets with the following information

XYes No

Pool Name and Code. Benson; Delaware (O) [97083] (1)

(2) Is all production from same source of supply? X Yes  $\Box$  No

(3) Has all interest owners been notified by certified mail of the proposed commingling?

(4) Measurement type: X Metering X Other (Specify) Metering & Tank Gauging

#### (C) POOL and LEASE COMMINGLING Please attach sheets with the following information

Complete Sections A and E. (1)

## (D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

Is all production from same source of supply? Yes No (1)(2)Include proof of notice to all interest owners.

(E) ADDITIONAL I	NFORMATION (for all applica	tion types)
	sheets with the following information	
(1) A schematic diagram of facility, including legal location.		
(2) A plat with lease boundaries showing all well and facility	locations. Include lease numbers if Feder	ral or State lands are involved.
(3) Lease Names, Lease and Well Numbers, and API Numbe	ers.	
I hereby certify that the information above is true and complete	to the best of my knowledge and belief.	
SIGNATURE: Cory Welk	TITLE: Consultant	DATE: 04/09/2025
TYPE OR PRINT NAME Cory Walk		TELEPHONE NO.:505-466-8120
E-MAIL ADDRESS: cory@permitswest.com		_



April 9, 2025

New Mexico Oil Conservation Division 1220 South Saint Francis Drive Santa Fe, NM 87505

Re: Amendment Request for lease surface commingling Rainmaker Federal #1 and others Sec. 5, T19S, R31E API: 30-015-49490 & others Benson; Delaware (O) [97083] Eddy County, NM

Dear Mr. McClure:

Manzanita Operating, LLC, is filing an amendment to Order # CTB-1116 for lease commingling of oil, water and gas at their Rainmaker Federal #1 CTB. This amendment application seeks to add 2 wells to the previous 3 for a new total of 5 wells but also seeks approval for the ability to add future wells and leases to these facilities.

Commingling will not reduce the total value of remaining production.

Please contact the undersigned should you have any questions or need any additional information.

Sincerely,

Cory Walk

Cory Walk Agent Permits West Inc. (505) 466-8120 cory@permitswest.com

# Proposed Allocation Procedure

- The Rainmaker and the Haymaker leases are on Federal Lands, with 12.5% Royalty to the BLM on each lease.
- The wells will produce into a flowline manifold where they can be individually produced to a specific 3-phase separator.
- The wells will rotate on a bi-daily schedule wherein each well will go through a test treater every ten (10) days.
- The test treater(s) will have meters so that we are able to meter water, oil, and gas for each well during its testing period.
- We will use these tests each month to allocation the production of oil, gas, and water to each well producing.

# Oil Production Example (Table & Flow Chart Below)

- In this example you can see each well producing into a designated 3-phase separator at the tank battery.
- As each well unloads from its separator, the oil, water, and gas are metered
- That production from each well, can be divided by the Monthly Production for the Tank Battery, to calculate an allocation percentage for the month for each well.
- In the hypothetical example below, Well #1 produces 130.8 bbls of oil for the month of January, Well #2 produces 272 bbls of oil, and Well #3 produces 492.9 bbls.
- The Total Oil produced for the month for the Tank Battery was 895.6.
- Dividing each well's production by the Total Oil produced gives us each wells allocation % for that month: For Well #1 130.8/895.6 = 14.6%; For Well #2 272/895.6 = 30.4%, For Well #3 492.9/895.6 = 55%
- Oil was sold to a truck-hauling purchaser from tanks #1 and #2, each load was 170.19, 164.61, 172.98 and 172.98 bbls respectively, the total oil sold for the month is 680.8 bbls of oil.
- By multiplying each wells allocation percentage by the amount of oil sold, each well will be given each wells allocation of the production sold. IE: Well #1 14.6% x 680.8 bbls = 99.4 bbls; Well #2 30.4% x 680.8 bbls = 206.8 bbls; Well #3 55% x 680.8 bbls = 492.9 bbls.

