



5509 Champions Dr., Midland, Texas 79706  
Phone: (432) 686-3600 Fax: (432) 686-3773

Date: August 23, 2017

**Certified Mail – Return Receipt**

To: New Mexico Oil Conservation Division  
New Mexico State Land Office  
Affected Parties  
Addresses on Reverse Side

Re: Surface Pool/Lease Commingling Application  
Gem 36 State Com #701H - E/2E/2 - Sec. 36-T25S-R32E  
Gem 36 State Com #702Y - E/2E/2 Sec. 36-T25S-R32E  
Gem 36 State Com #703H - W/2E/2 Sec. 36-T25S-R32E  
Gem 36 State Com #704H - W/E2 Sec. 36-T25S-R32E  
Lea County, New Mexico

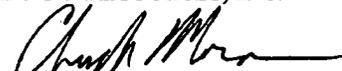
To whom it may concern:

This letter serves to notice you that the working interests, overriding royalty interests and royalty interest are identical in the wells set forth below and that notice of the proposed application has been sent via certified mail to the affected parties listed on the back of this letter.

	Well Name	Surface Location	API	Pool Code/Name	Status
1.	Gem 36 State Com #701H	A-36-25S-32E	30-025-42780	98158 / WC-025 G-09 S253236A	Producing
2.	Gem 36 State Com #702Y	A-36-25S-32E	30-025-42948	98158 / WC-025 G-09 S253236A	Producing
3	Gem 36 State Com #703H	B-36-25S-32E	30-025-43782	Anticipate 98158 / WC-025 G-09 S253236A	Waiting for completion
4	Gem 36 State Com #704H	B-36-25S-32E	30-025-43783	Anticipate 98158 / WC-025 G-09 S253236A	Waiting for Completion

I certify that this information is true and correct to the best of my knowledge.

**EOG Y RESOURCES, INC.**

  
Chuck Moran  
Land Advisor

**Affected Parties – Commingling Application**

New Mexico State Land Office  
P. O. Box 1148  
Santa Fe, NM 87504

New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505

EOG Y Resources, Inc.  
Attention: Land Manager  
P. O. Box 2267  
Midland, TX 79702

EOG A Resources, Inc.  
Attention: Land Manager  
P. O. Box 2267  
Midland, TX 79702

EOG M Resources, Inc.  
Attention: Land Manager  
P. O. Box 2267  
Midland, TX 79702

## APPLICATION FOR SURFACE POOL AND LEASE COMMINGLING

EOG Resources, Inc. respectfully request administrative approval to surface pool and lease commingle oil and gas from the following wells:

	<b>Well Name</b>	<b>Surface Location</b>	<b>API</b>	<b>Pool Code/Name</b>	<b>Status</b>
1.	Gem 36 State Com #701H	A-36-25S-32E	30-025-42780	98158 / WC-025 G-09 S253236A	Producing
2.	Gem 36 State Com #702Y	A-36-25S-32E	30-025-42948	98158 / WC-025 G-09 S253236A	Producing
3	Gem 36 State Com #703H	B-36-25S-32E	30-025-43782	Anticipate 98158 / WC-025 G-09 S253236A	Waiting for completion
4	Gem 36 State Com #704H	B-36-25S-32E	30-025-43783	Anticipate 98158 / WC-025 G-09 S253236A	Waiting for Completion

### LEASE INFORMATION

We plan to surface commingle production from the following leases:

1. State Lease V0-8648 covers 320.00 acres, being the N/2 of Section 36, Township 25 South, Range 32 East, N.M.P.M., Lea County, New Mexico. Ownership common in Wolfcamp formation.
2. State Lease V0-8649 covers 320.00 acres, being the S/2 of Section 33, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico. Ownership common in Wolfcamp formation.

The central tank battery for the aforementioned wells will be located entirely within the boundary of State Lease V0-8649.

### OIL AND GAS METERING / PROCESS AND DESCRIPTION

**Process and Flow Descriptions:** The production from each well will flow into a dedicated 3-phase separator. The production stream will be separated into 3 independent streams (gas, oil, and water) by the separator and each stream will be measured individually after it exits the separator. The gas will be measured using a senior orifice meter and used to allocate total volume measured at the facility check meter, high pressure flare meter, and low pressure flare meter.

