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	<u></u>	ADMINISTRATIVE	APPLICATIO	N CHECK	LIST	_
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	[B]	Commingling - Storage - M			) DEM	
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2]	NOTIFICAT [A]	ION REQUIRED TO: - Che Working, Royalty or O			t Apply	
	[B]	Offset Operators, Lease	cholders or Surface O	wner		[
	[C]	Application is One Wh	ich Requires Publishe	d Legal Notice		/
	[D]	Notification and/or Cor U.S. Bureau of Land Management	current Approval by	BLM or SLO		
	[E]	For all of the above, Pro			ttached and/or	
	[F]	Waivers are Attached				
3]		CURATE AND COMPLET ATION INDICATED ABOV		REQUIRED T	O PROCESS THE TYPE	
	val is accurate a	<b>TION:</b> I hereby certify that th nd complete to the best of my	knowledge. I also un	derstand that no		
ppiic	ation until the re	quired information and notific	ations are submitted to	une Division.		

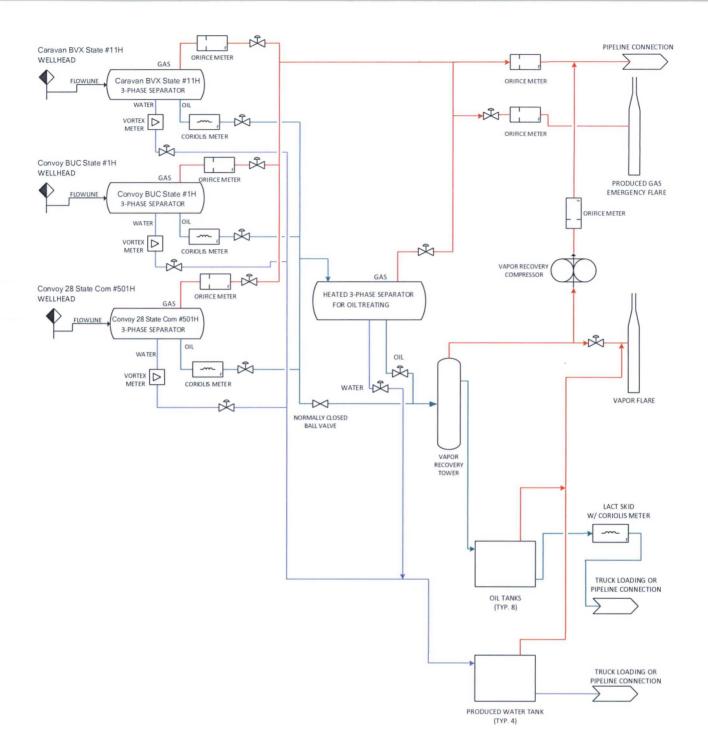
Print or Type Name

Signature

Title

<u>3/7/17</u> Date

Stan Wagner@eogresources.com e-mail Address



CENTRAL TANK BATTERY PROCESS FLOW DIAGRAM FOR CONVOY CTB					
PROJECT: CONVOY CTB	1/23/2017				
DRAWN BY: RJM	REV: D				

## APPLICATION FOR SURFACE POOL AND LEASE COMMINGLING

	Well Name	Location	API	Pool Code/Name	Status
1.	Convoy BUC State #1H	P-28-24S-33E	30-025-541647	Anticipated: Triste Draw; Bone Spring, East Pool (Pool Code	Drilled waiting on completion
2.	Caravan BVX State #11H	A-33-24S-33E	30-025-41638	96682) Anticipated: Triste Draw;	Drilled waiting on completion.
				Bone Spring, East Pool (Pool Code 96682)	on completion.
3	Convoy 28 State Com #501H	A-28-24S-33E	30-025-43549	Anticipated: Triste Draw; Bone Spring, East Pool (Pool Code 96682)	Proposed for drilling.

EOG Resources, Inc. and EOG Y Resources respectfully request administrative approval to surface pool and lease commingle oil and gas from the following wells:

We plan to surface commingle production from the following leases:

- 1. State Lease VB-1743 covers 320.00 acres, being the E/2 of Section 28, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico.
- 2. State Lease V0-7378 covers 320.00 acres, being the E/2 of Section 33, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico.