D		ved	h., (	CD.	Rai	nn	naker	СТВ					County Eddy			N	State			NMOCD			Date From 01/01/24			Date to 02/01/24					Dess ( of 22
Tank	1	<del>rea (</del> 1		2	4/10/2	023	4:33:37						,	Wa	ter 1		ter 2	Pumper							Dav	/s in the Mc	onth				<b>Page 6 of 23</b>
Size	50	00		500										5	00		0				John Doe					31					7
Bbl/in	2.7	79	:	2.79				1	2	0	0	Total	Runs,	2	.78		0	Well #1	Well #2	Well #3	Well #1	Well #2	Well #3	Well #1	Well #2	Well #3	Oil Tank	WATER Transfer	Gas Sales		
Day	-t	In	Ft	In	Ft	In	Ft In	Barrels	Barrels	Barrels	Barrels	Stock	Bbls	Ft	In	Ft	In	Gas	Gas	Gas	Oil	Oil	Oil	Water	Water	Water	Guages	Meter	Meter		
1	1	5	1	8				47.43	55.80	0	0	103.23	0.00	7	0			7	7	8	0.0	0.0	0.0	0.00	0.00	0.00	0.0	0	22		
2	2	3	1	8				75.33	55.80	0	0	131.13	0.00	7	0			7	7	8	7.9	10.0	10.0	5.00	10.00	15.00	27.9	30	22		
3	2	9	1	8				92.07	55.80	0	0	147.87	0.00	7	0			7	7	8	2.0	6.0	8.7	5.00	10.00	15.00	16.7	30	22		
4	3	7	1	8				119.97	55.80	0	0	175.77	0.00	7	0			7	7	8	1.9	10.0	16.0	5.00	10.00	15.00	27.9	30	22		
5	4	4.8	1	8				147.31	55.80	0	0	203.11	0.00	7	0			7	7	8	1.0	10.0	16.3	5.00	10.00	15.00	27.3	30	22		
6	5	3.3	1	8				176.61	55.80	0	0	232.41	0.00	7	0			7	7	8	3.0	10.3	16.0	5.00	10.00	15.00	29.3	30	22		
7	5	11	1	8				198.09	55.80	0	0	253.89	0.00	7	0			7	7	8	2.5	3.0	16.0	5.00	10.00	15.00	21.5	30	22		
8	6	11	1	8				231.57	55.80	0	0	287.37	0.00	7	0			7	7	8	7.0	10.5	16.0	5.00	10.00	15.00	33.5	30	22		
9	7	5	1	8				248.31	55.80	0	0	304.11	0.00	7	0			7	7	8	0.0	0.0	16.7	5.00	10.00	15.00	16.7	30	22		
	8	0	1	8				267.84	55.80	0	0	323.64	0.00	7	0			7	7	8	1.0	4.5	14.0	5.00	10.00	15.00	19.5	30	22		
	Э	0	1	8	$\square$			301.32	55.80	0	0	357.12	0.00	7	0			7	7	8	8.0	10.0	15.5	5.00	10.00	15.00	33.5	30	22		
	9	9	1	8				326.43	55.80	0	0	382.23	0.00	3	7			7	7	8	5.0	5.0	15.1	5.00	10.00	15.00	25.1	30	22		
	0	7	1	8	$\vdash$			354.33	55.80	0	0	410.13	0.00	4	8			7	7	8	4.0	8.0	15.9	5.00	10.00	15.00	27.9	30	22		
	1	5	1	8	$\vdash$			382.23	55.80	0	0	438.03	0.00	5	7			7	7	8	4.0	8.0	15.9	5.00	10.00	15.00	27.9	30	22		
	2	4	1	8				412.92	55.80	0	0	468.72	0.00	6	9			7	7	8	4.0	10.7	16.0	5.00	10.00	15.00	30.7	30	22	_	
	3	3	1	8	+ +			443.61	55.80	0	0	499.41	0.00	7	11			7	7	8	2.0	10.0	18.7	5.00	10.00	15.00	30.7	30	22	-	
17		3	1	8				477.09	55.80	0	0	532.89	0.00	9	0			7	7	8	4.0	10.5	19.0		10.00	15.00	33.5	30	22	-	
