

# PERMIAN

RESOURCES

300 N. MARIENFELD STREET, SUITE 1000  
MIDLAND, TX 79701

OFFICE 432.695.4222  
FAX 432.695.4063

## VIA ONLINE FILING

Date: September 20, 2023

New Mexico Oil Conservation District  
1220 South St. Francis Drive  
Santa Fe, NM 87505

RE: Application of Permian Resources Operating, LLC to authorize surface commingling at the Blackhawk/Black Cat 16 State Com Central Tank Battery located in the NE1/4NE1/4 of Section 16, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico

To Whom It May Concern,

Pursuant to Division Rule 19.15.12.10, Permian Resources Operating, LLC respectfully requests administrative approval to surface commingle leases at a common Central Tank Battery. All the oil and gas produced on the subject lands in the Winchester; Bone Spring, West [97569] pool is and will be metered separately at each wellhead and allocated using accurate measurement equipment according to API specifications. This action will prevent waste, promote conservation, and protect correlative rights.

The wells listed below are operated by Permian Resources with diverse ownership and there are four proposed Communization Agreements covering the following spacing units:

(a) The 320-acre, more or less, spacing unit underlying the N/2N/2 of Section 16 and Section 17, T19S-R28E, all in Eddy County, New Mexico. The spacing unit is currently dedicated to the Black Cat 16 State Com #131H well (API No. 30-015-53304); (b) The 320-acre, more or less, spacing unit underlying the S/2N/2 of Section 16 and Section 17, T19S- R28E, all in Eddy County, New Mexico. The spacing unit is currently dedicated to the Black Cat 16 State Com #132H well (API No. 30-015-53305); (c) The 320-acre, more or less, spacing unit underlying the N/2S/2 of Section 16 and Section 17, T19S-R28E, all in Eddy County, New Mexico. The spacing unit is currently dedicated to the Black Hawk 16 State Com #133H well (API No. 30-015-53300) and Black Hawk 16 State Com #123H well (API No. 30-015-53298); (d) The 320-acre, more or less, spacing unit underlying the S/2S/2 of Section 16 and Section 17, T19S-R28E, all in Eddy County, New Mexico. The spacing unit is currently dedicated to the Black Hawk 16 State Com #134H well (API No. 30-015-53301) and Black Hawk 16 State Com #124H (API No. 30-015-53299).

API	WELL NAME	WELL #	LOCATION
30-015-53304	BLACK CAT 16 STATE COM	131H	17-19S-28E
30-015-53305	BLACK CAT 16 STATE COM	132H	17-19S-28E
30-015-53298	BLACKHAWK 16 STATE COM	123H	17-19S-28E
30-015-53299	BLACKHAWK 16 STATE COM	124H	17-19S-28E
30-015-53300	BLACKHAWK 16 STATE COM	133H	17-19S-28E
30-015-53301	BLACKHAWK 16 STATE COM	134H	17-19S-28E

Pursuant to Division Rule 19.15.12.10, the interest owners that are to be notified are listed on Exhibit A and are being sent a copy of this application by certified mail with return receipt.

Also please find attached:

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MIDLAND, TX 79701

OFFICE 432.695.4222  
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- SLO Commingling Application
- NMOCD Form C-107B
- NMOCD Administrative Application Checklist
- Allocation Methodology
- General Layout and Process Flow Diagram
- Lease Map
- Com Agreements
- NMOCD Form C-102 for each well
- Production Summary Reports
- Affidavit of Publication

For future addition of wells, leases, and pools to this commingling operation, notice shall be given to the interest owners in the wells, leases, or pools to be added, in accordance with the Division Rule 19.15.12.10 C (4)(g) NMAC.

If you have any questions or concerns, please contact me at 432-400-2972 or [ashley.brown@permianres.com](mailto:ashley.brown@permianres.com).

Respectfully,



Ashley Brown  
Senior Regulatory Analyst  
Permian Resources Operating, LLC

# PERMIAN RESOURCES

300 N. MARIENFELD STREET, SUITE 1000  
MIDLAND, TX 79701

OFFICE 432.695.4222  
FAX 432.695.4063

Commingling Application for Blackhawk/Black Cat 16 State Com CTB  
Permian Resources Operating, LLC (OGRID No. 372165)

## Exhibit "A" - Notice List

State of New Mexico Commissioner of Public Lands  
P.O. Box 1148  
Santa Fe, New Mexico 87504-1148

Lodge Exploration Company, LLC  
203 W. Wall Street, Suite 920  
Midland, Texas 79701

Thomas M. Beall  
P.O. Box 3098  
Midland, Texas 79702

Gahr Ranch and Investments Partnership, Ltd.  
P.O. Box 1889  
Midland, Texas 79702

V-F Petroleum Inc.  
P.O. Box 1889  
Midland, Texas 79702

Colgate Royalties, LP  
300 N. Marienfeld Street, Suite 1000  
Midland, Texas 79701

Contango Resources, Inc.  
717 Texas Avenue, Suite 2900  
Houston, Texas 77002

Marathon Oil Permian LLC  
990 Town and Country Blvd.  
Houston, Texas 77024

Marathon Oil Company  
990 Town and Country Blvd.  
Houston, Texas 77024

Colgate Production, LLC  
300 N. Marienfeld Street, Suite 1000  
Midland, Texas 79701

Northern Oil & Gas  
4350 Baker Road, Ste 400  
Minnetonka, MN 55343

EOG Resources, Inc.  
5509 Champions Drive  
Midland, Texas 79706

Petrogulf Corporation  
600 Grant Street, Suite 850  
Denver, Colorado 80203

# PERMIAN RESOURCES

300 N. MARIENFELD STREET, SUITE 1000  
MIDLAND, TX 79701

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Santo Legado, LLC  
P.O. Box 1020  
Artesia, New Mexico 88211-1020

Sharbro Energy, LLC  
P.O. Box 840  
Artesia, New Mexico 88211-0840

MRC Delaware Resources, LLC  
5400 Lyndon B. Johnson Freeway, Suite 1500  
Dallas, Texas 75240

Jalapeno Corporation  
P.O. Box 1608  
Albuquerque, New Mexico 87103-1608

WPX Energy Permian, LLC  
3500 One Williams Center  
Tulsa, Oklahoma 74172

V-F Petroleum Inc.  
P.O. Box 1889  
Midland, Texas 79702

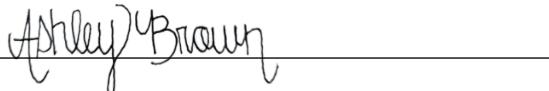
Contango Resources, Inc.  
717 Texas Avenue, Suite 2900  
Houston, Texas 77002

ZPZ Delaware I LLC  
2000 Post Oak Blvd., Suite 100  
Houston, Texas 77056-4400

Ridge Runner Resources Operating, LLC  
1004 N. Big Spring Street, Suite 325  
Midland, Texas 79701

Petrogulf Corporation  
600 Grant Street, Suite 850  
Denver, Colorado 80203

Copies of this application were mailed to the above individuals, companies, and organizations on or before September 20, 2023.



Ashley Brown, Senior Regulatory Analyst  
Permian Resources Operating, LLC

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Geological & Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: \_\_\_\_\_ OGRID Number: \_\_\_\_\_  
 Well Name: \_\_\_\_\_ API: \_\_\_\_\_  
 Pool: \_\_\_\_\_ Pool Code: \_\_\_\_\_

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW**

1) **TYPE OF APPLICATION:** Check those which apply for [A]

A. Location – Spacing Unit – Simultaneous Dedication

NSL       NSP<sub>(PROJECT AREA)</sub>       NSP<sub>(PRORATION UNIT)</sub>       SD

B. Check one only for [ I ] or [ II ]

[ I ] Commingling – Storage – Measurement

DHC     CTB     PLC     PC     OLS     OLM

[ II ] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery

WFX     PMX     SWD     IPI     EOR     PPR

2) **NOTIFICATION REQUIRED TO:** Check those which apply.

- A.  Offset operators or lease holders
- B.  Royalty, overriding royalty owners, revenue owners
- C.  Application requires published notice
- D.  Notification and/or concurrent approval by SLO
- E.  Notification and/or concurrent approval by BLM
- F.  Surface owner
- G.  For all of the above, proof of notification or publication is attached, and/or,
- H.  No notice required

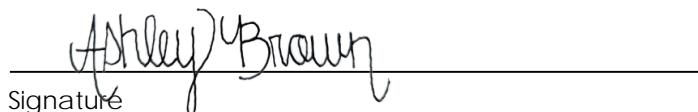
3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

\_\_\_\_\_  
Date

Print or Type Name

\_\_\_\_\_  
Phone Number

  
Signature

\_\_\_\_\_  
e-mail Address

**FOR OCD ONLY**

<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	Application Content Complete

**District I**  
1625 N. French Drive, Hobbs, NM 88240  
**District II**  
811 S. First St., Artesia, NM 88210  
**District III**  
1000 Rio Brazos Road, Aztec, NM 87410  
**District IV**  
1220 S. St Francis Dr, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107-B  
Revised August 1, 2011

**OIL CONSERVATION DIVISION**  
1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

**APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)**

OPERATOR NAME: PERMIAN RESOURCES OPERATING, LLC

OPERATOR ADDRESS: 300 N MARIENFELD STREET, SUITE 1000, MIDLAND, TX 79701

APPLICATION TYPE:

Pool Commingling  Lease Commingling  Pool and Lease Commingling  Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE:  Fee  State  Federal

Is this an Amendment to existing Order?  Yes  No If "Yes", please include the appropriate Order No. \_\_\_\_\_

Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling

Yes  No

**(A) POOL COMMINGLING**

**Please attach sheets with the following information**

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

(2) Are any wells producing at top allowables?  Yes  No

(3) Has all interest owners been notified by certified mail of the proposed commingling?  Yes  No.