1. Gem 36 State Com #701H gas allocation meter is an Emerson orifice meter (S/N 77311201)

2. Gem 36 State Com #702Y gas allocation meter is an Emerson orifice meter (S/N 77311202)
3. Gem 36 State Com #703H gas allocation meter is an Emerson orifice meter (S/N \*11111111)
4. Gem 36 State Com #704H gas allocation meter is an Emerson orifice meter (S/N \*11111111)

The oil from the separators will be measured using a Coriolis meter.

1. Gem 36 State Com #701H oil allocation meter is a FMC Coriolis meter (S/N 10-73087)
2. Gem 36 State Com #702Y oil allocation meter is a FMC Coriolis meter (S/N 10-70388)
3. Gem 36 State Com #703H oil allocation meter is a FMC Coriolis meter (S/N \*11111111)
4. Gem 36 State Com #704H oil allocation meter is a FMC Coriolis meter (S/N \*11111111)

The water will be measured using a vortex meter. The water from each separator is combined in a common header and flows into (4) 500 barrel coated steel tanks. Guided wave radar is used to measure water volumes in these tanks. The oil from each separator will be combined into a common header and flow into a heated horizontal separator (HHS) to aid separation of water entrained in the oil. Water from the heated separator flows into the common water header connected to the (4) 500 barrel water tanks. The water is then pumped and/or trucked to a salt water disposal well. The oil from the heated separator flows through a vapor recovery tower (VRT) where gas is allowed to breakout at a lower pressure, and then the oil flows into (8) 500 barrel coated steel tanks. Guided wave radar is used to measure water and oil volumes in these tanks. Oil is pumped out of the tanks through a Coriolis meter into a truck or a pipeline. Every tank utilizes a guided wave radar to determine the volume of product in each. After the gas from each separator is measured it is combined into a common header. The gas from the heated separator also flows into this header. The gas flows through the header to a custody transfer Emerson orifice meter (#77311271) that serves as our lease production meter. If the pipeline is experiencing problems and cannot take any gas, the gas will flow through the high pressure and low pressure flare meters (#77311256 and # 77311257) to the flare. The overhead gas from the vapor recovery tower is compressed by a vapor recovery compressor and then measured by a custody transfer Emerson orifice meter (#77311281). The gas from the vapor recovery system combines with the gas from the lease production meter and flows into our gas gathering pipeline system.

\*Meter numbers will be provided upon installation of meters and completion of the facility.

#### ATTACHEMENTS"

Please find attached a process flow diagram of the central tank battery, C-102 plat for each of the wells, a landman's statement certify the ownership of the wells and a plat of wells with surface facilities.

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720

**District II**  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-0720

**District III**  
1000 Rio Huerfano Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170

**District IV**  
1230 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources  
Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

FORM C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025- <b>42780</b>		<sup>2</sup> Pool Code <b>98158</b>		<sup>3</sup> Pool Name <b>W/O-025-ET-09-S-253236A:UPR WGS</b>	
<sup>4</sup> Property Code 313191		<sup>5</sup> Property Name <b>GEM 36 STATE COM</b>			<sup>6</sup> Well Number <b>#701H</b>
<sup>7</sup> OCRID No. 7377		<sup>8</sup> Operator Name <b>EOG RESOURCES, INC.</b>			<sup>9</sup> Elevation <b>3432'</b>

<sup>10</sup> Surface Location									
U. I. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	36	25-S	32-E	-	220'	NORTH	230'	EAST	LEA
P	36	25-S	32-E	-	230'	SOUTH	330'	EAST	LEA

<sup>11</sup> Dedicated Acres <b>160.00</b>	<sup>12</sup> Joint or Infill	<sup>13</sup> Consolidation Code	<sup>14</sup> Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

