

Revised March 23, 2017

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 (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ 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

FOR OCD ONLY

- ☐ Notice Complete
☐ Application Content Complete

- 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.

 Print or Type Name

 Signature

 Date

 Phone Number

 e-mail Address

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: _____

OPERATOR ADDRESS: _____

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.
(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 attached 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:  TITLE: _____ DATE: _____

TYPE OR PRINT NAME _____ TELEPHONE NO.: _____

E-MAIL ADDRESS: _____

APPLICATION LEASE COMMINGLE (CTB)

Big Eddy DI29 Tank Battery

XTO requests approval to commingle oil and gas production from diversely owned wells at the new Big Eddy Unit DI29 Tank Battery NWNW Section 21, 20S-32E (LAT. 32.564815, LONG. -103.778572). Approval to measure, store and sell production off-lease is also requested. All wells are permitted to produce from the same Salt Lake; Bone Spring pool. However, until paying well determinations are submitted and approved and the corresponding Bone Spring Participating Area (PA) is approved forming a common base of ownership, each well will be considered as having diverse ownership. Wells flowing to the battery are listed on a separate attachment.

PROCESS FLOW DESCRIPTION AND ALLOCATION

The flow of production is shown in detail on the enclosed facility diagram. Also enclosed is a map detailing the lease boundaries, well locations and battery location. The facility will be constructed with eight (8) 3- phase test separators. Each test separator is equipped with a Coriolis test meter, gas orifice meter and water magnetic flow meter. Each well will be assigned to a metered test separator and production continuously measured.

The inlet header is configured so wells are directed to a test separator. After the test separators, oil production will be combined with the oil flow into a shared oil line, sent through a horizontal heater treater, vapor recovery tower and then on to the oil storage tanks. The oil is will be sold through a LACT meter into the crude pipeline from the vapor recovery tower. Steel oil tanks are located at the facility; these will be utilized for overflow if needed. Oil from the tanks will be sold into the pipeline via LACT. Oil production will be allocated daily using a factor derived from the volume recorded on the Coriolis test meter and the LACT meter readings.

The LACT meter will be the custody transfer and royalty settlement point for oil.

Gas production from all wells will follow the same separation and measurement process as oil. Gas will be allocated daily based on the factor derived using the volume recorded on the EFM test/allocation meter on the test separators and the volume recorded on the gas sales meter. The gas sales meter will be the point of custody transfer and royalty settlement.

Gas can also be directed to a (metered) flare on location, downstream of the allocation meters, in case of emergency or restricted pipeline capacity.

All water from the batteries is metered from the test separators using a magnetic meter. Water will be stored in steel tanks at the battery then sent through a magnetic flow meter to the water takeaway pipeline.

The facility is constructed with a 'bulk' production separator for future expansion. Approval to allocate production by well test is not being requested at this time.

Summary:

The oil and gas meters will be installed, proven and calibrated upon installation and on a regular basis thereafter per API and NMOCD specifications.

The working interest, royalty interest and overriding royalty interest owners have been notified of this proposal by certified mail (see attached).

The commingling of production is in the interest of conservation and minimizing waste and will result in the most effective and economic means to maximize the ultimate economic recovery of the reserves in place from the affected wells. The proposed commingling and allocation will not result in reduced royalty or improper measurement. The proposed commingling will reduce the surface facility footprint and overall emissions.

XTO understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument

Federal Lease: NMNM001206A, NMLC065752A State Lease: V067071 (Surface locations only) Pool: Salt Lake; Bone Spring (53560)		
Well Name (Property Code)	API	Loc ¼, ¼, Sec. Twp, Rng
Big Eddy Unit DI29W Vader #100H (326994)	30-025-46515	SHL: SWSW Sec 16 20S-32E BHL: NWNW Sec 18 20S-32E
Big Eddy Unit DI29W Vader #101H (326994)	30-025-46516	SHL: SWSW Sec 16 20S-32E BHL: SWNW Sec 18 20S-32E
Big Eddy Unit DI29W Vader #103H (326994)	30-025-46751	SHL: SWSW Sec 16 20S-32E BHL: SWSW Sec 18 20S-32E
Big Eddy Unit DI29W Vader #104H (326994)	30-025-46542	SHL: NWSW Sec 16 20S-32E BHL: NWNW Sec 19 20S-32E
Big Eddy Unit DI29W Vader #105H (326994)	30-025-46654	SHL: NWSW Sec 16 20S-32E BHL: SWNW Sec 19 20S-32E
Big Eddy Unit 29W BS2-5W #365H* (326489)	30-025-46541	SHL: SWSW Sec 16 20S-32E BHL: NWSW Sec 18 20S-32E
Big Eddy Unit DI29E Vader #106H (327077)	30-025-46655	SHL: NWSW Sec 16 20S-32E BHL: NENE Sec 21 20S-32E
Big Eddy Unit DI29E Vader #107H (327077)	30-025-46543	SHL: NWSW Sec 16 20S-32E BHL: SENE Sec 21 20S-32E

*Sundry for well name change to Big Eddy Unit DI29W Vader 102H has been submitted.