(4) Measurement type:  Metering  Other (Specify) \_\_\_\_\_

(5) Will commingling decrease the value of production?  Yes  No If "yes", describe why commingling should be approved \_\_\_\_\_

**(B) LEASE COMMINGLING**

**Please attach sheets with the following information**

(1) Pool Name and Code. WINCHESTER; BONE SPRING, WEST [97569]

(2) Is all production from same source of supply?  Yes  No

(3) Has all interest owners been notified by certified mail of the proposed commingling?  Yes  No

(4) Measurement type:  Metering  Other (Specify) \_\_\_\_\_

**(C) POOL and LEASE COMMINGLING**

**Please attach sheets with the following information**

(1) Complete Sections A and E.

**(D) OFF-LEASE STORAGE and MEASUREMENT**

**Please attach sheets with the following information**

(1) Is all production from same source of supply?  Yes  No

(2) Include proof of notice to all interest owners.

**(E) ADDITIONAL INFORMATION (for all application types)**

**Please attach sheets with the following information**

(1) A schematic diagram of facility, including legal location.

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.

(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Ashley Brown

TITLE: Senior Regulatory Analyst

DATE: 09/16/2023

TYPE OR PRINT NAME: Ashley Brown

TELEPHONE NO.: (432) 400-2972

E-MAIL ADDRESS: ashley.brown@permianres.com



**APPLICATION FOR**  
**COMMINGLING AND OFF-LEASE STORAGE**  
**ON STATE TRUST LANDS**



This application form is required for all commingling applications requiring approval by the Commissioner of Public Lands.

**Applicant:** Permian Resources Operating, LLC      **OGRID #:** 372165  
**Well Name:** Black Cat 16 State Com 131H, 132H/Blackhawk 16 State Com 123H, 124H, 133H      **API #:** 30-015-53304 30-015-53299  
**Pool:** 134H [97569] WINCHESTER; BONE SPRING, WEST      30-015-53305 30-015-53300  
30-015-53298 30-015-53301

**OPERATOR NAME:** Permian Resources Operating, LLC

**OPERATOR ADDRESS:** 300 N Marienfeld St, Suite 1000, Midland, TX 79701

**APPLICATION REQUIREMENTS – SUBMIT:**

1. New Mexico Oil Conservation Division (NMOCD) application packet (or equivalent information if no application is required by NMOCD),
2. Commingling application fee of \$150.

**CERTIFICATION:** To the best of my knowledge,

- All business leases and rights-of-way necessary for conducting the proposed operation on State Trust lands have been applied for or obtained,
- The information submitted with this application is **accurate** and **complete**, and
- No loss will accrue to the state of New Mexico as a result of the proposed operation.

I also understand that **no action** will be taken on this application until the required information and fee are submitted to the State Land Office.

**Note: Statement must be completed by an individual with managerial and/or supervisory capacity.**

Ashley Brown

Print or Type Name

Signature

9/19/2023

Date

(432) 400-2972

Phone Number

ashley.brown@permianres.com

e-mail Address

**Submit application to:**

Commissioner of Public Lands  
 Attn: Commingling Manager  
 PO Box 1148  
 Santa Fe, NM 87504-1148

Questions?  
 Contact the Commingling Manager:  
 505.827.5791

Upon approval, the requesting organization will receive an acknowledgment letter from the Commissioner of Public Lands.

## Allocation Methodology Used to Determine Allocated Production and Sales to Each Well

*Well Name	Wellhead Meter Readings (MSCF)	Well's Gas Lift Meter Readings (MSCF)	Well's Net Gas Production (MSCF)	Well's Hours On	Well's Theoretical Net Gas Production %	Well's CTB FC Meter (FMP) Allocation (MSCF)	Well's HP Flare Volume (MSCF)	Well's LP Flare Volume (MSCF)	Well's Allocated Lease Use Gas Volume (MSCF)	Well's Allocated Buy-Back Gas (MSCF)	Well's VRU Allocation Volume (MSCF)	Well's Allocated Gas Production (MSCF)
Black Cat 16 State Com 131H	2,021.00	810.00	1,279.14	24.00	0.15	1,239.94	64.35	37.12	21.18	35.31	68.14	1,362.60
Black Cat 16 State Com 132H	2,432.00	823.00	1,677.08	23.40	0.20	1,625.70	84.37	37.09	20.65	35.87	68.08	1,767.81
Black Hawk 16 State Com 123H	2,321.00	923.00	1,470.50	24.00	0.18	1,425.44	73.98	39.50	21.18	40.23	72.50	1,560.10
Black Hawk 16 State Com 124H	2,102.00	811.00	1,368.85	21.00	0.16	1,326.91	68.87	42.42	18.53	35.35	77.85	1,456.73
Black Hawk 16 State Com 133H	2,231.00	872.00	1,432.55	23.00	0.17	1,388.66	72.07	40.07	20.29	38.01	73.55	1,521.09
Black Hawk 16 State Com 134H	2,019.00	923.00	1,159.88	24.00	0.14	1,124.35	58.35	34.80	21.18	40.23	63.88	1,238.68
Facility Totals	13,126.00	5,162.00	8,388.00	139.40	1.00	8,131.00	422.00	231.00	123.00	225.00	424.00	8,907.00

\*Future wells and production streams will be added to the allocation methodology just as existing wells have been added.

CTB Meter Name	Meter Readings
CTBs FC Meter (FMP) (MSCF)	8,131.00
HP Flare Meter (MSCF)	422.00
LP Flare Meter (MSCF)	231.00
VRU Meter (MSCF)	424.00
CTBs Gas Buy-Back Meter (MSCF)	225.00
CTBs Lease Use Meter (MSCF)	123.00
GL Compressor (MSCF)	5,162.00
Allocated Production (MSCF)	8,907.00

## Allocation Methodology Used to Determine Allocated Production and Sales to Each Well

*Well Name	Well's Oil Meter (BBL)	Well's Theoretical % of Oil Production	Well's Allocated Oil Production Volume (BBL)	Well's Available Oil for Sale (BBL)	Well's Theoretical % of Oil Available for Sale	Well's Allocated Sales Volume (FMP) (BBL)	Well's Beginning Tank Inventory (BBL)	Well's Ending Tank Inventory (BBL)
Black Cat 16 State Com 131H	1,234.00	0.16	3,611.85	3,798.85	0.16	3,487.22	187.00	311.63
Black Cat 16 State Com 132H	1,233.00	0.16	3,608.92	3,801.92	0.16	3,490.04	193.00	311.88
Black Hawk 16 State Com 123H	1,313.00	0.17	3,843.08	4,020.08	0.17	3,690.30	177.00	329.78
Black Hawk 16 State Com 124H	1,410.00	0.18	4,126.99	4,309.99	0.18	3,956.43	183.00	353.56
Black Hawk 16 State Com 133H	1,332.00	0.17	3,898.69	4,071.69	0.17	3,737.68	173.00	334.01
Black Hawk 16 State Com 134H	1,157.00	0.15	3,386.47	3,573.47	0.15	3,280.33	187.00	293.14
Facility Totals	7,679.00	1.00	22,476.00	23,576.00	1.00	21,642.00	1,100.00	1,934.00

CTB Allocated Oil Production (BBL)	22,476.00
CTB Available Oil for Sale (BBL)	23,576.00
Total CTB Sales Volume (FMP) (BBL)	21,642.00
CTB's Beginning Oil Tank Inventory (BBL)	1,100.00
CTB's Ending Tank Inventory (BBL)	1,934.00

\*Future wells and production streams will be added to the allocation methodology just as existing wells have been added

## Allocation Methodology Used to Determine Allocated Production and Sales to Each Well

*Well Name	Well's Water Meter (BBL)	Well's Theoretical % of Water Production	Well's Allocated Water Production (BBL)	Well's Available Water to Transfer (BBL)	Well's Theoretical % of Water Available to Transfer	Well's Allocated Water Transfer Volume (BBL)	Well's Beginning Tank Inventory (BBL)	Well's Ending Tank Inventory (BBL)
Black Cat 16 State Com 131H	4,381.00	0.1523	4,694.67	4,926.67	0.1537	4,476.29	232.00	450.38
Black Cat 16 State Com 132H	4,281.00	0.1489	4,587.51	4,788.51	0.1494	4,350.76	201.00	437.75
Black Hawk 16 State Com 123H	5,231.00	0.1819	5,605.53	5,818.53	0.1815	5,286.62	213.00	531.91
Black Hawk 16 State Com 124H	4,019.00	0.1398	4,306.75	4,505.75	0.1405	4,093.85	199.00	411.90
Black Hawk 16 State Com 133H	5,923.00	0.2060	6,347.07	6,545.07	0.2041	5,946.74	198.00	598.33
Black Hawk 16 State Com 134H	4,923.00	0.1712	5,275.47	5,477.47	0.1708	4,976.74	202.00	500.73
Facility Totals:	28,758.00	1.0000	30,817.00	32,062.00	1.0000	29,131.00	1,245.00	2,931.00

CTBs Allocated Water Production (BBL)	30,817.00
CTBs Available Water to Transfer (BBL)	32,062.00
Total of CTBs Water Transfer Meters (BBL)	29,131.00
CTB's Beginning Water Tank Inventory (BBL)	1,245.00
CTB's Ending Water Tank Inventory (BBL)	2,931.00

\*Future wells and production streams will be added to the allocation methodology just as existing wells have been added

## COMMINGLED CENTRAL TANK BATTERY - PRORATED ALLOCATION

### DAILY GAS ALLOCATION

Each well has a gas production meter (wellhead meter) on a dedicated test vessel that is used as an allocation meter.

