

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: CROSS TIMBERS ENERGY, LLC **OGRID Number:** 298299
Well Name: NEW MEXICO AE STATE #26 **API:** 30-025-28271
Pool: VACUUM; ABO REEF **Pool Code:** 61780

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	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	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.

CONNIE BLAYLOCK

Print or Type Name

Connie Blaylock
 Signature

04/05/2022
 Date

817-334-7882
 Phone Number

cblaylock@mspartners.com
 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: CROSS TIMBERS ENERGY, LLC
OPERATOR ADDRESS: 400 W 7TH ST, FORT WORTH, TX 76102
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

Table with 5 columns: (1) Pool Names and Codes, Gravities / BTU of Non-Commingled Production, Calculated Gravities / BTU of Commingled Production, Calculated Value of Commingled Production, Volumes. Rows include VACUUM; ABO and VACUUM; BLINEBRY.

(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: [Signature] TITLE: REGULATORY ANALYST DATE: 04/05/2022
TYPE OR PRINT NAME: CONNIE BLAYLOCK TELEPHONE NO.: 817-334-7882
E-MAIL ADDRESS: cblaylock@mspartners.com

CROSS TIMBERS ENERGY, LLC

TO Adrienne Sandoval, Director
Oil Conservation Division
New Mexico Department of Energy, Minerals, and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

FROM Cross Timbers Energy, LLC

DATE April 1, 2022

RE Application for Surface Commingle (Diverse Ownership)

Cross Timbers Energy, LLC, OGRID 298299, requests approval for surface pool and lease commingle of oil and gas from all existing and future wells in Sec 11 & W2 of Sec 12, T 18S, R 34E, Lea County, within the Vacuum; Abo and Vacuum; Blinebry pools, for Lease New Mexico AE State.

Pursuant to Rule 19.15.12.10.C (4)(g), it is requested that additional leases and/or pools connected to this central tank battery may be added with notice only to the owners of interest within these future spacing units.

Additionally, approval to add infill wells in the future by sundry only with no required owner notification or amendment is requested.

Oil and gas production from these spacing units will be commingled and sold at the NM AE State battery, which is operated by Cross Timbers Energy, LLC. Production from the Blinebry pool is assigned to MorningStar Operating LLC. Prior to commingling, gas production from each spacing unit will be separately metered using calibrated meters. Oil production from each spacing unit will also be separately metered prior to commingling using turbine meters.

Thank you for your consideration and review of this application.