CERTIFIED MAILING LIST
XTO PERMIAN OPERATING LLC
BIG EDDY UNIT D129 BATTERY

Certified #7013 1710 0001 1161 1010

NEW MEXICO MILITARY INSTITUTE,
BOARD OF REGENTS
Attn: Finance Operation Officer
101 W COLLEGE
ROSWELL, NM 88201

Certified #7013 1710 0001 1161 1027

CONQUISTADOR COUNCIL BSA TRUST FUND
Attn: M. Rickman Trust Officer
PO BOX 840738
DALLAS, TX 75284-0738

Certified 7013 1710 0001 1161 1034

UNIVERSITY OF NEW MEXICO,
BOARD OF REGENTS,
c/o Real Estate Director
1 UNIV OF NEW MEXICO MSC063595
ALBUQUERQUE, NM 87131

Certified #7013 1710 0001 1161 1041

BUREAU OF LAND MANAGEMENT
620 E GREENE ST
CARLSBAD, NM 88220-6292

Certified #7013 1710 0001 1161 1362

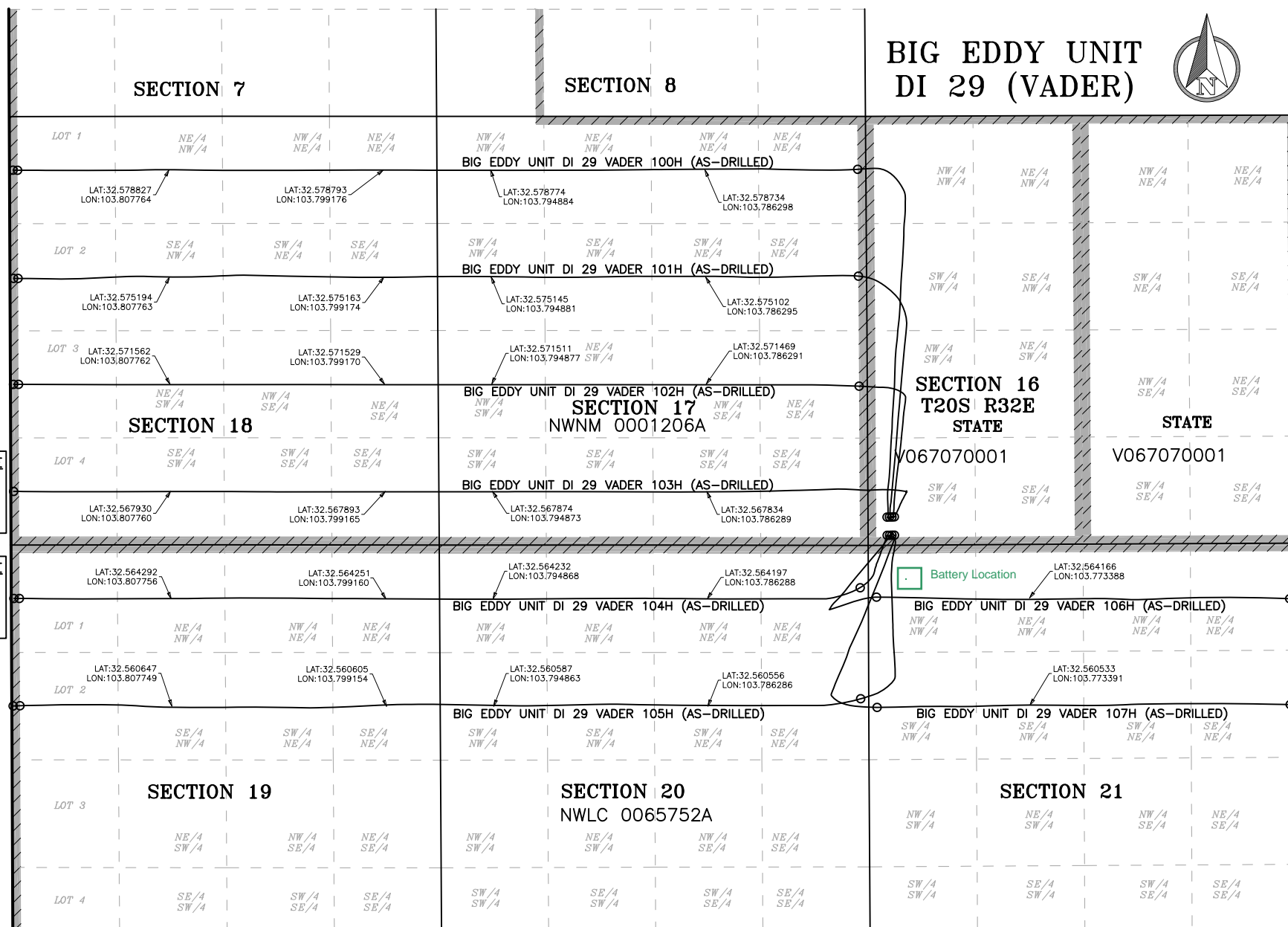
BEPCO LP
HUGH C MONTGOMERY, DIR LAND
201 MAIN STREET SUITE 3100
FORT WORTH, TX 76102-3131