There is a single VRU meter installed at the facility that measures tank vapors evolved from oil in the atmospheric tanks and vapor recovery tower (VRT). Gas metered by the VRU meter is allocated to each well based off the Oil Allocation meters mentioned in the Oil Allocation section below.

There is a high-pressure flare gas meter at the facility that measures gas sent to the emergency flare. Metered high-pressure flare gas is allocated to each well based off the gas production meters detailed below.

There is a low-pressure flare gas meter at the facility that measures gas sent to low pressure flare from tanks or the VRT if the VRUs shuts down. Metered low-pressure flare gas is allocated to each well based off the oil production meters detailed below.

There is a lease use meter at the facility that measures gas used to run heater treater burners, flare pilots, and natural gas generators.

There is a buy-back gas meter at the facility that measures gas purchased from the gas midstream company for gas lift injection. Gas is purchased through the gas buy-back meter in the case that the wells at the facility are not temporarily producing enough gas to meet their gas injection needs.

Finally, there is a single CTB Facility Check Meter (FMP) before the gas enters the gas gathering pipeline leaving the pad.

1. The Well's Net Gas Production is the volume of gas produced by the well less any volume used for gas lift. The Well's Net Gas Production also includes the Well's VRU Allocation Volume. It is calculated by:
  - a. Well's Net Gas Production = Well's Wellhead Meter Readings – Well's Gas Lift Meter Readings + Well's VRU Allocation Volume
  - b. Well's VRU Allocation Volume = VRU Meter \* Well's Theoretical % of Oil Production
  - c. Well's Theoretical % of Oil Production = Well's Oil Meter / (sum of all Well's Oil Meters at the CTB)
2. HP Flare Volume is the volume of gas flashed in the test separators and flared at the high-pressure flare at the CTB. HP Flare Volume is allocated to the wells by:
  - a. Well's HP Flare Volume = HP Flare Meter \* Well's Theoretical Net Gas Production %
  - b. Well's Theoretical Net Gas Production % = Well's Net Gas Production / (sum of all Well's Net Gas Production)
3. LP Flare Volume is the volume of gas flashed in the tanks and flared at the low-pressure flare at the CTB. LP Flare Volume is allocated to the wells by:
  - a. Well's LP Flare Volume = LP Flare Meter \* Well's Theoretical % of Oil Production
  - b. Well's Theoretical % of Oil Production = Well's Oil Meter / (sum of all Well's Oil Meters at CTB)

4. The VRU Meter measures the gas that evolves from the oil in the oil tanks and the VRT. The VRU gas volumes are allocated based on allocated oil production for each well. The VRU Meter is an allocation meter.
  - a. Well's VRU Allocation Volume = VRU Meter \* Well's Theoretical % of Oil Production
  - b. Well's Theoretical % of Oil Production = Well's Oil Meter / (Sum of all Well's Oil Meters at CTB)
5. Allocated Lease Use Gas Volume is the volume of gas used by the equipment on the CTB allocated to the wells by:
  - a. Well's Allocated Lease Use Gas Volume = CTBs Lease Use Meter\* (Well's Hours On / (sum of all Well's Hours On))
6. Well's Allocated Buy-Back Gas is the volume of gas purchased back from the gas midstream company to cover shortfalls in produced gas for gas lift injection:
  - a. Well's Allocated Buy-Back Gas = CTBs Gas Buy-Back Meter \* (Well's Gas Lift Meter Reading/sum of all Well's Gas Lift Meter Reading)
7. Well's Theoretical Net Gas Production % used for the allocation of production/sales is calculated by:
  - a. Well's Theoretical Net Gas Production % = Well's Net Gas Production / (sum of all Well's Net Gas Production)
8. CTBs FC Meter (FMP) measures the volume of gas for royalty purposes. This volume of gas is the total that is sold from the CTB. The CTBs FC Meter (FMP) volumes are allocated to each well by:
  - a. Well's CTB FC Meter (FMP) Allocation = CTBs FC Meter (FMP) \* Well's Theoretical Net Gas Production %
  - b. Well's Theoretical Net Gas Production % = Well's Net Gas Production / (sum of all Well's Net Gas Production)
9. Each Well's Allocated Gas Production at the CTB is calculated by:
  - a. Well's Allocated Gas Production = Well's CTBs FC Meter (FMP) Allocation + Well's HP Flare Volume + Well's MP Flare Volume + Well's LP Flare Volume + Well's Allocated Lease Use Gas Volume

Note: The Well's VRU Allocation Volume is included in the Well's Net Gas Production equation

## DAILY OIL ALLOCATION

Each well has an oil meter (wellhead meter) on a dedicated test vessel that measures the volume of oil produced by the well. This volume is used as the allocation point to prorate Well's Allocated Oil Production Volume and Well's Allocated Oil Sales Volume (FMP) back to each well.

1. Well's Allocated Oil Production Volume is the volume of oil produced by each well and is calculated by:
  - a. Well's Allocated Oil Production Volume = Well's Theoretical % of Oil Production \* CTB Allocated Oil Production
  - b. Well's Theoretical % of Oil Production = Well's Oil Meter/ (sum of all Well's Oil Meters at the CTB)
  - c. CTB Allocated Oil Production = Total CTB Sales Volume (FPM) + Ending Tank Inventory – Beginning Tank Inventory
2. CTB Available Oil for Sale is calculated by:
  - a. CTB Available Oil for Sale = CTB Allocated Oil Production + Beginning Tank Inventory

3. Each Well's Available Oil for Sale is calculated by:

- a. Each Well's Available Oil for Sale = Well's Allocated Oil Production Volume + Well's Beginning Tank Inventory

Note: Well's Beginning Tank Inventory is the amount carried forward from the previous day's contract hour

4. Well's Theoretical % of Oil Available for Sale is calculated by:

- a. Well's Theoretical % of Oil Available for Sale = Well's Available Oil for Sale / (sum of all Well's Available Oil for Sale)

5. Well's Allocated Sales Volume (FMP) is the total oil volume allocated to each well and is calculated by:

- a. Well's Allocated Sale Volume (FMP) = Total CTB Sales Volume (FMP) \* Well's Theoretical % of Oil Available for Sale

6. Total CTB Sales Volume (FMP) is the volume of oil sold through the LACT Unit(s) (FMP meter)

7. Beginning Tank Inventory comes from previous accounting period's Ending Tank Inventory for each well

8. Ending Oil Tank Inventory for each well is calculated by:

- a. Well's Ending Tank Inventory = Well's Beginning Oil Tank Inventory + Well's Allocated Oil Production Volume – Well's Allocated Sales Volume

## DAILY WATER ALLOCATION

Each well has a water meter (wellhead meter) on a dedicated test vessel that measures the volume of water produced by the well. This volume is used as the allocation point to prorate Well's Allocated Water Production and Well's Allocated Water Transfer Volume back to each well.