The central tank batter for the aforementioned wells will be located entirely within the boundary of State Lease VB-1743. Additionally, please find attached a process flow diagram of the central tank battery, C-102 plats for each of the wells and a landman's statement certify the ownership of the wells.

OIL AND GAS METERING

Convoy BUC State #1H production will be measured at its dedicated separator which includes: Coriolis meter for oil, senior orifice meter for gas, and vortex meter for water.

Caravan BVX State #1H production will be measured at its dedicated separator which includes: Coriolis meter for oil, senior orifice meter for gas, and vortex meter for water. Convoy 28 State #501H production will be measured at its dedicated separator which includes: Coriolis meter for oil, senior orifice meter for gas, and vortex meter for water.

## PROCESS AND FLOW DESCRIPTIONS

The production form each well will flow into a dedicated 3-phase separator. The production steam will be separated into 3 independent streams (gas, oil and water) by the separator and each stream will be measured individually after it exits the separator. The gas will be measured using a senor orifice meter. The oil will be measured using a Coriolis meter, and the water will be measured using a vortex meter. The water from each separator is combined in a common header and flows into (4) 500 barrel coated steel tanks. Guided wave radar is used to measure water volumes in these tanks. The oil from each separator will be combined after measurement into a common header and flow into a heated separator to aid separation of water entrained in the oil. Water from the heated separator flows into the common water header connected to the (4) 500 barrel water tanks. The water is then pumped and/or trucked to a salt water disposal well. The oil form the heated separator flows through a vapor recover tower where gas is allowed to breakout at a lower pressure, and then the oil flows into (8) 500 barrel coated steel tanks. Guided wave radar is used to measure water and oil volumes in these tanks. Oil is pumped out of the tanks through a Coriolis meter into a truck or a pipeline. Every tank utilized a guided wave radar to determine the volume of product in each. After the gas from each separator is measured it is combined into a common header. The gas from the heated separator also flows into this header. The gas flows through the header to a custody transfer orifice meter. The gas from the vapor recovery system combines with the gas from the lease production meter and flows into our gas gathering pipeline system.



### Date: March 6, 2017

## Certified Mail - Return Receipt

To: New Mexico Oil Conservation Division New Mexico State Land Office Affected Parties

 Re: Surface Pool/Lease Commingling Application Convoy BUC State #1H - E/2E/2 Sec. 28-T24S-R33E Caravan BVX State #11H - E/2E/2 Sec. 33-T24S-R33E Convoy 28 State Com. #501H- E/2E/2 of Sec. 28 and Sec. 33-T24S-R33E Lea County, New Mexico

To whom it may concern:

This letter serves to notice you that the working interests, overriding royalty interests and royalty interest are not identical in the wells set forth below and that notice of the proposed application has been sent via certified mail to the affected parties listed on the back of this letter.

	Well Namé	Location	API	Pool Code/Name	Status
1.	Convoy BUC State #1H	P-28-24S-33E	30-025-541647	Anticipated: Triste Draw; Bone Spring, East Pool (Pool Code 96682)	Drilled waiting on completion
2.	Caravan BVX State #11H	A-33-24S-33E	30-025-41638	Anticipated: Triste Draw; Bone Spring, East Pool (Pool Code 96682)	Drilled waiting on completion.
3	Convoy 28 State Com #501H	A-28-24S-33E	30-025-43549	Anticipated: Triste Draw; Bone Spring, East Pool (Pool Code 96682)	Proposed for drilling.

I certify that this information is true and correct to the best of my knowledge.

EOG Y RESOURCES, INC.

