

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

**APPLICATION FOR SURFACE COMMINGLING  
SUBMITTED BY MARATHON OIL PERMIAN, LLC**

**ORDER NO. PC-1382**

**ORDER**

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

**FINDINGS OF FACT**

1. Marathon Oil Permian, LLC (“Applicant”) submitted a complete application to surface commingle and off-lease measure the oil and gas production (“Application”) from the pools, leases, and wells identified in Exhibit A.
2. To the extent that ownership is identical, 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.
3. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
4. To the extent that ownership is diverse, 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 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.
5. 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**

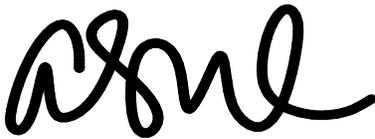
6. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, and 19.15.12 NMAC.
7. To the extent that ownership is diverse, Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10(A)(2), (C)(4)(c), and (C)(4)(e) NMAC.
8. Applicant’s proposed method of allocation, as modified herein, complies with 19.15.12.10(B)(1) or (C)(1) NMAC, as applicable.

9. Commingling involving 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) and (C)(4)(h) NMAC.
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. Effective March 30, 2020, Applicant is authorized to surface commingle and off-lease measure oil and gas production from the pools, leases, and wells identified in Exhibit A.
2. The oil and gas production from each well shall be separated and metered prior to commingling.
3. Applicant shall measure the commingled oil at the central tank battery described in Exhibit A in accordance with 19.15.18.15 NMAC or 19.15.23.8 NMAC.
4. Applicant shall measure the commingled gas at the central delivery point described in Exhibit A in accordance with 19.15.19.9 NMAC, provided however that if the gas is flared, regardless whether OCD has granted an exception pursuant to 19.15.18.12(B) NMAC, Applicant shall report the gas in accordance with 19.15.18.12(F) 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. Applicant shall not commence commingling involving state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
7. OCD retains jurisdiction and reserves the right to modify or revoke this Order if it determines that the Application did not accurately describe any action affecting or related to the commingling of oil and gas production, or as deemed necessary to prevent waste or protect correlative rights, public health, or the environment.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**



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**ADRIENNE SANDOVAL  
DIRECTOR**

**DATE:** 3/31/2020

State of New Mexico  
Energy, Minerals and Natural Resources Department

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## Exhibit A

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Order: **PC-1382**

Operator: **Marathon Oil Permian, LLC (372098)**

Central Tank Battery: **Cave Lion 5 Federal Central Tank Battery**

Central Tank Battery Location (NMPM): **Unit M, Section 5, Township 26 South, Range 35 East**

Gas Custody Transfer Meter Location (NMPM): **Unit M, Section 5, Township 26 South, Range 35 East**

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### Pools

Pool Name	Pool Code
<b>WC-025 G-08 S2535340; BONE SPRING</b>	<b>97088</b>
<b>WC-025 G-09 S263504N; WOLFCAMP</b>	<b>98117</b>

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

Lease	Location (NMPM)	
<b>NMNM 13647</b>	<b>W/2 W/2</b>	<b>Sec 5-T26S-R35E</b>

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### Wells

Well API	Well Name	Location (NMPM)	Pool Code	Train
<b>30-025-44087</b>	<b>Cave Lion 5 TB Federal 1H</b>	<b>M-05-26S-35E</b>	<b>97088</b>	
<b>30-025-44102</b>	<b>Cave Lion 5 WC Federal 5H</b>	<b>M-05-26S-35E</b>	<b>98117</b>	