Respectfully,



Connie Blaylock

Regulatory Analyst

MorningStar Partners, LP / Cross Timbers Energy, LLC / MorningStar Operating LLC

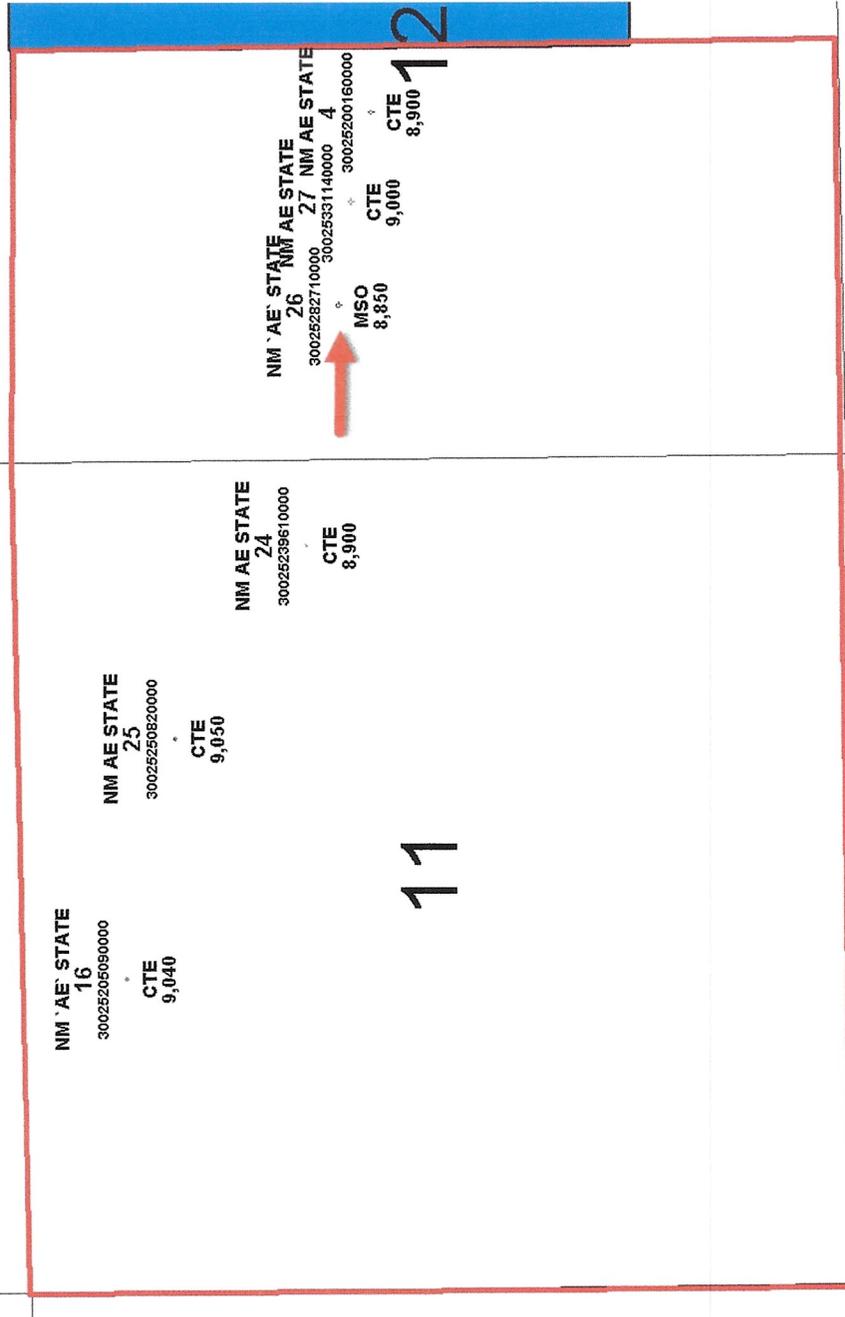


NEW MEXICO AE STATE LEASE

Production by Well

Well Name	Location	API	Operator	Pool	Oil BPD	Gravity	MSCFPD	BTU
NM AE State 9	C-12-18S-34E	30-025-20165	Cross Timbers Energy, LLC	Abo, 61780	6	39	6	1465
NM AE State 16	C-11-18S-34E	30-025-20509	Cross Timbers Energy, LLC	Abo, 61780	7	39	8	1465
NM AE State 25	B-11-18S-34E	30-025-25082	Cross Timbers Energy, LLC	Abo, 61780	1	39	25	1465
NM AE State 26	E-12-18S-34E	30-025-28271	Morning Star Operating, LLC	PROPOSED Blinebry, 61850	*20	*38	*50	*1400

Lease Map
 Cross Timbers Energy, LLC & MorningStar Operating LLC
 NM AE State
 Section 11 & W/2 of Section 12 - T 18S - R 34E Lea County, NM



District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone: (575) 393-6162 Fax: (575) 393-0720

District II
 811 S. Ford St., Artesia, NM 88210
 Phone: (575) 748-1283 Fax: (575) 748-9720

District III
 1008 Rio Huerfano Road, Aztec, NM 87410
 Phone: (505) 334-6178 Fax: (505) 334-6170

District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505
 Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
 Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Form C-102
 Revised August 1, 2011
 Submit one copy to appropriate
 District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-28271		² Pool Code 61780		³ Pool Name VACUUM; ABO REEF	
⁴ Property Code 332465		⁵ Property Name NEW MEXICO AE STATE			⁶ Well Number 026
⁷ OGRID No. 330132		⁸ Operator Name MORNINGSTAR OPERATING LLC			⁹ Elevation 3933 GL