I, Tracie J Cherry, do hereby certify the interest owners for the well(s) in the Big Eddy D129 Battery were furnished a copy of XTO's application, via certified mail on this date.

Signed:



Tracie J. Cherry
Regulatory Coordinator
Date: 11/19/2020

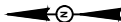


SEC 18 LOT ACREAGE TABLE

LOT 1	- 39.47 ACRES
LOT 2	- 39.49 ACRES
LOT 3	- 39.51 ACRES
LOT 4	- 39.53 ACRES

SEC 19 LOT ACREAGE TABLE

LOT 1	- 39.56 ACRES
LOT 2	- 39.60 ACRES
LOT 3	- 39.64 ACRES
LOT 4	- 39.68 ACRES

[illegible]

Revision	Description of Change	Date	By	XTO PERMIAN OPERATING, LLC	BIG EDDY UNIT DI 29 CENTRAL TANK BATTERY DELAWARE BASIN
0	ISSUED FOR REVIEW	6/17/2020	AE		
1	ISSUED FOR REVIEW	10/8/2020	BM		
2	ISSUED FOR REVIEW	10/16/2020	BM		
					SITE FLOW DIAGRAM
					XTO-DB-BEU-DI29-SFD-0001 - 1 OF 6



BULK PRODUCTION
LINE #2 FROM DRILL
ISLAND

BULK PRODUCTION
LINE #1 FROM DRILL
ISLAND

BATTERY MANIFOLD

PROD. SEP.
60"x30"
V-700

PROD. SEP.
60"x30"
V-701

LEGEND:

EMULSION —
WATER —
OIL —
GAS —

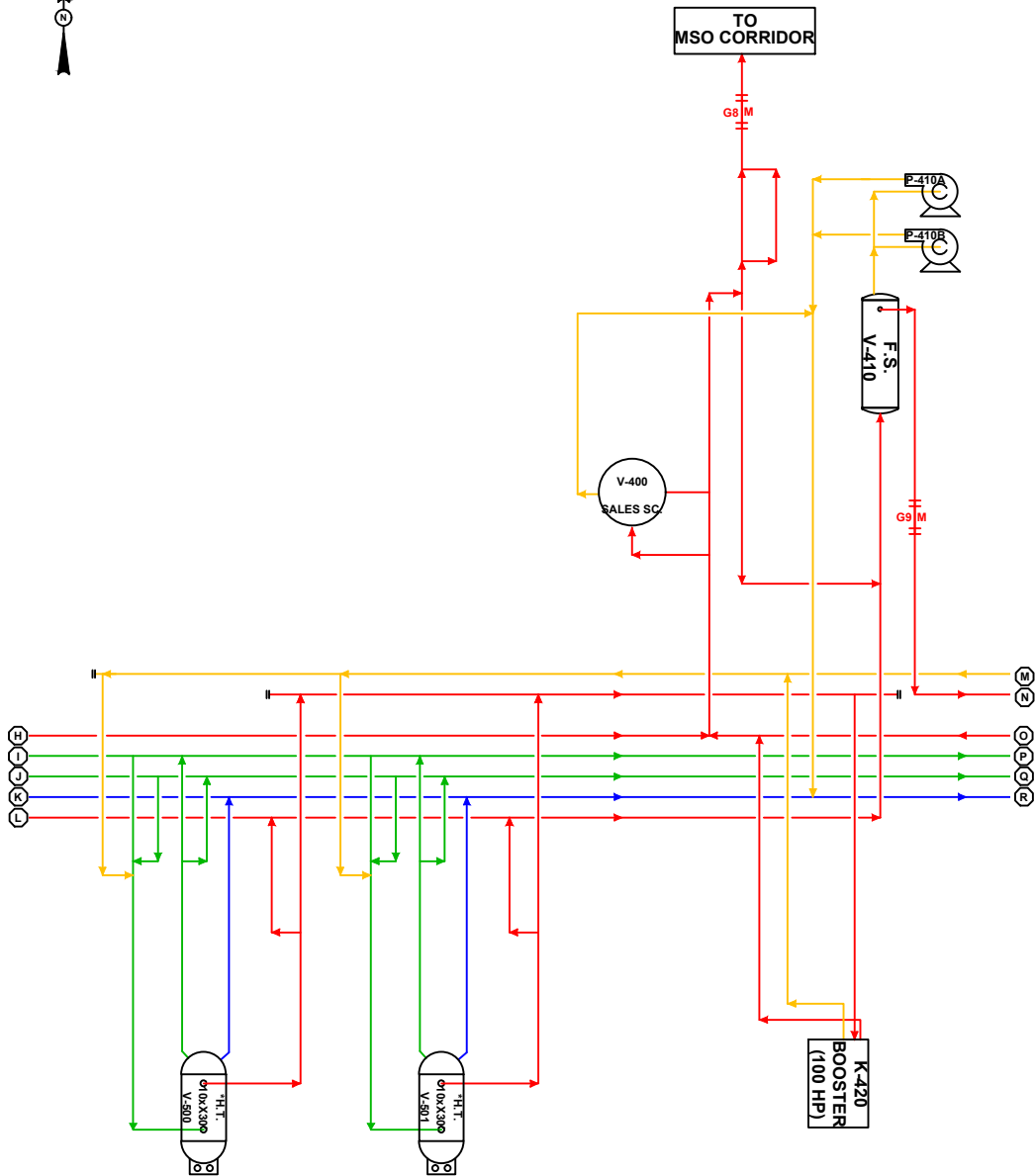
NOTES:

