CONCLUSIONS OF LAW

9. 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.

10. 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.

11. 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.

12. 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.

13. 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.

14. 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.

15. 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. 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 PA Pooled Area as defined in Applicant's

Form C-102 ("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 a 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 commingling application to OCD to conform this Order with the approved PA 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 PA Pooled Area in proportion to the acreage that each lease bears to the entire acreage of the PA Pooled Area until the PA Pooled Area is included in a PA. After a PA Pooled Area is included in a PA, the oil and gas production from the PA 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.

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

   During the initial production period, the oil and gas production for each well identified in Exhibit A shall be allocated using a production curve calculated from a minimum of ten (10) well tests per month, except that any day in which a well test cannot achieve an accurate result due to a temporary change in oil and gas production shall not be included in the computation of time determining the well test schedule. The production curve shall be calculated by interpolating daily production for each day using the known daily production obtained by well tests and shall use a method of interpolation that is at minimum as accurate

as maintaining a constant rate of change for each day's production between the known daily production values.

During the plateau period, the oil and gas production for each well identified in Exhibit A shall be allocated using a minimum of three (3) well tests per month.

During the decline period, the oil and gas production for each well identified in Exhibit A shall be allocated as follows: (a) a minimum of three (3) well tests per month when the decline rate is greater than twenty-two percent (22%) per month; (b) a minimum of two (2) well tests per month when the decline rate is between twenty-two percent (22%) and ten percent (10%) per month; and (c) a minimum of one (1) well test per month when the decline rate is less than ten percent (10%) per month.

Upon OCD's request, Applicant shall submit a Form C-103 to the OCD Engineering Bureau that contains 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 that 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.

The well test requirements of this Order shall be suspended for any well shut-in for a period that continues for more than fifteen (15) days until the well commences production.

5. 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.

6. 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.

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. 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.

9. 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.

10. 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.

11. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.

12. 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).

13. 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

DATE: 7/10/2025

ALBERT CHANG
DIRECTOR

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: PLC-982
Operator: XTO Permian Operating, LLC (373075)
Central Tank Battery: Poker Lake Unit 30 BS Central Tank Battery
Central Tank Battery Location: UL F, Section 30, Township 25 South, Range 31 East
Gas Title Transfer Meter Location: UL A, Section 30, Township 25 South, Range 31 East
Gas Title Transfer Meter Location: UL C, Section 30, Township 25 South, Range 31 East
Gas Title Transfer Meter Location: UL E, Section 30, Township 25 South, Range 31 East
Gas Title Transfer Meter Location: UL G, Section 30, Township 25 South, Range 31 East

Pools

Pool Name	Pool Code
WILDCAT BIG SINK; BONE SPRING	96654
WILDCAT G-015 S263001O; BONE SPRING	97814
WILDCAT G-06 S253002O; BONE SPRING	97913
PURPLE SAGE; WOLFCAMP (GAS)	98220

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
PA Wolfcamp Poker Lake NMNM 105723200 (071016AU)	S/2	25-25S-30E
	S/2	26-25S-30E
	ALL	35-25S-30E
	ALL	36-25S-30E
	S/2	16-25S-31E
	S/2	17-25S-31E
	S/2	18-25S-31E
	ALL	19-25S-31E
	ALL	20-25S-31E
	ALL	21-25S-31E
	SW/4 SW/4	22-25S-31E
	NW/4 NW/4	27-25S-31E
	ALL	28-25S-31E
	ALL	29-25S-31E
	ALL	30-25S-31E
	ALL	31-25S-31E
	ALL	32-25S-31E
	ALL	33-25S-31E
	ALL	04-26S-31E
	E/2	06-26S-31E
PROPOSED PA Bone Spring Poker Lake Unit A	SE/4	30-25S-31E
	E/2	31-25S-31E
	E/2	6-26S-31E
PROPOSED PA Bone Spring Poker Lake Unit B	H I P	30-25S-31E
	E/2 E/2	31-25S-31E

