

State of New Mexico
Energy, Minerals and Natural Resources Department

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Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



October 13, 2017

ADMINISTRATIVE POOL/LEASE COMMINGLING ORDER

Administrative Order PLC-486
Administrative Application Reference No. pMAM1726542240

EOG RESOURCES INC.
Attn: Mr. Stan Wagner

Pursuant to your application received on September 22, 2017, EOG Resources Inc. (OGRID 7377) is hereby authorized to surface commingle oil and gas production from diversely owned leases in the form of state communitization agreements from the following pools located in Township 24 South, Range 33 East, NMPM, Lea County, New Mexico.

TRISTE DRAW; BONE SPRING, EAST (96682)
WC-025 G-09 S243336I; UPPER WOLFCAMP (98092)

Lease: Pending Hearn's 34 State Com Well No. 504H Communitization Agreement
Description: W/2 E/2 of Section 27, and W/2 E/2 of Section 34, all in Township 24 South, Range 33 East
Well: Hearn's 34 State Com Well No. 504H API 30-025-43926
Pool: Triste Draw; Bone Spring, East

Lease: Pending Hearn's 34 State Com Well No. 708H Communitization Agreement
Description: W/2 E/2 of Section 27, and W/2 E/2 of Section 34, all in Township 24 South, Range 33 East
Well: Hearn's 34 State Com Well No. 708H API 30-025-43858
Pool: WC-025 G-09 S243336I; Upper Wolfcamp

Lease: Pending Hearn's 34 State Com Well No. 707H Communitization Agreement
Description: E/2 W/2 of Section 27, and E/2 W/2 of Section 34, all in Township 24 South, Range 33 East
Well: Hearn's 34 State Com Well No. 707H API 30-025-43857
Pool: WC-025 G-09 S243336I; Upper Wolfcamp

Lease: Hearn's 34 State Com Well No. 704H Communitization Agreement
Description: W/2 W/2 of Section 27, and W/2 W/2 of Section 34, all in Township 24 South, Range 33 East

Wells:	Hearns 34 State Com Well No. 704H	API 30-025-43720
	Hearns 34 State Com Well No. 705H	API 30-025-43717
	Hearns 34 State Com Well No. 706H	API 30-025-43718
Pool:	WC-025 G-09 S243336I; Upper Wolfcamp	

The combined project area for these wells include the W/2 E/2 and W/2 of Section 27, and the W/2 E/2 and W/2 of Section 34, all in 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 Hearns 34 Central Tank Battery (CTB) located in Unit M, Section 34, 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. 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.

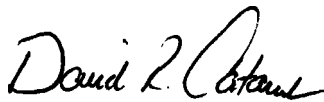
Your application has been duly filed under the provisions of Division Rules 19.15.12.10 C (4) NMAC and 19.15.4.12.A (8) NMAC.

The operator shall notify the transporter of this commingling authority.

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.

DONE at Santa Fe, New Mexico, on October 13, 2017.

A handwritten signature in black ink, appearing to read "David R. Catanach". The signature is fluid and cursive, with the first name "David" being the most prominent.

DAVID R. CATANACH
Director

DRC/mam

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