

**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-1233

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 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 gas production to the pools, leases, and wells to be commingled.
4. 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.
5. Applicant stated that it sought authorization to surface commingle and off-lease measure, as applicable, 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.
6. 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.
7. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.

CONCLUSIONS OF LAW

8. 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.
9. 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.

10. 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.
11. 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.
12. Commingling of 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.
13. 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.
14. 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 gas production from the pools and leases as described in Exhibit A.

Applicant is authorized to surface commingle 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 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 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 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 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 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 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 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 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.
7. Applicant shall calibrate the meters used to measure or allocate gas production in accordance with 19.15.12.10(C)(2) NMAC.
8. Applicant shall install and utilize vessels that are appropriately designed to ensure sufficient separation of the fluids and to accurately measure gas production.
9. If the commingling of gas production from any pool, lease, or well reduces the value of the commingled 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 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.
10. 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.
11. 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 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 gas production to it, and the location(s) that commingling of its production will occur.

12. Applicant shall not commence commingling gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
13. 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).
14. 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 Chang

DATE: 5-18-26

**ALBERT C. S. CHANG
DIRECTOR**

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: CTB-1233
Operator: Mewbourne Oil Company (14744)
Central Tank Battery: Sapphire 11/12 Central Tank Battery (GAS ONLY)
Central Tank Battery: Sapphire 11/12 B3DC State Com 2 H Battery (GAS ONLY)
Central Tank Battery Location: UL M, Section 02, Township 19 South, Range 29 East
Central Tank Battery: Sapphire 11/12 B2NN State Com 1H Battery (GAS ONLY)
Central Tank Battery Location: UL E, Section 11, Township 19 South, Range 29 East
Gas Title Transfer Meter Location: UL G, Section 11, Township 19 South, Range 29 East

Pools

Pool Name	Pool Code
TURKEY TRACK;BONE SPRING	60660

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
CA Bone Spring SLO 204457 PUN 1396716	S2S2	01-19S-29E
	S2S2	02-19S-29E
CA Bone Spring SLO 204466 PUN 1396974	N2S2	01-19S-29E
	N2S2	02-19S-29E
CA Bone Spring SLO 204653 PUN 1400092	S2N2	01-19S-29E
	S2N2	02-19S-29E
CA Bone Spring SLO 203851 PUN 1374716	NESW, N2SE	11-19S-29E
	N2SW	12-19S-29E
CA Bone Spring SLO 203850 PUN 1375993	SESW, S2SE	11-19S-29E
	S2SW	12-19S-29E
CA Bone Spring SLO 203953 PUN 1377628	N2S2	11-19S-29E
	N2SW	12-19S-29E
CA Bone Spring SLO 203952 PUN 1377630	S2S2	11-19S-29E
	S2SW	12-19S-29E
CA Bone Spring SLO 204091 PUN 1384832	N2N2	11-19S-29E
	N2NW	12-19S-29E
CA Bone Spring SLO 204990 PUN 1405804	NENW, N2NE	11-19S-29E
	N2NW	12-19S-29E
CA Bone Spring SLO 204991 PUN 1405859	SENW	11-19S-29E
	S2NW	12-19S-29E
CA Bone Spring SLO 204090 PUN 1384829	S2N2	11-19S-29E
	S2NW	12-19S-29E
SLO Lease B0-7717-0013	N2, NWSW	01-19S-29E
	All Minus UL E	02-19S-29E
	N2NW, NWNE, SENW, S2NE, S2SW	12-19S-29E

Wells				
Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-46296	SAPPHIRE 11 12 B3DC STATE COM #002H	N2N2 N2NW	11-19S-29E 12-19S-29E	60660
30-015-55082	SAPPHIRE 11 12 STATE COM #521H	NENW, N2NE N2NW	11-19S-29E 12-19S-29E	60660
30-015-46295	SAPPHIRE 11 12 B3EF STATE COM #002H	S2N2 S2NW	11-19S-29E 12-19S-29E	60660
30-015-55083	SAPPHIRE 11 12 STATE COM #523H	SENW, S2NE S2NW	11-19S-29E 12-19S-29E	60660
30-015-49829	ZIRCON 2 1 B3LI STATE COM #001H	N2S2 N2S2	01-19S-29E 02-19S-29E	60660
30-015-45020	SAPPHIRE 11 12 B2KK STATE COM #001H	NESW, N2SE N2SW	11-19S-29E 12-19S-29E	60660
30-015-49830	ZIRCON 2 1 B3MP STATE COM #001H	S2S2 S2S2	01-19S-29E 02-19S-29E	60660
30-015-44053	SAPPHIRE 11 12 B2NN STATE COM #001H	SESW, S2SE S2SW	11-19S-29E 12-19S-29E	60660
30-015-49814	ZIRCON 2 1 STATE #611H	N2N2 N2N2	01-19S-29E 02-19S-29E	60660
30-015-45559	SAPPHIRE 11 12 B3LK STATE COM #002H	N2S2 N2SW	11-19S-29E 12-19S-29E	60660
30-015-49815	ZIRCON 2 1 STATE #613H	S2N2 S2N2	01-19S-29E 02-19S-29E	60660
30-015-45560	SAPPHIRE 11 12 B3MN STATE COM #002H	S2S2 S2SW	11-19S-29E 12-19S-29E	60660

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

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/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 586704

CONDITIONS

Operator: MEWBOURNE OIL CO P.O. Box 5270 Hobbs, NM 88240	OGRID: 14744
	Action Number: 586704
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
sarah.clelland	None	5/19/2026