State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

Ken McQueen Cabinet Secretary

Matthias Sayer Deputy Cabinet Secretary David R. Catanach, Division Director Oil Conservation Division



August 14, 2017

ADMINISTRATIVE POOL/LEASE COMMINGLING ORDER

Administrative Order PLC-481 Administrative Application Reference No. pMAM1720256783

Fasken Oil and Ranch LTD Attention: Ms. Addison Long

Pursuant to your application received on July 21, 2017, Fasken Oil and Ranch LTD (OGRID 151416) is hereby authorized to surface commingle gas production from the following pools:

Avalon; Upper Penn (Gas) (71000) Burton Flat; Strawn, West (Gas) (73400) Catclaw Draw; Delaware, East (10500) Avalon; Strawn (Gas) (71080)

and from the following diversely owned federal wells and leases in Section 10, Township 21 South, Range 26 East, in Eddy County, New Mexico.

Lease:

Federal Communitization Agreement NMNM 100717

Description:

Lot O1, Lot 1, Lot 5, Lot 6, Lot 7, Lot 8, Lot 11, and Unit P (E/2 equivalent) of

Irregular Section 10

Well:

Lake Shore 10 Federal Com. Well No. 2

API 30-015-29879

Pools:

Avalon; Upper Penn (Gas)

Burton Flat; Strawn, West (Gas)

Lease:

Federal Communitization Agreement NMNM 101369

Description:

Lot 2, Lot 3, Lot 4, Lot 9, Lot 10, SW/4 NW/4, and W/2 SW/4 (W/2 equivalent) of

Irregular Section 10

Well:

Lake Shore 10 Federal Com. Well No. 3

API 30-025-30480

Pool:

Avalon; Strawn (Gas)

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Lease:

Federal Lease NMNM-003606

Description:

Lot 5 (SW/4 NE/4 equivalent) of Irregular Section 10

Well:

Lake Shore 10 Federal Well No. 5

API 30-015-33234

Pool:

Catclaw Draw; Delaware, East

Lease:

Federal Lease NMNM-003606

Description:

Lot 4 (SE/4 NW/4 equivalent) of Irregular Section 10

Well:

Avalon 10 Federal Well No. 22

API 30-015-31653

Pool:

Catclaw Draw; Delaware, East

The commingled gas production from the wells detailed above shall be measured and sold at the Lake Shore 10 Federal Com. Well No. 3 central tank battery (CTB) located in Lot 9 (NE/4 SW/4 equivalent) of Irregular Section 10, Township 21 South, Range 26 East, NMPM, Eddy County, New Mexico.

Production from the subject wells shall be determined as follows:

The gas production from each of the wells shall be measured separately before commingling at the CTB.

Oil production shall be measured separately at the individual leases.

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 District Office – Hobbs

Bureau of Land Management - Carlsbad