

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



June 22, 2013

ADMINISTRATIVE CENTRAL TANK BATTERY ORDER

Administrative Order CTB-674
Administrative Application Reference No. pPRG1314956050

Alamo Permian Resources, LLC
Attention: Ms. Carie Stoker

RE: Surface Commingling

Reference is made to your administrative application received on May 24, 2013.

It is our understanding that you propose to commingle production from diversely owned lands, limited to one common source of supply, through facilities operated by the above named operator ("Applicant"). By this application you are seeking commingling approval pursuant to Division Rule 19.15.12.10.C.(4) NMAC. It is further understood that you have provided notice to all interest owners in accordance with Rule 12.10.C(4)(c), and no objections have been received.

Applicant is hereby authorized to surface commingle oil production from the Artesia; Queen-Grayburg-San Andres Pool (Pool Code 3230) from the following wells located in Township 18 South, Range 28 East, in Eddy County, New Mexico:

Humble Well No. 1 (API No. 30-015-01871) 2310 FNL & 2310 FEL, (Unit G) of Section 15

Humble Well No. 2 (API No. 30-015-02009) 2310 FSL & 990 FWL, (Unit L) of Section 22

Yates State Well No. 1 (API No. 30-015-02011) 1650 FNL & 990 FWL, (Unit E) of Section 22

Yates State Well No. 2 (API No. 30-015-01874) 330 FSL & 1650 FWL, (Unit N) of Section 15

Yates State Well No. 3 (API No. 30-015-01875) 990 FSL & 2310 FWL, (Unit N) of Section 15

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It is our understanding that production from these wells is diversely owned. Production will be allocated by well tests conducted at least monthly in accordance with the procedures described in your application.

Off lease storage and sale is approved. The oil from these wells will be stored and sold at the central battery near the Yates State Well No. 1 in Unit E of Section 22.

This installation shall be constructed and operated in accordance with applicable Division Rules.

The operator shall notify the Artesia District office of the Division prior to implementation of commingling operations, and shall notify the transporter of this commingling authority.

As per Division Rule 19.15.12.10.C.(4)(h) NMAC, the operator shall not commence commingling prior to approval from the New Mexico State Land Office.

Applicant has not provided notice that it is requesting addition of future wells or additional leases or pools to this commingle as per Rule 12.10.C.(4)(g)(i) NMAC. Therefore, additional wells or pools shall not be included in this surface commingle without the operator again making application and providing notice to all owners.

Sincerely,



JAMI BAILEY
Division Director

JB/db

cc: Oil Conservation Division – Artesia
New Mexico State Land Office