1. Well's Allocated Water Production is volume of water allocated to each well at the CTB and is calculated by:

- a. Well's Allocated Water Production = CTB Allocated Water Production \* Well's Theoretical % of Water Production
- b. CTB Allocated Water Production = Total of CTBs Water Transfer Meters + Ending Tank Inventory – Beginning Tank Inventory
- c. Well's Theoretical % of Water Production = Well's Water Meter / (sum of Well's Water Meters at CTB)

2. CTBs Available Water to Transfer is calculated by:

- a. CTBs available Water to Transfer = CTBs Allocated Well Production + Beginning Tank Inventory

3. Each Well's Available Water to Transfer is calculated by:

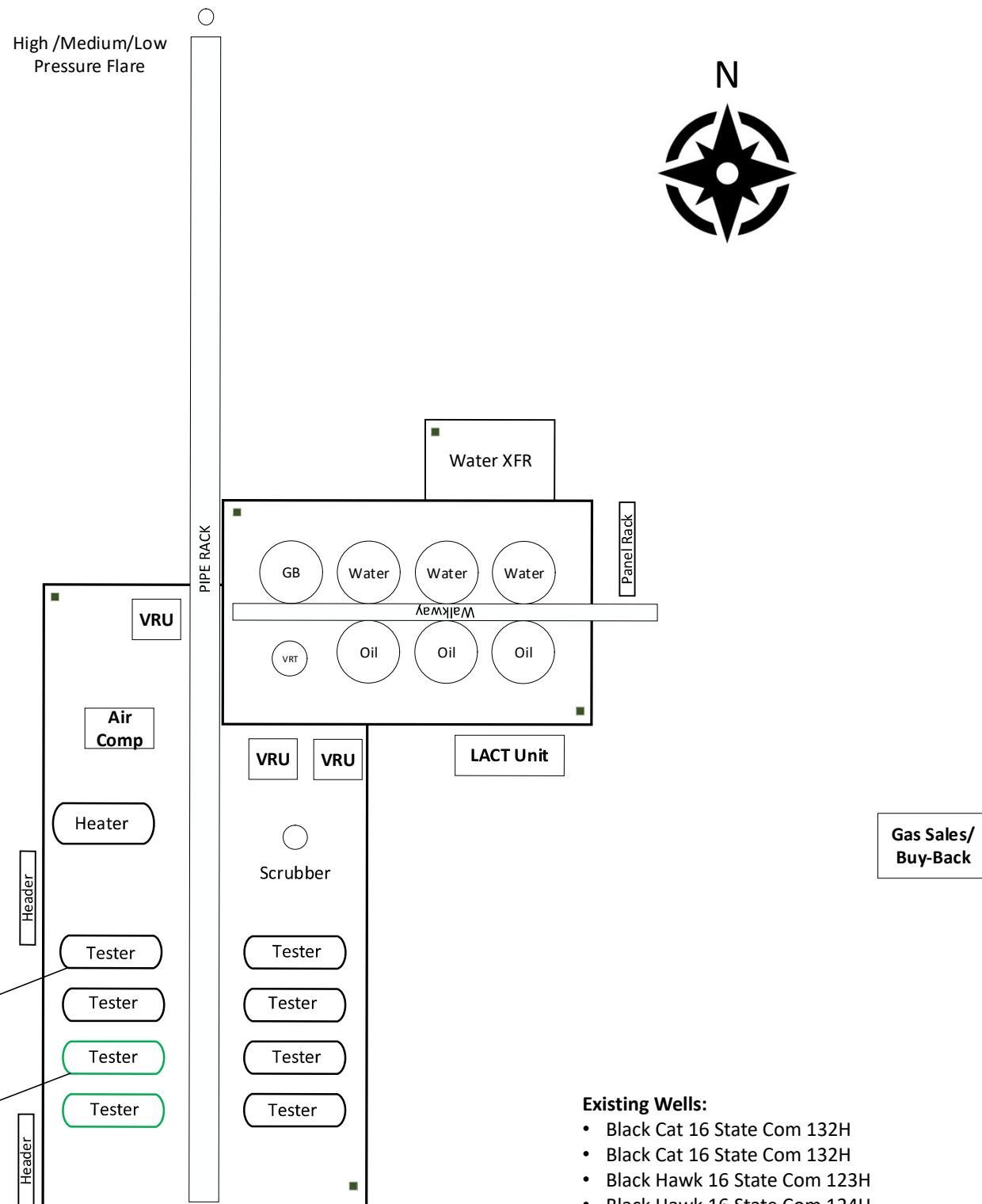
- a. Well's Available Water to Transfer = Well's Allocated Well Production + Well's Beginning Tank Inventory

4. Each Well's Theoretical % of Water Available to Transfer is calculated by:

- a. Well's Theoretical % of Water Available to Transfer = Well's Available Water to Transfer / (sum of Well's Available Water to Transfer)

5. Each Well's Allocated Water Transfer Volume is total water transfer volume allocated to each well and is calculated by:
  - a. Well's Allocated Water Transfer Volume = Well's Theoretical % of Water Available to Transfer \* Total of CTBs Water Transfer Meters
6. Total of CTBs Water Transfer Meters is the volume of water transferred and metered by the individual Water Transfer Meters at the CTB.
7. Beginning Tank Inventory comes from previous accounting period's allocated Ending Inventory for each well.
8. Ending Water Tank Inventory for each well is calculated by:
  - a. Well's Ending Tank Inventory = Well's Beginning Water Tank Inventory +Well's Allocated Water Production – Well's Allocated Water Transfer Volume

Black Hawk 16/Black Cat 16 CTB  
Basic Layout  
3/8/2023



**Existing Wells:**

- Black Cat 16 State Com 132H
- Black Cat 16 State Com 132H
- Black Hawk 16 State Com 123H
- Black Hawk 16 State Com 124H
- Black Hawk 16 State Com 133H
- Black Hawk 16 State Com 134H

**Future Wells:**

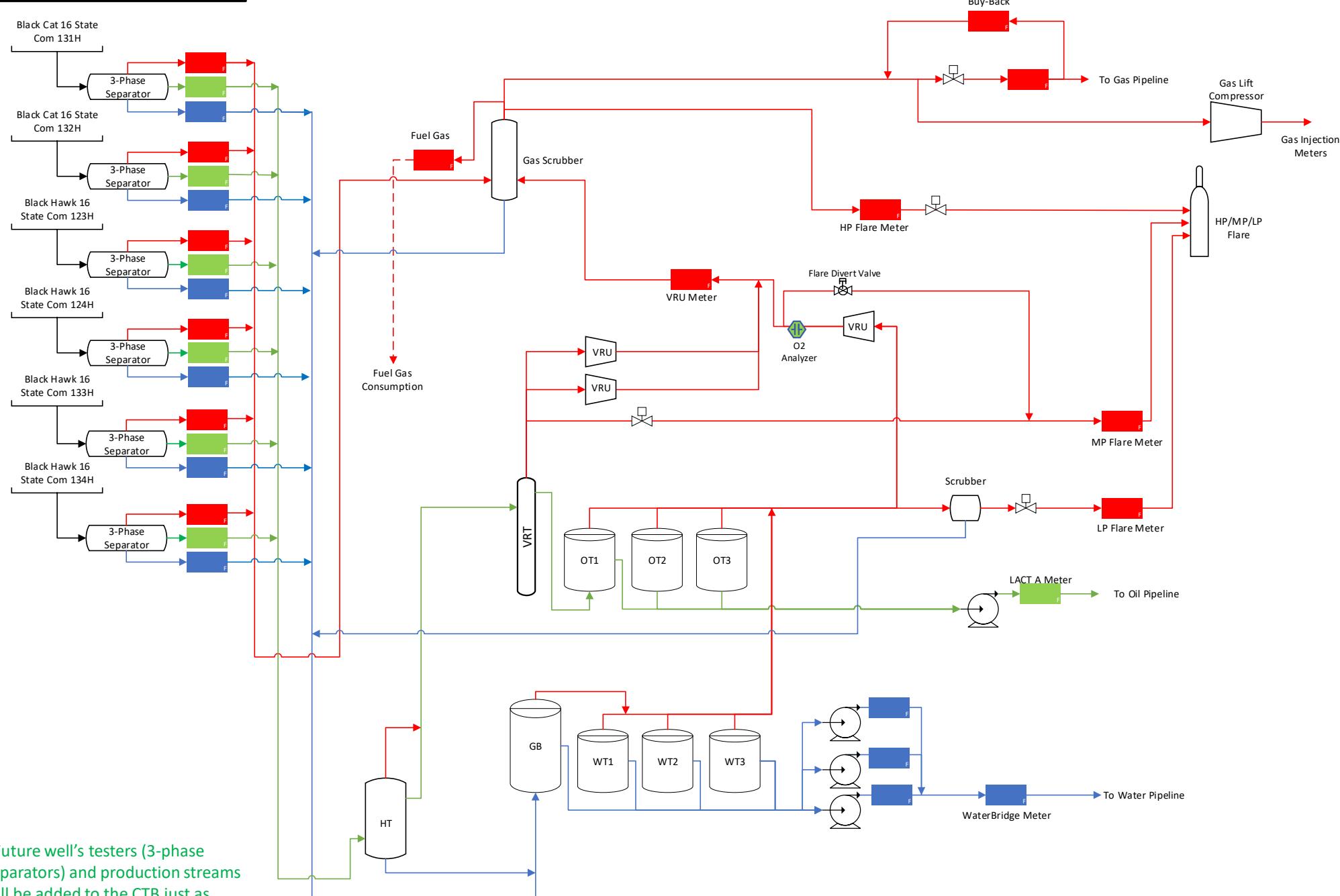
- Black Cat 16 State Com 121H
- Black Cat 16 State Com 122H

