

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

**APPLICATION FOR SURFACE COMMINGLING**

**SUBMITTED BY COTERRA ENERGY OPERATING CO**

**ORDER NO. PLC-1030**

**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. Coterra Energy Operating 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.
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 satisfied the notice requirements for the subsequent addition of pools, leases, and wells in the notice for the Application, in accordance with 19.15.12.10 C.(4)(g) NMAC. Subsequent additions of pools, leases, and wells within Applicant's defined parameters, as modified herein, will not, in reasonable probability, reduce the commingled production's value or otherwise adversely affect the interest owners in the production to be added.
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 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.

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.

Applicant is authorized to store and measure oil and gas production off-lease from wells not included in Exhibit A but that produce from a pool and lease as described in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

2. This Order supersedes Order CTB-1035.
3. 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.

4. 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.
5. 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.
6. 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.
7. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10 C.(2) NMAC.
8. 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.
9. Applicant may submit an application to amend this Order to add pools, leases, and subsequently drilled wells with spacing units adjacent to or within the tracts commingled by this Order by submitting a Form C-107-B in accordance with 19.15.12.10 C.(4)(g) NMAC, provided the pools, leases, and subsequently drilled wells are within the identified parameters included in the Application.
10. 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.
11. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
12. 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).

13. 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**



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**ALBERT C. S. CHANG  
DIRECTOR**

**DATE:** 9/20/2025

State of New Mexico  
Energy, Minerals and Natural Resources Department

## Exhibit A

Order: PLC-1030

Operator: Coterra Energy Operating Company (215099)

Central Tank Battery: Alpha Central Tank Battery

Central Tank Battery Location: UL C, Section 9, Township 19 South, Range 35 East

Gas Title Transfer Meter Location: UL C, Section 9, Township 19 South, Range 35 East

### Pools

Pool Name	Pool Code
SCHARB;BONE SPRING	55610
SCHARB;WOLFCAMP	55640

### Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
CA Bone Spring SLO 205127 PUN 1407962	W2W2	33-18S-35E
	W2W2	04-19S-35E
CA Bone Spring SLO 205148 PUN 1408081	E2W2	33-18S-35E
	E2W2	04-19S-35E
CA Bone Spring SLO 205128 PUN 1407979	W2E2	33-18S-35E
	W2E2	04-19S-35E
CA Wolfcamp SLO 205125 PUN 1407941	E2W2	33-18S-35E
	E2W2	04-19S-35E
CA Wolfcamp SLO 205124 PUN 1407933	W2E2	33-18S-35E
	W2E2	04-19S-35E
CA Wolfcamp SLO 205123 PUN 1407924	E2E2	33-18S-35E
	E2E2	04-19S-35E
CA Bone Spring SLO 205098 PUN 1407266	W2E2	32-18S-35E
	W2E2	05-19S-35E
CA Wolfcamp SLO 203988 PUN 1378916	W2W2	09-19S-35E
	W2W2	16-19S-35E
CA Wolfcamp SLO 204355 PUN 1394691	E2	32-18S-35E
	E2	05-19S-35E
CA Wolfcamp SLO 204277 PUN 1392401	E2	08-19S-35E
	E2	17-19S-35E
CA Bone Spring SLO 205099 PUN 1407277	E2E2	32-18S-35E
	E2E2	05-19S-35E
CA Wolfcamp SLO 205245 PUN 1408094	W2	32-18S-35E
	W2	05-19S-35E
CA Bone Spring SLO 205246 PUN 1408101	W2	32-18S-35E
	W2	05-19S-35E
CA Bone Spring SLO 204779 PUN 1402645	E2E2	33-18S-35E
	E2E2	04-19S-35E

Wells				
Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-53247	FOXTAIL STATE COM #701H	W2W2 W2W2	32-18S-35E 05-19S-35E	55640
30-025-53248	FOXTAIL STATE COM #702H	W2 W2	32-18S-35E 05-19S-35E	55640
30-025-53238	FOXTAIL STATE COM #302H	W2 W2	32-18S-35E 05-19S-35E	55610
30-025-53086	ALPHA STATE COM #301H	W2W2 W2W2	33-18S-35E 04-19S-35E	55610
30-025-53087	ALPHA STATE COM #302H	E2W2 E2W2	33-18S-35E 04-19S-35E	55610
30-025-53088	ALPHA STATE COM #702H	E2W2 E2W2	33-18S-35E 04-19S-35E	55640
30-025-52406	ALPHA STATE COM #303H	W2E2 W2E2	33-18S-35E 04-19S-35E	55610
30-025-52411	ALPHA STATE COM #703H	W2E2 W2E2	33-18S-35E 04-19S-35E	55640
30-025-51990	ALPHA STATE COM #304H	E2E2 E2E2	33-18S-35E 04-19S-35E	55610
30-025-52412	ALPHA STATE COM #704H	E2E2 E2E2	33-18S-35E 04-19S-35E	55640
30-025-53239	FOXTAIL STATE COM #303H	W2E2 W2E2	32-18S-35E 05-19S-35E	55610
30-025-53240	FOXTAIL STATE COM #304H	E2E2 E2E2	32-18S-35E 05-19S-35E	55610
30-025-46140	CABLE 19 35 9 STATE COM #001H	W2W2 W2W2	09-19S-35E 16-19S-35E	55640
30-025-50168	FOXTAIL E2 05 32 W1 STATE COM #001H	E2 E2	32-18S-35E 05-19S-35E	55640
30-025-50169	FOXTAIL E2 05 32 W1 STATE COM #002H	E2 E2	32-18S-35E 05-19S-35E	55640
30-025-49535	RAMBO E2 08 17 STATE COM #001H	E2 E2	08-19S-35E 17-19S-35E	55640
30-025-49536	RAMBO E2 08 17 STATE COM #002H	E2 E2	08-19S-35E 17-19S-35E	55640

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

General Information  
Phone: (505) 629-6116

Online Phone Directory  
<https://www.emnrd.nm.gov/oed/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 508274

CONDITIONS

Operator: Coterra Energy Operating Co. 6001 Deauville Blvd Midland, TX 79706	OGRID: 215099
	Action Number: 508274
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	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 <a href="mailto:OCD.Engineer@emnrd.nm.gov">OCD.Engineer@emnrd.nm.gov</a> .	9/23/2025