36	<b>SURFACE LOCATION</b> NEW MEXICO EAST NAD 1927 X=720849 Y=398498 LAT.: N 32.0935797 LONG.: W 103.6201891		<b>17 OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.
	<b>UPPER MOST PERF.</b> NEW MEXICO EAST NAD 1927 X=720749 Y=398387 LAT.: N 32.0932759 LONG.: W 103.6205125		9/11/15 Signature: <b>Stan Wagner</b> Date:
	<b>LOWER MOST PERF.</b> NEW MEXICO EAST NAD 1927 X=720786 Y=393767 LAT.: N 32.0805782 LONG.: W 103.6204907		Printed Name: E-mail Address:
	<b>BOTTOM HOLE LOCATION</b> NEW MEXICO EAST NAD 1927 X=720787 Y=393667 LAT.: N 32.0803013 LONG.: W 103.6204897		<b>18 SURVEYOR CERTIFICATION</b> I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.

Date of Survey: **08/28/15**  
 Signature: **MICHAEL BROWN**  
 Certificate Number: **18329**

SEP 14 2015

District I  
1624 N French Dr Hobbs, NM 88240  
Phone (575) 393-6161 Fax (575) 391-0720  
District II  
811 S First St., Artesia, NM 88210  
Phone (575) 748-281 Fax (575) 748-9720  
District III  
1000 Rio Brazos Road, Artesia, NM 87410  
Phone (505) 334-6178 Fax (505) 334-6170  
District IV  
1220 S St Francis Dr. Santa Fe, NM 87501  
Phone (505) 476-3460 Fax (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources  
Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-42948		<sup>2</sup> Pool Code 98158	<sup>3</sup> Pool Name WC-025 G-09 S253236A; Upper Wolfcamp
<sup>4</sup> Property Code 313191	<sup>5</sup> Property Name GEM 36 STATE COM		<sup>6</sup> Well Number #702Y
<sup>7</sup> GRID No. 7377	<sup>8</sup> Operator Name EOG RESOURCES, INC.		<sup>9</sup> Elevation 3432'