DRAWING ID	METER DESCRIPTION	TYPE	METER ID #	PURPOSE
G0M	TEST SEP. GAS METER	ORIFICE		ALLOCATION
G1M	TEST SEP. GAS METER	ORIFICE		ALLOCATION
G2M	TEST SEP. GAS METER	ORIFICE		ALLOCATION
G3M	TEST SEP. GAS METER	ORIFICE		ALLOCATION
G4M	TEST SEP. GAS METER	ORIFICE		ALLOCATION
G5M	TEST SEP. GAS METER	ORIFICE		ALLOCATION
G6M	TEST SEP. GAS METER	ORIFICE		ALLOCATION
G7M	TEST SEP. GAS METER	ORIFICE		ALLOCATION
O0M	TEST SEP. OIL METER	CORIOLIS		ALLOCATION
O1M	TEST SEP. OIL METER	CORIOLIS		ALLOCATION
O2M	TEST SEP. OIL METER	CORIOLIS		ALLOCATION
O3M	TEST SEP. OIL METER	CORIOLIS		ALLOCATION
O4M	TEST SEP. OIL METER	CORIOLIS		ALLOCATION
O5M	TEST SEP. OIL METER	CORIOLIS		ALLOCATION
O6M	TEST SEP. OIL METER	CORIOLIS		ALLOCATION
O7M	TEST SEP. OIL METER	CORIOLIS		ALLOCATION
W0M	TEST SEP. WATER METER	MAG		ALLOCATION
W1M	TEST SEP. WATER METER	MAG		ALLOCATION
W2M	TEST SEP. WATER METER	MAG		ALLOCATION
W3M	TEST SEP. WATER METER	MAG		ALLOCATION
W4M	TEST SEP. WATER METER	MAG		ALLOCATION
W5M	TEST SEP. WATER METER	MAG		ALLOCATION
W6M	TEST SEP. WATER METER	MAG		ALLOCATION
W7M	TEST SEP. WATER METER	MAG		ALLOCATION

