

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Tony Delfin
Acting Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



ADMINISTRATIVE CENTRAL TANK BATTERY ORDER

Administrative Order CTB-803
Administrative Application Reference No. pMAM1623652461

October 6, 2016

Strata Production Company
Attention: Mr. Paul Ragsdale

Strata Production Company (OGRID 21712) "Applicant" is hereby authorized to surface commingle gas production from diversely owned federal leases from the Forty Niner Ridge; Delaware Pool (Pool code 24750) located in Township 23 South, Range 30 East, NMPM, Eddy County, New Mexico:

Lease: Federal lease NMNM-114356
Description: W/2 NW/4, and S/2 of Section 24, Township 23 South, Range 30 East, NMPM
Wells: Sandy Federal Well No. 1 30-015-21126
Sandy Federal Well No. 3 30-015-40055
Sandy Federal Well No. 4 30-015-41042

Lease: Federal lease NMNM-114978
Description: N/2 N/2, SW/4 NW/4, and SW/4 of Section 25, Township 23 South, Range 30 East, NMPM
Wells: Roadrunner Federal Well 1H 30-015-39361
Roadrunner Federal Well 2H 30-015-41041

Lease: Pending Roadrunner Federal Communitization Agreement
Description: E/2 SE/4 of Section 14, and E/2 NE/4 of Section 23, Township 23 South, Range 30 East, NMPM
Wells: Roadrunner Federal Well 3H 30-015-42114
Roadrunner Federal Well 4H 30-015-42080

The combined project area for these wells include the E/2 SE/4 of Section 14, E/2 NE/4 of Section 23, W/2 NW/4 and S/2 of Section 24, and N/2 N/2, SW/4 NW/4, and SW/4, of Section 25.

The commingled gas production from the wells detailed above shall be measured and sold at the Sandy Federal Well No. 1 central tank battery (CTB) in Unit E of Section 23, Township 23 South, Range 30 East, NMPM, Eddy County, New Mexico.

Production from the subject wells shall be determined as follows:

The gas production from each well shall be continuously measured with allocation meters before commingling with production from other wells. The allocation meters shall be calibrated quarterly in accordance with Rule 19.15.12.10.C (2) NMAC.

After initial notification, future wells that will produce from the pools and leases approved by this order may be added to this commingling authority by submittal of a Sundry Notice to the Engineering Bureau in Santa Fe.

This installation shall be installed and operated in accordance with the applicable Division Rules. It is the responsibility of the producer to notify the transporter of this commingling authority.

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

The operator shall notify the Artesia District office of the Division prior to implementation of the commingling operations.



DAVID R. CATANACH
Director

DRC/mam

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