	9	2	2	8				306.90	89.28	0	0		170.19		2			7	7	8	6.0	11.5	16.0		10.00	15.00	33.5	30	22		
-	9	2	3	8				306.90	122.76	0	0	429.66	0.00	6	0			7	7	8	4.0	13.5	16.0	5.00	10.00	15.00	33.5	30	22		
	9	2	4	6				306.90	150.66	0	0	457.56	0.00	7	0			7	7	8	2.0	8.0	17.9	5.00	10.00	15.00	27.9	30	22	-	
	9	2	5	2				306.90	172.98	0	0	479.88	0.00	8	0			7	7 7	8	4.0	8.0	10.3	5.00	10.00	15.00 15.00	22.3	30	22		
	9		6 7	-				306.90	200.88	0	0	507.78	0.00	9	0			7 7	7	8 8	4.0	7.9	16.0	5.00	10.00		27.9	30	22 22		
	9 9	2	8	0				306.90 306.90	234.36 270.63	0	0	541.26 577.53	0.00	6 7	4			7	7	8	4.5 10.0	10.0	19.0 18.3	5.00 5.00	10.00 10.00	15.00 15.00	33.5 36.3	30 30	22		
	9	2	о 9	0				306.90	301.32	0	0	608.22	0.00	6	0			7	7	8	4.0	8.0 10.0	16.7	5.00	10.00	15.00	30.7	30	22		
	9	2	9 10	0				306.90	334.80	0	0	641.70	0.00	7	0			7	7	8	8.0	8.0	17.5	5.00	10.00	15.00	33.5	30	22		
	9	2	11	0				306.90	368.28	0	0	675.18	0.00	6	1			7	7	8	8.0	8.5	17.0		10.00	15.00	33.5	30	22		
	_	2	11	9				306.90	393.39	0	0	700.29	0.00	7	0			7	7	8	2.0	10.1	13.0		10.00	15.00	25.1	30	22		
	0	0	6	10				334.80	228.78	0	0		164.61	8	0			7	7	8	2.0	10.1	15.4	5.00	10.00	15.00	27.9	30	22		
	1	0	1	8				368.28	55.80	0	0		172.98	9	1			7	7	8	5.0	10.5	18.0	5.00	10.00	15.00	33.5	30	22		
	-	10	2	8				195.30	89.28	0	0	284.58	172.98	6	2			7	7	8	5.0	10.5	18.0	5.00	10.00	15.00	33.5	30	22		
		10	3	8				195.30	122.76	0	0	318.06	0.00	7	1			7	7	8	5.0	10.5	18.0	5.00	10.00	15.00	33.5	30	22		
· · · · ·				-														224.0	224.0	256.0							895.6			) <mo< th=""><th>onthly Totals</th></mo<>	onthly Totals
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C	ther	r Disp	osal	s:			0.0	] [	18	18	1	123		14		9	2								17	0.19					
C	il So	old fro	om T	anks		6	80.8	] [	29	29	2	123		11		6	10								16	4.61					
Ν	lonti	hly O	il Pro	od:		8	895.6		30	30	2	123		6		1	8								17	2.98					
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Ν	lonti	hly G	as P	rod:		7	04.0																		680.76		Total Oil	Sold			
<b>-</b>					0	il Proc	duced	Oil All. %	Oil Sold All.	Gas MCF	Gas %	Gas Sold	Nater bb	Wat	er %	Water	r Transf														
		ation					30.8	14.6%	99.4	224.0	31.8%	224.0	155.0		16.7%		155.0														
R	lea	awahi	to du	magin	g: 6/3	/202	521011:3	<b>PM</b> .4%	206.8	224.0	31.8%	224.0	310.0		33.3%		310.0														
	lloca	ation	Well	#3		4	92.9	55.0%	374.7	256.0	36.4%	256.0	465.0		50.0%		465.0														