	E/2 E/2	6-26S-31E
PROPOSED PA Bone Spring Poker Lake Unit C	W/2 SW/4	30-25S-31E
	W/2 W/2	31-25S-31E
PROPOSED PA Bone Spring Poker Lake Unit D	E/2 SW/4	30-25S-31E
	E/2 W/2	31-25S-31E
PROPOSED PA Bone Spring Poker Lake Unit E	SE/4	18-25S-31E
	E/2	19-25S-31E
	NE/4	30-25S-31E
PROPOSED PA Bone Spring Poker Lake Unit F	SW/4	18-25S-31E
	W/2	19-25S-31E
	NW/4	30-25S-31E
PROPOSED PA Bone Spring Poker Lake Unit G	J K N O	18-25S-31E
	E/2 W/2, W/2 E/2	19-25S-31E
	B C F G	30-25S-31E
PROPOSED PA Bone Spring Poker Lake Unit H	J K N O	17-25S-31E
	E/2 W/2, W/2 E/2	20-25S-31E
	B C F G	29-25S-31E
PROPOSED PA Bone Spring Poker Lake Unit I	SE/4	17-25S-31E
	E/2	20-25S-31E
	NE/4	29-25S-31E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-46940	Poker Lake Unit 30 BS #101H	SW/4	30-25S-31E	98220
		W/2	31-25S-31E	
30-015-46936	Poker Lake Unit 30 BS #103H	SW/4	30-25S-31E	98220
		W/2	31-25S-31E	
30-015-46941	Poker Lake Unit 30 BS #121H	SW/4	30-25S-31E	98220
		W/2	31-25S-31E	
30-015-46942	Poker Lake Unit 30 BS #122H	SW/4	30-25S-31E	98220
		W/2	31-25S-31E	
30-015-46943	Poker Lake Unit 30 BS #124H	SW/4	30-25S-31E	98220
		W/2	31-25S-31E	
30-015-46910	Poker Lake Unit 30 BS #161H	SW/4	30-25S-31E	98220
		W/2	31-25S-31E	
30-015-46934	Poker Lake Unit 30 BS #163H	SW/4	30-25S-31E	98220
		W/2	31-25S-31E	
30-015-46950	Poker Lake Unit 30 BS #164H	SW/4	30-25S-31E	98220
		W/2	31-25S-31E	
30-015-53289	Poker Lake Unit 30 19 BS #125H	SE/4	30-25S-31E	98220
		E/2	31-25S-31E	
		E/2	6-26S-31E	
30-015-53290	Poker Lake Unit 30 19 BS #126H	SE/4	30-25S-31E	98220
		E/2	31-25S-31E	
		E/2	6-26S-31E	