**PERMIAN**  
RESOURCES

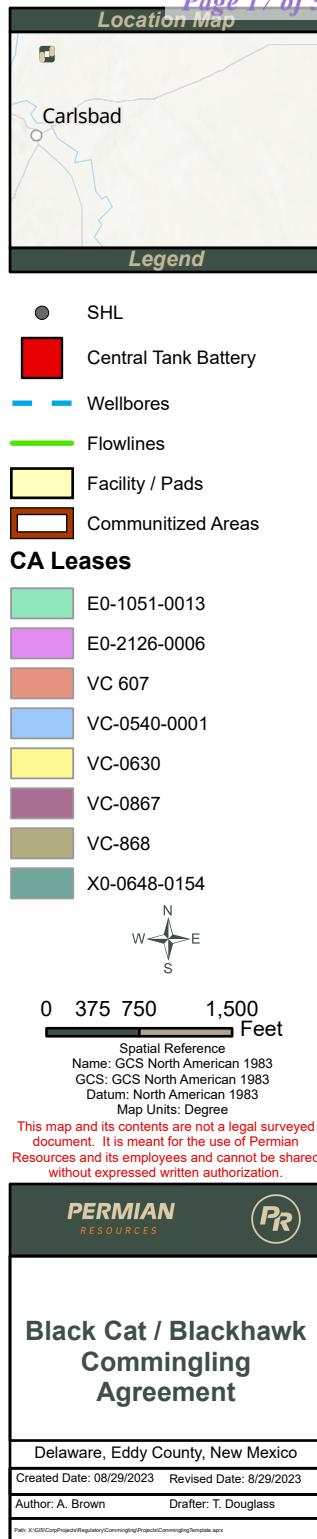
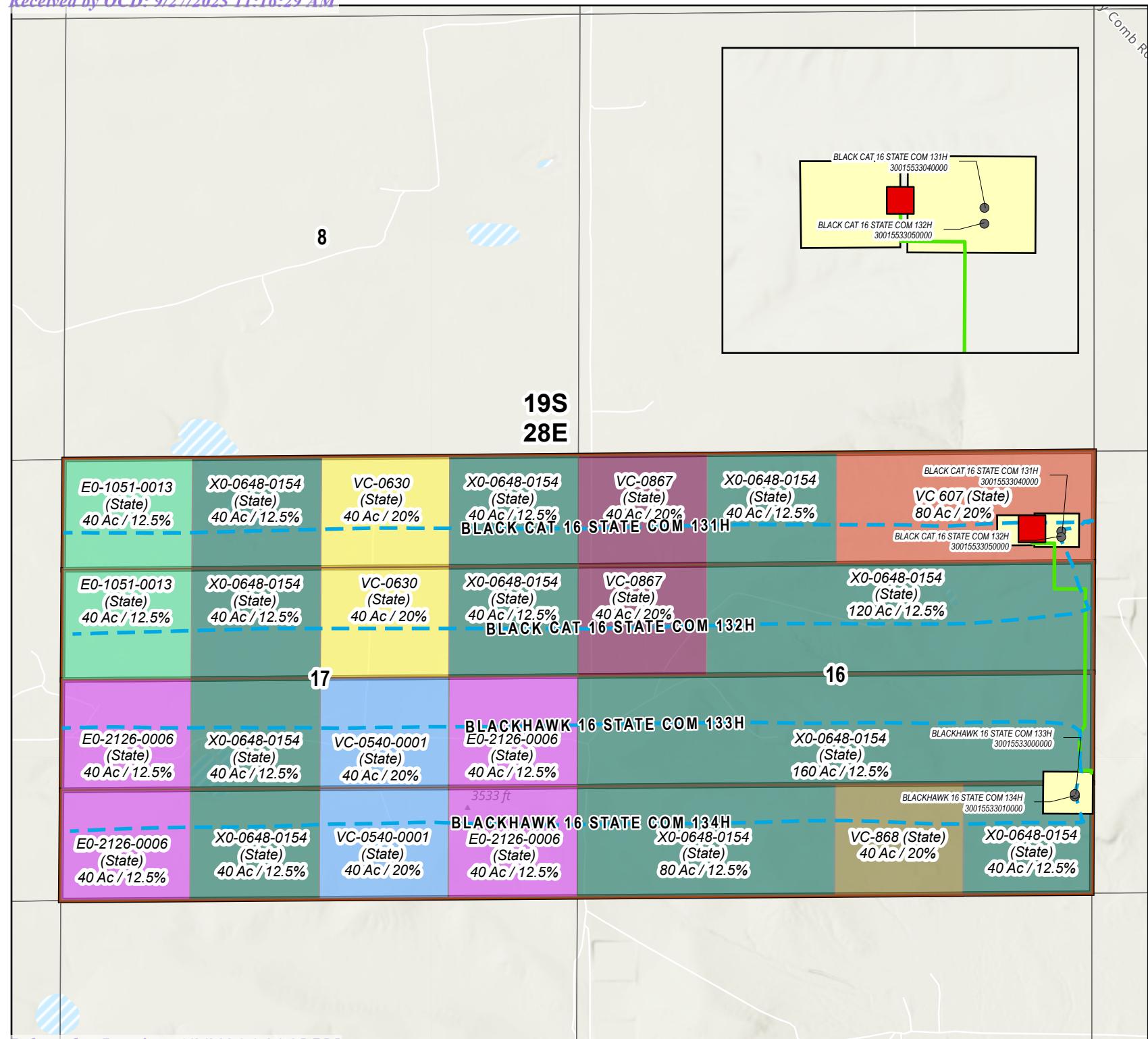
### *Black Hawk 16/Black Cat 16 CTB*

## *Process Flow Diagram*

3/8/2023



\*Future well's testers (3-phase separators) and production streams will be added to the CTB just as existing wells are connected



Production Summary Report											
API: 30-015-53304											
BLACK CAT 16 STATE COM #131H											
Printed On: Tuesday, September 19 2023											
		Production					Injection				
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I	Water(BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure
2023	[97569] WINCHESTER; BONE SPRING, WEST	Jun	2354	8792	35697	17	0	0	0	0	0
2023	[97569] WINCHESTER; BONE SPRING, WEST	Jul	25035	72532	98034	31	0	0	0	0	0

Production Summary Report											
API: 30-015-53305											
BLACK CAT 16 STATE COM #132H											
Printed On: Tuesday, September 19 2023											
		Production					Injection				
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I	Water(BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure
2023	[97569] WINCHESTER; BONE SPRING, WEST	Jun	2187	7513	32878	17	0	0	0	0	0
2023	[97569] WINCHESTER; BONE SPRING, WEST	Jul	28080	85250	78417	31	0	0	0	0	0

Production Summary Report											
API: 30-015-53298											
BLACKHAWK 16 STATE COM #123H											
Printed On: Tuesday, September 19 2023											
		Production					Injection				
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I	Water(BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure
2023	[97569] WINCHESTER; BONE SPRING, WEST	Jun	10225	12769	32852	19	0	0	0	0	0
2023	[97569] WINCHESTER; BONE SPRING, WEST	Jul	52752	71346	48416	31	0	0	0	0	0

Production Summary Report											
API: 30-015-53299											
BLACKHAWK 16 STATE COM #124H											
Printed On: Tuesday, September 19 2023											
		Production						Injection			
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I	Water(BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure
2023	[97569] WINCHESTER; BONE SPRING, WEST	Jun	11221	13566	29235	19	0	0	0	0	0
2023	[97569] WINCHESTER; BONE SPRING, WEST	Jul	44840	56395	37950	31	0	0	0	0	0

Production Summary Report											
API: 30-015-53300											
BLACKHAWK 16 STATE COM #133H											
Printed On: Tuesday, September 19 2023											
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I	Water(BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure
2023	[97569] WINCHESTER; BONE SPRING, WEST	Jun	2961	9343	42933	19	0	0	0	0	0
2023	[97569] WINCHESTER; BONE SPRING, WEST	Jul	20732	49616	81510	31	0	0	0	0	0

Production Summary Report											
API: 30-015-53301											
BLACKHAWK 16 STATE COM #134H											
Printed On: Tuesday, September 19 2023											
		Production					Injection				
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I	Water(BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure
2023	[97569] WINCHESTER; BONE SPRING, WEST	Jun	1528	3265	38041	19	0	0	0	0	0
2023	[97569] WINCHESTER; BONE SPRING, WEST	Jul	18326	41323	74762	31	0	0	0	0	0

**District I**  
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**District III**  
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Phone: (505) 334-6178 Fax: (505) 334-6170

**District IV**  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

AMENDED REPORT  
AS-COMPLETED

## WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-015-53304	2 Pool Code 97569	3 Pool Name WINCHESTER; BONE SPRING, WEST
4 Property Code 333726	5 Property Name BLACK CAT 16 STATE COM	6 Well Number 131H
7 OGRID No. 372165	8 Operator Name PERMIAN RESOURCES OPERATING, LLC	9 Elevation 3522.80'

