

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

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

ORDER NO. PLC-1175

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 and leases described in Exhibit A (“Application”).
2. Applicant included a complete list of the wells currently dedicated to each pool and lease.
3. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
4. Applicant certified the commingling of oil and gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil and gas production to less than if it had remained segregated.
5. Applicant in the notice for the Application stated that it sought authorization to prospectively include additional pools and leases in accordance with 19.15.12.10(C)(4)(g) NMAC.
6. Applicant stated that it sought authorization to surface commingle and off-lease measure, as applicable, oil and gas production from wells which have not yet been approved to be drilled, but will produce from a pool and lease as described in Exhibit A.
7. 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.
8. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
9. This Order is associated with Order CTB-1002 which authorizes in-full or in-part the commingling of Oil and Gas production from the pools, leases, and wells as described in Exhibit A.

CONCLUSIONS OF LAW

10. 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.
11. 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.
12. 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.
13. 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.
14. 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.
15. Applicant satisfied the notice requirements for the subsequent addition of pools, leases, and wells in the notice for the Application, in accordance with 19.15.12.10(C)(4)(g) NMAC. Subsequent additions of pools, leases, and wells within Applicant's defined parameters, as modified herein, will not, in reasonable probability, reduce the commingled production's value or otherwise adversely affect the interest owners in the production to be added.
16. 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 and leases as described in Exhibit A.

Applicant is authorized to surface commingle oil and gas production from the wells included in Exhibit A provided that they produce from a pool and lease described in Exhibit A.

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

Applicant is authorized to surface commingle oil and gas production from wells not included in Exhibit A but that produce from a pool and lease as described in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease, as applicable, from wells not included in Exhibit A but that produce from a pool and lease as described in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

2. The allocation of oil and gas production to wells not included in Exhibit A but that produce from a pool and lease as described in Exhibit A shall be determined in the same manner as to wells identified in Exhibit A that produce from that pool and lease, provided that if more than one allocation method is being used or if there are no wells identified in Exhibit A that produce from the pool and lease, then allocation of oil and gas production to each well not included in Exhibit A shall be determined by OCD prior to commingling production from it with the production from another well.
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. If Applicant recovers oil or gas production from produced water prior to Applicant injecting it or transferring custody of it, then that production shall be allocated to each well in the proportion that it contributed to the total produced water.
5. If Applicant recovers gas production using a vapor recovery unit (VRU), then that gas production shall be allocated to each well in the proportion that it contributed to the total oil production.
6. 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.
7. 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.
8. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10(C)(2) NMAC.
9. Applicant shall install and utilize vessels that are appropriately designed to ensure sufficient separation of the fluids and to accurately measure oil and gas production.
10. 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.
11. Applicant may submit an application to amend this Order to add pools, leases, and subsequently drilled wells with spacing units adjacent to or within the tracts commingled by

this Order by submitting a Form C-107-B in accordance with 19.15.12.10(C)(4)(g) NMAC, provided the pools, leases, and subsequently drilled wells are within the identified parameters included in the Application.

12. If a well is not included in Exhibit A but produces from a pool and lease as described in Exhibit A, then Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau after the well has been approved to be drilled and prior to off-lease measuring or commingling oil or gas production from it with the production from another well. The Form C-103 shall reference this Order and identify the well, proposed method to determine the allocation of oil and gas production to it, and the location(s) that commingling of its production will occur.
13. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
14. 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).
15. 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**



**ALBERT C. S. CHANG
DIRECTOR**

DATE: 8/28/26

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: PLC-1175

Operator: Mewbourne Oil Company (14744)

Central Tank Battery: Coltrane 36/25 & Bebop 36/25 Central Tank Battery

Central Tank Battery Location: UL B, Section 1, Township 26 South, Range 31 East

Gas Title Transfer Meter Location: UL B, Section 1, Township 26 South, Range 31 East