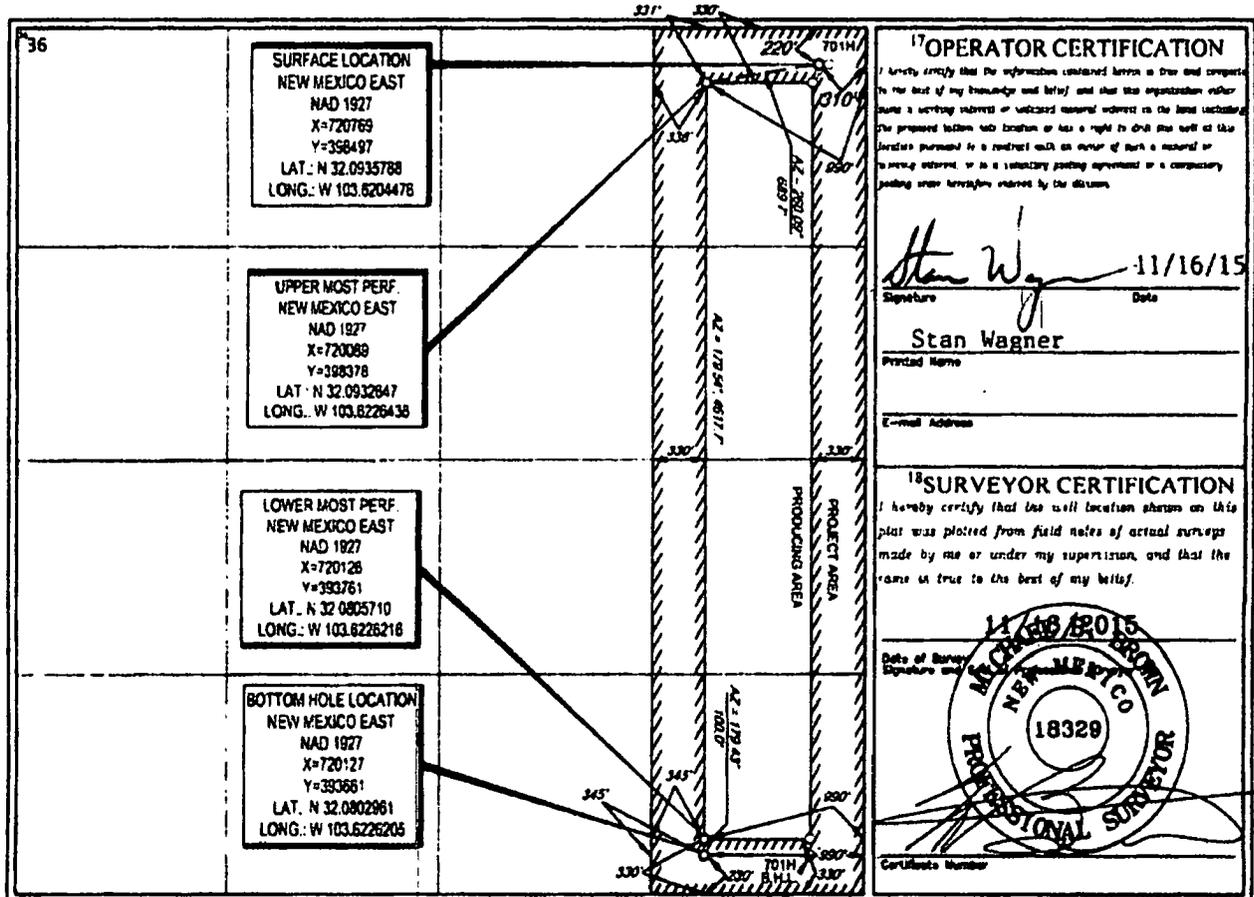
<sup>10</sup>Surface Location

L or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	36	25-S	32-E	-	220'	NORTH	310'	EAST	LEA

L or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	36	25-S	32-E	-	230'	SOUTH	990'	EAST	LEA

<sup>11</sup> Dedicated Acres 160.00	<sup>12</sup> Joint or Infill	<sup>13</sup> Consolidation Code	<sup>14</sup> Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



**<sup>17</sup>OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and correct to the best of my knowledge and belief and that this organization either owns a working interest or undivided mineral interest in the land underlying the proposed well location or has a right to drill the well at this location pursuant to a contract with an owner of such a mineral or to leasing entered, or is a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Stan Wagner* 11/16/15  
Signature Date  
Stan Wagner  
Printed Name  
E-mail Address

**<sup>18</sup>SURVEYOR CERTIFICATION**  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.

11/16/2015  
Date of Survey  
MICHAEL BROWN  
NEW MEXICO  
18329  
PROFESSIONAL SURVEYOR  
Signature  
Certificate Number

DEC 15 2015

District I  
1625 N French Dr. Hobbs, NM 88240  
Phone (575) 393-6161 Fax (575) 393-0720  
District II  
811 S First St. Artesa, NM 88210  
Phone (575) 748-1283 Fax (575) 748-9720  
District III  
1000 Rio Bravo Road, Artesa, NM 87410  
Phone (505) 334-6178 Fax (505) 334-6170  
District IV  
1220 S St Francis Dr., Santa Fe, NM 87505  
Phone (505) 476-3460 Fax (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources  
Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

FORM C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number 30-025- <b>4782</b>		Pool Code 98158	Pool Name WC-025 G-09 S253236A; Upper Wolfcamp
Property Code 313191	Property Name GEM 36 STATE COM		Well Number #703H
OGRID No. 7377	Operator Name EOG RESOURCES, INC.		Elevation 3423'

