

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



August 18, 2015

ADMINISTRATIVE POOL/LEASE COMMINGLING ORDER

Administrative Order PLC-427
Administrative Application Reference No. pMAM1521557469

ENDURANCE RESOURCES, LLC
Attention: Ms. Jordan Kessler

Pursuant to your application received on August 3, 2015, Endurance Resources, LLC (OGRID 270329) is hereby authorized to surface commingle oil and gas production from the following pools located in Township 24 South, Range 34 East, NMPM, Lea County, New Mexico;

RED HILLS; UPPER BONE SPRING SHALE (97900)
WC-025 G-09 S253402N; WOLFCAMP (98116)

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

Lease: State Lease VO-7379
Description: W/2 of Section 35
Well: Orange Raider BPV State Well No. 1H
Pool: Red Hills; Upper Bone Spring Shale

Lease: State Lease VO-7380
Description: E/2 of Section 36
Well: Telecaster Bass 36 Well No. 4H
Pool: WC-025 G-09 S253402N; Wolfcamp

The commingled gas production from the wells detailed above shall be measured and sold at Telecaster Bass 36 Central Tank Battery (CTB) located in Unit A, Section 36, Township 24 South, Range 34 East, Lea County, New Mexico.

All affected parties have signed a waiver of objection to this application; therefore the mandatory 20-day wait is waived.

Production from the subject wells shall be determined as follows:

The oil and gas production from each of the diversely-owned leases shall be separately metered using allocation meters.

Subsequently drilled wells that produce from the subject pools 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 operator shall notify the transporter of this commingling authority.

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

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

DONE at Santa Fe, New Mexico, on August 18, 2015.



DAVID R. CATANACH
Director

DRC/mam

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