

State of New Mexico  
Energy, Minerals and Natural Resources Department

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Governor

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Cabinet Secretary

**Todd E. Leahy, JD, PhD**  
Deputy Secretary

**Adrienne Sandoval, Director**  
Oil Conservation Division



October 16, 2019

**POOL/LEASE COMMINGLING**

**Administrative Order PLC-601**

Marathon Oil Permian LLC  
Attention: Jennifer Van Curen  
5555 San Felipe St., Houston, TX 77056

Pursuant to your application received on August 22, 2019, Marathon Oil Permian LLC ("Marathon") is hereby authorized to surface commingle oil and gas production and off-lease measure from the following pools:

Pitchfork Ranch; Wolfcamp, South	(96994)
Fairview Mills; Wolfcamp (Gas)	(76560)
Red Hills; Bone Spring, East	(97369)

and from the wells and associated leases identified in the application, which is attached as Exhibit A and incorporated by reference into this Order. The wells are located in Section 14, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico.

Production from the wells shall be determined as follows:

The oil and gas production from each well shall flow into a dedicated 3-phase separator as described in Exhibit A. The production stream shall be separated into 3 independent streams and each stream shall be measured individually before commingling. Additional gas gathered from process equipment after commingling shall be measured and allocated to each well based on the individual well's production.

The commingled oil production from the wells shall be measured and sold at the respective central tank battery ("CTB") described in Exhibit A and measured by a lease automatic custody transfer ("LACT") meter.

The commingled gas production from the wells shall be measured at the CTB using a custody transfer meter except when the gas pipeline is experiencing problems at which time the commingled gas production from the wells shall be measured using the appropriate meters.

For future additions of wells and leases to this commingling operation, notice shall only be given to those interest owners in the wells and leases to be added, in accordance with Division Rule 19.15.12.10 C (4) (g) NMAC.

Marathon may add subsequently drilled wells that produce from the approved pools within the project areas by submitting a Sundry Notice C-103 to the Engineering Bureau in Santa Fe.

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

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

Marathon shall notify the Hobbs District Office before commingling oil and gas production.

Marathon shall comply with all Division Rules and Regulations.



Adrienne Sandoval  
Director

AS/dm

cc:   OCD – Engineering Bureau  
      OCD – Hobbs District Office  
      Bureau of Land Management