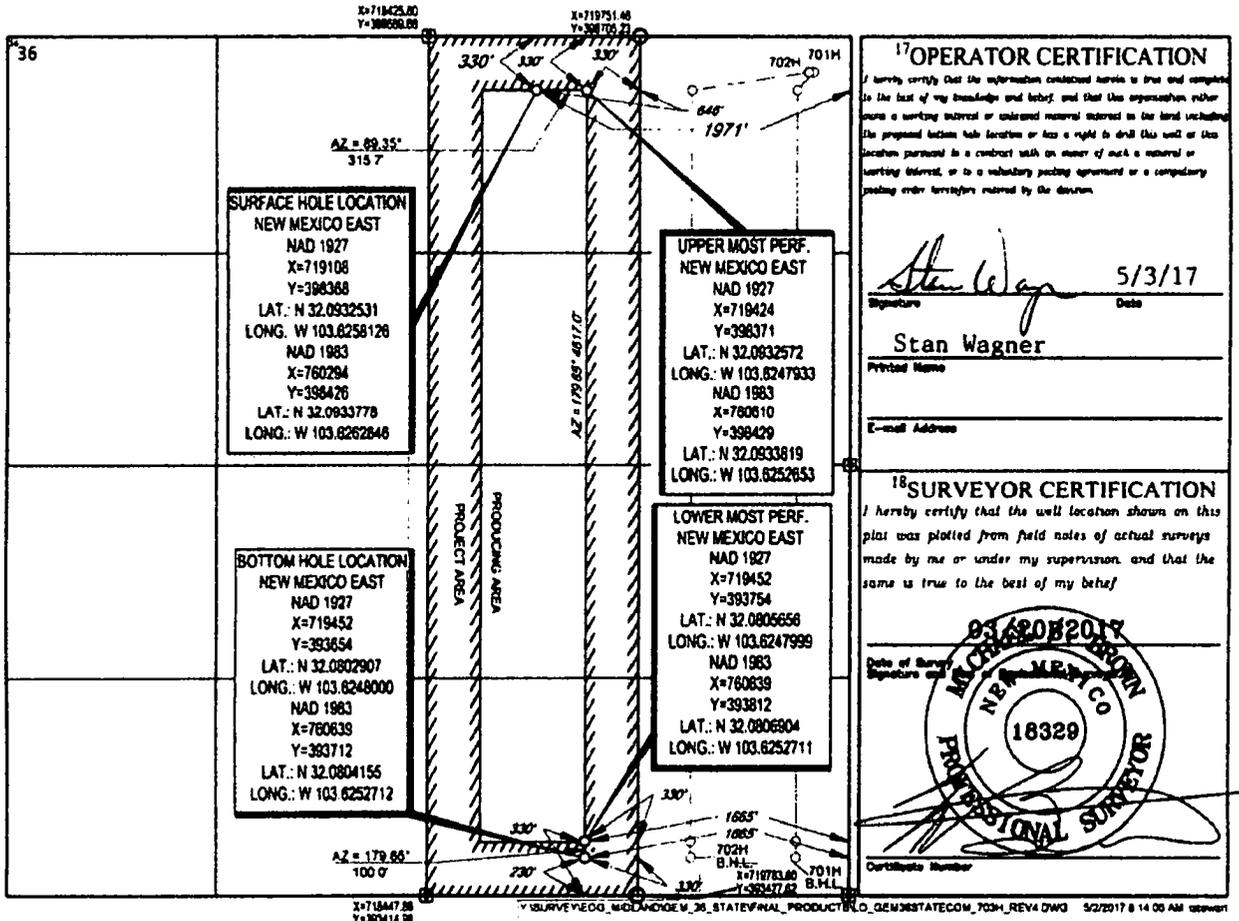
**Surface Location**

U/L or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
B	36	25-S	32-E	-	330'	NORTH	1971'	EAST	LEA

U/L or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
0	36	25-S	32-E	-	230'	SOUTH	1665'	EAST	LEA

Dedicated Acres 160.00	Joint or Infill	Consolidation Code	Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



**OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this operator either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well or the location pertained to in a contract with an owner of such a mineral or working interest, or to a subsidiary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Stan Wagner* 5/3/17  
Signature Date

Stan Wagner  
Printed Name

E-mail Address

**SURVEYOR CERTIFICATION**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.

03 APR 2017  
ACRES  
NEW MEXICO  
18329  
PROFESSIONAL SURVEYOR  
Date of Survey  
Signature  
Certificate Number

District I  
1025 N French Dr., Hobbs, NM 88240  
Phone (575) 393-6161 Fax (575) 393-0720  
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District Office

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WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025- <b>47783</b>	Foot Code 98158	Pool Name WC-025 G-09 S253236A; Upper Wolfcamp
Property Code 313191	Property Name GEM 36 STATE COM	Well Number #704H
OGRID No. 7377	Operator Name EOG RESOURCES, INC.	Elevation 3422'