¹⁰ Surface Location

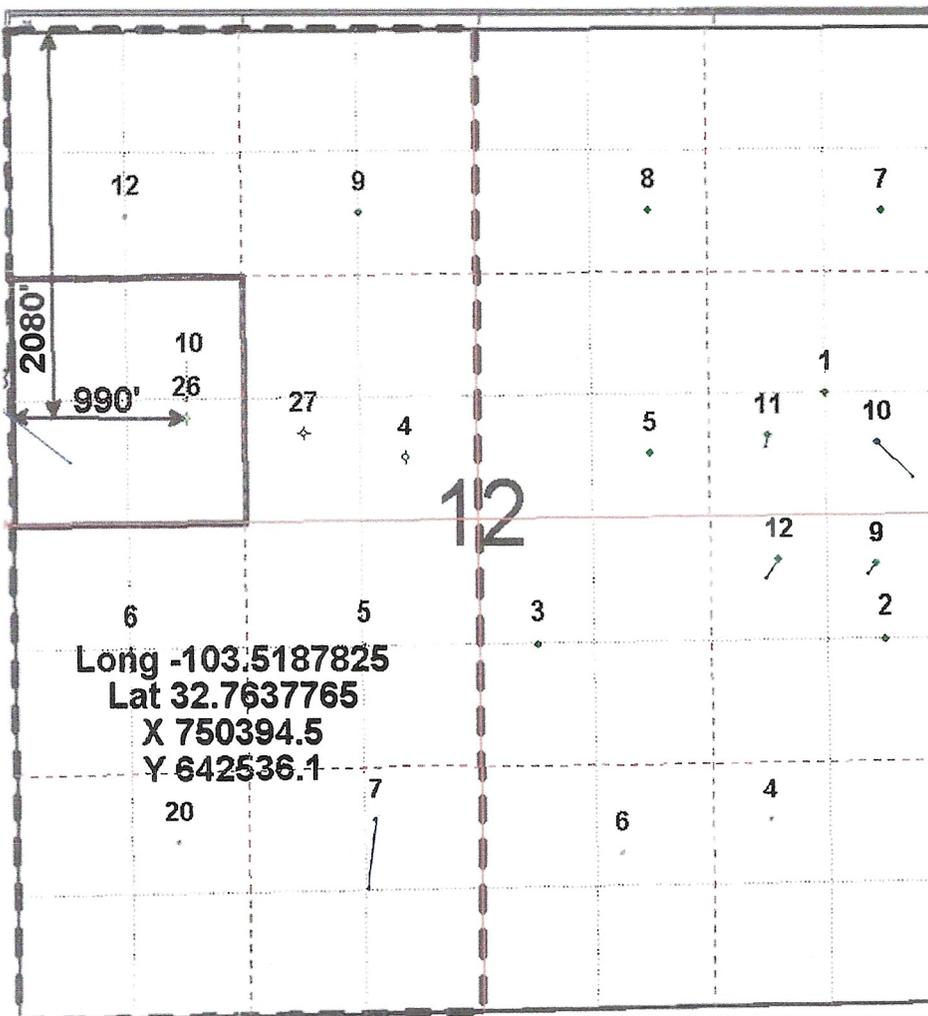
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	12	18S	34E		2080	N	990	W	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



" OPERATOR CERTIFICATION
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well or this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the state.

