

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

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

ORDER NO. PC-1406

ORDER

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

FINDINGS OF FACT

1. EOG Resources, Inc. (“Applicant”) submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells as described in Exhibit A (“Application”).
2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
3. 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.
4. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
5. 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.
6. Applicant in the notice for the Application stated that it sought authorization to prospectively include additional pools, leases, and wells in accordance with 19.15.12.10 C.(4)(g) NMAC.
7. Applicant stated that it sought authorization to surface commingle and off-lease measure, as applicable, oil and gas production from wells which have not yet been approved to be drilled, but will produce from a pool and lease as described in Exhibit A.

CONCLUSIONS OF LAW

8. 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, 19.15.12. NMAC, and 19.15.23. NMAC.
9. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10 A.(2) NMAC, 19.15.12.10 C.(4)(c) NMAC, and 19.15.12.10 C.(4)(e) NMAC, as applicable.

10. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9 A.(5) NMAC and 19.15.23.9 A.(6) NMAC, as applicable.
11. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10 B.(1) NMAC or 19.15.12.10 C.(1) NMAC, as applicable.
12. 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) NMAC and 19.15.12.10 C.(4)(h) NMAC.
13. Applicant did not give adequate notice that it sought authorization to prospectively include additional pools, leases, or wells as required by 19.15.12.10 C.(4)(g) NMAC.
14. 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 oil and gas production from the pools, leases, and wells as described in Exhibit A.

Applicant is authorized to surface commingle oil and gas production from wells not included in Exhibit A but that produce from a pool and lease as described in Exhibit A.

2. The allocation of oil and gas production to wells not included in Exhibit A but that produce from a pool and lease as described in Exhibit A shall be determined in the same manner as to wells identified in Exhibit A that produce from that pool and lease, provided that if more than one allocation method is being used or if there are no wells identified in Exhibit A that produce from the pool and lease, then allocation of oil and gas production to each well not included in Exhibit A shall be determined by OCD prior to commingling production from it with the production from another well.
3. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling it with production from another well.
4. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.
5. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8 B. NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8 E. 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 commingling 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’s request for authorization to add pools, leases, and wells prospectively pursuant to 19.15.12.10 C.(4)(g) NMAC is denied.
9. If a well is not included in Exhibit A but produces from a pool and lease as described in Exhibit A, then Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau after the well has been approved to be drilled and prior to off-lease measuring or commingling oil or gas production from it with the production from another well. The Form C-103 shall reference this Order and identify the well, proposed method to determine the allocation of oil and gas production to it, and the location(s) that commingling of its production will occur.
10. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
11. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
12. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**GERASIMOS RAZATOS
DIRECTOR (ACTING)**

DATE: 12/12/2024

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: PC-1406
Operator: EOG Resources, Inc. (7377)
Central Tank Battery: Caballo 23 Federal Central Tank Battery
Central Tank Battery Location: UL M, Section 23, Township 25 South, Range 33 East
Gas Title Transfer Meter Location:

Pools

Pool Name	Pool Code
RED HILLS; LOWER BONE SPRING	51020
BOBCAT DRAW; UPPER WOLFCAMP	98094

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
NMNM 105475266 (108503)	S/2	14-25S-33E
	All	23-25S-33E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-50735	Caballo 23 Federal #204H	SW/4	14-25S-33E	51020
		W/2	23-25S-33E	
30-025-47297	Caballo 23 Federal #205H	SW/4	14-25S-33E	51020
		W/2	23-25S-33E	
30-025-50737	Caballo 23 Federal #304H	SW/4	14-25S-33E	51020
		W/2	23-25S-33E	
30-025-50734	Caballo 23 Federal #405H	SW/4	14-25S-33E	51020
		W/2	23-25S-33E	
30-025-47296	Caballo 23 Federal #407H	SW/4	14-25S-33E	51020
		W/2	23-25S-33E	
30-025-47295	Caballo 23 Federal #501H	SW/4	14-25S-33E	51020
		W/2	23-25S-33E	
30-025-47298	Caballo 23 Federal #504H	SW/4	14-25S-33E	51020
		W/2	23-25S-33E	
30-025-50736	Caballo 23 Federal #506H	SW/4	14-25S-33E	51020
		W/2	23-25S-33E	
30-025-43875	Caballo 23 Federal #701H	W/2 SW/4	14-25S-33E	98094
		W/2 W/2	23-25S-33E	
30-025-43876	Caballo 23 Federal #702H	W/2 SW/4	14-25S-33E	98094
		W/2 W/2	23-25S-33E	
30-025-43877	Caballo 23 Federal #703H	W/2 SW/4	14-25S-33E	98094
		W/2 W/2	23-25S-33E	
30-025-43878	Caballo 23 Federal #704H	E/2 SW/4	14-25S-33E	98094
		E/2 W/2	23-25S-33E	

30-025-45584	Caballo 23 Federal #705H	E/2 SW/4 E/2 W/2	14-25S-33E 23-25S-33E	98094
30-025-45585	Caballo 23 Federal #706H	SE/4 E/2	14-25S-33E 23-25S-33E	98094
30-025-45588	Caballo 23 Federal #709H	SE/4 E/2	14-25S-33E 23-25S-33E	98094
30-025-45589	Caballo 23 Federal #710H	SE/4 E/2	14-25S-33E 23-25S-33E	98094
30-025-45623	Caballo 23 Federal #711H	SE/4 E/2	14-25S-33E 23-25S-33E	98094

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 411648

CONDITIONS

Operator: EOG RESOURCES INC 5509 Champions Drive Midland, TX 79706	OGRID: 7377
	Action Number: 411648
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	12/13/2024