

State of New Mexico
Energy, Minerals and Natural Resources Department

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Adrienne Sandoval, Director
Oil Conservation Division



October 17, 2019

POOL/LEASE COMMINGLING

Administrative Order PLC-608

EOG Resources, Inc.
Attention: Sarah Mitchell
P.O. Box 2267 Midland, Texas 79702

Pursuant to your application received on September 3, 2019, EOG Resources, Inc. ("EOG") is hereby authorized to surface commingle oil and gas production and off-lease measure from the following pools:

Red Hills; Bone Spring North	(96434)
WC-025 G-09 S243336I; Upper Wolfcamp	(98092)

and from the wells and associated leases identified in the application, which is attached as Exhibit A and incorporated by reference into this Order. The wells are located in Section 25, Township 24 South, Range 33 East, NMPM, Lea County, New Mexico.

Production from the wells shall be determined as follows:

The oil and gas production from each well shall flow into a dedicated 3-phase separator as described in Exhibit A. The production stream shall be separated into 3 independent streams and each stream shall be measured individually before commingling. Additional gas gathered from process equipment after commingling shall be measured and allocated to each well based on the individual well's production.

The commingled oil production from the wells shall be measured by a lease automatic custody transfer ("LACT") unit and sold at the respective central tank battery ("CTB") described in Exhibit A.

The commingled gas production from the wells shall be measured at the CTB using a custody transfer meter except when the gas pipeline is experiencing problems at which time the commingled gas production from the wells shall be measured using the appropriate meters.

For future additions of wells and leases to this commingling operation, notice shall only be given to those interest owners in the wells and leases to be added, in accordance with Division Rule 19.15.12.10 C (4) (g) NMAC.

EOG may add subsequently drilled wells that produce from the approved pools within the project areas by submitting a Sundry Notice C-103 to the Engineering Bureau in Santa Fe.

The allocation meters shall be calibrated quarterly in accordance with Rule 19.15.12.10.C (2) NMAC.

This approval is subject to like approval from the New Mexico State Land Office before commencing commingling operations.

EOG shall notify the Hobbs District Office before commingling oil and gas production.

EOG shall comply with all Division Rules and Regulations.



Adrienne Sandoval
Director

AS/dm

cc: OCD – Engineering Bureau
 OCD – Hobbs District Office
 New Mexico State Land Office