# Oil Allocation Flow Chart

Oil Production Measured for each well

- Total oil produced by battery measured by gauges of oil tanks AND summing of daily oil is 895.6 bbls
- Dividing each well's total by the battery's total will give the wells allocation %

Well #1 Oil – 130.8 bbls / 895.6 bbls = 14.6% by reading Meter at end of month Well #2 Oil – 272 bbls / 895.6 bbls = 30.4% Oil from Meter Well #3 Oil – 492.9 bbls / 895.6 bbls = 55% Well #1 Reading: Well #1 130.8 Oil bbls Manifold Oil from Oil Meter Oil Sold Oil Purchased into Well #2 Storage Reading: Gauges: transport truck Tanks Well #2 272 bbls 680.8 bbls Using each well's allocation % and • Meter Oil from multiplying by the total oil sold will give each Reading: Well #3 well's allocation of oil sold: 492.9 Well #1 Oil  $-14.6\% \times 680.8$  bbls = 99.4 bbls Well #3 bbls Well #2 Oil -30.4% x 680.8 bbls = 206.8 bbls Well #3 Oil  $-55\% \times 680.8$  bbls = 374.7 bbls

Water Allocation Flow Chart

Water Production Measured for each

well by reading Meter at end of month

- Total water produced by battery • measured by water Through SWD Meter = 930 bbls
- Dividing each well's total by the ٠ battery's total will give the wells allocation %

Well #1 Water – 155 bbls / 930 bbls = 16.7% Well #2 Water – 310 bbls / 930 bbls = 33.3% Well #3 Water – 465 bbls / 930 bbls = 50.0%



# Gas Allocation Flow Chart

Gas Production Measured for each well

- Total gas produced by battery measured by gas DCP Sales Meter = 704 MCF
- Dividing each well's total by the battery's total will give the wells allocation %



## Exhibit A: Well List

Lease	Well	API	Location	Operator	Pool Name [Code]	Spacing
NMLC-0069033	Rainmaker Federal 001	30-015-49490	Sec. 5, T-19-S, R-31-E	Manzanita Operating, LLC	BENSON; DELAWARE (O) [97083]	40
NMLC-0069033	Rainmaker Federal 002	30-015-54595	Sec. 5, T-19-S, R-31-E	Manzanita Operating, LLC	BENSON; DELAWARE (O) [97083]	40
NMNM-082902	Haymaker Federal 001	30-015-54648	Sec. 8, T-19-S, R-31-E	Manzanita Operating, LLC	BENSON; DELAWARE (O) [97083]	40
NMLC-0069033	Rainmaker Federal 003	30-015-56218	Sec. 5, T-19-S, R-31-E	Manzanita Operating, LLC	BENSON; DELAWARE (O) [97083]	40
NMNM-082902	Haymaker Federal 002	30-015-56217	Sec. 8, T-19-S, R-31-E	Manzanita Operating, LLC	BENSON; DELAWARE (O) [97083]	40

Previously approved in original commingle application (OCD Order CTB-1116; BLM Sundry ID 2794821) Proposed new wells in this amendment application

# Manzanita Operating, LLC

Rainmaker Federal #1 Facility Commingle Amendment Overview Map

Sections 5&8, T. 19S, R. 31E Eddy County, New Mexico



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Rainmaker/Haymaker Commingling Facility Diagram

.

Name	Address	City	State	ZIP	Tracking Number
Boaz Energy II, LLC	3300 N. A St Bldg 7 Ste 150	Midland	ТΧ	79705	9589-0710-5270-0750-2762-95
Bull Creek Services	905 Keystone Ct	Midland	ТΧ	79705	9589-0710-5270-0750-2763-01
Bureau of Land Management	620 E Greene Street	Carlsbad	NM	88220	9589-0710-5270-0750-2763-18
Chi Energy Inc.	PO Box 1799	Midland	ТΧ	79702	9589-0710-5270-0750-2763-25
COG Operating LLC	PO Box 22295, Network Pl	Chicago	IL	60673-1222	9589-0710-5270-0750-2760-11
Douglas H. Christensen	PO Box 52738	Midland	ТΧ	79710	9589-0710-5270-0750-2760-28
EOG Resources Inc.	5509 Champions Dr.	Midland	ТΧ	79706	9589-0710-5270-0750-2760-35
Fedro & Associates L.P.	PO Box 10872	Midland	ТΧ	79702	9589-0710-5270-0750-2760-42
First String Pipe Rentals LLC	PO Box 476	Wink	ТΧ	79789	9589-0710-5270-0750-2760-59
Forrest Kroschel	1811 Potomac Unit C	Houston	ТΧ	77057	9589-0710-5270-0750-2760-66
Great Western Drilling LTD.	PO Box 1659	Midland	ТΧ	79702	9589-0710-5270-0750-2760-73
Hawkins Exploration, Inc	200 N. Loraine, Ste 1100	Midland	ТΧ	79701	9589-0710-5270-0750-2760-80
Lavanco Energy, LTD.	PO Box 60087	San Angelo	ТΧ	76906	9589-0710-5270-0750-2760-97
Manzanita Operating, LLC	PO Box 3489	Midland	ТΧ	79702	9589-0710-5270-0750-2761-03
McCombs Energy LTD.	755 E Mulberry Ave, Ste 600	San Antonio	ТΧ	78212	9589-0710-5270-0750-2761-10
Oxy Y-1 Company	PO Box 27570	Houston	ТΧ	77227	9589-0710-5270-0750-2761-27
Panthaky LLC	2000 N H. ST	Midland	ТΧ	79705	9589-0710-5270-0750-2761-34
R.L. Yadon Investments LLC	PO Box 8715	Midland	ΤX	79708	9589-0710-5270-0750-2761-41
Slayton Investments, LLC	PO Box 2035	Roswell	NM	88202	9589-0710-5270-0750-2761-58
Slayton Investments, LLC	PO Box 2023	Roswell	NM	88202	9589-0710-5270-0750-2761-65















