

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

**APPLICATION FOR SURFACE COMMINGLING
SUBMITTED BY XTO PERMIAN OPERATING, LLC**

ORDER NO. CTB-1179

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. XTO Permian Operating, LLC (“Applicant”) submitted a complete application to surface commingle the gas production recovered using vapor recovery units (“VRU gas”) from the pools, leases, and wells as described in Exhibit A (“Application”).
2. Applicant proposed a method to allocate the VRU gas production to the pools, leases, and wells to be commingled based upon measuring the oil production from each pool, lease, and well.
3. Applicant provided notice of the Application to all persons owning an interest in the VRU 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 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.
6. Applicant stated that it sought authorization to surface commingle and off-lease measure, as applicable, VRU 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.
7. This Order is associated with Order PLC-652-A and CTB-1176 which authorizes in-full or in-part the commingling of Oil production from the pools, leases, and wells 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 VRU 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 VRU gas production from the pools, leases, and wells as described in Exhibit A.

Applicant is authorized to store and measure VRU 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 VRU 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 VRU 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. The allocation of VRU 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 VRU 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 allocation of VRU gas production shall be based on the production life of each well as measured for three periods: (a) the initial production period shall be measured from the first production until the earlier of either the peak production rate or thirty (30) days after the first production; (b) the plateau period shall be measured from the end of the initial production period to the peak decline rate; and (c) the decline period shall be measured from the end of the plateau period until the well is plugged and abandoned.

During the initial production period, the VRU gas production for each well identified in Exhibit A shall be allocated using an oil production curve calculated from a minimum of ten (10) well tests per month, except that any day in which a well test cannot achieve an accurate result due to a temporary change in oil production shall not be included in the computation of time determining the well test schedule. The production curve shall be calculated by interpolating daily oil production for each day using the known daily oil production obtained by well tests and shall use a method of interpolation that is at minimum as accurate as maintaining a constant rate of change for each day's oil production between the known daily oil production values.

During the plateau period, the VRU gas production for each well identified in Exhibit A shall be allocated using a minimum of three (3) well tests per month.

During the decline period, the VRU gas production for each well identified in Exhibit A shall be allocated as follows: (a) a minimum of three (3) well tests per month when the decline rate is greater than twenty-two percent (22%) per month; (b) a minimum of two (2) well tests per month when the decline rate is between twenty-two percent (22%) and ten percent (10%) per month; and (c) a minimum of one (1) well test per month when the decline rate is less than ten percent (10%) per month.

Upon OCD's request, Applicant shall submit a Form C-103 to the OCD Engineering Bureau that contains the decline rate curve and other relevant information demonstrating the production life of a well.

Applicant shall conduct a well test by separating and metering the oil production from that well for either (a) a minimum of twenty-four (24) consecutive hours; or (b) a combination of nonconsecutive periods that meet the following conditions: (i) each period shall be a minimum of six (6) hours; and (ii) the total duration of the nonconsecutive periods shall be a minimum of eighteen (18) hours.

The well test requirements of this Order shall be suspended for any well shut-in for a period that continues for more than fifteen (15) days until the well commences production.

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 production in accordance with 19.15.12.10 C.(2) NMAC.
6. If the commingling of VRU gas production from any pool, lease, or well reduces the value of the commingled VRU 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 VRU 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 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.
8. 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 VRU gas production to it, and the location(s) that commingling of its production will occur.
9. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
10. 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).
11. 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**

Albert Chang

**ALBERT C. S. CHANG
DIRECTOR**

DATE: 12/20/2025

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: CTB-1179

Operator: XTO Permian Operating, LLC (373075)

Central Tank Battery: Big Eddy Unit DI 30 Central Tank Battery - VRU ONLY

Central Tank Battery Location: UL I, Section 15, Township 20 South, Range 31 East

Gas Title Transfer Meter Location: UL I, Section 15, Township 20 South, Range 31 East