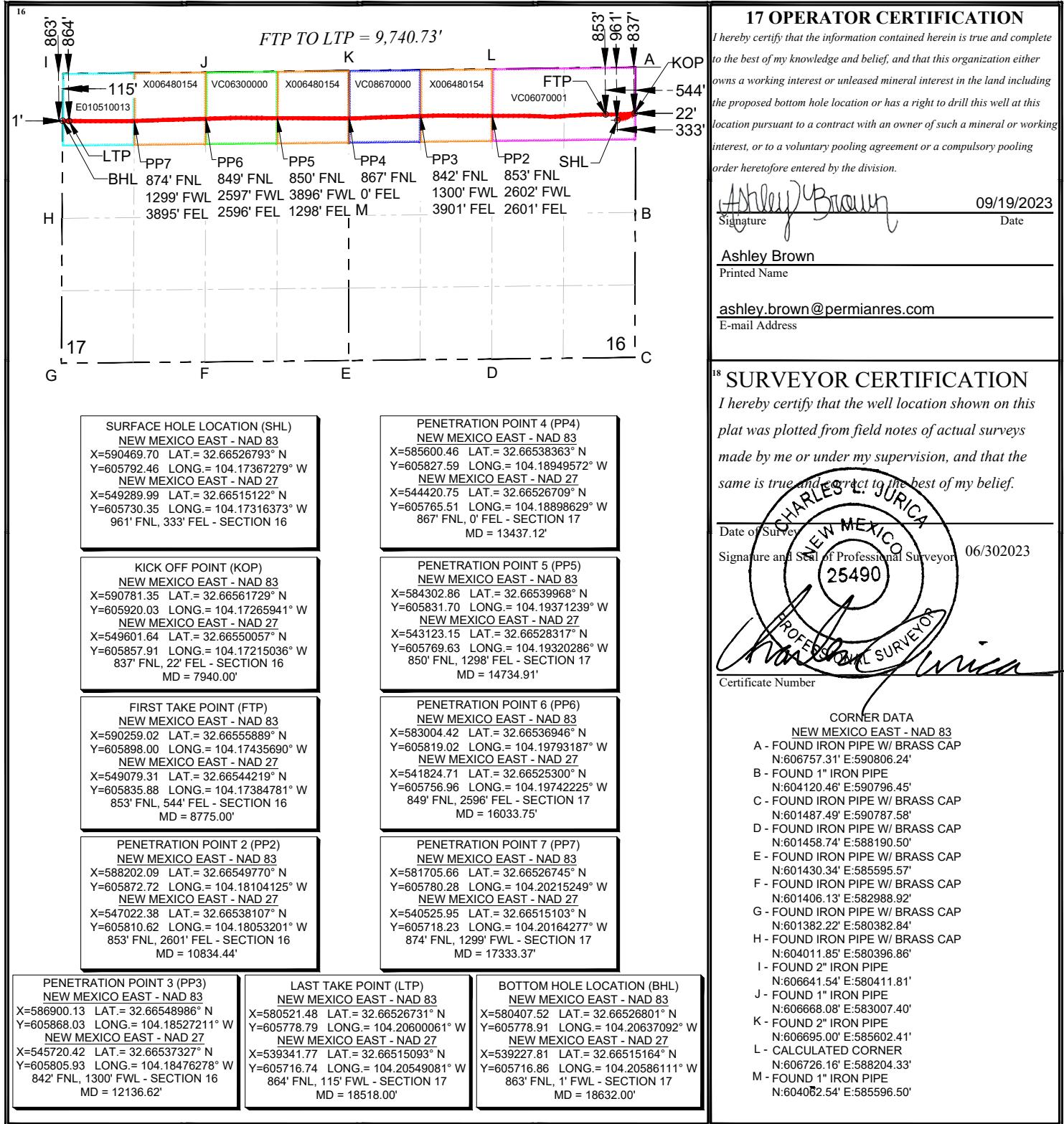
## 10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	16	19-S	28-E		961'	NORTH	333'	EAST	EDDY

## 11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	17	19-S	28-E		863'	NORTH	1'	WEST	EDDY
12 Dedicated Acres 80.00	13 Joint or Infill	14 Consolidation Code		15 Order No.					

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



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## WELL LOCATION AND ACREAGE DEDICATION PLAT

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4 Property Code 333726	5 Property Name BLACK CAT 16 STATE COM	6 Well Number 132H
7 OGRID No. 372165	8 Operator Name PERMIAN RESOURCES OPERATING, LLC	9 Elevation 3522.50'

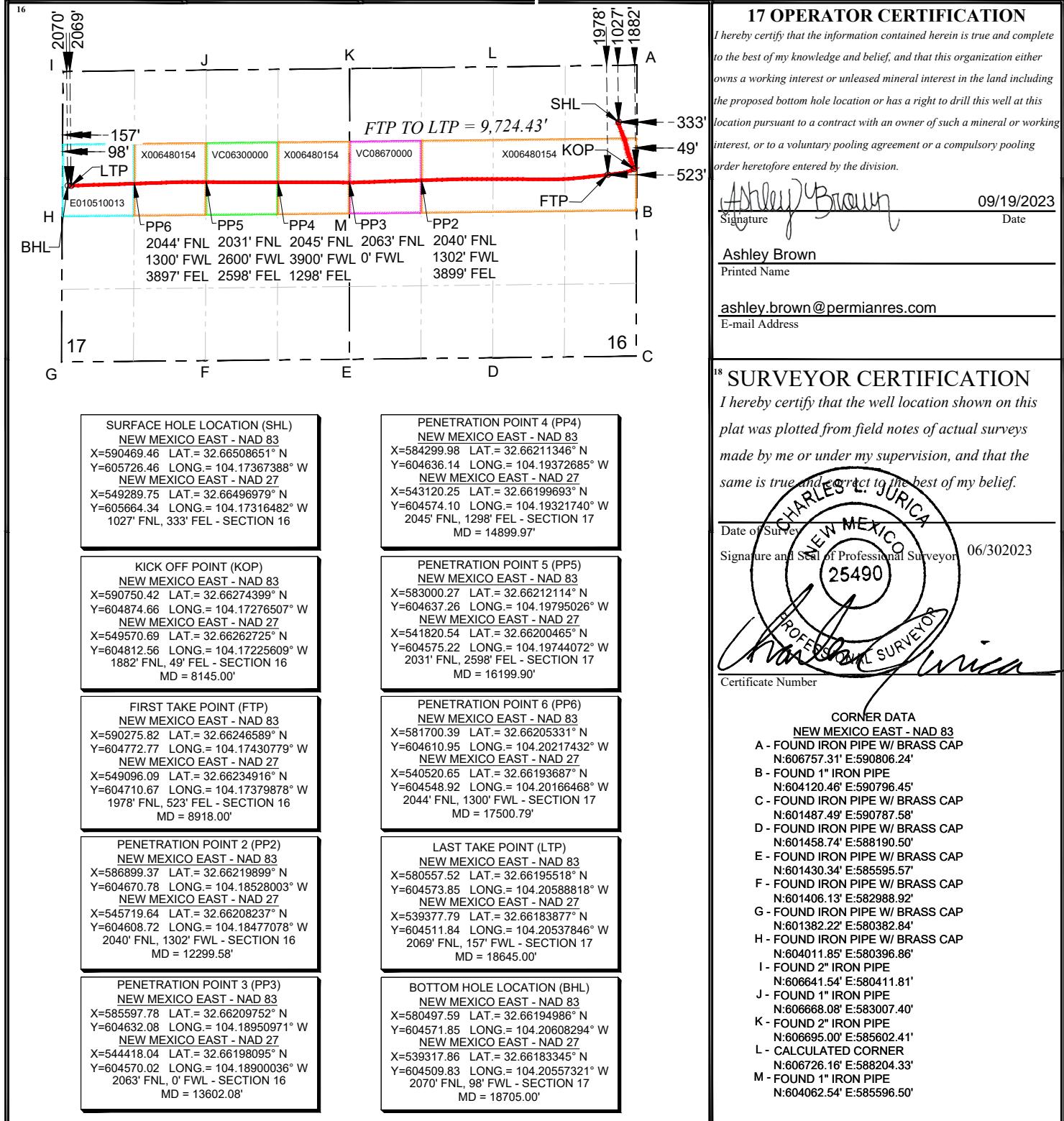
## 10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	16	19-S	28-E		1027'	NORTH	333'	EAST	EDDY

## 11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	17	19-S	28-E		2070'	NORTH	98'	WEST	EDDY
12 Dedicated Acres 320.00	13 Joint or Infill	14 Consolidation Code	15 Order No.						