BIG EDDY UNIT DI 29
CENTRAL TANK BATTERY
DELAWARE BASIN

SITE FLOW DIAGRAM

XTO-DB-BEU-DI29-SFD-0001 - 4 OF 6



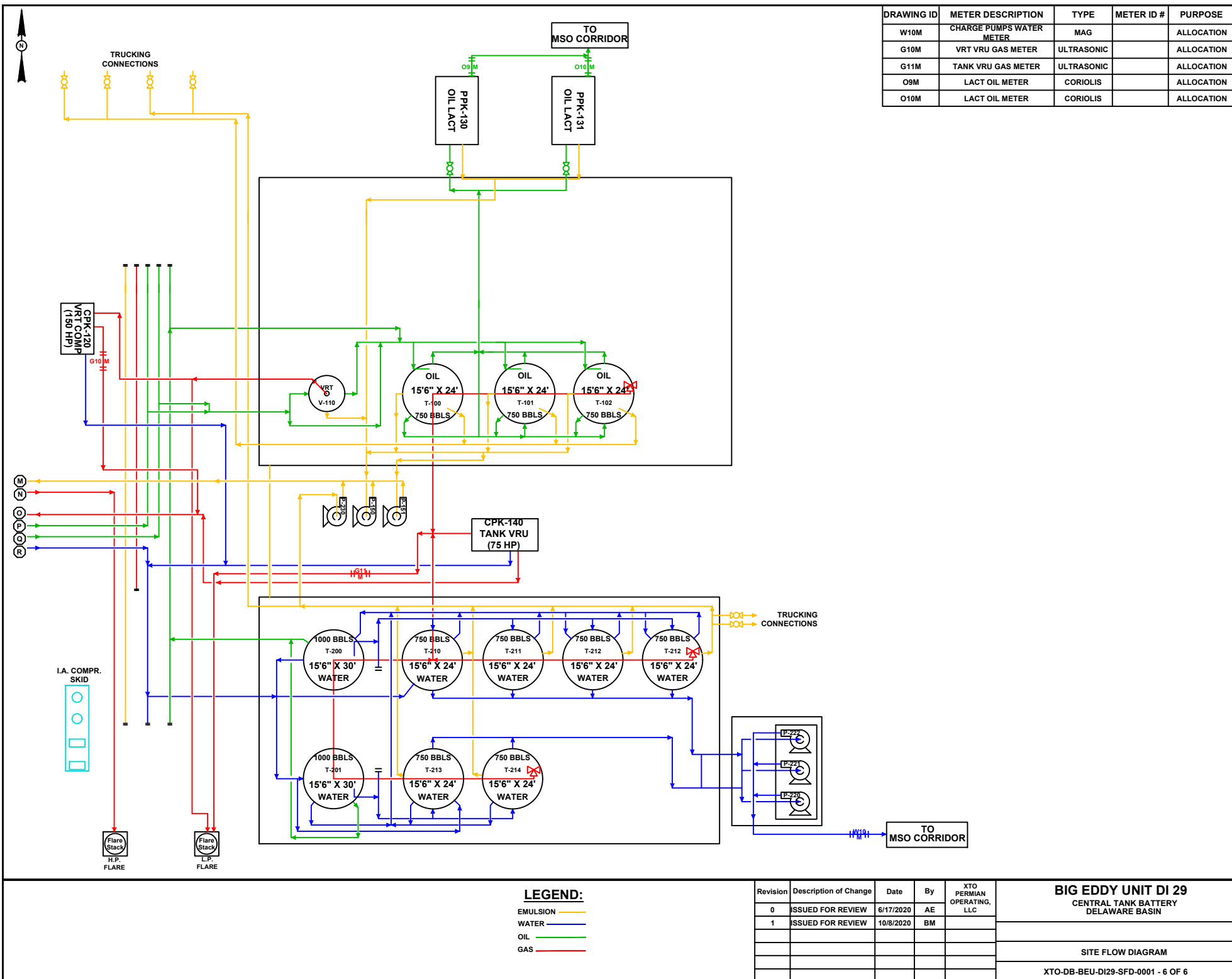
DRAWING ID	METER DESCRIPTION	TYPE	METER ID #	PURPOSE
G8M	SALES GAS METER	ORIFICE		SALES
G9M	FLARE SCRUBBER GAS METER	ULTRASONIC		ALLOCATION

***NOTES:**
1) V-500
Dual-Burners: 2MM BTU/HR Ea.
2) V-501
Dual-Burners: 2MM BTU/HR Ea.

LEGEND:
EMULSION
WATER
OIL
GAS

Revision	Description of Change	Date	By	XTO PERMAN OPERATING, LLC
0	ISSUED FOR REVIEW	6/17/2020	AE	

BIG EDDY UNIT DI 29 CENTRAL TANK BATTERY DELAWARE BASIN
SITE FLOW DIAGRAM
XTO-DB-BEU-DI29-SFD-0001 - 5 OF 6



Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

Affidavit of Publication

Ad # 0004627608

This is not an invoice

XTO ENERGY

6401 HOLIDAY HILL RD. BLDG 5

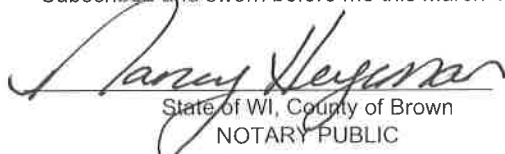
MIDLAND, TX 79707

I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

03/04/2021


Legal Clerk

Subscribed and sworn before me this March 4, 2021:


State of WI, County of Brown
NOTARY PUBLIC
5.15.23
My commission expires

XTO Permian Operating, LLC. is applying to NMOCD to surface commingle of oil and gas production for the BEU DI 29 battery in Lea County, NM to a shared gas sales/custody transfer point located NWNW Sec. 21 T20S R32E (GIS 32.564880, - 103.778540). Production to be commingled originates from the following pools: Salt Lake; Bone Spring NMOCD pool code: 53560

Leases include Federal leases in Lea County, NM located: Sec 17 & 18 T20S R32E(Full Sections) Sec 19, 20 & 21 T20S R32E (Full Sections)

Affected parties are being notified via certified letter. Publication serves as notice to owners not located and for owners that do not have valid addresses on file.