Connie Blaylock 2/18/22
 Signature Date

Connie Blaylock
 Printed Name

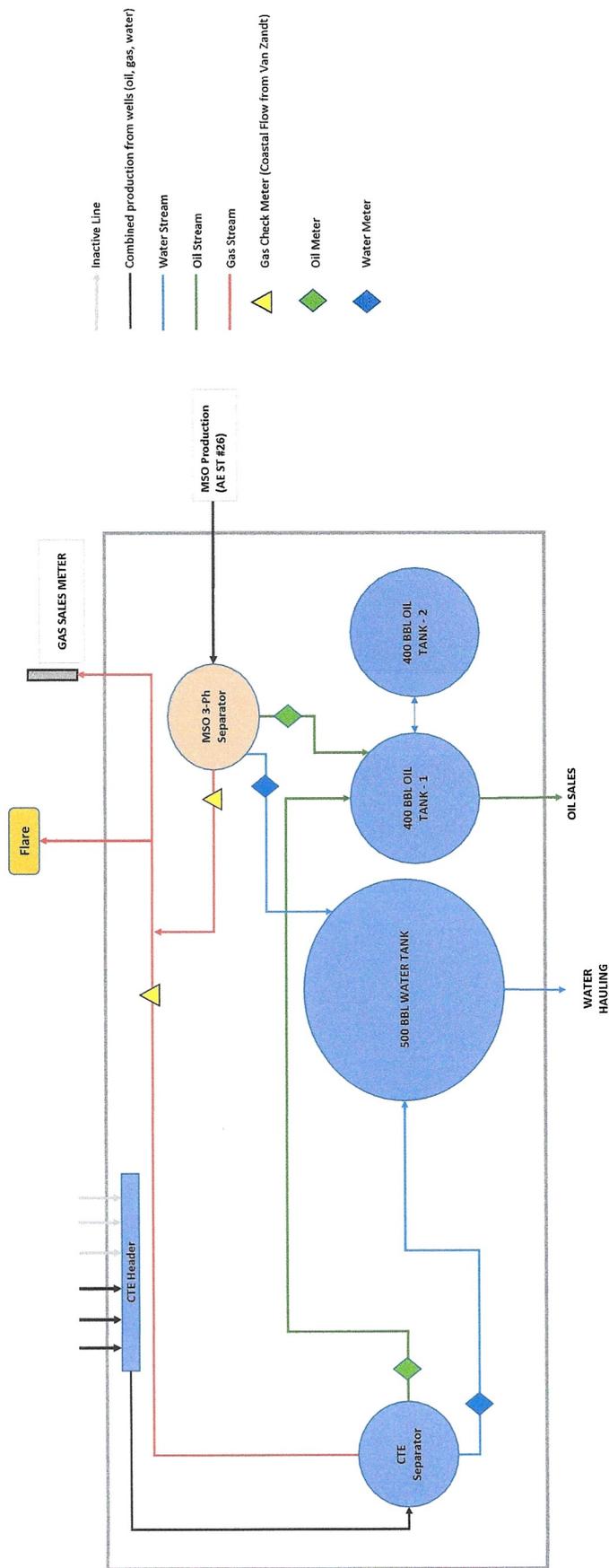
cblaylock@mspartner.com
 E-mail Address

"SURVEYOR CERTIFICATION
 I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey
 Signature and Seal of Professional Surveyor

Certificate Number

**Facility Diagram
NIM AE State Battery
Cross Timbers Energy, LLC & MorningStar Operating LLC
Lea County, NM**



CROSS TIMBERS ENERGY, LLC

Certified Mail – Return Receipt

Date: April 4, 2022

Re: Surface Pool Lease Commingling Application (Diverse Ownership): New Mexico AE State Lease

Dear Sir/Madam:

Enclosed please find Cross Timbers Energy, LLC's application to commingle production at its NM AE State Battery, located in Lea County, New Mexico, filed this date with the New Mexico Oil Conservation Division (NMOCD).

Any objections or requests for hearing regarding this application must be submitted to the New Mexico Oil Conservation Division, Santa Fe Office, within 20 days from the date that the NMOCD receives this application.

Cross Timbers Energy, LLC respectfully requests authority to add additional wells contained within the spacing units identified and approved in this application by filing a C-103Z sundry and a C-102 plat with the NMOCD. Notice to owners shall not be required when amending the application to add wells contained within the spacing units previously approved for commingling authority.

Pursuant to Rule 19.15.12.10 C (4) (g), Cross Timbers Energy, LLC respectfully requests the option to include additional pools or leases connected to this tank battery with notice only to interest owners.

For questions regarding this application, please contact me at 817-334-7882, or by email at cblylock@mspartner.com.

Kind regards,

Cross Timbers Energy, LLC

By: 

Connie Blaylock
Regulatory Analyst



Commingling Application for New Mexico AE State Lease

Cross Timbers Energy, LLC

EXHIBIT A: Notice List

Commissioner of Public Lands *Certified Mail*

State of New Mexico

P.O. Box 1148

Santa Fe, NM 87504-1148

Bisco, Inc. *Certified Mail*

Attn: John Bissett

P.O. Box 1055

Lovington, NM 88260

MorningStar Operating LLC *Hand-delivered*

400 W 7th Street

Fort Worth, TX 76102

Copies of this application were mailed or hand-delivered to these individuals, companies, and organizations on or before April 11, 2022.



