

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

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Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



May 5, 2017

ADMINISTRATIVE POOL/LEASE COMMINGLING ORDER

Administrative Order PLC-470
Administrative Application Reference No. pMAM1712454913

EOG RESOURCES INC.
Attn: Mr. Stan Wagner

Pursuant to your application received on May 4, 2017, EOG Resources Inc. (OGRID 7377) is hereby authorized to surface commingle oil and gas production from diversely owned leases in the form of Federal /state communitization agreements from the following pools located in Township 36 South, Range 33 East, NMPM, Lea County, New Mexico.

WC-025 G-06 S263319P; BONE SPRING (97955)
WC-025 G-09 S263327G; UPPER WOLFCAMP (98097)

Lease: Endurance 36 State Com Well No. 708Y Communitization Agreement
Description: W/2 E/2 of Section 25, and Lot 2 and NW/4 NE/4 of Irregular Section 36, Township 36 South, Range 33 East
Well: Endurance 36 State Com Well No. 708Y API 30-025-43701
Pool: WC-025 G-06 S263319P; Bone Spring

Lease: Pending Endurance 36 State Com Well No. 702H Communitization Agreement
Description: E/2 E/2 of Section 25, and Lot 1 and NE/4 NE/4 of Irregular Section 36, Township 36 South, Range 33 East
Well: Endurance 36 State Com Well No. 702H API 30-025-43019
Endurance 36 State Com Well No. 703H API 30-025-43020
Pool: WC-025 G-09 S263327G; Upper Wolfcamp

Lease: Pending Endurance 36 State Com Well No. 707H Communitization Agreement
Description: W/2 E/2 of Section 25, and Lot 2 and NW/4 NE/4 of Irregular Section 36, Township 36 South, Range 33 East
Well: Endurance 36 State Com Well No. 707H API 30-025-43491
Pool: WC-025 G-09 S263327G; Upper Wolfcamp

Lease: Endurance 36 State Com Well No. 701H Communitization Agreement
Description: W/2 of Section 25, and Lot 3, Lot 4, and N/2 NW/4 of Irregular Section 36, Township 36 South, Range 33 East
Well: Endurance 36 State Com Well No. 701H API 30-025-42984
Endurance 36 State Com Well No. 704H API 30-025-43015
Endurance 36 State Com Well No. 705H API 30-025-43227
Endurance 36 State Com Well No. 706H API 30-025-43228
Pool: WC-025 G-09 S263327G; Upper Wolfcamp

The combined project area for these wells include the entire Section 25, and Lot 1, Lot 2, Lot 3, Lot 4, and N/2 N/2 (N/2 equivalent) of Irregular Section 36 Township 36 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 Endurance 36 Central Tank Battery (CTB) located in Lot 3 (SE/4 NW/4 equivalent) Irregular Section 36, Township 36 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. Each stream shall be measured individually after it exits the separator, before commingling with the other wells.

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

After initial notification, future wells that will produce from the pools and leases approved by this order may be added to this commingling authority by submittal of a Sundry Notice to the Engineering Bureau in Santa Fe.

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. No notice is required, because EOG is the operator and sole working interest owner in the surface commingle application.

The operator shall notify the transporter of this commingling authority.

This Order supersedes Administrative Order CTB-801, issued on September 22, 2016. This Order includes both the Bone Spring and the Wolfcamp formations, diverse ownership, and change in the entire project area. Further, the Endurance 36 State Com Well No 708 Y was a replacement for the Endurance 36 State Com Well No 708 H which due to drilling problems was unable to drill the intended Wolfcamp formation.

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

Administrative Order PLC-470

EOG Resources Inc.

May 5, 2017

Page 3 of 3

This approval is subject to like approval from the Bureau of Land Management before commencing commingling operations.

DONE at Santa Fe, New Mexico, on May 5, 2017.



DAVID R. CATANACH

Director

DRC/mam

cc: Oil Conservation Division District Office – Hobbs
Bureau of Land Management – Carlsbad