

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



November 2, 2016

ADMINISTRATIVE POOL/LEASE COMMINGLING ORDER

Administrative Order PLC-436-A
Administrative Application Reference No. pKSC1628533987

BREITBURN OPERATING LP
Attn: Ms. Shelly Doescher

Pursuant to your application received on October 11, 2016, Breitburn Operating LP (OGRID 370080) is hereby authorized to surface commingle oil and gas production from the following pools located in Township 22 South, Range 37 East, NMPM, Lea County, New Mexico;

| | |
|--------------------------------|---------|
| Blinebry Oil and Gas (Oil) | (6660) |
| Wantz; Abo | (62700) |
| Drinkard | (19190) |
| Tubb Oil and Gas (Oil) | (60240) |
| WC-025 G-04 S223720I; Devonian | (98168) |

and from the wells identified in Attachment No. A, and made part of this order. These wells are located on a New Mexico Trust Lease and a fee lease in Township 22 South, Range 37 East, Lea County, New Mexico.

Each of the surface facilities is a meter and sales point for the oil and gas production for the wells listed in Attachment A.

The commingled oil and gas production for the Encore M State Well No. 2, Encore M State Well No. 3, Encore M State Well No. 4, Encore M State Well No. 5, Encore M State Well No. 6, Encore M State Well No. 7, Encore M State Well No. 8, Encore M State Well No. 9, Encore M State Well No. 10, Encore M State Well No. 11, Encore M State Well No. 12, Encore M State Well No. 13, and Encore M State Well No. 17 shall be measured and sold at the Encore M State Satellite No. 1 central tank battery (Encore M State Satellite No. 1 CTB) located in Unit G, Section 19, Township 22 South, Range 37 East, Lea County, NMPM, New Mexico.

The commingled oil and production for the Encore M State Well No. 14, Encore M State Well No. 15, Encore M State Well No. 16, Encore M State Well No. 18, and Encore M State Well No. 19 M and the Encore M 21 Fee Well No. 1 shall be measured and sold at the Encore M State Satellite No. 2 central tank battery (Encore M State Satellite No. 2 CTB) located in Unit N, Section 20, Township 22 South, Range 37 East, Lea County, NMPM, New Mexico. Further, the oil and

gas production for the Encore M State Well No. 19, which is a unique lease, shall be continuously metered separately before commingling with other wells at the Encore M State Satellite No. 2. Likewise, the Encore M 21 Fee Well No. 1 shall be measured separately before commingling with the other wells at the Encore M State Satellite No. 2. The Encore M 21 Fee Well No. 1 is being drilled, and shall produce from either the Devonian formation or will be downhole commingled in the Blinbry Oil and Gas (Oil), Wantz; Abo, Drinkard, and Tubb Oil and Gas (Oil) Pools, depending on well results.

The Encore M State Well No. 1 shall be measured and sold at the Encore M State Battery No. 1 central tank battery (M State Battery No. 1) located in Unit A, Section 30, Township 22 South, Range 37 East, Lea County, NMPM, New Mexico.

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


This Division Order supersedes Division Order PLC-436, issued December 14, 2015.

This approval is subject to like approval from the New Mexico State Land Office before commencing commingling operations.

The operator shall notify the transporter of this commingling authority.

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

DONE at Santa Fe, New Mexico, on November 2, 2016.