Connie Blaylock

Cross Timbers Energy, LLC

CROSS TIMBERS ENERGY, LLC
400 W 7TH ST
FORT WORTH TX 76102-4701

USPS CERTIFIED MAIL



9407 1118 9876 5843 2437 49

COMMISSIONER OF PUBLIC LANDS
STATE OF NEW MEXICO
PO BOX 1148
SANTA FE NM 87504-1148



\$4.48 US POSTAGE

FIRST-CLASS
Apr 05 2022
Mailed from ZIP 76102
2 oz First-Class Mail Letter

11923275



stamps
endicia

062S0012913542

CROSS TIMBERS ENERGY, LLC
400 W 7TH ST
FORT WORTH TX 76102-4701

USPS CERTIFIED MAIL



9407 1118 9876 5843 2431 07

BISCO, INC.
JOHN BISSETT
PO BOX 1055
LOVINGTON NM 88260-1055



\$4.48 US POSTAGE
FIRST-CLASS
Apr 05 2022
Mailed from ZIP 76102
2 oz First-Class Mail Letter

11923275



062S0012913542

Revised March 23, 2017

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 - 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: CROSS TIMBERS ENERGY, LLC	OGRID Number: 298299
Well Name: NEW MEXICO AE STATE #26	API: 30-025-28271
Pool: VACUUM; ABO REEF	Pool Code: 61780

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	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	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.

CONNIE BLAYLOCK

 Print or Type Name

 Signature

04/05/2022

 Date

817-334-7882

 Phone Number

cblaylock@mspartners.com

 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: CROSS TIMBERS ENERGY, LLC
OPERATOR ADDRESS: 400 W 7TH ST, FORT WORTH, TX 76102
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
VACUUM: ABO	39 / 1465	38.5 / 1432		
VACUUM: BLINEBRY	38 / 1400			

- (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: Connie Blaylock TITLE: REGULATORY ANALYST DATE: 04/05/2022
 TYPE OR PRINT NAME CONNIE BLAYLOCK TELEPHONE NO.: 817-334-7882
 E-MAIL ADDRESS: cblaylock@mspartners.com

CROSS TIMBERS ENERGY, LLC

TO Adrienne Sandoval, Director
Oil Conservation Division
New Mexico Department of Energy, Minerals, and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

FROM Cross Timbers Energy, LLC

DATE April 14, 2022

RE Application for Surface Commingle (Diverse Ownership)

Cross Timbers Energy, LLC, OGRID 298299, requests approval for surface pool and lease commingle of oil and gas from all existing and future wells in Sec 11 & W2 of Sec 12, T 18S, R 34E, Lea County, within the Vacuum; Abo and Vacuum; Blinebry pools, for Lease New Mexico AE State.

Pursuant to Rule 19.15.12.10.C (4)(g), it is requested that additional leases and/or pools connected to this central tank battery may be added with notice only to the owners of interest within this lease.

Additionally, approval to add infill wells in the future by sundry only with no required owner notification or amendment is requested.

Oil and gas production from the lease will be commingled and sold at the NM AE State battery, which is operated by Cross Timbers Energy, LLC. The battery and gas sales meter are located in the SE/4 of the NW/4 of Section 12-18S-34E. Production from the Blinebry pool is assigned to MorningStar Operating LLC. Prior to commingling, gas production from each pool will be separately metered using calibrated meters. Oil production from each pool will also be separately metered prior to commingling using turbine meters.

Thank you for your consideration and review of this application.

Respectfully,



Connie Blaylock
Regulatory Analyst
MorningStar Partners, LP / Cross Timbers Energy, LLC / MorningStar Operating LLC