Interested parties must file objections or requests for hearing with the New Mexico Oil Conservation Division, 1220 South Saint Frances Dr. Santa Fe, NM 87505 within 20 days of publication or approval will be administratively granted. Additional information can be obtained by contacting Stephanie Rabadue, XTO Permian Operating, LLC., 6401 Holiday Hill Rd Bldg 5, Midland, TX 79707. Phone number 432-620-6714.

March 4, 2021

NANCY HEYRMAN
Notary Public
State of Wisconsin

Ad # 0004627608

PO #: NMOCD
of Affidavits 1

This is not an invoice

From: [Rabadue, Stephanie](#)
To: [McClure, Dean, EMNRD](#)
Cc: [Cherry, Tracie](#); [Evans, Cassie L.](#)
Subject: [EXT] RE: surface commingling application for BEU DI29 Tank Battery (CTB-975)
Date: Wednesday, December 23, 2020 8:47:29 AM

Good morning, Dean!

Notice to the University of New Mexico has been re-sent via **Certified Tracking Number:** 7019 1640 0002 0346 9587. I realize that this will re-start the 20-day notification period but we didn't have an email address available for the notification.

I apologize for the inconvenience and the delay but I appreciate your patience!

Take care, have a beautiful day, and Merry Christmas!

Stephanie Rabadue

ExxonMobil UOG Upstream Unconventional

Permian Business Unit, Supervisor Permian Permitting & New Mexico Regulatory

Phone: 432-620-6714

stephanie_rabadue@xtoenergy.com

From: McClure, Dean, EMNRD [mailto:Dean.McClure@state.nm.us]
Sent: Tuesday, December 15, 2020 2:48 PM
To: Rabadue, Stephanie <Stephanie_Rabadue@xtoenergy.com>
Cc: Cherry, Tracie <Tracie_Cherry@xtoenergy.com>; Evans, Cassie L. <Cassie_Evans@xtoenergy.com>
Subject: RE: surface commingling application for BEU DI29 Tank Battery (CTB-975)

External Email - Think Before You Click

Hello Stephanie,

That will be suitable; however, it will also restart the 20 day notice period. Alternatively, if you have an email address for them, you may have them respond to you via email confirming they have received notice and submit the email to me.

Dean McClure

Petroleum Engineer, Oil Conservation Division

New Mexico Energy, Minerals and Natural Resources Department

(505) 469-8211

From: Rabadue, Stephanie <Stephanie_Rabadue@xtoenergy.com>
Sent: Tuesday, December 15, 2020 1:45 PM
To: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Cc: Cherry, Tracie <Tracie_Cherry@xtoenergy.com>; Evans, Cassie L. <Cassie_Evans@xtoenergy.com>
Subject: [EXT] RE: surface commingling application for BEU DI29 Tank Battery (CTB-975)

Good afternoon, Dean!

Unfortunately, I'm showing that this notification for the University of New Mexico dated 11/25/2020 is still 'In-Transit' via USPS by the tracking number below. If they do not receive it by the EOW, XTO may submit another notification to see if it was lost with the postal service if that would be acceptable by NMOCD.

I appreciate your help and guidance, good sir!

Take care and have a great afternoon!

Stephanie Rabadue

ExxonMobil UOG Upstream Unconventional

Permian Business Unit, Supervisor Permian Permitting & New Mexico Regulatory

Phone: 432-620-6714

stephanie_rabadue@xtoenergy.com

From: McClure, Dean, EMNRD [<mailto:Dean.McClure@state.nm.us>]

Sent: Tuesday, December 15, 2020 2:37 PM

To: Rabadue, Stephanie <Stephanie_Rabadue@xtoenergy.com>

Cc: Cherry, Tracie <Tracie_Cherry@xtoenergy.com>

Subject: surface commingling application for BEU DI29 Tank Battery (CTB-975)

External Email - Think Before You Click

Ms. Rabadue,

I am reviewing the surface commingling application for the BEU DI29 Tank Battery (CTB-975) operated by XTO Permian Operating, LLC (373075).

