

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

**APPLICATION FOR SURFACE COMMINGLING
SUBMITTED BY MATADOR PRODUCTION COMPANY**

ORDER NO. PLC-976

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. Matador Production Company ("Applicant") submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells as described in Exhibit A ("Application").
2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
3. Applicant stated that it intends to keep the oil production from one or more group(s) of wells identified in Exhibit B segregated from the oil production from all other wells prior to measuring that production with an allocation meter.
4. 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 certified the commingling of oil and gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil and gas production to less than if it had remained segregated.
7. Applicant in the notice for the Application stated that it sought authorization to prospectively include additional pools, leases, and wells in accordance with 19.15.12.10 C.(4)(g) NMAC.
8. 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.
9. Applicant submitted or intends to submit one or more proposed communitization agreement(s) ("Proposed Agreement(s)") to the BLM or NMSLO, as applicable, identifying the acreage of each lease to be consolidated into a single pooled area ("CA Pooled Area"), as described in Exhibit A.

CONCLUSIONS OF LAW

10. 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.
11. 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.
12. 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.
13. 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.
14. 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.
15. 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.
16. 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, leases, and wells as described in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells 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 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. For each CA Pooled Area described in Exhibit A, Applicant shall submit a Proposed Agreement to the BLM or NMSLO, as applicable, prior to commencing oil and gas production. If Applicant fails to submit the Proposed Agreement, this Order shall terminate on the following day.

No later than sixty (60) days after the BLM or NMSLO approves or denies a Proposed Agreement, Applicant shall submit a Form C-103 to OCD with a copy of the decision and a description of the approved lands, as applicable. If Applicant withdraws or the BLM or NMSLO denies a Proposed Agreement, this Order shall terminate on the date of such action, and Applicant shall cease commingling the production from the CA Pooled Area. If the BLM or NMSLO approves but modifies the Proposed Agreement(s), Applicant shall comply with the approved Agreement(s), and no later than sixty (60) days after such decision, Applicant shall submit a new surface commingling application to OCD to conform this Order with the approved Agreement(s) if the formation or dedicated lands are modified or if a modification is made that will affect this Order. If Applicant fails to submit the new surface commingling application or OCD denies the new surface commingling application, this Order shall terminate on the date of such action.

Applicant shall allocate the oil and gas production to each lease within a CA Pooled Area in proportion to the acreage that each lease bears to the entire acreage of the CA Pooled Area until the Proposed Agreement which includes the CA Pooled Area is approved. After the Proposed Agreement is approved, the oil and gas production from the CA Pooled Area shall be allocated as required by the BLM's or NMSLO's, as applicable, approval of the Agreement, including any production that had been allocated previously in accordance with this Order.

3. 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.
4. The allocation of oil production to each group of wells identified in Exhibit B shall be determined by separating and metering the production from each group as described by Train in Exhibit B prior to commingling that production with production from any other well.
5. 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.
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. 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.
10. 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.
11. 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.
12. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
13. 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).
14. 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**


ALBERT CHANG
DIRECTOR

DATE: 7/3/2025

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: PLC-976

Operator: Matador Production Company (228937)

Central Tank Battery: John Callahan Tank Battery

Central Tank Battery Location: UL O, Section 21, Township 24 South, Range 35 East

Gas Title Transfer Meter Location: UL O, Section 21, Township 24 South, Range 35 East

Pools

Pool Name	Pool Code
WC025 G09 S243532M;WOLFBONE	98098
WC-025 G-07 S243517D;MIDDLE BONE SP	98294

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
CA Bone Spring NMNM 106721238	W/2 W/2	16-24S-35E
	W/2 W/2	21-24S-35E
CA Bone Spring SLO 205196 PUN 1408631	W/2 W/2	16-24S-35E
	W/2 W/2	21-24S-35E
CA Bone Spring NMNM 106721253	E/2 W/2	16-24S-35E
	E/2 W/2	21-24S-35E
CA Bone Spring SLO 205195 PUN 1408261	E/2 W/2	16-24S-35E
	E/2 W/2	21-24S-35E
CA Bone Spring NMNM 106721246	W/2 E/2	16-24S-35E
	W/2 E/2	21-24S-35E
	NW/4 NE/4	28-24S-35E
CA Bone Spring SLO 205198 PUN 1408643	W/2 E/2	16-24S-35E
	W/2 E/2	21-24S-35E
	NW/4 NE/4	28-24S-35E
CA Bone Spring NMNM 106721251	E/2 E/2	16-24S-35E
	E/2 E/2	21-24S-35E
CA Bone Spring SLO 205193 PUN1408654	E/2 E/2	16-24S-35E
	E/2 E/2	21-24S-35E
CA Wolfbone NMNM 106725398	W/2 W/2	16-24S-35E
	W/2 W/2	21-24S-35E
CA Wolfbone SLO 205197 PUN 1408677	W/2 W/2	16-24S-35E
	W/2 W/2	21-24S-35E
CA Wolfbone NMNM 106725402	E/2 W/2	16-24S-35E
	E/2 W/2	21-24S-35E
CA Wolfbone SLO 205202 PUN 1408682	E/2 W/2	16-24S-35E
	E/2 W/2	21-24S-35E
CA Wolfbone NMNM 106725401	W/2 E/2	16-24S-35E
	W/2 E/2	21-24S-35E
	NW/4 NE/4	28-24S-35E