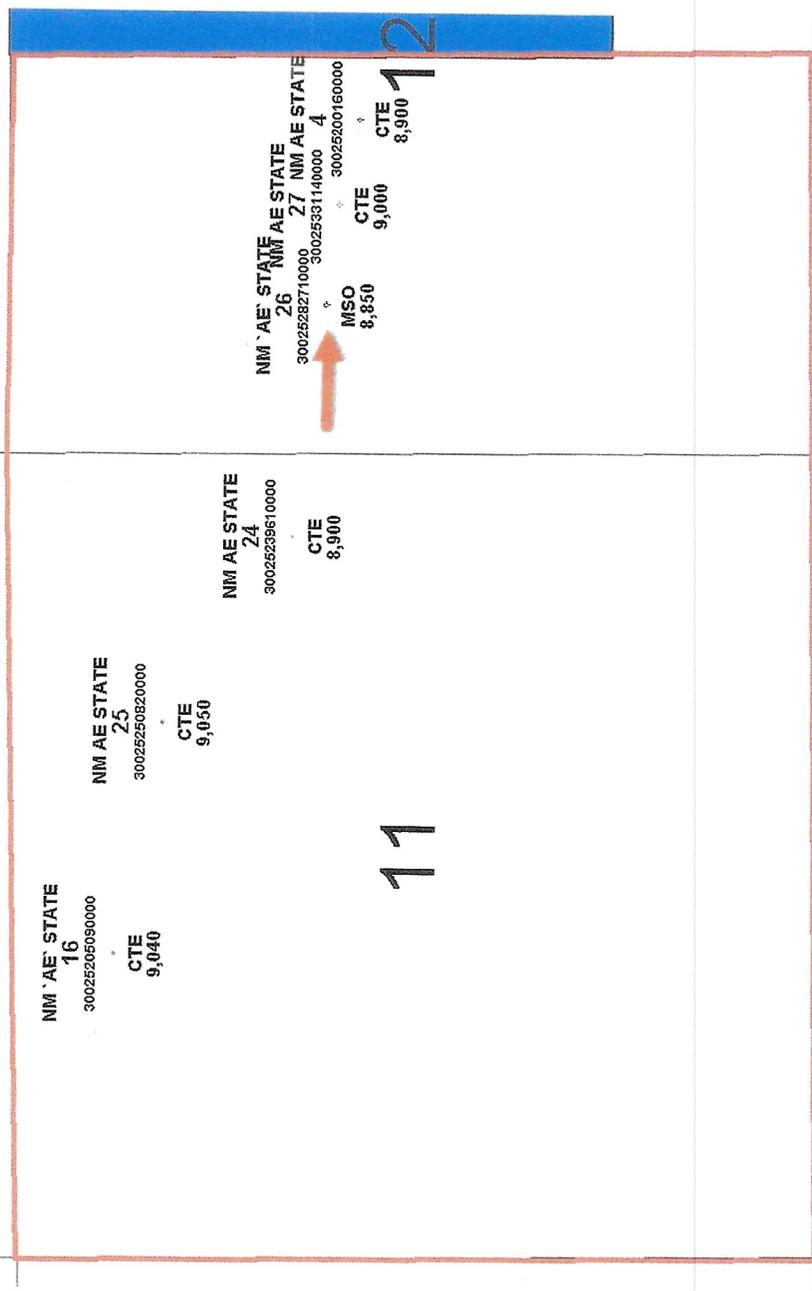


NEW MEXICO AE STATE LEASE

Production by Well

Well Name	Location	API	Operator	Pool	Oil BPD	Gravity	MSCFPD	BTU
NM AE State 9	C-12-18S-34E	30-025-20165	Cross Timbers Energy, LLC	Abo, 61780	6	39	6	1465
NM AE State 16	C-11-18S-34E	30-025-20509	Cross Timbers Energy, LLC	Abo, 61780	7	39	8	1465
NM AE State 25	B-11-18S-34E	30-025-25082	Cross Timbers Energy, LLC	Abo, 61780	1	39	25	1465
NM AE State 26	E-12-18S-34E	30-025-28271	Morning Star Operating, LLC	PROPOSED Blinebry, 61850	*20	*38	*50	*1400

Lease Map
 Cross Timbers Energy, LLC & MorningStar Operating LLC
 NM AE State
 Section 11 & W/2 of Section 12 - T 18S - R 34E Lea County, NM



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) 746-1263 Fax: (575) 746-9720

District III
1608 Las Brazos Road, Aztec, NM 87410
Phone: (505) 334-6176 Fax: (505) 334-6170

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-28271		² Pool Code 61780		³ Pool Name VACUUM; ABO REEF	
⁴ Property Code 332465		⁵ Property Name NEW MEXICO AE STATE			⁶ Well Number 026
⁷ UGRID No. 330132		⁸ Operator Name MORNINGSTAR OPERATING LLC			⁹ Elevation 3933 GL

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	12	18S	34E		2080	N	990	W	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

Long -103.5187825
Lat 32.7637765
X 750394.5
Y 642536.1

"OPERATOR CERTIFICATION"
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill that well or this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Connie Blaylock 2/18/22
Signature Date