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Affidavit of Publication         No.       43550         State of New Mexico       Publisher         County of Eddy:       Publisher
County of Eddy:
Dave Shabaz
being duly sworn, sayes that he is the <b>Publisher</b>
of the Artesia Daily Press, a weekly newspaper of General
circulation, published in English at Artesia,
said county and state, and that the hereto attached
Legal Ad
was published in a regular and entire issue of the said
Artesia Daily Press, a weekly newspaper duly qualified
for that purpose within the meaning of Chapter 167 of
the 1937 Session Laws of the state of New Mexico for
Consecutive weeks/day on the same
day as follows:
First Publication April 17, 2025
Second Publication
Third Publication
Fourth Publication
Fifth Publication
Sixth Publication
Seventh Publication
Eighth Publication
Subscribed ans sworn before me this
17th day of April 2025
LATISHA ROMINE Notary Public, State of New Mexico Commission No. 1076338 My Commission Expires 05-12-2027
Katista Komine
Latisha Romine Notary Public, Eddy County, New Mexico

Manzanita Operating, LLC located at PO Box 3489, Midland TX 79702 is applying to the NMOCD for an amendment to Order # CTB-1116 for surface lease commingling of oil, water and gas at their Rainmaker Federal #1 CTB. This amendment application seeks to add 2 wells to the previous 3 for a new total of 5 wells commingling at their Rainmaker Federal #1 CTB located in Eddy County, Section 5, T19S-R31E. Wells are producing from Sections 5 & 8, T19S-R31E. Production will be from the BENSON; DELAWARE (O) [97083] pool. Manzanita is also seeking the ability to add future wells and leases to the proposed commingle application.

Pursuant to Statewide Rule 19.15.12.10, interested parties must file objections or requests for hearing in writing with the NM Oil Conservation Division, 1220 South Saint Francis Dr., Santa Fe, NM 87505, within 20 days after publication, or the NMOCD may approve the application. For questions pertaining to the application, please contact Cory Walk at 505-466-8120

Published in Artesia Daily Press April 17, 2025.





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### STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

# APPLICATION FOR SURFACE COMMINGLINGSUBMITTED BY MANZANITA OPERATING, LLCORDER NO. CTB-1116A

### <u>ORDER</u>

The Director of the New Mexico Oil Conservation Division ("OCD"), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

### FINDINGS OF FACT

- 1. Manzanita Operating, LLC ("Applicant") submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells as described in Exhibit A ("Application").
- 2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
- 3. Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
- 4. Applicant provided notice of the Application to the Bureau of Land Management ("BLM") or New Mexico State Land Office ("NMSLO"), as applicable.
- 5. Applicant certified the commingling of oil and gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil and gas production to less than if it had remained segregated.
- 6. Applicant stated that it sought authorization to surface commingle and off-lease measure, as applicable, oil and gas production from wells which have not yet been approved to be drilled, but will produce from a pool and lease as described in Exhibit A.

#### **CONCLUSIONS OF LAW**

- 7. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.
- 8. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10 A.(2) NMAC, 19.15.12.10 C.(4)(c) NMAC, and 19.15.12.10 C.(4)(e) NMAC, as applicable.
- 9. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9 A.(5) NMAC and 19.15.23.9 A.(6) NMAC, as applicable.