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



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## WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-015-53298	2 Pool Code 97569	3 Pool Name WINCHESTER; BONE SPRING, WEST
4 Property Code 333725	5 Property Name BLACKHAWK 16 STATE COM	6 Well Number 123H
7 OGRID No. 372165	8 Operator Name PERMIAN RESOURCES OPERATING, LLC	9 Elevation 3463.46'

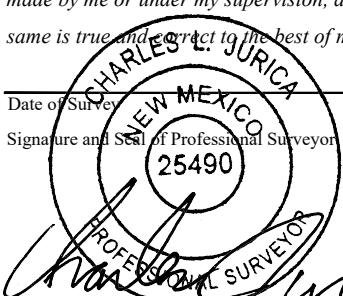
## 10 Surface Location

UL or lot no. P	Section 16	Township 19-S	Range 28-E	Lot Idn 1206'	Feet from the North/South line SOUTH	Feet from the East/West line EAST	County EDDY

## 11 Bottom Hole Location If Different From Surface

UL or lot no. L	Section 17	Township 19-S	Range 28-E	Lot Idn 2065'	Feet from the North/South line SOUTH	Feet from the East/West line WEST	County EDDY

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

	<p><b>17 OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p> 09/19/2023 Signature Date</p> <p>Ashley Brown Printed Name</p> <p>ashley.brown@permianres.com E-mail Address</p>
<p><b>18 SURVEYOR CERTIFICATION</b> I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p> 06/30/2023 Signature and Seal of Professional Surveyor CHARLES L. JURICA 25490 PROFESSIONAL SURVEYOR Certificate Number</p>	
<p><b>CORNER DATA</b> NEW MEXICO EAST - NAD 83</p> <p>A - FOUND IRON PIPE W/ BRASS CAP N:606757.31' E:590806.24' B - FOUND 1" IRON PIPE N:604120.46' E:590796.45' C - FOUND IRON PIPE W/ BRASS CAP N:601487.49' E:590787.58' D - FOUND IRON PIPE W/ BRASS CAP N:601458.74' E:588190.50' E - FOUND IRON PIPE W/ BRASS CAP N:601430.34' E:585595.57' F - FOUND IRON PIPE W/ BRASS CAP N:601406.13' E:582988.92' G - FOUND IRON PIPE W/ BRASS CAP N:601382.22' E:580382.84' H - FOUND IRON PIPE W/ BRASS CAP N:604011.85' E:580396.86' I - FOUND 2" IRON PIPE N:606641.54' E:580411.81' J - FOUND 1" IRON PIPE N:606668.08' E:583007.40' K - FOUND 2" IRON PIPE N:606695.00' E:585602.41' L - CALCULATED CORNER N:606726.16' E:588204.33' M - FOUND 1" IRON PIPE N:604062.54' E:585596.50'</p>	



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## WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-015-53299	2 Pool Code 97569	3 Pool Name WINCHESTER; BONE SPRING, WEST
4 Property Code 333725	5 Property Name BLACKHAWK 16 STATE COM	6 Well Number 124H
7 OGRID No. 372165	8 Operator Name PERMIAN RESOURCES OPERATING, LLC	9 Elevation 3462.45'

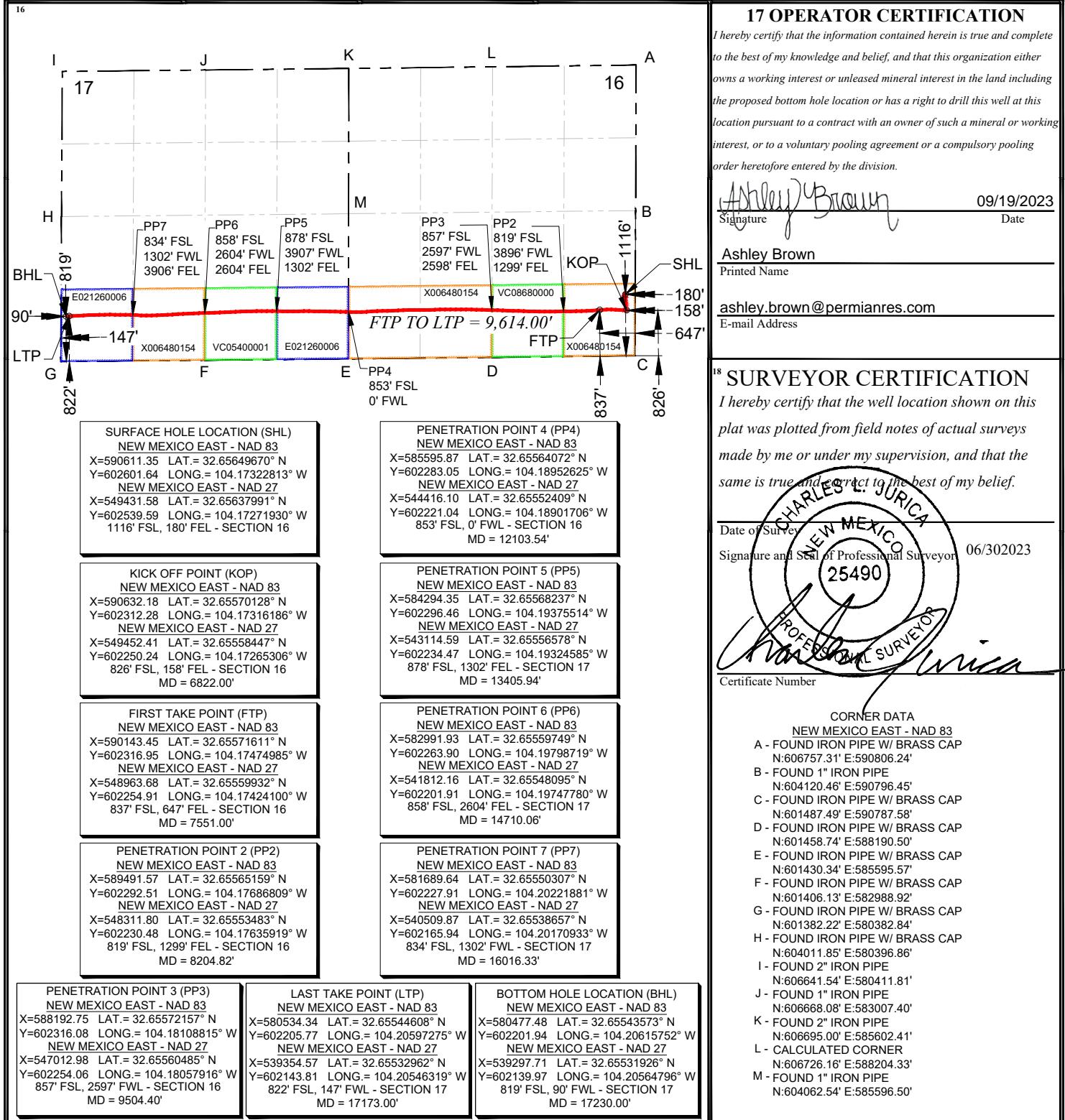
## 10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	16	19-S	28-E		1116'	SOUTH	180'	EAST	EDDY

## 11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	17	19-S	28-E		819'	SOUTH	90'	WEST	EDDY
12 Dedicated Acres 320.00	13 Joint or Infill	14 Consolidation Code	15 Order No.						

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.





Name	Address	To City	To State	To ZIP	Mail Class	Tracking No
State of New Mexico Commissioner of Public Lands	P.O. Box 1148	Santa Fe	NM	87504-1148	Certified W/ Return Receipt (Signature)	9407 1118 9876 5413 6762 67
Lodge Exploration Company, LLC	202 W. Wall Street, Suite 920	Midland	TX	79701	Certified W/ Return Receipt (Signature)	9407 1118 9876 5413 6762 05
Thomas M. Beall	P.O. Box 3098	Midland	TX	79702	Certified W/ Return Receipt (Signature)	9407 1118 9876 5413 6762 98
Gahr Ranch and Investments Partnership, Ltd.	P.O. Box 1889	Midland	TX	79702	Certified W/ Return Receipt (Signature)	9407 1118 9876 5413 6762 43
V-F Petroleum Inc.	P.O. Box 1889	Midland	TX	79702	Certified W/ Return Receipt (Signature)	9407 1118 9876 5413 6762 81
Contango Resources, Inc.	717 Texas Avenue, Suite 2900	Houston	TX	77002	Certified W/ Return Receipt (Signature)	9407 1118 9876 5413 6711 49
Marathon Oil Permian LLC	990 Town and Country Blvd.	Houston	TX	77024	Certified W/ Return Receipt (Signature)	9407 1118 9876 5413 6762 36
Marathon Oil Company	990 Town and Country Blvd.	Houston	TX	77024	Certified W/ Return Receipt (Signature)	9407 1118 9876 5413 6762 74
Northern Oil & Gas	4349 Baker Road, Ste 399	Minnetonka	MN	55343	Certified W/ Return Receipt (Signature)	9407 1118 9876 5413 6768 16
EOG Resources, Inc.	5509 Champions Drive	Midland	TX	79706	Certified W/ Return Receipt (Signature)	9407 1118 9876 5413 6768 54
Petrogulf Corporation	600 Grant Street, Suite 850	Denver	CO	80203	Certified W/ Return Receipt (Signature)	9407 1118 9876 5413 6768 61
Santo Legado, LLC	P.O. Box 1020	Artesia	NM	88211-1020	Certified W/ Return Receipt (Signature)	9407 1118 9876 5413 6768 92
Sharbro Energy, LLC	P.O. Box 840	Artesia	NM	88211-0840	Certified W/ Return Receipt (Signature)	9407 1118 9876 5413 6768 30
MRC Delaware Resources, LLC	5400 Lyndon B. Johnson Freeway, Suite 1500	Dallas	TX	75240	Certified W/ Return Receipt (Signature)	9407 1118 9876 5413 6768 78
Jalapeno Corporation	P.O. Box 1608	Albuquerque	NM	87103	Certified W/ Return Receipt (Signature)	9407 1118 9876 5413 6767 17
WPX Energy Permian, LLC	3500 One Williams Center	Tulsa	OK	74172-1608	Certified W/ Return Receipt (Signature)	9407 1118 9876 5413 6767 62
V-F Petroleum Inc.	P.O. Box 1889	Midland	TX	79702	Certified W/ Return Receipt (Signature)	9407 1118 9876 5413 6767 24
Contango Resources, Inc.	717 Texas Avenue, Suite 2900	Houston	TX	77002	Certified W/ Return Receipt (Signature)	9407 1118 9876 5413 6767 00
ZPZ Delaware I LLC	2000 Post Oak Blvd., Suite 100	Houston	TX	77056-4400	Certified W/ Return Receipt (Signature)	9407 1118 9876 5413 6767 93
Ridge Runner Resources Operating, LLC	1004 N. Big Spring Street, Suite 325	Midland	TX	79701	Certified W/ Return Receipt (Signature)	9407 1118 9876 5413 6767 48
Petrogulf Corporation	600 Grant Street, Suite 850	Denver	CO	80203	Certified W/ Return Receipt (Signature)	9407 1118 9876 5413 6767 86