Chuck Moran

Land Advisor

Distini 1625 N. French Dr.; Hobbo, NAI 88240 Phone, (575) 393-6161, Laic (575) 393-0720 Datina H., 811 S.; Fart S., Artesta, NAI 88210 Phone; (575) 748-728 Fizz, (575) 746-720 Datace HL, 100 Bio Diraco Roid, Aster, NM 87430 Phone; (503) 134-6171 Fax, (100) 314-6170 Datace HL, 100 Six Farcis Dr., Sante Fe, NM 87505 Phone; (503) 470-1400; Tax, (505) 470-3462	Energy, Mine OIL CONS 1220 S	e of New Mexico erals & Natural Resources Department ERVATION DIVISION outh St. Francis Dr. te Fe, NM-87505	Submit	FORM C-102 Revised August 1, 2011 one copy to appropriate District Office AMENDED REPORT
	WELL LOCATION AN	D ACREAGE DEDICATION PLAT		
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arlet so.	Section	Tawnship	Range	Lot Ido	Fort from the	North/South line	Feet from the	Est/West line	County	
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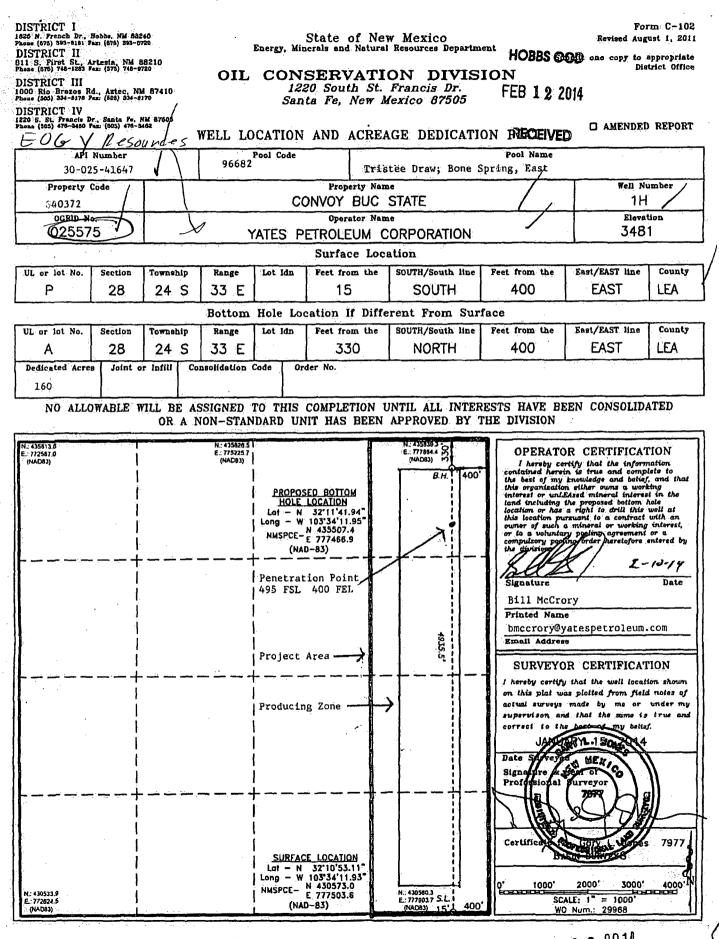
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DISTRICT 1 1825 N.: French Dr., Bobbe, NN 88240 Phanes (873) 935-9141, Paz: (976) 935-9720 DISTRICT 11 011 5. First St., Artesia, NM 88210 HOBBS OCD Phanes (870) 746-1255 Pazis (975) 746-9720

DISTRICT III OIL 1000 Rio Brazos Rd., Astec., NM. 87410 Phone (605) 354-6176 Pas: (605) 354-6176 JAN 31 2014 DISTRICT IV