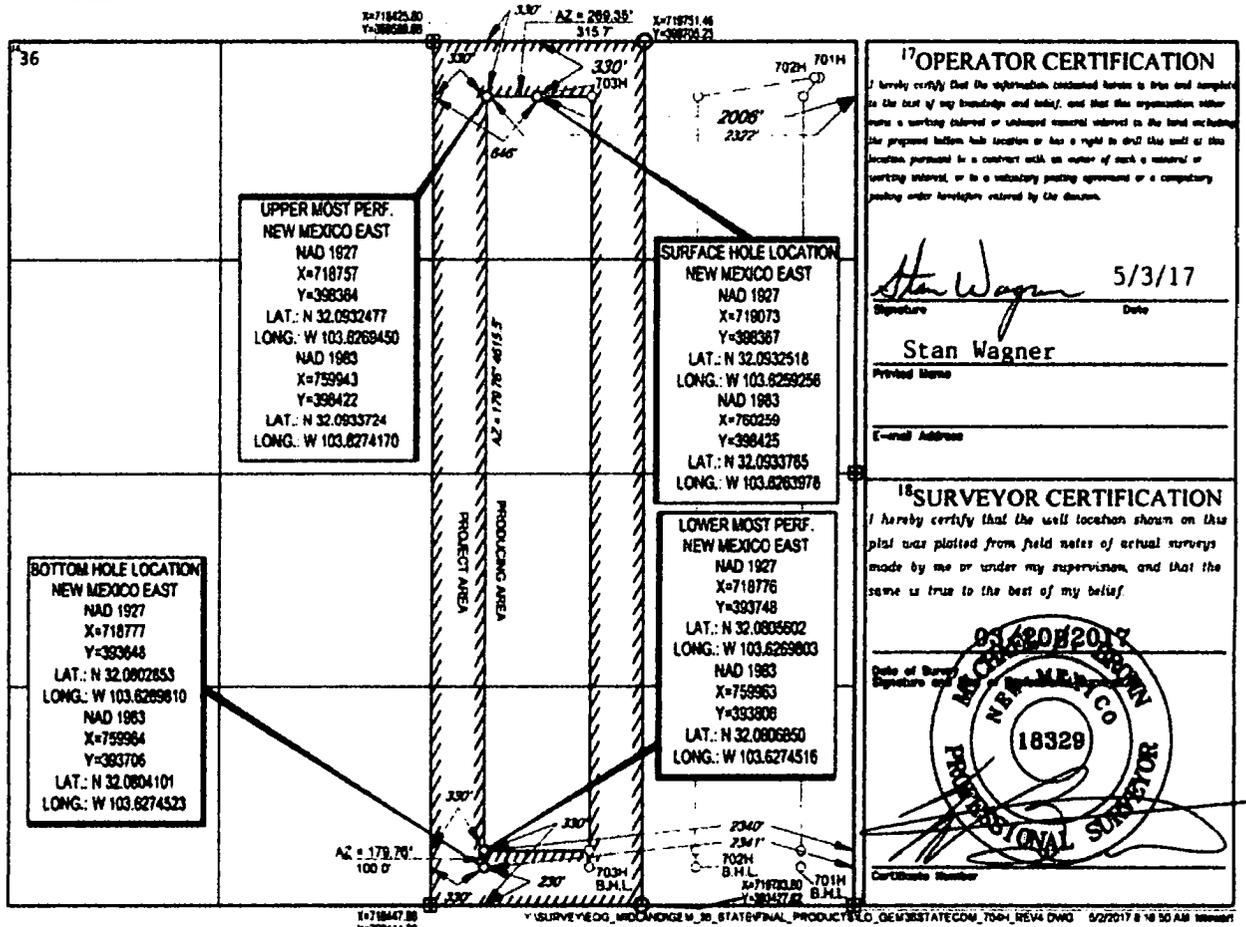
Surface Location

UL or lot no.	Section	Township	Range	Lot Ids	Feet from the	North/South line	Feet from the	East/West line	County
B	36	25-S	32-E	-	330'	NORTH	2006'	EAST	LEA