CA Wolfbone SLO 205199 PUN 1408698	W/2 E/2	16-24S-35E
	W/2 E/2	21-24S-35E
	NW/4 NE/4	28-24S-35E
CA Wolfbone NMNM 106725393	E/2 E/2	16-24S-35E
	E/2 E/2	21-24S-35E
CA Wolfbone SLO 205194 PUN 1408666	E/2 E/2	16-24S-35E
	E/2 E/2	21-24S-35E
PROPOSED CA Wolfbone NMNM 106725404	E/2	21-24S-35E
	NW/4 NE/4	28-24S-35E
PROPOSED CA Wolfbone NMNM	E/2	21-24S-35E
	NW/4 NE/4	28-24S-35E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-53659	JOHN CALLAHAN FEDERAL COM #111H	W/2 W/2	16-24S-35E	98294
		W/2 W/2	21-24S-35E	
30-025-53660	JOHN CALLAHAN FEDERAL COM #112H	E/2 W/2	16-24S-35E	98294
		E/2 W/2	21-24S-35E	
30-025-53661	JOHN CALLAHAN FEDERAL COM #114H	E/2 E/2	16-24S-35E	98294
		E/2 E/2	21-24S-35E	
30-025-53662	JOHN CALLAHAN FEDERAL COM #121H	W/2 W/2	16-24S-35E	98294
		W/2 W/2	21-24S-35E	
30-025-53663	JOHN CALLAHAN FEDERAL COM #122H	E/2 W/2	16-24S-35E	98294
		E/2 W/2	21-24S-35E	
30-025-53664	JOHN CALLAHAN FEDERAL COM #124H	E/2 E/2	16-24S-35E	98294
		E/2 E/2	21-24S-35E	
30-025-53665	JOHN CALLAHAN FEDERAL COM #131H	W/2 W/2	16-24S-35E	98098
		W/2 W/2	21-24S-35E	
30-025-53666	JOHN CALLAHAN FEDERAL COM #132H	E/2 W/2	16-24S-35E	98098
		E/2 W/2	21-24S-35E	
30-025-53667	JOHN CALLAHAN FEDERAL COM #155H	W/2 W/2	16-24S-35E	98098
		W/2 W/2	21-24S-35E	
30-025-53668	JOHN CALLAHAN FEDERAL COM #156H	E/2 W/2	16-24S-35E	98098
		E/2 W/2	21-24S-35E	
30-025-53669	JOHN CALLAHAN FEDERAL COM #158H	E/2 E/2	16-24S-35E	98098
		E/2 E/2	21-24S-35E	
30-025-53670	JOHN CALLAHAN FEDERAL COM #201H	W/2 W/2	16-24S-35E	98098
		W/2 W/2	21-24S-35E	
30-025-53671	JOHN CALLAHAN FEDERAL COM #202H	E/2 W/2	16-24S-35E	98098
		E/2 W/2	21-24S-35E	
30-025-53672	JOHN CALLAHAN FEDERAL COM #209H	E/2	21-24S-35E	98098
		NW/4 NE/4	28-24S-35E	
30-025-53673	JOHN CALLAHAN FEDERAL COM #211H	W/2 W/2	16-24S-35E	98098
		W/2 W/2	21-24S-35E	
30-025-53674	JOHN CALLAHAN FEDERAL COM #222H	E/2 W/2	16-24S-35E	98098
		E/2 W/2	21-24S-35E	

30-025-53675	JOHN CALLAHAN FEDERAL COM #224H	E/2 E/2 E/2 E/2	16-24S-35E 21-24S-35E	98098
30-025-53680	JOHN CALLAHAN FEDERAL COM #212H	E/2 W/2 E/2 W/2	16-24S-35E 21-24S-35E	98098
30-025-53681	JOHN CALLAHAN FEDERAL COM #221H	W/2 W/2 W/2 W/2	16-24S-35E 21-24S-35E	98098
30-025-54297	JOHN CALLAHAN FEDERAL COM #113H	W/2 E/2 W/2 E/2 NW/4 NE/4	16-24S-35E 21-24S-35E 28-24S-35E	98294
30-025-54298	JOHN CALLAHAN FEDERAL COM #137H	E/2 NW/4 NE/4	21-24S-35E 28-24S-35E	98098
30-025-54299	JOHN CALLAHAN FEDERAL COM #217H	E/2 NW/4 NE/4	21-24S-35E 28-24S-35E	98098
30-025-54300	JOHN CALLAHAN FEDERAL COM #223H	W/2 E/2 W/2 E/2 NW/4 NE/4	16-24S-35E 21-24S-35E 28-24S-35E	98098
30-025-54317	JOHN CALLAHAN FEDERAL COM #123H	W/2 E/2 W/2 E/2 NW/4 NE/4	16-24S-35E 21-24S-35E 28-24S-35E	98294
30-025-54318	JOHN CALLAHAN FEDERAL COM #133H	W/2 E/2 W/2 E/2 NW/4 NE/4	16-24S-35E 21-24S-35E 28-24S-35E	98098

