

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

**APPLICATION FOR SURFACE COMMINGLING
SUBMITTED BY EOG RESOURCES, INC.**

ORDER NO. PLC-700

ORDER

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

FINDINGS OF FACT

1. EOG Resources, Inc. (“Applicant”) submitted a complete application to surface commingle and off-lease measure the oil and gas production ("Application") from the pools, leases, and wells identified in Exhibit A.
2. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7(B) NMAC.
3. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
4. To the extent that ownership is diverse, 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 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.
5. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
6. Applicant certified the commingling of oil and gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil and gas production to less than if it had remained segregated.

CONCLUSIONS OF LAW

7. 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.
8. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10(A)(2), (C)(4)(c), and (C)(4)(e) NMAC, as applicable.
9. Applicant’s proposed method of allocation, as modified herein, complies with 19.15.12.10(B)(1) or (C)(1) NMAC, as applicable.

10. Commingling of oil and 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) and (C)(4)(h) NMAC.
11. 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 and off-lease measure oil and gas production from the pools, leases, and wells identified in Exhibit A.
2. This Order supersedes Order PC-1312.
3. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling.
4. Applicant shall measure the commingled oil at a 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 a central delivery point described in Exhibit A in accordance with 19.15.19.9 NMAC, provided however that if the gas is flared, and 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. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and 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 commingle application to OCD to amend this Order to remove the pool, lease, or well whose oil and 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.
8. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
9. OCD retains jurisdiction and reserves the right to modify or revoke this Order as it deems necessary to prevent waste or protect correlative rights, public health, or the environment.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



ADRIENNE SANDOVAL
DIRECTOR
AS/dm

DATE: 10/05/2020

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: PLC-700

Operator: EOG Resources, Inc. (7377)

Central Tank Battery: Gem 36 Central Tank Battery

Central Tank Battery Location (NMPM): Unit P, Section 36, Township 25 South, Range 32 East

Gas Custody Transfer Meter Location (NMPM): Unit P, Section 36, Township 25 South, Range 32 East

Pools

Pool Name	Pool Code
JENNINGS; UPPER BONE SPRING SHALE	97838
WC-025 G-08 S253235G; LWR BONE SPRIN	97903
WC-025 G-09 S253236A; UPR WOLFCAMP	98158

Leases as defined in 19.15.12.7(C) NMAC

Lease	Location (NMPM)
CA BS NMSLO	W/2 E/2 Sec 36-T25S-R32E
CA BS NMSLO	E/2 W/2 Sec 36-T25S-R32E
CA BS NMSLO	E/2 E/2 Sec 36-T25S-R32E
CA BS NMSLO	W/2 W/2 Sec 36-T25S-R32E
CA WC NMSLO	W/2 E/2 Sec 36-T25S-R32E
CA WC NMSLO	E/2 W/2 Sec 36-T25S-R32E
CA WC NMSLO	W/2 W/2 Sec 36-T25S-R32E
CA WC NMSLO	E/2 E/2 Sec 36-T25S-R32E

Wells

Well API	Well Name	Location (NMPM)	Pool Code	Train
30-025-46383	Gem 36 State Com 103H	C-36-25S-32E	97838	
30-025-46384	Gem 36 State Com 104H	C-36-25S-32E	97838	
30-025-46385	Gem 36 State Com 105H	D-36-25S-32E	97838	
30-025-46387	Gem 36 State Com 204H	C-36-25S-32E	97838	
30-025-46388	Gem 36 State Com 205H	D-36-25S-32E	97838	
30-025-46390	Gem 36 State Com 504H	C-36-25S-32E	97903	
30-025-46391	Gem 36 State Com 505H	C-36-25S-32E	97903	
30-025-46392	Gem 36 State Com 506H	D-36-25S-32E	97903	
30-025-42780	Gem 36 State Com 701H	A-36-25S-32E	98158	
30-025-42948	Gem 36 State Com 702Y	A-36-25S-32E	98158	
30-025-43782	Gem 36 State Com 703H	B-36-25S-32E	98158	
30-025-43783	Gem 36 State Com 704H	B-36-25S-32E	98158	
30-025-44263	Gem 36 State Com 5H	N-36-25S-32E	97838	
30-025-44264	Gem 36 State Com 6H	N-36-25S-32E	97838	
30-025-44265	Gem 36 State Com 707H	M-36-25S-32E	98158	
30-025-44266	Gem 36 State Com 708H	M-36-25S-32E	98158	
30-025-44267	Gem 36 State Com 709H	M-36-25S-32E	98158	
30-025-44440	Gem 36 State Com 705H	N-36-25S-32E	98158	
30-025-44441	Gem 36 State Com 706H	N-36-25S-32E	98158	

30-025-44567	Gem 36 State Com 601H	M-36-25S-32E	97903
30-025-44568	Gem 36 State Com 721H	M-36-25S-32E	98158
30-025-45526	Gem 36 State Com 102H	B-36-25S-32E	97838
30-025-45527	Gem 36 State Com 201H	A-36-25S-32E	97838
30-025-45528	Gem 36 State Com 202H	B-36-25S-32E	97838
30-025-45529	Gem 36 State Com 501H	A-36-25S-32E	97903
30-025-45524	Gem 36 State Com 502H	A-36-25S-32E	97903
30-025-46389	Gem 36 State Com 503H	B-36-25S-32E	97903