UL or lot no.	Section	Township	Range	Lot Ids	Feet from the	North/South line	Feet from the	East/West line	County
0	36	25-S	32-E	-	230'	SOUTH	2341'	EAST	LEA

Dedicated Acre 160.00	Joint or In/In	Consolidation Code	Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



### Certification of Ownership

I have reviewed the ownership of the oil and gas leasehold in Section 36, T25S-R32E, Lea County, New Mexico, for purposes of the APPLICATION FOR SURFACE POOL AND LEASE COMMINGLING. As of this date below, the ownership in the production from the following wells is identical ownership as defined in 19.15.12.7 B. NMAC:

	Well Name	Surface Location	API	Pool Code/Name	Status
1.	Gem 36 State Com #701H	A-36-25S-32E	30-025-42780	98158 / WC-025 G-09 S253236A	Producing
2.	Gem 36 State Com #702Y	A-36-25S-32E	30-025-42948	98158 / WC-025 G-09 S253236A	Producing
3	Gem 36 State Com #703H	B-36-25S-32E	30-025-43782	Anticipate 98158 / WC-025 G-09 S253236A	Waiting for completion
4	Gem 36 State Com #704H	B-36-25S-32E	30-025-43783	Anticipate 98158 / WC-025 G-09 S253236A	Waiting for Completion

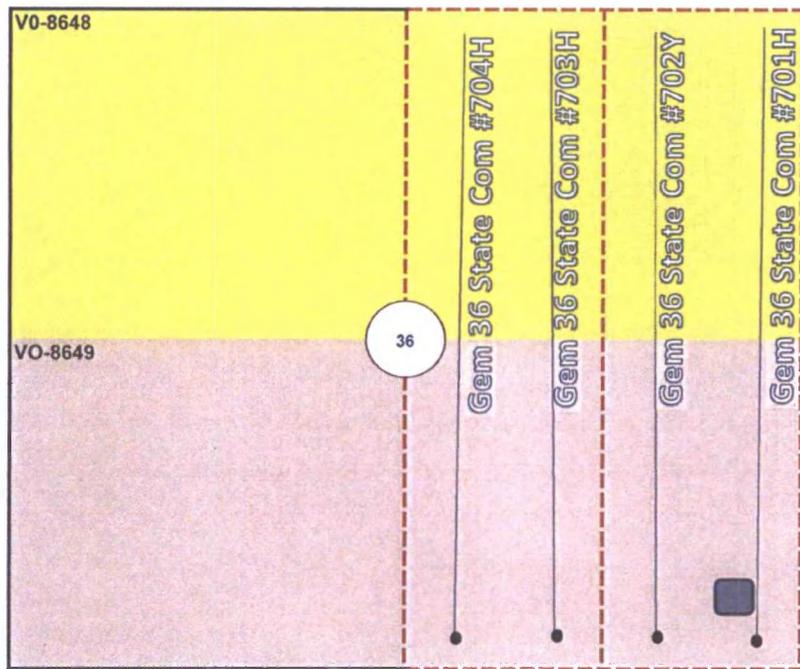
The royalty, overrides and working interest are the same in each well.

EOG Resources, Inc.



Charles Moran  
Land Advisor  
August 23, 2017

Plat of Wells and Communitized Land  
Gem 36 State Com Wells - Commingling Application  
T25S-R32E



Communitized Areas

Surface Facilities

Bottom Hole

Not to Scale

Communitization being submitted.