Please confirm that the following person has received notice of this application:

11/25/2020	UNIVERSITY OF NEW MEXICO,	7013 1710 0001 1161 1034	In-Transit
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Dean McClure

Petroleum Engineer, Oil Conservation Division

New Mexico Energy, Minerals and Natural Resources Department

(505) 469-8211

From: [Engineer, OCD, EMNRD](#)
To: [Rabadue, Stephanie](#)
Cc: [McClure, Dean, EMNRD](#); [Bratcher, Mike, EMNRD](#); [Kautz, Paul, EMNRD](#); [Powell, Brandon, EMNRD](#); [lisa@rwbyram.com](#); [Glover, James](#); [kparadis@blm.gov](#); [Walls, Christopher](#)
Subject: Approved Administrative Order CTB-975
Date: Friday, March 26, 2021 11:54:16 AM
Attachments: [CTB975 Order.pdf](#)

NMOCD has issued Administrative Order CTB-975 which authorizes XTO Permian Operation, LLC to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	Location (NMPPM)	Pool Code
30-025-46515	Big Eddy Unit 29W Vader #100H	M-16-20S-32E	53560
30-025-46516	Big Eddy Unit 29W Vader #101H	M-16-20S-32E	53560
30-025-46751	Big Eddy Unit 29W Vader #103H	M-16-20S-32E	53560
30-025-46542	Big Eddy Unit 29W Vader #104H	M-16-20S-32E	53560
30-025-46654	Big Eddy Unit 29W Vader #105H	M-16-20S-32E	53560
30-025-46541	Big Eddy Unit 29W Vader #102H	M-16-20S-32E	53560
30-025-46655	Big Eddy Unit 29E Vader #106H	M-16-20S-32E	53560
30-025-46543	Big Eddy Unit 29E Vader #107H	M-16-20S-32E	53560

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval.

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

State of New Mexico
Energy, Minerals and Natural Resources Department

Notice

Order: CTB-975
Operator: XTO Permian Operating, LLC (373075)
Publication Date: 3/4/2021
Date Sent: 11/19/2020

Noticed Persons

Date	Person	Certified Tracking Number	Status
11/23/2020	NEW MEXICO MILITARY INSTITUTE	7013 1710 0001 1161 1010	Delivered
11/24/2020	CONQUISTADOR COUNCIL BSA TRUST FUND	7013 1710 0001 1161 1027	Delivered
11/25/2020	UNIVERSITY OF NEW MEXICO,	7013 1710 0001 1161 1034	In-Transit
11/25/2020	BUREAU OF LAND MANAGEMENT	7013 1710 0001 1161 1041	Delivered
11/21/2020	BEPCO LP	7013 1710 0001 1161 1362	Delivered

Notice sent on 12/23/2020

1/3/2021	UNIVERSITY OF NEW MEXICO,	7019 1640 0002 0346 9587	In-Transit
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**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-975

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 and off-lease measure the oil and gas production ("Application") from the pools, leases, and wells identified in Exhibit A.
2. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7(B) NMAC.
3. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
4. To the extent that ownership is diverse, 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.
5. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
6. Applicant submitted or intends to submit one or more application(s) to the BLM or NMSLO, as applicable, to form or revise a participating area (“PA”) and has identified the acreage of each lease within each spacing unit (“Pooled Area”) to be included in the application(s), as described in Exhibit B.

CONCLUSIONS OF LAW

7. 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.
8. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10(A)(2), (C)(4)(c), and (C)(4)(e) NMAC, as applicable.

9. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10(B)(1) or (C)(1) NMAC, as applicable.
10. 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) and (C)(4)(h) NMAC.
11. 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 and off-lease measure oil and gas production from the pools, leases, and wells identified in Exhibit A.
2. No later than sixty (60) days after the BLM or NMSLO, as applicable, approves Applicant's paying well determination for a well, Applicant shall submit to the BLM or NMSLO an application to form or revise a PA that includes the Pooled Area as defined in Applicant's Form C-102 and Exhibit B ("PA Application"). If Applicant fails to submit the PA Application, this Order shall terminate on the following day. No later than sixty (60) days after the BLM or NMSLO approves or denies the PA Application, Applicant shall submit Form C-103 to OCD with a copy of the decision. If Applicant withdraws or the BLM or NMSLO denies the PA Application, this Order shall terminate on the date of such action. If the BLM or NMSLO approves but modifies the PA Application, Applicant shall comply with the approved PA, and no later than sixty (60) days after such decision, Applicant shall submit a new surface commingle application to OCD to conform this Order with the approved PA. If OCD denies the new surface commingle application, this Order shall terminate on the date of such action.
3. Applicant shall allocate the oil and gas production to each lease within a Pooled Area in proportion to the acreage that each lease bears to the entire acreage of the Pooled Area described in Exhibit B until the Pooled Area is included in a PA. After a Pooled Area is included in a PA, the oil and gas production from the Pooled Area shall be allocated as required by the BLM's or NMSLO's, as applicable, approval of the PA, including any production that had been allocated previously in accordance with this Order.
4. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling.
5. Applicant shall measure the commingled oil at a central tank battery described in Exhibit A in accordance with 19.15.18.15 NMAC or 19.15.23.8 NMAC.
6. Applicant shall measure the commingled gas at a central delivery point or central tank battery described in Exhibit A in accordance with 19.15.19.9 NMAC, provided however that if the gas is flared, and regardless of 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.

7. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10(C)(2) NMAC.
8. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
9. OCD retains jurisdiction and reserves the right to modify or revoke this Order as it deems necessary to prevent waste or protect correlative rights, public health, or the environment.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL
DIRECTOR**

AS/dm

DATE: 3/26/2021

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: CTB-975

Operator: XTO Permian Operating, LLC (373075)

Central Tank Battery: Big Eddy Unit DI29 Tank Battery

Central Tank Battery Location (NMPM): Unit D, Section 21, Township 20 South, Range 32 East

Gas Custody Transfer Meter Location (NMPM): Unit D, Section 21, Township 20 South, Range 32 East

Pools

Pool Name	Pool Code
SALT LAKE; BONE SPRING	53560

Leases as defined in 19.15.12.7(C) NMAC

Lease	Location (NMPM)	
NMNM 001206A	N/2 N/2 Sec 17 & 18	T20S-R32E
NMNM 001206A	S/2 N/2 Sec 17 & 18	T20S-R32E
NMNM 001206A	N/2 S/2 Sec 17 & 18	T20S-R32E
NMNM 001206A	S/2 S/2 Sec 17 & 18	T20S-R32E
NMLC 065752A	N/2 N/2 Sec 19 & 20	T20S-R32E
NMLC 065752A	S/2 N/2 Sec 19 & 20	T20S-R32E
NMLC 065752A	N/2 N/2 Sec 21	T20S-R32E
NMLC 065752A	S/2 N/2 Sec 21	T20S-R32E

Wells

Well API	Well Name	Location (NMPM)	Pool Code	Train
30-025-46515	Big Eddy Unit 29W Vader #100H	M-16-20S-32E	53560	
30-025-46516	Big Eddy Unit 29W Vader #101H	M-16-20S-32E	53560	
30-025-46751	Big Eddy Unit 29W Vader #103H	M-16-20S-32E	53560	
30-025-46542	Big Eddy Unit 29W Vader #104H	M-16-20S-32E	53560	
30-025-46654	Big Eddy Unit 29W Vader #105H	M-16-20S-32E	53560	
30-025-46541	Big Eddy Unit 29W Vader #102H	M-16-20S-32E	53560	
30-025-46655	Big Eddy Unit 29E Vader #106H	M-16-20S-32E	53560	
30-025-46543	Big Eddy Unit 29E Vader #107H	M-16-20S-32E	53560	

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit B

Order: CTB-975

Operator: XTO Permian Operating, LLC (373075)

Pooled Areas

Pooled Area	Location (NMPM)		Acres	Pooled Area ID
PA BS 100H	N/2 N/2 Sec 17 & 18	T20S-R32E	319.47	A
PA BS 101H	S/2 N/2 Sec 17 & 18	T20S-R32E	319.49	B
PA BS 102H	N/2 S/2 Sec 17 & 18	T20S-R32E	319.51	C
PA BS 103H	S/2 S/2 Sec 17 & 18	T20S-R32E	319.53	D
PA BS 104H	N/2 N/2 Sec 19 & 20	T20S-R32E	319.56	E
PA BS 105H	S/2 N/2 Sec 19 & 20	T20S-R32E	319.6	F
PA BS 106H	N/2 N/2 Sec 21	T20S-R32E	160	G
PA BS 107H	S/2 N/2 Sec 21	T20S-R32E	160	H

Leases Comprising Pooled Areas

Lease	Location (NMPM)		Acres	Pooled Area ID
NMNM 001206A	N/2 N/2 Sec 17 & 18	T20S-R32E	319.47	A
NMNM 001206A	S/2 N/2 Sec 17 & 18	T20S-R32E	319.49	B
NMNM 001206A	N/2 S/2 Sec 17 & 18	T20S-R32E	319.51	C
NMNM 001206A	S/2 S/2 Sec 17 & 18	T20S-R32E	319.53	D
NMLC 065752A	N/2 N/2 Sec 19 & 20	T20S-R32E	319.56	E
NMLC 065752A	S/2 N/2 Sec 19 & 20	T20S-R32E	319.6	F
NMLC 065752A	N/2 N/2 Sec 21	T20S-R32E	160	G
NMLC 065752A	S/2 N/2 Sec 21	T20S-R32E	160	H

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 11256

CONDITIONS OF APPROVAL

Operator:		OGRID:	Action Number:	Action Type:
XTO PERMIAN OPERATING LLC. BUILDING 5 MIDLAND, TX79707		373075	11256	C-107B
6401 HOLIDAY HILL ROAD				
OCD Reviewer	Condition			
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval.			