

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Cabinet Secretary

Adrienne E. Sandoval, Division Director
Oil Conservation Division



March 12, 2019

Surface Commingling Order PLC-564

MATADOR PRODUCTION COMPANY
Attention: Mr. Michael Feldewert

Pursuant to your application received on March 22, 2019, Matador Production Company (OGRID 228937) is hereby authorized to surface commingle oil and gas production and off lease-measure from the following pools located in Section 22, Township 16 South, Range 34 East, NMPM, Lea County, New Mexico;

TOWNSEND; PERMO UPPER PENN (59847)
KEMNITZ; MORROW (GAS) (79440)

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

Lease: Northeast Kemnitz Well No. 233H Communitization Agreement
Description: W/2 E/2 of Section 22
Well: Northeast Kemnitz Well No. 233H API 30-025-44722
Pool: Townsend; Permo Upper Penn

Lease: Proposed Northeast Kemnitz 22 State Well No. 12 Communitization Agreement
Description: S/2 of Section 22
Well: Northeast Kemnitz 22 State Well No. 12 API 30-025-45449
Pool: Kemnitz; Morrow (Gas)

The commingled oil and gas production from the wells shall be measured and sold at the Northeast Kemnitz Central Tank Battery (CTB), located in Unit O of Section 22, Township 16 South, Range 34 East, NMPM, Lea County, New Mexico.

Production from the subject wells shall be determined as follows:

The oil and gas production from each well will flow into a dedicated 3-phase separator. The production stream will be separated into 3 independent streams by the separator and each stream will be measured individually after it exits the separator, before commingling.

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.

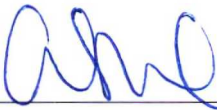
Subsequently drilled wells that produce from the subject pool within the project areas approved by this order may be added to this commingling authority by submittal of a Sundry Notice to the Engineering Bureau in Santa Fe.

The 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 New Mexico State Land Office before commencing commingling operations.

The Operator shall notify the transporter of this commingling authority and the Hobbs District Office prior to implementation of commingling operations.

This installation shall be installed and operated in accordance with the applicable Division Rules and Regulations.



ADRIENNE E. SANDOVAL
Oil Conservation Division Director

AES/mam

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