

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



February 9, 2017

ADMINISTRATIVE POOL/LEASE COMMINGLING ORDER

Administrative Order PLC-465
Administrative Application Reference No. pKSC1703940935

EOG RESOURCES INC.

Attn: Mr. Stan Wagner

Pursuant to your application received on February 8, 2017, EOG Resources Inc. (OGRID 7377) is hereby authorized to surface commingle oil and gas production from the following pools located in Township 24 South, Range 33 East, NMPM, Lea County, New Mexico.

TRIPLE X; BONE SPRING, WEST (96674)
WC-025 G-09 S243310P; UPPER WOLFCAMP (98135)

and from the following diversely owned state wells and leases in said Section, Township, and Range in Lea County, New Mexico.

Lease: Neptune 10 State Com. Well No. 501H Communitization Agreement
Description: E/2 E/2 of Section 10, Township 24 South, Range 33 East
Well: Neptune 10 State Com. Well No. 501H API 30-025-42322
Pool: Triple X; Bone Spring, West

Lease: Neptune 10 State Com. Well No. 502H Communitization Agreement
Description: W/2 E/2 of Section 10, Township 24 South, Range 33 East
Well: Neptune 10 State Com. Well No. 502H API 30-025-42323
Pool: Triple X; Bone Spring, West

Lease: Neptune 10 State Com. Well No. 503H Communitization Agreement
Description: E/2 W/2 of Section 3, and E/2 W/2 of Section 10, Township 24 South, Range 33 East
Well: Neptune 10 State Com. Well No. 503H API 30-025-43454
Neptune 10 State Com. Well No. 504H API 30-025-43455
Pool: Triple X; Bone Spring, West

Lease: Neptune 10 State Com. Well No. 505H Communitization Agreement
Description: W/2 W/2 of Section 3, and W/2 W/2 of Section 10, Township 24 South, Range 33 East
Well: Neptune 10 State Com. Well No. 505H API 30-025-43456
Pool: Triple X; Bone Spring, West

Lease: Neptune 10 State Com. Well No. 701H Communitization Agreement
Description: W/2 W/2 of Section 3, and W/2 W/2 of Section 10, Township 24 South, Range 33 East
Well: Neptune 10 State Com. Well No. 701H API 30-025-43457
Pool: WC-025 G-09 S243310P; Upper Wolfcamp

The combined project area for these wells include the W/2 of Section 3, and entire Section 10, Township 24 South, Range 33 East, NMPM, Lea County, New Mexico.

The commingled oil and gas production from the wells detailed above shall be measured and sold at the Neptune 10 Central Tank Battery (CTB) located in Unit K, Section 10, Township 24 South, Range 33 East, Lea County, New Mexico.

Production from the subject wells shall be determined as follows:

The oil and gas production from each of the diversely-owned leases shall be measured with allocation meters.

The oil and gas production from each well will flow into a dedicated 3-phase separator. The production stream will be separated into 3 independent streams by the separator and each stream will be measured individually after it exits the separator, before commingling.

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

Your application has been duly filed under the provisions of Division Rules 19.15.12.10 C (4) NMAC and 19.15.4.12.A (8) NMAC. However, the affected party signed a waiver, consenting to the administrative surface commingle application.

The operator shall notify the transporter of this commingling authority.

This Order supersedes Administrative Order CTB-759, issued on August 10, 2015. This Order includes both the Bone Spring and the Wolfcamp formations, diverse ownership, and change in the entire project area.

The operator shall notify the Hobbs District Office upon commencement of commingling operations.

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

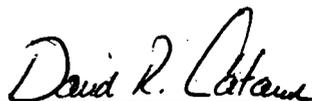
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DONE at Santa Fe, New Mexico, on February 9, 2017.



DAVID R. CATANACH

Director

DRC/mam

cc: Oil Conservation Division District Office – Hobbs
New Mexico State Land Office – Oil, Gas, and Minerals