State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division

January 14, 2020

CENTRAL TANK BATTERY

Administrative Order CTB-929

XTO Energy, Inc.
Attention: Tracie Cherry
6401 Holiday Hill Rd. Bldg 5 Midland, TX 79707

Pursuant to your application received on December 20, 2020, XTO Energy, Inc. ('Operator") is hereby authorized to surface commingle oil and gas production and off-lease measure from the wells and associated leases identified in Exhibit A and incorporated by reference into this Order. The wells are located in Section 30, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico.

The oil and gas production from the Severus 31 Federal Com 4H (30-025-43418) and the Severus 31 5 Federal Com 12H (30-025-46224) shall be determined as follows:

The oil and gas production from the Severus 31 Federal Com 4H (30-025-43418) and the Severus 31 5 Federal Com 12H (30-025-46224) shall each flow into its own dedicated three phase separator. The production stream shall be separated into 3 independent streams and each stream shall be measured individually before commingling. Additional gas gathered from process equipment after commingling shall be measured and allocated to each well based on the individual well's production.

The oil and gas production from the remainder of the wells identified in Exhibit A shall be determined as follows:

For purposes of allocating oil and gas production, the life of each well shall be divided into three ranges. Those ranges shall be the initial production period, initial plateau period, and decline period. The initial production period is defined as from first production to when the peak production rate has been reached. The initial plateau period is defined as from after the peak production rate has been reached to until the peak decline rate has been reached. The decline period is defined as any time after the peak decline rate has been reached.

For each well during the initial production period, the oil and gas production shall be separated into three independent streams and each stream shall be measured individually before commingling.

For each well in the initial plateau and decline periods, the oil and gas production shall be allocated using well tests. Each well test shall consist of a period of time with a duration greater than or equal to 24 hours in which the oil and gas production from the well being tested shall be separated into three independent streams and each stream shall be measured individually before commingling. Each well test may consist of the combination of nonconsecutive periods of time provided the following two conditions are met; (a) each period of time must have a duration greater than or equal to 6 hours; and (b) the summation of the periods of time must have a duration greater than or equal to 24 hours.

For each well during the initial plateau period, the minimum number of well tests that shall be required is **Four well tests per month**.

For each well during the decline period, the minimum number of well tests that shall be required each month shall be contingent upon the well's decline rate and is as follows:

Four well tests per month while the decline rate is **greater than 21% per month**.
Three well tests per month while the decline rate is **between 21% and 13% per month**.
Two well tests per month while the decline rate is **between 13% and 6% per month**.
One well test per month while the decline rate is **less than 6% per month**.

Operator shall submit a Sundry Notice (C-103) to the Engineering Bureau in Santa Fe when the planned number of well tests per month decreases due to the well transitioning to a production period in which the well requires fewer well tests per month. The Sundry Notice shall include a production curve and a decline rate curve demonstrating that the well meets the conditions to require fewer well tests per month.

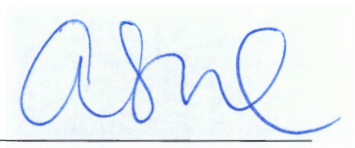
The commingled oil production from all the wells identified in Exhibit A shall be measured either by a lease automatic custody transfer ("LACT") meter or by a run ticket mutually agreed upon by Operator and the oil transporter. The measurement and sell of the commingled oil production shall occur at the respective central tank battery ("CTB") described in Exhibit A.

The commingled gas production from all the wells identified in Exhibit A shall be measured at the gas gathering point described in Exhibit A using a custody transfer meter except when the gas pipeline is experiencing problems at which time the commingled gas production from the wells shall be measured using the appropriate meters.

Operator may add subsequently drilled wells to this Order in accordance with Division Rule 19.15.12.10(C)(4)(g) NMAC by submitting a completed C-107B to the Engineering Bureau in Santa Fe via the OCD Fee Portal.

The allocation meters shall be calibrated in accordance with Division Rule 19.15.12.10(C)(2) NMAC.

This approval is subject to like approval from the Bureau of Land Management and the New Mexico State Land Office.



Adrienne Sandoval
Director

AS/dm

cc: OCD – Engineering Bureau
OCD – Hobbs District Office
Bureau of Land Management
New Mexico State Land Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: CTB-929 Date: 01/14/20
Operator: XTO Energy, Inc. (5380)
Central Tank Battery: Severus East Tank Battery
Central Tank Battery Location: Section 30, Township 20 South, Range 34 East, NMPM
Gas Custody Transfer Meter Location: Section 30, Township 20 South, Range 34 East, NMPM

Pools

Pool Name	Pool Code	Pool Name	Pool Code
WC-025 G-08 S213304D; BONE SPRING	97895		

Leases

NMNM 139265 CA
NMNM 139264 CA
NMNM 139266 CA
NMNM 041769

Wells

Well API	Well Name	Location	Pool Code	Train
30-025-43415	Severus 31 Federal Com 1H	O-30-20S-34E	97895	1
30-025-43416	Severus 31 Federal Com 2H	O-30-20S-34E	97895	1
30-025-43417	Severus 31 Federal Com 3H	N-30-20S-34E	97895	1
30-025-43418	Severus 31 Federal Com 4H	M-30-20S-34E	97895	
30-025-46190	Severus 31 5 Federal Com 9H	O-30-20S-34E	97895	1
30-025-46375	Severus 31 5 Federal Com 10H	O-30-20S-34E	97895	1
30-025-46223	Severus 31 5 Federal Com 11H	N-30-20S-34E	97895	1
30-025-46224	Severus 31 5 Federal Com 12H	M-30-20S-34E	97895	