

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



August 16, 2019

Surface Commingling Order PLC-594

XTO PERMIAN OPERATING LLC.
Attention: Ms. Tracie Cherry

Pursuant to your application received on July 26, 2019, XTO Permian Operating LLC. (OGRID 373075) is hereby authorized to surface commingle oil and gas production and off lease-measure from the following pools located in Township 20 South, Range 31 East, NMPM, Lea County, New Mexico;

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| PARALLEL; DELAWARE | (49600) |
| WILDCAT; BONE SPRING (OIL) | (98232) |

and from the following diversely owned federal wells and communitization agreements in said Section, Township, and Range in Eddy County, New Mexico.

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| Lease: | Federal Communitization Agreement NMNM 68294T | |
| Description: | N/2 S/2 of Section 25, N/2 S/2 of Section 26, and N/2 SE/4 of Section 27 | |
| Well: | Big Eddy Unit DI 5 Well No. 024H | API 30-015-43444 |
| Pool: | Wildcat; Bone Spring (Oil) | |

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|--------------|---|------------------|
| Lease: | Federal Communitization Agreement NMNM 68294N | |
| Description: | S/2 N/2 of Section 26 and SE/4 NE/4 of Section 27 | |
| Wells: | Josephine Rodke Federal Well No. 1 | API 30-015-05833 |
| | Big Eddy Unit DI 5 Well No. 004H | API 30-015-40397 |
| Pool: | Parallel; Delaware | |

The commingled oil and gas production from the wells shall be measured and sold at the Big Eddy DI 5 Central Tank Battery (CTB), located in Unit G of Section 27, Township 20 South, Range 31 East, NMPM, Lea County, New Mexico.

Production from the subject wells shall be determined as follows:

Oil and gas production from the Josephine Rodke Federal Well No. 1 shall be continuously metered before commingling.

Oil and gas production from the Big Eddy Unit DI 5 Well No. 004H and Big Eddy Unit DI 5 Well No. 024H shall be measured based on the metering requirements of Hearing Order R-14299.

It is understood that the test separator and meters are designed to accurately measure production from the wells with the highest production rate. It is also assumed that all of the oil and gas production from the wells in this application will display a hyperbolic decline, and will fit the decline parameters described in Hearing Order R-14299. Wells that are in prior to Range 1 of decline shall be tested daily. Wells that are in Range 1 of decline shall be measured with a combination of metering and well testing, and shall be tested at least three times a month. Wells that are in Range 2 of decline shall be measured with a combination of metering and well testing, and shall be tested at least twice a month. Wells in Range 3 of decline shall be measured with a combination of metering and well testing, and shall be tested at least once a month. Further, the vertical wells shall be measured with a combination of metering and well testing, following Range 3 decline methods. However, the Big Eddy Unit DI 5 Well No. 004H and Big Eddy Unit DI 5 Well No. 024H are in Range 3 decline and shall be measured at least once a month.

Subsequently drilled wells that produce from the subject pool within the horizontal spacing unit approved by this order may be added to this commingling authority by submittal of a Sundry Notice to the Engineering Bureau in Santa Fe.

If the Wildcat pool is redesignated to a new pool within the same horizontal and vertical extent, this order shall remain valid.

The allocation meters shall be calibrated quarterly in accordance with Rule 19.15.12.10.C (2) NMAC.

This approval is subject to like approval from Bureau of Land Management before commencing commingling operations.

The Operator shall notify the transporter of this commingling authority and the Hobbs District Office prior to implementation of commingling operations.

This installation shall be installed and operated in accordance with the applicable Division Rules and Regulations.



Adrienne Sandoval
Director

cc: Oil Conservation Division – Artesia
Bureau of Land Management – Carlsbad