

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

**APPLICATION TO AMEND  
SURFACE COMMINGLING ORDER  
SUBMITTED BY XTO ENERGY, INC.**

**ORDER NO. PLC-572-A**

**ORDER**

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

**FINDINGS OF FACT**

1. XTO Energy, Inc. (“Applicant”) submitted a complete application to amend Order PLC-572 (“Application”) to surface commingle and off-lease measure the oil and gas production from the pools, leases, and horizontal wells identified in Exhibit A.
2. Applicant provided notice of the Application to all persons owning an interest in the new 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, in accordance with 19.15.12.10(C)(4)(e) NMAC and 19.15.12.10(C)(4)(g) NMAC, and those persons either submitted a written waiver or did not file an objection to the Application.
3. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable, in accordance with 19.15.12.10(A)(2) NMAC.
4. Applicant in the notice for the original application stated that it sought authorization to add additional pools and leases and identified the parameters to make such additions, in accordance with 19.15.12.10(C)(4)(g) NMAC.

**CONCLUSIONS OF LAW**

5. 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.
6. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10(C)(4)(e) NMAC and 19.15.12.10(C)(4)(g) NMAC.
7. Subsequent additions of pools and leases 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, in accordance with 19.15.12.10(C)(4)(g) NMAC.

8. 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 12, 2020, Applicant is authorized to surface commingle and off-lease measure oil and gas production from the pools, leases, and horizontal wells identified in Exhibit A.
2. This Order supersedes Order PLC-572.

3. The allocation of oil and gas production shall be based on the production life of each well. The production of a well shall be measured for three periods: (a) the initial production period shall be measured from the first production until 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.

For each well, during the initial production period, the oil and gas production shall be separated and metered prior to commingling.

For each well, during the plateau period, the oil and gas production shall be allocated using a minimum of four (4) well tests per month.

For each well, during the decline period, the oil and gas production shall be allocated on the basis of: (a) four (4) well tests per month when the decline rate is greater than 21% per month; (b) three (3) well tests per month when the decline rate is between 21% and 13% per month; (c) two well tests per month when the decline rate is between 13% and 6% per month; and (d) one (1) well test per month when the decline rate is less than 6% per month.

Applicant shall submit a Form C-103 each quarter to the Engineering Bureau in Santa Fe that identifies the allocation method for each well, and for any well allocated by the well test method, Applicant shall provide the following information: (a) the current decline rate; (b) the minimum number of well tests per month required by this Order; and (c) the number of well tests conducted each month.

Upon OCD's request, Applicant shall submit a Form C-103 to the Engineering Bureau in Santa Fe that provides 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 and gas production from each 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.

4. 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.

5. 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.
6. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10(C)(2) NMAC.
7. Applicant may submit an application to amend this Order to add subsequently drilled wells with spacing units adjacent to or within the tracts commingled by this Order by submitting a Form C-107-B via the OCD Fee Portal and providing notice of the application to all owners of interest in the production to be added, in accordance with 19.15.12.10(C)(4)(g) NMAC.
8. Applicant shall not commence commingling involving state, federal, or tribal leases unless or until approved by the BLM or NMSLO, as applicable. *See* 19.15.12.10(B)(3) and (C)(4)(h) NMAC.
9. 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**



**ADRIENNE SANDOVAL  
DIRECTOR**

**DATE:** 3/12/20

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Exhibit A**

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Order: PLC-572-A

Operator: XTO Energy, Inc. (5380)

Central Tank Battery: Remuda 100 Tank Battery

Central Tank Battery Location (NMPM): Section 25, Township 23 South, Range 29 East

Gas Custody Transfer Meter Location (NMPM): Section 25, Township 23 South, Range 29 East

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**Pools**

Pool Name	Pool Code
FORTY NINER RIDGE BONE SPRING, WEST	96526
WC-015 G-05 S233031K; WOLFCAMP	98241
PURPLE SAGE; WOLFCAMP (GAS)	98220

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

Lease	Location (NMPM)	
WC EO 589410	SE/4 Sec 25, E/2 Sec 36	T23S-R29E
WC EO 589410	SW/4 Sec 30, NW/4 Sec 31	T23S-R30E
WC EO 589410	W/2 SW/4 Sec 31	T23S-R30E
BS EO 589410	W/2 Sec 24, W/2 Sec 25, W/2 Sec 36	T23S-R29E

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**Wells**

Well API	Well Name	Location (NMPM)	Pool Code	Train
30-015-44231	Remuda North 25 State 902H	L-25-23S-29E	96526	
30-015-44234	Remuda North 25 State 904H	K-25-23S-29E	96526	
30-015-44226	Remuda South 25 State 902H	E-25-23S-29E	96526	
30-015-44252	Remuda South 25 State 904H	F-25-23S-29E	96526	
30-015-44403	Remuda South 30 State 111H	E-30-23S-30E	98241	
30-015-44321	Remuda South 30 State 112H	E-30-23S-30E	98241	
30-015-44404	Remuda South 30 State 121H	E-30-23S-30E	98241	
30-015-44405	Remuda South 30 State 122H	E-30-23S-30E	98241	
30-015-44249	Remuda South 25 State 105H	G-25-23S-29E	98220	
30-015-44356	Remuda South 25 State 125H	G-25-23S-29E	98220	
30-015-44392	Remuda South 25 State 126H	G-25-23S-29E	98220	
30-015-44391	Remuda South 25 State 166H	G-25-23S-29E	98220	