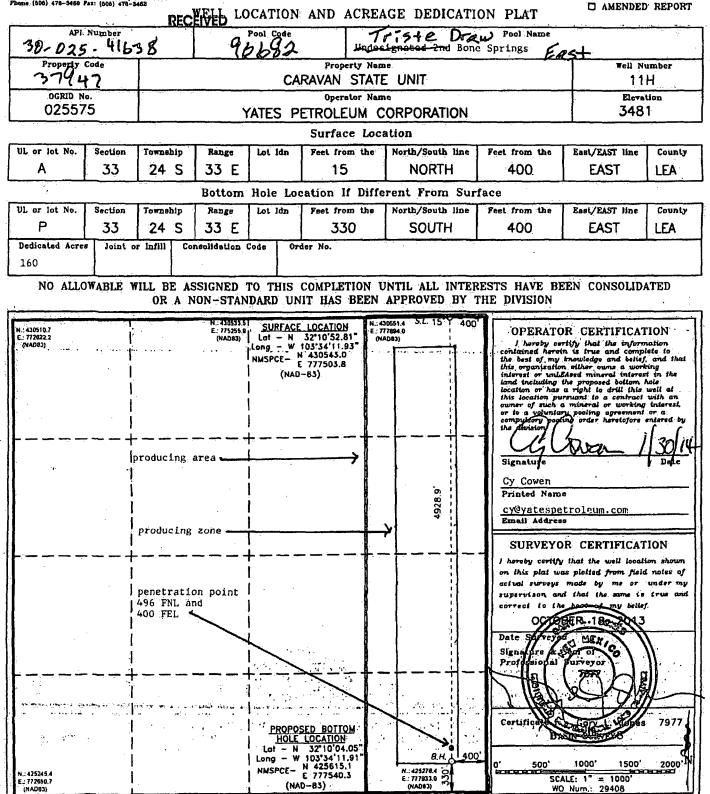
1220 S. St. Francis Dr., Santa Fe, NM 07500 Phone (506) 476-3468 Fax: (506) 478-3462

#### State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised August 1, 2011

Submit one copy to appropriate District Office

CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, New Mexico 87505



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## Address List – 1/21/2017 Convoy 28 State Com #501H Mail Out Package

#### Package Mailout

EOG Y Resources, Inc. Attention: Land Manager P. O. Box 2267 Midland, TX 79702

EOG A Resources, Inc. Attention: Land Manager P. O. Box 2267 Midland, TX 79702

EOG M Resources, Inc. Attention: Land Manager P. O. Box 2267 Midland, TX 79702

EOG Resources Assets LLC Attention: Land Manager P. O. Box 2267 Midland, TX 79702

John A. Yates Attention: Jim Ball P. O. Box 900 Artesia, NM 88211-0900

Sharbro Energy, LLC Attention: Hannah Palomin: Land Manager P. O. Box 840 Artesia, NM 88211-0840

Oxy Y-1 Company Attention: Land Manager - Permian Basin P. O. Box 4294 Houston, TX 77210-4294

Murchison Bone Springs Drilling Program 1, LLC Attention: Rachel Rushing, Land Manager 7520 Dallas Parkway, Suite 1400 Dallas, TX 75024

COG Production LLC Attention: Land Manager 600 W. Illinois Avenue Midland, TX 79701

Highland (Texas) Energy Company Attention: Steve Burr 7557 Rambler Road, Suite 918 Dallas, TX 75231

VEI Partners, L.P. Attention: Austin Adams 2602 McKinney Ave., Suite 330 Dallas, TX 75204

## Mailing Address

John A. Yates Attention: Jim Ball P. O. Box 900 Artesia, NM 88211-0900

Sharbro Energy, LLC Attention: Hannah Palomin: Land Manager P. O. Box 840 Artesia, NM 88211-0840

Oxy Y-1 Company Attention: Land Manager - Permian Basin P. O. Box 4294 Houston, TX 77210-4294

Murchison Bone Springs Drilling Program 1, LLC Attention: Rachel Rushing, Land Manager 7520 Dallas Parkway, Suite 1400 Dallas, TX 75024

COG Production LLC Attention: Land Manager 600 W. Illinois Avenue Midland, TX 79701

Highland (Texas) Energy Company Attention: Steve Burr 7557 Rambler Road, Suite 918 Dallas, TX 75231

VEI Partners, L.P. Attention: Austin Adams 2602 McKinney Ave., Suite 330 Dallas, TX 75204

**Certified Mail Tracking Number** 

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7016 1970 0001 0518 3582

## McMillan, Michael, EMNRD

From:	Stan Wagner <stan_wagner@eogresources.com></stan_wagner@eogresources.com>
Sent:	Thursday, March 9, 2017 9:59 AM
To:	McMillan, Michael, EMNRD
Cc:	Charles Moran
Subject:	RE: Surface Commingling Application - Convoy 28

Mike, upon further review, the call is changed to an operator change. We will go forward with the op change to EOG.