DAVID R. CATANACH
Director

DRC/mam

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

Attachment A: Breitburn Surface commingle Township 22 South, Range 37 East

| API WELL # | Well Name | Sec | F N/S | F E/W | Pool(s) | Lease | Dedicated acreage | Remarks | Remarks 2 | Surface facility |
|--------------|-------------------|-----|--------|--------|---|----------------------|-------------------|----------------------------|---------------------|------------------------------|
| 30-025-41061 | ENCORE M STATE#10 | 17 | 770 S | 770 W | Blinebrey Oil and Gas (Oil); Drinkard; Tubb Oil and Gas (Oil); and Wantz; Abo | State Lease B-934 | SW/4 SW/4 | identical ownership | | Satellite No. 1 |
| 30-025-39541 | ENCORE M STATE#2 | 19 | 1700 N | 1700 E | Blinebrey Oil and Gas (Oil); Drinkard; Tubb Oil and Gas (Oil); and Wantz; Abo | State Lease B-934 | SW/4NE/4 | identical ownership | | Satellite No. 1 |
| 30-025-39751 | ENCORE M STATE#3 | 19 | 660 N | 2140 W | Blinebrey Oil and Gas (Oil); Tubb Oil and Gas (Oil); Drinkard; and Wantz; Abo | State Lease B-934 | NE/4 NW/4 | identical ownership | | Satellite No. 1 |
| 30-025-40091 | ENCORE M STATE#4 | 19 | 1962 N | 603 E | Blinebrey Oil and Gas (Oil); Tubb Oil and Gas (Oil); Drinkard; and Wantz; Abo | State Lease B-934 | NW/4 NE/4 | identical ownership | | Satellite No. 1 |
| 30-025-40299 | ENCORE M STATE#5 | 19 | 639 N | 531 E | Blinebrey Oil and Gas (Oil); Drinkard; and Wantz; Abo | State Lease B-934 | NE/4 NE/4 | identical ownership | | Satellite No. 1 |
| 30-025-40398 | ENCORE M STATE#6 | 19 | 2181 S | 574 E | Blinebrey Oil and Gas (Oil); Tubb Oil and Gas (Oil); Drinkard; and Wantz; Abo | State Lease B-934 | NE/ 4 SE/4 | identical ownership | | Satellite No. 1 |
| 30-025-40399 | ENCORE M STATE#7 | 19 | 749 N | 1610 E | Blinebrey Oil and Gas (Oil); Tubb Oil and Gas (Oil); Drinkard; and Wantz; Abo | State Lease B-934 | NW/4 SE/4 | identical ownership | | Satellite No. 1 |
| 30-025-40721 | ENCORE M STATE#8 | 19 | 2340 S | 1650 E | Blinebrey Oil and Gas (Oil); Tubb Oil and Gas (Oil); Drinkard; and Wantz; Abo | State Lease B-934 | NW/4 SE/4 | identical ownership | | Satellite No. 1 |
| 30-025-41531 | ENCORE M STATE#13 | 19 | 1900 N | 2160 W | Blinebrey Oil and Gas (Oil); Tubb Oil and Gas (Oil); Drinkard; and Wantz; Abo | State Lease B-934 | SE/4 NW/4 | identical ownership | | Satellite No. 1 |
| 30-025-41529 | ENCORE M STATE#11 | 20 | 978 S | 641 W | Blinebrey Oil and Gas (Oil); Tubb Oil and Gas (Oil); Drinkard; and Wantz; Abo | State Lease B-934 | SW/4 SW/4 | identical ownership | | Satellite No. 1 |
| 30-025-41530 | ENCORE M STATE#12 | 20 | 2264 S | 1702 W | Blinebrey Oil and Gas (Oil); Tubb Oil and Gas (Oil); Drinkard; and Wantz; Abo | State Lease B-934 | SW/4 SW/4 | identical ownership | | Satellite No. 1 |
| 30-025-41942 | ENCORE M STATE#14 | 20 | 579 S | 2042 W | Blinebrey Oil and Gas (Oil); Tubb Oil and Gas (Oil); Drinkard; and Wantz; Abo | State Lease B-934 | SE/4 SW/4 | identical ownership | | Encore M State Battery No. 2 |
| 30-025-42363 | ENCORE M STATE#15 | 20 | 2004 S | 1975 E | Blinebrey Oil and Gas (Oil); Drinkard; Tubb Oil and Gas (Oil); and Wantz; Abo | State Lease B-934 | NW/4 SE/4 | identical ownership | | Encore M State Battery No. 2 |
| 30-025-42392 | ENCORE M STATE#18 | 20 | 870 S | 2050 E | Blinebrey Oil and Gas (Oil); Drinkard;Tubb Oil and Gas (Oil); and Wantz; Abo | State Lease B-934 | SW/4 SE/4 | identical ownership | | Encore M State Battery No. 2 |
| 30-025-42391 | ENCORE M STATE#16 | 29 | 645 N | 1800 E | Blinebrey Oil and Gas (Oil);Drinkard;Tubb Oil and Gas (Oil); and Wantz; Abo | State Lease B-934 | NW/4 NE/4 | identical ownership | | Encore M State Battery No. 2 |
| 30-025-42393 | ENCORE M STATE#17 | 29 | 1840 N | 2145 W | Blinebrey Oil and Gas (Oil);Drinkard; Tubb Oil and Gas (Oil); and Wantz; Abo | State Lease B-934 | SE/4 NW/4 | identical ownership | | Satellite No. 1 |
| 30-025-38961 | ENCORE M STATE#1 | 30 | 742 N | 1294 E | Blinebrey Oil and Gas (Oil); Tubb Oil and Gas (Oil); Drinkard; and Wantz; Abo | State Lease B-934 | NE/4 NE/4 | identical ownership | | Encore M State Battery No.1 |
| 30-025-40749 | ENCORE M STATE#9 | 20 | 468 N | 300 W | Blinebrey Oil and Gas (Oil); Tubb Oil and Gas (Oil); Drinkard; and Wantz; Abo | State Lease B-934 | NW/4 NW/4 | diverse ownership | Unique lease/payout | Satellite No. 1 |
| 30-025-42779 | ENCORE M STATE#19 | 20 | 2070 S | 760 E | WC-025 G-04 S223720I; Devonian | State Lease B-934-25 | NW/4 NW/4 | diverse ownership | Unique lease | Encore M State Battery No. 2 |
| 30-025-43444 | ENCORE M21 Fee#1 | 21 | 2130 S | 660W | WC-025 G-04 S223720I; Devonian | Fee Lease | NW/4 SW/4 | Waiting on completion | Unique lease | Encore M State Battery No. 2 |
| 30-025-43444 | ENCORE M21 Fee#1 | 21 | 2130 S | 660W | Blinebrey Oil and Gas (Oil);Drinkard; Tubb Oil and Gas (Oil); and Wantz; Abo | Fee Lease | NW/4 SW/4 | Applicable if Devonian dry | Unique lease | Encore M State Battery No. 2 |