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

APPLICATION FOR SURFACE COMMINGLING SUBMITTED BY MEWBOURNE OIL CO

ORDER NO. CTB-1155

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. Mewbourne Oil Co ("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 provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
- 4. Applicant provided notice of the Application to the Bureau of Land Management ("BLM") or New Mexico State Land Office ("NMSLO"), as applicable.

CONCLUSIONS OF LAW

- 5. 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.
- 6. 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.
- 7. 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.
- 8. 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.
- 9. 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.

Order No. CTB-1155 Page 1 of 3

10. 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 store and measure oil and gas production off-lease from the pools, leases, and wells as described in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.
- 2. 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.
- 3. 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.
- 4. 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.
- 5. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10 C.(2) NMAC.
- 6. 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.
- 7. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
- 8. 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).

Order No. CTB-1155 Page 2 of 3

9. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

DATE: <u>9/2/2</u>025

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

CERASIMOS RAZATOS Albert Chang

DIRECTOR (ACTING)

Order No. CTB-1155 Page 3 of 3

State of New Mexico Energy, Minerals and Natural Resources Department

Exhibit A

Order: CTB-1155

Operator: Mewbourne Oil Company (14744)

Central Tank Battery: Mad Dog 26-35 Battery

Central Tank Battery Location: UL D, Section 26, Township 23 South, Range 34 East Gas Title Transfer Meter Location: UL D, Section 26, Township 23 South, Range 34 East

Pools

Pool Name Pool Code
ANTELOPE RIDGE;BONE SPRING 2200

Leases as defined in 19.15.1	` /	C TE D
Lease	UL or Q/Q	S-T-R
CA Bone Spring SLO 204487 PUN 1398274	E2W2	26-23S-34E
	E2W2	35-23S-34E
CA Bone Spring SLO 204487 PUN 1398766	E2W2	26-23S-34E
	E2W2	35-23S-34E
CA Bone Spring SLO 204774 PUN 1402178	E2E2	26-23S-34E
	E2E2	35-23S-34E
CA Bone Spring SLO 204775 PUN 1402185	W2E2	26-23S-34E
	W2E2	35-23S-34E
CA Bone Spring SLO 204480 PUN 1397885	W2W2	26-23S-34E
	W2W2	35-23S-34E
CA Bone Spring SLO 204480 PUN 1398718	W2W2	26-23S-34E
	W2W2	35-23S-34E

	Wells			
Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-50243	MAD DOG 26 35 B1DM STATE COM	W2W2	26-23S-34E	2200
	# 001H	W2W2	35-23S-34E	
30-025-50238	MAD DOG 26 35 B2CN STATE COM	E2W2	26-23S-34E	2200
30-023-30236	#001H	E2W2	35-23S-34E	
20.025.50220	MAD DOG 26 35 B2DM STATE COM	W2W2	26-23S-34E	2200
30-025-50239	# 001H	W2W2	35-23S-34E	
30-025-50240	MAD DOG 26 35 H3DM STATE COM	W2W2	26-23S-34E	2200
30-023-30240	# 001H	W2W2	35-23S-34E	
30-025-50522	MAD DOG 26 35 B1CN STATE COM	E2W2	26-23S-34E	2200
30-025-50522	#001H	E2W2	35-23S-34E	
20 025 52025	MAD DOG 26 35 STATE COM #588H	E2E2	26-23S-34E	2200
30-025-52025		E2E2	35-23S-34E	2200
30-025-52020	MAD DOG 26 35 STATE COM #405H	W2E2	26-23S-34E	2200
30-025-52020		W2E2	35-23S-34E	
30-025-52022	MAD DOG 26 35 STATE COM #526H	W2E2	26-23S-34E	2200
30-025-52022		W2E2	35-23S-34E	

30-025-52023	MAD DOG 26 35 STATE COM #528H	E2E2	26-23S-34E	2200
		E2E2	35-23S-34E	
30-025-52021	MAD DOG 26 35 STATE COM #408H	E2E2	26-23S-34E	2200
		E2E2	35-23S-34E	2200
20.025.52096	30-025-52086 MAD DOG 26 35 STATE COM #318H	E2E2	26-23S-34E	2200
30-023-32000		E2E2	35-23S-34E	2200
30-025-52024	MAD DOG 26 35 STATE COM #585H	W2E2	26-23S-34E	2200
		W2E2	35-23S-34E	2200

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 503311

CONDITIONS

Operator:	OGRID:	
MEWBOURNE OIL CO	14744	
P.O. Box 5270	Action Number:	
Hobbs, NM 88241	503311	
	Action Type:	
	[IM-SD] Admin Order Support Doc (ENG) (IM-AAO)	

CONDITIONS

Created By		Condition Date
sarah.clelland	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 email us at OCD.Engineer@emnrd.nm.gov.	9/5/2025