From: McMillan, Michael, EMNRD [mailto:Michael.McMillan@state.nm.us] Sent: Thursday, March 09, 2017 9:11 AM To: Stan Wagner Cc: Jones, William V, EMNRD Subject: RE: Surface Commingling Application - Convoy 28

\*\*External email. Use caution.\*\*

After discussing this situation with the Director, the OCD only permits one operator per surface application. Therefore, EOG must decide who the operator is before the application can be recommended approval by the Director Mike

From: Stan Wagner [mailto:Stan Wagner@eogresources.com] Sent: Thursday, March 9, 2017 6:51 AM To: McMillan, Michael, EMNRD <<u>Michael.McMillan@state.nm.us</u>> Subject: RE: Surface Commingling Application - Convoy 28

No change of operator.

From: McMillan, Michael, EMNRD [mailto:Michael.McMillan@state.nm.us] Sent: Wednesday, March 08, 2017 5:39 PM To: Stan Wagner Subject: RE: Surface Commingling Application - Convoy 28

\*\*External email. Use caution.\*\*

Stan:

Another problem with this application, is that two different operators are involved-EOG Resources and EOG-Y Resources.

I will talk to Will this morning to get an idea of how to proceed.

Would EOG have to do a change of operator from EOG-Y Resources to EOG Resources? Mike

From: Stan Wagner [mailto:Stan Wagner@eogresources.com] Sent: Wednesday, March 8, 2017 3:48 PM To: McMillan, Michael, EMNRD <<u>Michael.McMillan@state.nm.us</u>> Subject: RE: Surface Commingling Application - Convoy 28

Let me get that from the land tech. Probably be tomorrow. Working on the color drawing.

1

From: McMillan, Michael, EMNRD [mailto:Michael.McMillan@state.nm.us] Sent: Wednesday, March 08, 2017 4:46 PM To: Stan Wagner Cc: Charles Moran Subject: RE: Surface Commingling Application - Convoy 28

\*\*External email. Use caution.\*\* Where is proof of mailing for the affected parties Mike

From: Stan Wagner [mailto:Stan Wagner@eogresources.com] Sent: Wednesday, March 8, 2017 3:22 PM To: McMillan, Michael, EMNRD <<u>Michael.McMillan@state.nm.us</u>> Cc: Charles Moran <<u>Charles Moran@eogresources.com</u>> Subject: Surface Commingling Application - Convoy 28

Good afternoon Mike,

Attached please find EOG's latest surface commingling application for your review. Let me know of anything more you need.

Stan Wagner EOG Resources – Midland 432-686-3689

# McMillan, Michael, EMNRD

From: Sent: To: Subject: Stan Wagner <Stan\_Wagner@eogresources.com> Wednesday, March 22, 2017 1:54 PM McMillan, Michael, EMNRD Convoy Surface Commingling

1

Good afternoon Mike,

Just FYI, We sent notice to the NMSLO of the application today, certified mail 7009 3410 0000 0951 3796.

Thanks, Stan

# McMillan, Michael, EMNRD

From	•	
Sent:		•
To:	• •	
Subje	ect:	

Stan Wagner <Stan\_Wagner@eogresources.com> Monday, March 27, 2017 3:26 PM McMillan, Michael, EMNRD RE: Convoy Surface Commingling

#### I (NESE)

From: McMillan, Michael, EMNRD [mailto:Michael.McMillan@state.nm.us] Sent: Monday, March 27, 2017 3:59 PM To: Stan Wagner Subject: RE: Convoy Surface Commingling

\*\*External email. Use caution.\*\* Where (unit Letter) in Section 28 is the surface facility located? Mike

From: McMillan, Michael, EMNRD Sent: Wednesday, March 22, 2017 1:57 PM To: 'Stan Wagner' <<u>Stan. Wagner@eogresources.com</u>> Subject: RE: Convoy Surface Commingling

Thanks Mike

From: Stan Wagner [mailto:Stan Wagner@eogresources.com] Sent: Wednesday, March 22, 2017 1:54 PM To: McMillan, Michael, EMNRD <<u>Michael.McMillan@state.nm.us</u>> Subject: Convoy Surface Commingling

Good afternoon Mike,

Just FYI, We sent notice to the NMSLO of the application today, certified mail 7009 3410 0000 0951 3796.

Thanks, Stan