

**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. PLC-1031

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 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 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.
4. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
5. 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.
6. 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.
7. 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.

CONCLUSIONS OF LAW

8. 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.
9. 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.

10. 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.
11. 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.
12. 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.
13. 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.
14. 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. 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.
3. 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.

4. 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.
5. 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.

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. 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.
8. 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.
9. 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.
10. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
11. 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).
12. 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 C. S. CHANG
DIRECTOR**

DATE: 9/20/2025

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: **PLC-1031**

Operator: **XTO Permian Operating, LLC (373075)**

Central Tank Battery: **Poker Lake Unit 21 Dog Town Draw Central Vessel Battery**

Central Tank Battery Location: **UL M, Section 16, Township 24 South, Range 30 East**

Gas Title Transfer Meter Location: **UL M, Section 16, Township 24 South, Range 30 East**

Pools

Pool Name	Pool Code
WILDCAT S243006B;LWR BONE SPRING	97753
WILDCAT G-06 S243026M;BONE SPRING	97798
PURPLE SAGE;WOLFCAMP (GAS)	98220

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
BLM Lease NMNM 105442540 (0002864)	SE4	31-23S-30E
	S2	33-23S-30E
BLM Lease NMNM 105625988 (NMLC 0069108)	N2	33-23S-30E
BLM Lease NMNM 105557224 (NMLC 0068430)	ALL	05-24S-30E
	ALL	09-24S-30E
	S2	15-24S-30E
	W2	21-24S-30E
	SE4, S2SW	22-24S-30E
	E2	33-24S-30E
	ALL	04-24S-30E
BLM Lease NMNM 105465677 (NMLC 0068431)	ALL	08-24S-30E
	N2	15-24S-30E
	E2	21-24S-30E
	NW4, N2SW	22-24S-30E
	W2	33-24S-30E
	NE4	22-24S-30E
BLM Lease NMNM 105316692 (0002862)	ALL	26-24S-30E
	N2, SW4	27-24S-30E
	N2, E2SW, SWSW	28-24S-30E
	NWNW	34-24S-30E
	ALL	16-24-30E
SLO Lease E0-5558-0005	ALL	16-24-30E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-50185	POKER LAKE UNIT 21 DTD #175H	E2	33-23S-30E	97798
		E2	04-24S-30E	
		E2	09-24S-30E	
		E2	16-24S-30E	
		N2NE	21-24S-30E	

30-015-50200	POKER LAKE UNIT 21 DTD #177H	E2	33-23S-30E	97798
		E2	04-24S-30E	
		E2	09-24S-30E	
		E2	16-24S-30E	
		N2NE	21-24S-30E	
30-015-50184	POKER LAKE UNIT 21 DTD #174H	E2	33-23S-30E	98220
		E2	04-24S-30E	
		E2	09-24S-30E	
		E2	16-24S-30E	
		N2NE	21-24S-30E	
30-015-50199	POKER LAKE UNIT 21 DTD #176H	E2	33-23S-30E	98220
		E2	04-24S-30E	
		E2	09-24S-30E	
		E2	16-24S-30E	
		N2NE	21-24S-30E	
30-015-53215	POKER LAKE UNIT 21 DTD #105H	NE4	21-24S-30E	97798
		E2	28-24S-30E	
		NE4	33-24S-30E	
30-015-53217	POKER LAKE UNIT 21 DTD #107H	NE4	21-24S-30E	97798
		E2	28-24S-30E	
		NE4	33-24S-30E	
30-015-53216	POKER LAKE UNIT 21 DTD #108H	NE4	21-24S-30E	97798
		E2	28-24S-30E	
		NE4	33-24S-30E	
30-015-53222	POKER LAKE UNIT 21 DTD #127H	NE4	21-24S-30E	97798
		E2	28-24S-30E	
		NE4	33-24S-30E	
30-015-53254	POKER LAKE UNIT 21 DTD #154H	NE4	21-24S-30E	97798
		E2	28-24S-30E	
		NE4	33-24S-30E	
30-015-53204	POKER LAKE UNIT 21 DTD #101H	NW4	21-24S-30E	97798
		W2	28-24S-30E	
		NW4	33-24S-30E	
30-015-53218	POKER LAKE UNIT 21 DTD #121H	NW4	21-24S-30E	97798
		W2	28-24S-30E	
		NW4	33-24S-30E	
30-015-53381	POKER LAKE UNIT 21 DTD #171H	NW4	21-24S-30E	97798
		W2	28-24S-30E	
		NW4	33-24S-30E	
30-015-53260	POKER LAKE UNIT 21 DTD #173H	NW4	21-24S-30E	97798
		W2	28-24S-30E	
		NW4	33-24S-30E	
30-015-53382	POKER LAKE UNIT 21 DTD #181H	NW4	21-24S-30E	97798
		W2	28-24S-30E	
		NW4	33-24S-30E	
30-015-53214	POKER LAKE UNIT 21 DTD #102H	ALL	21-24S-30E	98220
		ALL	28-24S-30E	
		N2	33-24S-30E	

