State of New Mexico Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham Governor

Sarah Cottrell Propst Cabinet Secretary

Todd E. Leahy, JD, PhD Deputy Secretary Adrienne Sandoval, Director Oil Conservation Division



November 5, 2019

CENTRAL TANK BATTERY

Administrative Order CTB-915

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

Pursuant to your application received on September 25, 2019, EOG Resources, Inc. ("Operator") is hereby authorized to surface commingle oil and gas production and off-lease measure from the wells and associated leases identified in Exhibit A and incorporated by reference into this Order. The wells produce from the WC-025 G-08 S253235G; LWR BONE SPRIN pool (97903) and are located in Section 26, Township 25 South, Range 32 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 its own dedicated three-phase separator. The production stream shall be separated into three 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") meter 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.

Operator 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 Bureau of Land Management before commencing commingling operations.

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

Operator shall comply with all Division Rules and Regulations.

Adrienne Sandoval

Director

AS/dm

cc: OCD – Engineering Bureau

OCD – Hobbs District Office Bureau of Land Management

State of New Mexico Energy, Minerals and Natural Resources Department

Exhibit A

Administative Order: CTB-915

Date: 11/05/19

Operator: EOG Resources, Inc.

Central Tank Battery: Fearless 26 CTB

Central Tank Battery Location: Section 26, Township 25 South, Range 32 East

Pools

Pool Name

Pool Code

Pool Name

Pool Code

WC-025 G-08 S253235G; LWR BONE SPRIN 97903

Leases

NMNM 110836 NMNM 108970 NMNM 108973

Wells				
Well API	Well Name	Pool Code	Location	Train
30-025-42110	Fearless BSF Federal Com 2H	97903	Sec 26-T25S-R32E	
30-025-45505	Fearless 26 Federal Com 503H	97903	Sec 26-T25S-R32E	
30-025-45506	Fearless 26 Federal Com 504H	97903	Sec 26-T25S-R32E	