

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

**APPLICATION TO AMEND
SURFACE COMMINGLING ORDER
SUBMITTED BY EOG RESOURCES, INC.**

ORDER NO. PLC-654

ORDER

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

FINDINGS OF FACT

1. EOG Resources, Inc. (“Applicant”) submitted a complete application to amend Order PC-1366 (“Application”) to surface commingle and off-lease measure the oil and gas production from the pools, leases, and horizontal wells identified in Exhibit A.
2. Applicant provided notice of the Application to all persons owning an interest in the new oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless whether they have a right or option to take their interests in kind, in accordance with 19.15.12.10(C)(4)(e) NMAC and 19.15.12.10(C)(4)(g) NMAC, and those persons either submitted a written waiver or did not file an objection to the Application.
3. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable, in accordance with 19.15.12.10(A)(2) NMAC.

CONCLUSIONS OF LAW

4. 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, and 19.15.12 NMAC.
5. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10(C)(4)(e) NMAC and 19.15.12.10(C)(4)(g) NMAC.
6. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

1. Effective March 12, 2020, Applicant is authorized to surface commingle and off-lease measure oil and gas production from the pools, leases, and horizontal wells identified in Exhibit A.

2. This Order supersedes Order PC-1366.
3. The oil and gas production from each well shall be separated and metered prior to commingling.
4. Applicant shall measure the commingled oil at the central tank battery described in Exhibit A in accordance with 19.15.18.15 NMAC or 19.15.23.8 NMAC.
5. Applicant shall measure the commingled gas at the central delivery point described in Exhibit A in accordance with 19.15.19.9 NMAC, provided however that if the gas is flared, regardless whether OCD has granted an exception pursuant to 19.15.18.12(B) NMAC, Applicant shall report the gas in accordance with 19.15.18.12(F) 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. Applicant shall not commence commingling involving state, federal, or tribal leases unless or until approved by the BLM or NMSLO, as applicable. *See* 19.15.12.10(B)(3) and (C)(4)(h) NMAC.
8. OCD retains jurisdiction and reserves the right to modify or revoke this Order if it determines that the Application did not accurately describe any action affecting or related to the commingling of oil and gas production, or as deemed necessary to prevent waste or protect correlative rights, public health, or the environment.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL
DIRECTOR**

DATE: 3-12-20

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: PLC-654

Operator: EOG Resources, Inc. (7377)

Central Tank Battery: Quail 2 State Central Tank Battery

Central Tank Battery Location (NMPM): Section 2, Township 26 South, Range 30 East

Gas Custody Transfer Meter Location (NMPM): Section 2, Township 26 South, Range 30 East

Pools

Pool Name	Pool Code
WILDCAT G-015 S2630010; BONE SPRING	97814
PURPLE SAGE; WOLFCAMP (GAS)	98220

Leases as defined in 19.15.12.7(C) NMAC

Lease	Location (NMPM)	
WC CA 707H	All	Sec 2-T26S-R30E
BS CA 581H	E/2 E/2	Sec 2-T26S-R30E

Wells

Well API	Well Name	Location (NMPM)	Pool Code	Train
30-015-45788	Quail 2 State 594H	C-02-26S-30E	97814	
30-015-45787	Quail 2 State Com 581H	A-02-26S-30E	97814	
30-015-45793	Quail 2 State Com 707H	C-02-26S-30E	98220	
30-015-46279	Quail 2 State Com 705H	D-02-26S-30E	98220	
30-015-46275	Quail 2 State Com 706H	C-02-26S-30E	98220	
30-015-46274	Quail 2 State Com 722H	C-02-26S-30E	98220	
30-015-46276	Quail 2 State Com 724H	C-02-26S-30E	98220	
30-015-46277	Quail 2 State Com 725H	D-02-26S-30E	98220	
30-015-46278	Quail 2 State Com 768H	D-02-26S-30E	98220	