

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



December 11, 2019

POOL/LEASE COMMINGLING

Administrative Order PLC-613

XTO Energy, Inc.
Attention: Tracie Cherry
6401 Holiday Hill Rd. Bldg 5 Midland, TX 79707

Pursuant to your application received on September 16, 2019, XTO Energy, Inc. ("Operator") is hereby authorized to surface commingle oil and gas production and off-lease measure from the pools, wells, and associated leases identified in Exhibit A and incorporated by reference into this Order. The wells are located in Sections 3 and 10, Township 25 South, Range 29 East, NMPM, Eddy County, New Mexico.

Production from the wells shall be determined as follows:

For each well during the initial production period, the oil and gas production shall flow into its own dedicated three-phase separator where the production stream shall be separated into three independent streams and each stream shall be measured individually before commingling. The initial production period is defined as from when the well first produces until after the peak production has been reached.

For each well after the initial production period, the oil and gas production shall be determined using well tests. Each well test shall consist of a 24-hour period in which the oil and gas production shall flow into its own dedicated three-phase separator where the production stream shall be separated into three independent streams and each stream shall be measured individually before commingling. The minimum number of well tests that shall be required each month after the initial production period has concluded shall be contingent upon the well's decline rate and is as follows:

- Four well tests per month** while the decline rate is **between 30% and 20% per month.**
- Three well tests per month** while the decline rate is **between 20% and 13% per month.**
- Two well tests per month** while the decline rate is **between 13% and 6% per month.**
- One well test per month** while the decline rate is **less than 6% per month.**

Additional gas gathered from process equipment after commingling shall be measured and allocated to each well based on the individual well's production.

Operator shall submit a Sundry Notice C-103 to the Engineering Bureau in Santa Fe at OCD.engineer@state.nm.us when a well transitions to a production period with a decline rate in which the well requires less well tests per month than is currently being required. The Sundry Notice shall include a production curve and a decline rate curve demonstrating that the well meets the requirements to have fewer well tests required per month.

The commingled oil production from the wells shall be measured by a lease automatic custody transfer ("LACT") meter and sold at the respective central tank battery ("CTB") described in Exhibit A.

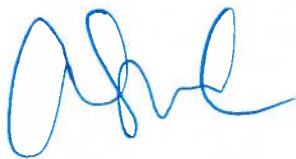
The commingled gas production from the wells shall be measured at the CTB using a custody transfer meter except when the gas pipeline is experiencing problems at which time the commingled gas production from the wells shall be measured using the appropriate meters.

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

Operator may add subsequently drilled wells that produce from the approved pools within the project areas by submitting a Sundry Notice C-103 to the Engineering Bureau in Santa Fe at OCD.engineer@state.nm.us.

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 the Bureau of Land Management including but not limited to individual well names and accessed pools before commencing commingling operations.



Adrienne Sandoval
Director

AS/dm

cc: OCD – Engineering Bureau
 OCD – Artesia District Office
 Bureau of Land Management

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Administrative Order: **PLC-613**

Date: **12/11/19**

Operator: **XTO Energy**

Central Tank Battery: **Corral Canyon 10E Battery**

Central Tank Battery Location: **Section 10, Township 25 South, Range 29 East**

Pools

Pool Name	Pool Code	Pool Name	Pool Code
WILLOW LAKE; BONE SPRING, SOUTHEAST	96217		
PURPLE SAGE; WOLFCAMP (GAS)	98220		

Leases

NMNM 015302
NMNM 0136870
NMNM 014778

Wells

Well API	Well Name	Pool Code	Location	Train
30-015-43712	Corral Canyon 3 Fed 9H	96217	Sec 3-T25S-R29E	
30-015-46326	Corral Canyon 3 Fed 22H	96217	Sec 10-T25S-R29E	
30-015-45431	Corral Canyon Fed 24H	96217	Sec 10-T25S-R29E	
30-015-45432	Corral Canyon 3-34 907H	96217	Sec 10-T25S-R29E	
30-015-45430	Corral Canyon 3-34 127H	98220	Sec 10-T25S-R29E	
30-015-45433	Corral Canyon 3-34 Fed 108H	98220	Sec 10-T25S-R29E	
30-015-45428	Corral Canyon 3-34 Fed 128H	98220	Sec 10-T25S-R29E	
30-015-43718	Corral Canyon 10-15 Fed 21H	96217	Sec 3-T25S-R29E	
30-015-46325	Corral Canyon 10-15 Fed 10H	96217	Sec 10-T25S-R29E	
30-015-45429	Corral Canyon 10-15 Fed 12H	96217	Sec 10-T25S-R29E	
30-015-45592	Corral Canyon 220H	96217	Sec 10-T25S-R29E	
30-015-45593	Corral Canyon Fed 221H	96217	Sec 10-T25S-R29E	