Pools

Pool Name	Pool Code
WC WILLIAMS SINK; BONE SPRING	97650

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
	ALL	13-20S-31E
	ALL	14-20S-31E
	S2SE	22-20S-31E
	ALL	23-20S-31E
	ALL	24-20S-31E
	ALL	25-20S-31E
	ALL	26-20S-31E
	E2	27-20S-31E
PA Bone Spring NMNM 105693911 (068294T)	ALL	17-20S-32E
	ALL	18-20S-32E
	ALL	19-20S-32E
	ALL	20-20S-32E
	ALL	21-20S-32E
	ALL	28-20S-32E
	ALL	29-20S-32E
	ALL	30-20S-32E
BLM Lease NMNM 105450686 (NMLC 0065944)	W2NE, W2NW	22-20S-31E
BLM Lease NMNM 105462650 (NMLC 0065944A)	E2NE, E2NW	22-20S-31E
BLM Lease NMNM 105465561 (0001083)	N2	20-20S-31E
BLM Lease NMNM 105443675 (0004082)	E2, E2W2 W2NE, NW4	17-20S-31E 21-20S-31E
BLM Lease NMNM 105647601 (NMLC 0065874A)	E2NE	21-20S-31E
SLO Lease B1-0621-0001	SENE	16-20S-31E
SLO Lease E0-0264-0007	N2NE, E2NW, SWNE, SE4	16-20S-31E
SLO Lease E0-5230-0007	W2NW, SW4	16-20S-31E
BLM Lease NMNM 105507748 (NMLC 0063667)	E2, E2W2	15-20S-31E
BLM Lease NMNM 105509624 (NMLC 0070220)	W2W2 W2W2	15-20S-31E 17-20S-31E

Wells				
Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-46199	BIG EDDY UNIT 30E QUI GON #102H	S2	13-20S-31E	97650
		S2	14-30S-31E	
30-015-48159	BIG EDDY UNIT 30E QUI-GON #103H	N2	23-20S-31E	97650
		N2	24-20S-31E	
30-015-46244	BIG EDDY UNIT 30 REY #102H	S2S2	13-20S-31E	97650
		S2S2	14-30S-31E	
30-015-46196	BIG EDDY UNIT 30E OBI WAN #102H	N2S2	13-20S-31E	97650
		N2S2	14-30S-31E	
30-015-48156	BIG EDDY UNIT 30E REY #103H	N2	23-20S-31E	97650
		N2	24-20S-31E	
30-015-46194	BIG EDDY UNIT 30E SKYWALKER #100H	N2	13-20S-31E	97650
		N2	14-30S-31E	
30-015-46195	BIG EDDY UNIT 30E SKYWALKER #101H	N2	13-20S-31E	97650
		N2	14-30S-31E	
30-015-46933	BIG EDDY UNIT 30E SKYWALKER #102H	N2	13-20S-31E	97650
		N2	14-30S-31E	
30-015-46935	BIG EDDY UNIT 30E SKYWALKER #103H	S2	13-20S-31E	97650
		S2	14-30S-31E	
30-015-46937	BIG EDDY UNIT 30E SKYWALKER #104H	N2	23-20S-31E	97650
		N2	24-20S-31E	
30-015-46938	BIG EDDY UNIT 30E SKYWALKER #105H	N2	23-20S-31E	97650
		N2	24-20S-31E	
30-015-55795	BIG EDDY UNIT DI 30 WEST 15 20 #007H	N2	20-20S-31E	97650
		N2	21-20S-31E	
		N2	22-20S-31E	
30-015-55743	BIG EDDY UNIT DI 30 WEST 15 20 #008H	N2	20-20S-31E	97650
		N2	21-20S-31E	
		N2	22-20S-31E	
30-015-55744	BIG EDDY UNIT DI 30 WEST 15 20 #009H	N2	20-20S-31E	97650
		N2	21-20S-31E	
		N2	22-20S-31E	
30-015-55791	BIG EDDY UNIT DI 30 WEST 15 17 #001H	N2	15-20S-31E	97650
		N2	16-20S-31E	
		N2	17-20S-31E	
30-015-55792	BIG EDDY UNIT DI 30 WEST 15 17 #002H	N2	15-20S-31E	97650
		N2	16-20S-31E	
		N2	17-20S-31E	
30-015-55796	BIG EDDY UNIT DI 30 WEST 15 17 #003H	N2	15-20S-31E	97650
		N2	16-20S-31E	
		N2	17-20S-31E	
30-015-55793	BIG EDDY UNIT DI 30 WEST 15 17 #004H	S2	15-20S-31E	97650
		S2	16-20S-31E	
		S2	17-20S-31E	

30-015-55848	BIG EDDY UNIT DI 30 WEST 15 17 #005H	S2	15-20S-31E	97650
		S2	16-20S-31E	
		S2	17-20S-31E	
30-015-55794	BIG EDDY UNIT DI 30 WEST 15 17 #006H	S2	15-20S-31E	97650
		S2	16-20S-31E	
		S2	17-20S-31E	

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 537290

CONDITIONS

Operator: XTO PERMIAN OPERATING LLC. 6401 HOLIDAY HILL ROAD MIDLAND, TX 79707	OGRID: 373075
	Action Number: 537290
	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 OCD.Engineer@emnrd.nm.gov.	12/23/2025