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit B

Order: PLC-976
Operator: Matador Production Company (228937)

Wells				
Well API	Well Name	UL or Q/Q	S-T-R	Train
30-025-53659	JOHN CALLAHAN FEDERAL COM #111H	W/2 W/2 W/2 W/2	16-24S-35E 21-24S-35E	A1
30-025-53662	JOHN CALLAHAN FEDERAL COM #121H	W/2 W/2 W/2 W/2	16-24S-35E 21-24S-35E	A1
30-025-53667	JOHN CALLAHAN FEDERAL COM #155H	W/2 W/2 W/2 W/2	16-24S-35E 21-24S-35E	A1
30-025-53665	JOHN CALLAHAN FEDERAL COM #131H	W/2 W/2 W/2 W/2	16-24S-35E 21-24S-35E	A1
30-025-53670	JOHN CALLAHAN FEDERAL COM #201H	W/2 W/2 W/2 W/2	16-24S-35E 21-24S-35E	A1
30-025-53673	JOHN CALLAHAN FEDERAL COM #211H	W/2 W/2 W/2 W/2	16-24S-35E 21-24S-35E	A1
30-025-53681	JOHN CALLAHAN FEDERAL COM #221H	W/2 W/2 W/2 W/2	16-24S-35E 21-24S-35E	A1
30-025-53660	JOHN CALLAHAN FEDERAL COM #112H	E/2 W/2 E/2 W/2	16-24S-35E 21-24S-35E	A1
30-025-53663	JOHN CALLAHAN FEDERAL COM #122H	E/2 W/2 E/2 W/2	16-24S-35E 21-24S-35E	A1
30-025-53668	JOHN CALLAHAN FEDERAL COM #156H	E/2 W/2 E/2 W/2	16-24S-35E 21-24S-35E	A1
30-025-53666	JOHN CALLAHAN FEDERAL COM #132H	E/2 W/2 E/2 W/2	16-24S-35E 21-24S-35E	A1
30-025-53671	JOHN CALLAHAN FEDERAL COM #202H	E/2 W/2 E/2 W/2	16-24S-35E 21-24S-35E	A1
30-025-53680	JOHN CALLAHAN FEDERAL COM #212H	E/2 W/2 E/2 W/2	16-24S-35E 21-24S-35E	A1
30-025-53674	JOHN CALLAHAN FEDERAL COM #222H	E/2 W/2 E/2 W/2	16-24S-35E 21-24S-35E	A1
30-025-53661	JOHN CALLAHAN FEDERAL COM #114H	E/2 E/2 E/2 E/2	16-24S-35E 21-24S-35E	A1
30-025-53664	JOHN CALLAHAN FEDERAL COM #124H	E/2 E/2 E/2 E/2	16-24S-35E 21-24S-35E	A1
30-025-53669	JOHN CALLAHAN FEDERAL COM #158H	E/2 E/2 E/2 E/2	16-24S-35E 21-24S-35E	A1
30-025-53675	JOHN CALLAHAN FEDERAL COM #224H	E/2 E/2 E/2 E/2	16-24S-35E 21-24S-35E	A1
30-025-54297	JOHN CALLAHAN FEDERAL COM #113H	W/2 E/2 W/2 E/2 NW/4 NE/4	16-24S-35E 21-24S-35E 28-24S-35E	A2

30-025-54317	JOHN CALLAHAN FEDERAL COM #123H	E/2 W/2	16-24S-35E	A2
		E/2 W/2	21-24S-35E	
		NW/4 NE/4	28-24S-35E	
30-025-54318	JOHN CALLAHAN FEDERAL COM #133H	E/2 W/2	16-24S-35E	A2
		E/2 W/2	21-24S-35E	
		NW/4 NE/4	28-24S-35E	
30-025-54300	JOHN CALLAHAN FEDERAL COM #223H	W/2 E/2	16-24S-35E	A2
		W/2 E/2	21-24S-35E	
		NW/4 NE/4	28-24S-35E	
30-025-54298	JOHN CALLAHAN FEDERAL COM #137H	E/2	21-24S-35E	A3
		NW/4 NE/4	28-24S-35E	
30-025-53672	JOHN CALLAHAN FEDERAL COM #209H	E/2	21-24S-35E	A3
		NW/4 NE/4	28-24S-35E	
30-025-54299	JOHN CALLAHAN FEDERAL COM #217H	E/2	21-24S-35E	A3
		NW/4 NE/4	28-24S-35E	

Sante Fe Main Office
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General Information
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Online Phone Directory
<https://www.emnrd.nm.gov/oed/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 482473

CONDITIONS

Operator: MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240	OGRID: 228937
	Action Number: 482473
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

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 .	7/8/2025