Pools

Pool Name	Pool Code
JENNINGS;BONE SPRING, WEST	97860
PURPLE SAGE;WOLFCAMP (GAS)	98220

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
CA Wolfcamp NMNM 105720328 (140746)	SE4	25-25S-31E
	E2	36-25S-31E
CA Bone Spring NMNM 106370870	SW4	25-25S-31E
	W2	36-25S-31E
CA Wolfcamp NMNM 105771689	SW4	25-25S-31E
	W2	36-25S-31E
CA Bone Spring NMNM 105771685	W2SE	25-25S-31E
	W2E2	36-25S-31E
CA Wolfcamp SLO 204088 PUN 1390563	SE4	25-25S-31E
	E2	36-25S-31E
CA Wolfcamp SLO 204088 PUN 1384803	SE4	25-25S-31E
	E2	36-25S-31E
CA Wolfcamp SLO 204088 PUN 1395378	SE4	25-25S-31E
	E2	36-25S-31E
CA Wolfcamp SLO 204088 PUN 1395385	SE4	25-25S-31E
	E2	36-25S-31E
CA Bone Spring SLO 204969 PUN 1404980	SW4	25-25S-31E
	W2	36-25S-31E
CA Wolfcamp SLO 204367 PUN 1395356	SW4	25-25S-31E
	W2	36-25S-31E
CA Wolfcamp SLO 204367 PUN 1395360	SW4	25-25S-31E
	W2	36-25S-31E
CA Wolfcamp SLO 204367 PUN 1394973	SW4	25-25S-31E
	W2	36-25S-31E
CA Bone Spring SLO 204368 PUN 1394736	W2SE	25-25S-31E
	W2E2	36-25S-31E

Wells				
Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-54935	BEBOP 36 25 FEDERAL COM #521H	SW4 W2	25-25S-31E 36-25S-31E	97860
30-015-54934	BEBOP 36 25 FEDERAL COM #523H	SW4 W2	25-25S-31E 36-25S-31E	97860
30-015-54932	BEBOP 36 25 FEDERAL COM #562H	SW4 W2	25-25S-31E 36-25S-31E	97860
30-015-54933	BEBOP 36 25 FEDERAL COM #571H	SW4 W2	25-25S-31E 36-25S-31E	97860
30-015-54931	BEBOP 36 25 FEDERAL COM #574H	SW4 W2	25-25S-31E 36-25S-31E	97860
30-015-48937	BEBOP 36 25 W0ML FEDERAL COM #001H	SW4 W2	25-25S-31E 36-25S-31E	98220
30-015-48936	BEBOP 36 25 W0NK FEDERAL COM #001H	SW4 W2	25-25S-31E 36-25S-31E	98220
30-015-48935	BEBOP 36 25 W1NK FEDERAL COM #002H	SW4 W2	25-25S-31E 36-25S-31E	98220
30-015-49129	COLTRANE 36 25 B2OJ FEDERAL COM #001H	W2SE W2E2	25-25S-31E 36-25S-31E	97860
30-015-49130	COLTRANE 36 25 W0OJ FEDERAL COM #001H	SE4 E2	25-25S-31E 36-25S-31E	98220
30-015-46210	COLTRANE 36 25 W0PI FEDERAL COM #001H	SE4 E2	25-25S-31E 36-25S-31E	98220
30-015-49182	COLTRANE 36 25 W1OJ FEDERAL COM #002H	SE4 E2	25-25S-31E 36-25S-31E	98220
30-015-46211	COLTRANE 36 25 W1PI FEDERAL COM #002H	SE4 E2	25-25S-31E 36-25S-31E	98220

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/oed/contact-us>

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

CONDITIONS

Action 620126

CONDITIONS

Operator: MEWBOURNE OIL CO P.O. Box 5270 Hobbs, NM 88240	OGRID: 14744
	Action Number: 620126
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
sarah.clelland	None	9/1/2026