Com Agreement Approved

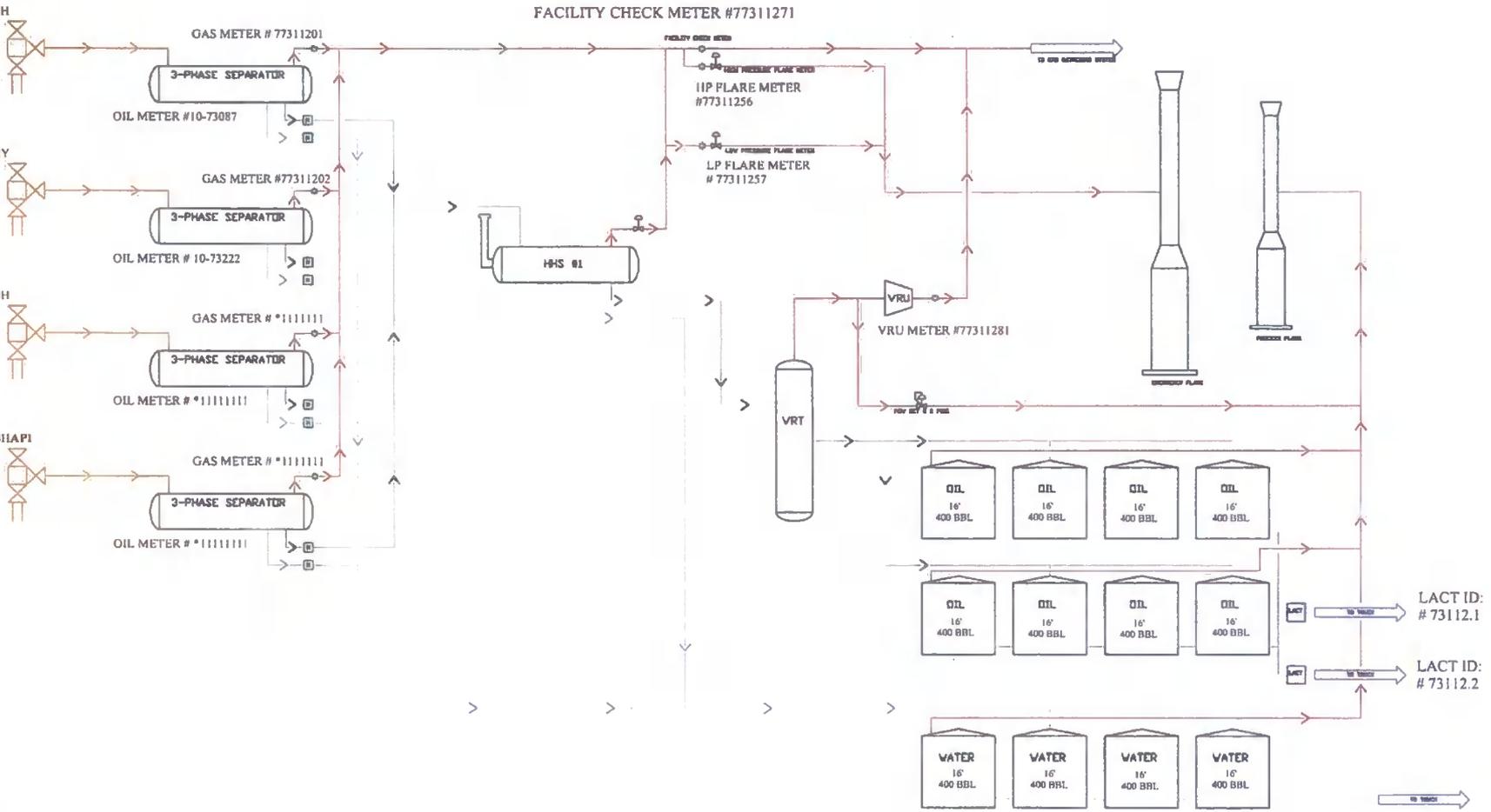
# FACILITY NAME: GEM 36 CTB

WELL NAME:  
Gem 36 State Com #701H  
API NUMBER:  
30-025-42780

WELL NAME:  
Gem 36 State Com #702Y  
API NUMBER:  
30-025-42948

WELL NAME:  
Gem 36 State Com #703H  
API NUMBER:  
30-025-43782

WELL NAME:  
Gem 36 State Com #70411API  
NUMBER:  
30-025-43783



Gas Orifice Meter

Liquid Meter

\*Test meter numbers will be provided upon installation of meters and completion of the facility.

GEM 36 CTB PROCESS FLOW		
EDG RESOURCES MIDLAND DIVISION	BY: BKM	rev. 00 6/22/2017