# Affidavit of Publication

## Copy of Publication:

No. \_\_\_\_\_ 26640

State of New Mexico

Inty of Eddy:

Latisha Romine

My Scott Ray says that he is the

Publisher

The Artesia Daily Press, a daily newspaper of General  
ulation, published in English at Artesia, said county  
state, and that the hereto attached

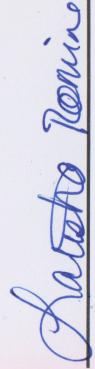
### Legal Ad

published in a regular and entire issue of the said  
Artesia Daily Press, a daily newspaper duly qualified  
for that purpose within the meaning of Chapter 167 of  
the 1937 Session Laws of the state of New Mexico for  
1 Consecutive weeks/day on the same  
day as follows:

First Publication September 7, 2023  
Second Publication \_\_\_\_\_  
Third Publication \_\_\_\_\_  
Fourth Publication \_\_\_\_\_  
Fifth Publication \_\_\_\_\_  
Sixth Publication \_\_\_\_\_  
Seventh Publication \_\_\_\_\_  
Subscribed and sworn before me this  
7th day of September 2023

LATISHA ROMINE
Notary Public, State of New Mexico
Commission No. 1076338
My Commission Expires 05-12-2027

Published in the Artesia Daily Press, Artesia, N.M.,  
Sept. 7, 2023 Legal No. 26640.



Latisha Romine

Notary Public, Eddy County, New Mexico

<b>Legal Notice</b>	
Permian Resources Operating, LLC, OGRID No. 372165 ("Permian Resources") is applying to surface commingle oil and gas production from the spacing units comprising all of Sections 16 and 17, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico. Permian Resources seeks authorization for lease commingling at the Blackhawk/Black Cat 16 State Com Central Tank Battery of production from the Winchester; Bone Spring, West [97569] pool from all existing and future wells drilled in the following spacing units: (a) The 320-acre, more or less, spacing unit underlying the N1/2N1/2 of Section 16 and Section 17, T19S-R28E, all in Eddy County, New Mexico. The spacing unit is currently dedicated to the Black Cat 16 State Com #131H well (API No. 30-015-53304); (b) The 320-acre, more or less, spacing unit underlying the S1/2N1/2 of Section 16 and Section 17, T19S-R28E, all in Eddy County, New Mexico. The spacing unit is currently dedicated to the Black Cat 16 State Com #132H well (API No. 30-015-53305); (c) The 320-acre, more or less, spacing unit underlying the N1/2S1/2 of Section 16 and Section 17, T19S-R28E, all in Eddy County, New Mexico. The spacing unit is currently dedicated to the Black Hawk 16 State Com #134H well (API No. 30-015-53300) and Black Hawk 16 State Com #123H well (API No. 30-015-53298); (d) The 320-acre, more or less, spacing unit underlying the S1/2S1/2 of Section 16 and Section 17, T19S-R28E, all in Eddy County, New Mexico. The spacing unit is currently dedicated to the Black Hawk 16 State Com #134H well (API No. 30-015-53301) and Black Hawk 16 State Com #124H (API No. 30-015-53299); and (e) Pursuant to 19.15.12.10.C(4)(g), Permian Resources requests the option to include additional pools or leases within the defined parameters set forth in the order for future additions. Any objection to this application must be filed in writing within twenty days from date of publication with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division. If you have any questions about this application, please contact Ashley Brown, Permian Resources Operating, LLC, Phone Number (432) 400-2972 or via email at ashley.brown@permianres.com.	
1307ma	1307ma

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

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

**ORDER NO. CTB-1183**

**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. Permian Resources Operating, LLC (“Applicant”) submitted a complete application to surface commingle the oil and gas production from the pools and leases described in Exhibit A (“Application”).
2. Applicant included a complete list of the wells currently dedicated to each pool and lease.
3. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
4. Applicant in the notice for the Application stated that it sought authorization to prospectively include additional pools and leases in accordance with 19.15.12.10(C)(4)(g) NMAC.
5. 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.
6. 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.
7. 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**

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 and leases as described in Exhibit A.

Applicant is authorized to surface commingle oil and gas production from the wells included in Exhibit A provided that they produce from a pool and lease described in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease, as applicable, from the pools and leases 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, as applicable, 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 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. If Applicant recovers oil or gas production from produced water prior to Applicant injecting it or transferring custody of it, then that production shall be allocated to each well in the proportion that it contributed to the total produced water.
5. If Applicant recovers gas production using a vapor recovery unit (VRU), then that gas production shall be allocated to each well in the proportion that it contributed to the total oil production.
6. 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.
7. 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.
8. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10(C)(2) NMAC.
9. Applicant shall install and utilize vessels that are appropriately designed to ensure sufficient separation of the fluids and to accurately measure oil and gas production.
10. 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.
11. 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.
12. 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.

13. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
14. 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).
15. 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**



DATE: 1/6/2026

**ALBERT C. S. CHANG  
DIRECTOR**

**State of New Mexico**  
**Energy, Minerals and Natural Resources Department**

**Exhibit A**

**Order: CTB-1183**

**Operator: Permian Resources Operating, LLC (372165)**

**Central Tank Battery: Black Hawk 16/Black Cat 16 Central Tank Battery**

**Central Tank Battery Location: UL A, Section 16, Township 19 South, Range 28 East**

**Gas Title Transfer Meter Location:**

**Pools**

<b>Pool Name</b>	<b>Pool Code</b>
<b>WINCHESTER; BONE SPRING, WEST</b>	<b>97569</b>

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

<b>Lease</b>	<b>UL or Q/Q</b>	<b>S-T-R</b>
<b>CA Bone Spring SLO 204667 PUN 1400575</b>	<b>S2S2</b>	<b>16-19S-28E</b>
	<b>S2S2</b>	<b>17-19S-28E</b>
<b>CA Bone Spring SLO 204672 PUN 1400706</b>	<b>S2N2</b>	<b>16-19S-28E</b>
	<b>S2N2</b>	<b>17-19S-28E</b>
<b>CA Bone Spring SLO 204673 PUN 1400561</b>	<b>N2S2</b>	<b>16-19S-28E</b>
	<b>N2S2</b>	<b>17-19S-28E</b>
<b>CA Bone Spring SLO 204904 PUN 1403840</b>	<b>N2N2</b>	<b>16-19S-28E</b>
	<b>N2N2</b>	<b>17-19S-28E</b>

**Wells**

<b>Well API</b>	<b>Well Name</b>	<b>UL or Q/Q</b>	<b>S-T-R</b>	<b>Pool</b>
<b>30-015-53304</b>	<b>BLACK CAT 16 STATE COM #131H</b>	<b>N2N2</b>	<b>16-19S-28E</b>	<b>97569</b>
		<b>N2N2</b>	<b>17-19S-28E</b>	
<b>30-015-53305</b>	<b>BLACK CAT 16 STATE COM #132H</b>	<b>S2N2</b>	<b>16-19S-28E</b>	<b>97569</b>
		<b>S2N2</b>	<b>17-19S-28E</b>	
<b>30-015-53298</b>	<b>BLACKHAWK 16 STATE COM #123H</b>	<b>N2S2</b>	<b>16-19S-28E</b>	<b>97569</b>
		<b>N2S2</b>	<b>17-19S-28E</b>	
<b>30-015-53299</b>	<b>BLACKHAWK 16 STATE COM #124H</b>	<b>S2S2</b>	<b>16-19S-28E</b>	<b>97569</b>
		<b>S2S2</b>	<b>17-19S-28E</b>	
<b>30-015-53300</b>	<b>BLACKHAWK 16 STATE COM #133H</b>	<b>N2S2</b>	<b>16-19S-28E</b>	<b>97569</b>
		<b>N2S2</b>	<b>17-19S-28E</b>	
<b>30-015-53301</b>	<b>BLACKHAWK 16 STATE COM #134H</b>	<b>S2S2</b>	<b>16-19S-28E</b>	<b>97569</b>
		<b>S2S2</b>	<b>17-19S-28E</b>	

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 269506

**CONDITIONS**

Operator:  Permian Resources Operating, LLC 300 N. Marienfeld St Ste 1000 Midland, TX 79701	OGRID: 372165
	Action Number: 269506
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

**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.	1/8/2026