Order No. CTB-1116-A

- Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10 B.(1) NMAC or 19.15.12.10 C.(1) NMAC, as applicable.
- 11. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

### <u>ORDER</u>

1. Applicant is authorized to surface commingle oil and gas production from the pools, leases, and wells as described in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells as described in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

Applicant is authorized to surface commingle oil and gas production from wells not included in Exhibit A but that produce from a pool and lease as described in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from wells not included in Exhibit A but that produce from a pool and lease as described in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

- 2. This Order supersedes Order CTB-1116.
- 3. The allocation of oil and gas production to wells not included in Exhibit A but that produce from a pool and lease as described in Exhibit A shall be determined in the same manner as to wells identified in Exhibit A that produce from that pool and lease, provided that if more than one allocation method is being used or if there are no wells identified in Exhibit A that produce from the pool and lease, then allocation of oil and gas production to each well not included in Exhibit A shall be determined by OCD prior to commingling production from it with the production from another well.
- 4. There are two (2) allocation methods specified by applicant for this surface commingle application. Applicant is authorized to conduct allocation per the plan outlined within the application using the allocation methods outlined below.
  - The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling it with production from another well.
  - The oil production allocated to each well identified in Exhibit A shall be determined by shutting-in the production from all other wells for a minimum of twenty-four (24) consecutive hours and measuring the difference in oil inventory accrued during that period. Applicant shall conduct this test a minimum of one (1) time per month for each well.

The gas production allocated to each well identified in Exhibit A shall be determined by separating and measuring the gas production from that well for a minimum of twenty-four (24) consecutive hours. Applicant shall conduct this test a minimum of one (1) time per month for each well.

The well test requirements of this Order shall be suspended for any well shut-in for a period that continues for more than thirty (30) days until the well commences production.

- 5. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.
- 6. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8 B. NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8 E. NMAC.
- 7. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10 C.(2) NMAC.
- 8. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
- 9. If a well is not included in Exhibit A but produces from a pool and lease as described in Exhibit A, then Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau after the well has been approved to be drilled and prior to off-lease measuring or commingling oil or gas production from it with the production from another well. The Form C-103 shall reference this Order and identify the well, proposed method to determine the allocation of oil and gas production to it, and the location(s) that commingling of its production will occur.
- 10. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
- 11. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
- 12. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

Order No. CTB-1116-A

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

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GERASIMOS RAZATOS DIRECTOR (ACTING) DATE: <u>6-3-2025</u>

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	State of New Mex	ico		
	Energy, Minerals and Natural Res	ources Department		
	Exhibit A			
	Order: CTB-1116-A			
	<b>Operator: Manzanita Oper</b>	rating, LLC (330289	9)	
	Central Tank Battery: Rainmaker Fed	eral #1 Central Tan	k Battery	
Cent	ral Tank Battery Location: UL O, Section 5	, Township 19 Sout	h, Range 31 Eas	t
Gas Title	e Transfer Meter Location: UL O, Section 5	, Township 19 Sout	h, Range 31 Eas	t
	Pools			
		ol Name DELAWARE (O)	Pool Code 97083	
	Leases as defined in 19.15.	12.7(C) NMAC		
	Lease	UL or Q/Q	S-T-R	
	NMNM 105442264 (NMLC 0069033)	N O	5-19S-31E	
	NMNM 105444849 (NMNM 082902)	В	8-19S-31E	
	NMNM 105442464 (NMLC 0069033)	J	5-19S-31E	
	Wells			
Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-49490	<b>Rainmaker Federal #1</b>	0	5-19S-31E	97083
30-015-54595	<b>Rainmaker Federal #2</b>	Ν	5-19S-31E	97083
30-015-54648	Haymaker Federal #1	В	8-19S-31E	97083
30-015-56217	Haymaker Federal #2	В	8-19S-31E	97083
30-015-56218	Rainmaker Federal #3	J	5-19S-31E	97083

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Sante Fe Main Office Phone: (505) 476-3441

General Information Phone: (505) 629-6116

Online Phone Directory https://www.emnrd.nm.gov/ocd/contact-us

## **State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division** 1220 S. St Francis Dr. Santa Fe, NM 87505

CONDITIONS

Operator:	OGRID:
Manzanita Operating, LLC	330289
PO Box 3489	Action Number:
Midland, TX 79705	453532
	Action Type:
	[C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS		
Created By	Condition	Condition Date
sarah.clelland	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please email us at OCD.Engineer@emnrd.nm.gov.	6/3/2025

CONDITIONS

Action 453532