

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



January 26, 2017

ADMINISTRATIVE POOL/LEASE COMMINGLING ORDER

Administrative Order PLC-463
Administrative Application Reference No. pMAM1700458556

FASKEN OIL AND RANCH LTD
Attn: Ms. Addison Long

Pursuant to your application received on January 4, 2017, Fasken Oil and Ranch LTD (OGRID 151416) is hereby authorized to surface commingle gas production from the following pools located in Section 16, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico.

Lea; Penn (Gas) (80040)
Lea; Bone Spring, South (37580)

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

Lease: Quail State 16 State No. 1 Communitization Agreement
Description: E/2 of Section 16, Township 20 South, Range 34 East
Well: Quail 16 State Well No. 1 API 30-025-38440
Pool: Lea; Penn (Gas)

Lease: Quail State 16 State Com. No. 7H Communitization Agreement
Description: E/2 E/2 of Section 16, Township 20 South, Range 34 East
Well: Quail 16 State Com. No. 7H API 30-025-40942
Pool: Lea; Bone Spring, South

Lease: Quail State 16 State Com. No. 8H Communitization Agreement
Description: W/2 E/2 of Section 16, Township 20 South, Range 34 East
Well: Quail 16 State Com. No. 8H API 30-025-41366
Pool: Lea; Bone Spring, South

Lease: Quail State 16 State No. 3H Lease
Description: W/2 of Section 16, Township 20 South, Range 34 East
Well: Quail 16 State No. 3H API 30-025-40361
Quail 16 State No. 4H API 30-025-40531
Pool: Lea, Bone Spring, South

The combined project area for these wells include the entire Section 16, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico.

The commingled gas production from the wells detailed above shall be measured and sold at the Quail 16 Central Tank Battery (CTB) located at the Quail 16 Well No. 2 located in Unit N, Section 16, Township 20 South, Range 34 East, Lea County, New Mexico.

Production from the subject wells shall be determined as follows:

The gas production from each diversely-owned wells and leases shall be continuously metered as follows:

The Quail State 16 State Com. No. 3H and Quail State 16 State Com. No. 4H shall each have their own 2 phase separator which shall meter the gas production. The Quail State 16 State Com. No. 7H and Quail State 16 State Com. No. 8H shall have their own 3 phase separator, which shall measure the gas production. The Quail State Well No. 1 shall be metered at the well head prior to commingling. After the gas is measured, the gas shall be commingled and then metered at the CDP.


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

The operator shall notify the transporter of this commingling authority.

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

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

DONE at Santa Fe, New Mexico, on January 26, 2017.


DAVID R. CATANACH
Director

DRC/mam

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