

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**APPLICATION FOR SURFACE COMMINGLING  
SUBMITTED BY MEWBOURNE OIL COMPANY**

**ORDER NO. CTB-1064**

**ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

**FINDINGS OF FACT**

1. Mewbourne Oil Company (“Applicant”) submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells identified in Exhibit A (“Application”).
2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
3. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7.B. NMAC.
4. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
5. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
6. Applicant submitted or intends to submit one or more proposed communitization agreement(s) (“Proposed Agreement(s)”) to the BLM or NMSLO, as applicable, identifying the acreage of each lease to be consolidated into a single pooled area (“Pooled Area”), as described in Exhibit B.

**CONCLUSIONS OF LAW**

7. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.
8. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10.A.(2) NMAC, 19.15.12.10.C.(4)(c) NMAC, and 19.15.12.10.C.(4)(e) NMAC, as applicable.

9. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9.A.(5) NMAC and 19.15.23.9.A.(6) NMAC, as applicable.
10. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10.B.(1) NMAC or 19.15.12.10.C.(1) NMAC, as applicable.
11. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10.B.(3) NMAC and 19.15.12.10.C.(4)(h) NMAC.
12. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

### **ORDER**

1. Applicant is authorized to surface commingle oil and gas production from the pools, leases, and wells identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

2. For each Pooled Area described in Exhibit B, Applicant shall submit a Proposed Agreement to the BLM or NMSLO, as applicable, prior to commencing oil and gas production. If Applicant fails to submit the Proposed Agreement, this Order shall terminate on the following day.

No later than sixty (60) days after the BLM or NMSLO approves or denies a Proposed Agreement, Applicant shall submit a Form C-103 to OCD with a copy of the decision and a description of the approved lands, as applicable. If Applicant withdraws or the BLM or NMSLO denies a Proposed Agreement, this Order shall terminate on the date of such action, and Applicant shall cease commingling the production from the Pooled Area. If the BLM or NMSLO approves but modifies the Proposed Agreement(s), Applicant shall comply with the approved Agreement(s), and no later than sixty (60) days after such decision, Applicant shall submit a new surface commingling application to OCD to conform this Order with the approved Agreement(s). If Applicant fails to submit the new surface commingling application or OCD denies the new surface commingling application, this Order shall terminate on the date of such action.

Applicant shall allocate the oil and gas production to each lease within a Pooled Area in proportion to the acreage that each lease bears to the entire acreage of the Pooled Area described in Exhibit B until the Proposed Agreement which includes the Pooled Area is approved. After the Proposed Agreement is approved, the oil and gas production from the Pooled Area shall be allocated as required by the BLM's or NMSLO's, as applicable, approval of the Agreement, including any production that had been allocated previously in accordance with this Order.

3. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling it with production from another well.
4. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.
5. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8.B. NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8.E. NMAC.
6. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10.C.(2) NMAC.
7. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
8. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
9. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
10. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**

  
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**ADRIENNE E. SANDOVAL  
DIRECTOR**

**DATE:** 12/08/2022

State of New Mexico  
Energy, Minerals and Natural Resources Department

## Exhibit A

Order: **CTB-1064**

Operator: **Mewbourne Oil Company (14744)**

Central Tank Battery: **Pale Rider Battery**

Central Tank Battery Location: **UL P, Section 8, Township 25 South, Range 28 East**

Gas Title Transfer Meter Location: **UL P, Section 8, Township 25 South, Range 28 East**

### Pools

Pool Name	Pool Code
<b>PURPLE SAGE; WOLFCAMP (GAS)</b>	<b>98220</b>

### Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
VA 27790002	N/2	5-25S-28E
VB 21940001	SE/4	5-25S-28E
Fee	SW/4	5-25S-28E
	W/2	8-25S-28E
Fee	E/2	8-25S-28E

### Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-46920	Pale Rider 8 5 W0OB State Com #1H	E/2	5-25S-28E	98220
		E/2	8-25S-28E	
30-015-46916	Pale Rider 8 5 W1OB State Com #1H	E/2	5-25S-28E	98220
		E/2	8-25S-28E	
30-015-46922	Pale Rider 8 5 W1PA State Com #1H	E/2	5-25S-28E	98220
		E/2	8-25S-28E	
30-015-46921	Pale Rider 8 5 W0PA State Com #1H	E/2	5-25S-28E	98220
		E/2	8-25S-28E	
30-015-47182	Pale Rider 8 5 W0MD State Com #1H	W/2	5-25S-28E	98220
		W/2	8-25S-28E	
30-015-47184	Pale Rider 8 5 W1MD State Com #1H	W/2	5-25S-28E	98220
		W/2	8-25S-28E	
30-015-47185	Pale Rider 8 5 W1NC State Com #1H	W/2	5-25S-28E	98220
		W/2	8-25S-28E	
30-015-47183	Pale Rider 8 5 W0NC State Com #1H	W/2	5-25S-28E	98220
		W/2	8-25S-28E	

State of New Mexico  
Energy, Minerals and Natural Resources Department

## Exhibit B

Order: **CTB-1064**  
Operator: **Mewbourne Oil Company (14744)**

### Pooled Areas

Pooled Area	UL or Q/Q	S-T-R	Acres	Pooled Area ID
CA Wolfcamp NMSLO	W/2	5-25S-28E	640.81	A
	W/2	8-25S-28E		
CA Wolfcamp NMSLO	E/2	5-25S-28E	641.17	B
	E/2	8-25S-28E		

### Leases Comprising Pooled Areas

Lease	UL or Q/Q	S-T-R	Acres	Pooled Area ID
VA 27790002	NW/4	5-25S-28E	160.81	A
Fee	SW/4	5-25S-28E	480	A
	W/2	8-25S-28E		
VA 27790002	NE/4	5-25S-28E	161.17	B
VB 21940001	SE/4	5-25S-28E	160	B
Fee	E/2	8-25S-28E	320	B

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-6161 Fax:(575) 393-0720

**District II**  
811 S. First St., Artesia, NM 88210  
Phone:(575) 748-1283 Fax:(575) 748-9720

**District III**  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone:(505) 334-6178 Fax:(505) 334-6170

**District IV**  
1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone:(505) 476-3470 Fax:(505) 476-3462

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

COMMENTS

Action 166009

COMMENTS

Operator: MEWBOURNE OIL CO P.O. Box 5270 Hobbs, NM 88241	OGRID: 14744
	Action Number: 166009
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

COMMENTS

Created By	Comment	Comment Date
dmcclure	Approved under Action ID: 62029	12/12/2022

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**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

CONDITIONS

Action 166009

**CONDITIONS**

Operator: MEWBOURNE OIL CO P.O. Box 5270 Hobbs, NM 88241	OGRID: 14744
	Action Number: 166009
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

**CONDITIONS**

Created By	Condition	Condition Date
dmcclure	Please review the content of the Administrative Order and approved request(s) to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	12/12/2022