30-015-53228	POKER LAKE UNIT 21 DTD #103H	ALL	21-24S-30E	98220
		ALL	28-24S-30E	
		N2	33-24S-30E	
30-015-53219	POKER LAKE UNIT 21 DTD #122H	ALL	21-24S-30E	98220
		ALL	28-24S-30E	
		N2	33-24S-30E	
30-015-53220	POKER LAKE UNIT 21 DTD #123H	ALL	21-24S-30E	98220
		ALL	28-24S-30E	
		N2	33-24S-30E	
30-015-53221	POKER LAKE UNIT 21 DTD #125H	ALL	21-24S-30E	98220
		ALL	28-24S-30E	
		N2	33-24S-30E	
30-015-53223	POKER LAKE UNIT 21 DTD #128H	ALL	21-24S-30E	98220
		ALL	28-24S-30E	
		N2	33-24S-30E	
30-015-53252	POKER LAKE UNIT 21 DTD #151H	ALL	21-24S-30E	98220
		ALL	28-24S-30E	
		N2	33-24S-30E	
30-015-53253	POKER LAKE UNIT 21 DTD #152H	ALL	21-24S-30E	98220
		ALL	28-24S-30E	
		N2	33-24S-30E	
30-015-53255	POKER LAKE UNIT 21 DTD #155H	ALL	21-24S-30E	98220
		ALL	28-24S-30E	
		N2	33-24S-30E	
30-015-53256	POKER LAKE UNIT 21 DTD #157H	ALL	21-24S-30E	98220
		ALL	28-24S-30E	
		N2	33-24S-30E	
30-015-53257	POKER LAKE UNIT 21 DTD #158H	ALL	21-24S-30E	98220
		ALL	28-24S-30E	
		N2	33-24S-30E	
30-015-53258	POKER LAKE UNIT 21 DTD #168H	ALL	21-24S-30E	98220
		ALL	28-24S-30E	
		N2	33-24S-30E	
30-015-53259	POKER LAKE UNIT 21 DTD #172H	ALL	21-24S-30E	98220
		ALL	28-24S-30E	
		N2	33-24S-30E	
30-015-53261	POKER LAKE UNIT 21 DTD #178H	ALL	21-24S-30E	98220
		ALL	28-24S-30E	
		N2	33-24S-30E	
30-015-53262	POKER LAKE UNIT 21 DTD #182H	ALL	21-24S-30E	98220
		ALL	28-24S-30E	
		N2	33-24S-30E	
30-015-53263	POKER LAKE UNIT 21 DTD #183H	ALL	21-24S-30E	98220
		ALL	28-24S-30E	
		N2	33-24S-30E	

30-015-53265	POKER LAKE UNIT 21 DTD #185H	ALL	21-24S-30E	98220
		ALL	28-24S-30E	
		N2	33-24S-30E	
30-015-53264	POKER LAKE UNIT 21 DTD #187H	ALL	21-24S-30E	98220
		ALL	28-24S-30E	
		N2	33-24S-30E	

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

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 508389

CONDITIONS

Operator: XTO PERMIAN OPERATING LLC. 6401 HOLIDAY HILL ROAD MIDLAND, TX 79707	OGRID: 373075
	Action Number: 508389
	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 .	9/23/2025