30-015-46939	Poker Lake Unit 30 BS #105H	SE/4 E/2 E/2	30-25S-31E 31-25S-31E 6-26S-31E	98220
30-015-46948	Poker Lake Unit 30 BS #107H	SE/4 E/2 E/2	30-25S-31E 31-25S-31E 6-26S-31E	98220
30-015-46949	Poker Lake Unit 30 BS #125H	SE/4 E/2 E/2	30-25S-31E 31-25S-31E 6-26S-31E	98220
30-015-46945	Poker Lake Unit 30 BS #128H	SE/4 E/2 E/2	30-25S-31E 31-25S-31E 6-26S-31E	98220
30-015-47099	Poker Lake Unit 30 BS #167H	SE/4 E/2 E/2	30-25S-31E 31-25S-31E 6-26S-31E	98220
30-015-53440	Poker Lake Unit 30 19 BS #155H	SE/4 W/2 NW/4 E/2 NE/4	19-25S-31E 29-24S-31E 30-25S-31E	98220
30-015-53441	Poker Lake Unit 30 19 BS #102H	SW/4 W/2 NW/4	18-25S-31E 19-25S-31E 30-25S-31E	98220
30-015-53540	Poker Lake Unit 30 19 BS #121H	SW/4 W/2 NW/4	18-25S-31E 19-25S-31E 30-25S-31E	98220
30-015-53538	Poker Lake Unit 30 19 BS #122H	SW/4 W/2 NW/4	18-25S-31E 19-25S-31E 30-25S-31E	98220
30-015-53439	Poker Lake Unit 30 19 BS #154H	SW/4 W/2 NW/4	18-25S-31E 19-25S-31E 30-25S-31E	98220
30-015-53547	Poker Lake Unit 30 19 BS #103H	J K N O E/2 W/2, W/2 E/2 B C F G	18-25S-31E 19-25S-31E 30-25S-31E	98220
30-015-53535	Poker Lake Unit 30 19 BS #153H	E/2, NW/4 NE/4	19-25S-31E 30-25S-31E	98220
30-015-55948	Poker Lake Unit 30 BS #309H	SE/4 E/2 E/2	30-25S-31E 31-25S-31E 6-26S-31E	97913
30-015-55949	Poker Lake Unit 30 BS #310H	SE/4 E/2 E/2	30-25S-31E 31-25S-31E 6-26S-31E	97913
30-015-55947	Poker Lake Unit 30 BS #408H	SE/4 E/2 E/2	30-25S-31E 31-25S-31E 6-26S-31E	97913
30-015-55945	Poker Lake Unit 30 BS #410H	SE/4 E/2 E/2	30-25S-31E 31-25S-31E 6-26S-31E	97913

30-015-55946	Poker Lake Unit 30 BS #409H	H I P E/2 E/2 E/2 E/2	30-25S-31E 31-25S-31E 6-26S-31E	97913
30-015-55950	Poker Lake Unit 30 BS #108H	W/2 SW/4 W/2 W/2	30-25S-31E 31-25S-31E	97814
30-015-55951	Poker Lake Unit 30 BS #109H	W/2 SW/4 W/2 W/2	30-25S-31E 31-25S-31E	97814
30-015-55952	Poker Lake Unit 30 BS #110H	E/2 SW/4 E/2 W/2	30-25S-31E 31-25S-31E	97814
30-015-53544	Poker Lake Unit 30 19 BS #104H	SE/4 E/2	18-25S-31E 19-25S-31E	97913
30-015-53545	Poker Lake Unit 30 19 BS #105H	SE/4 E/2 NE/4	18-25S-31E 19-25S-31E 30-25S-31E	97913
30-015-53543	Poker Lake Unit 30 19 BS #107H	SE/4 E/2 NE/4	18-25S-31E 19-25S-31E 30-25S-31E	97913
30-015-53438	Poker Lake Unit 30 19 BS #124H	SW/4 W/2	18-25S-31E 19-25S-31E	97913
30-015-53536	Poker Lake Unit 30 19 BS #151H	SW/4 W/2 NW/4	18-25S-31E 19-25S-31E 30-25S-31E	97913
30-015-53532	Poker Lake Unit 30 19 BS #158H	SW/4 W/2 NW/4	18-25S-31E 19-25S-31E 30-25S-31E	97913
30-015-53537	Poker Lake Unit 30 19 BS #127H	J K N O E/2 W/2, W/2 E/2	18-25S-31E 19-25S-31E	97913
30-015-53541	Poker Lake Unit 30 19 BS #108H	J K N O E/2 W/2, W/2 E/2 B C F G	17-25S-31E 20-25S-31E 29-25S-31E	96654
30-015-53533	Poker Lake Unit 30 19 BS #156H	SE/4 E/2 NE/4	17-25S-31E 20-25S-31E 29-25S-31E	96654

Sante Fe Main Office
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General Information
Phone: (505) 629-6116

Online Phone Directory
https://www.emnrd.nm.gov/ocd/contact-us

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

CONDITIONS

Operator: XTO PERMIAN OPERATING LLC. 6401 HOLIDAY HILL ROAD MIDLAND, TX 79707	OGRID: 373075
	Action Number: 485542
	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.	7/16/2025