Connie Blaylock
Printed Name

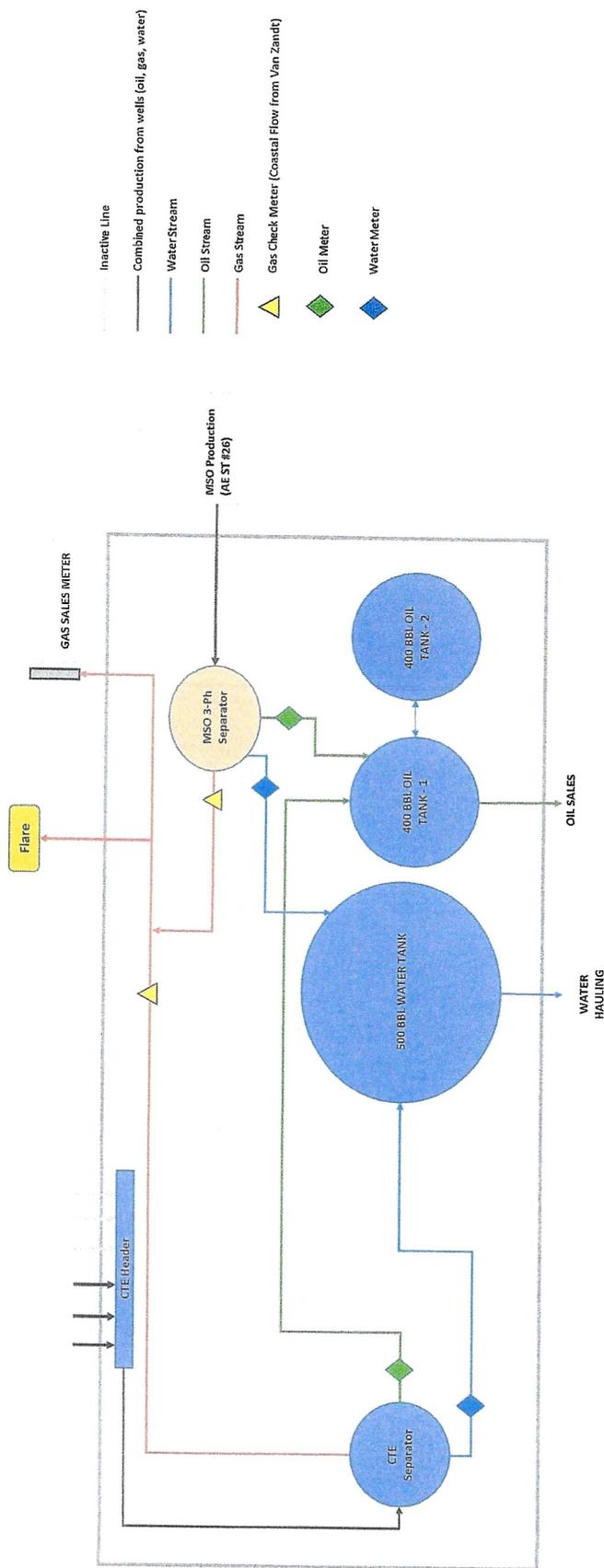
cblaylock@mspartners.com
E-mail Address

"SURVEYOR CERTIFICATION"
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey
Signature and Seal of Professional Surveyor

Certificate Number

Facility Diagram
NM AE State Battery
Cross Timbers Energy, LLC & MorningStar Operating LLC
Lea County, NM



CROSS TIMBERS ENERGY, LLC

Certified Mail – Return Receipt

Date: April 14, 2022

Re: Surface Pool Lease Commingling Application (Diverse Ownership): New Mexico AE State Lease

Dear Sir/Madam:

Enclosed please find Cross Timbers Energy, LLC's application to commingle production at its NM AE State Battery, located in Lea County, New Mexico, filed this date with the New Mexico Oil Conservation Division (NMOCD).

Any objections or requests for hearing regarding this application must be submitted to the New Mexico Oil Conservation Division, Santa Fe Office, within 20 days from the date that the NMOCD receives this application.

Cross Timbers Energy, LLC respectfully requests authority to add additional wells contained within the lease identified and approved in this application by filing a C-103Z sundry and a C-102 plat with the NMOCD. Notice to owners shall not be required when amending the application to add wells contained within the lease previously approved for commingling authority.

Pursuant to Rule 19.15.12.10 C (4) (g), Cross Timbers Energy, LLC respectfully requests the option to include additional pools or leases connected to this tank battery with notice only to interest owners.

For questions regarding this application, please contact me at 817-334-7882, or by email at cblaylock@mspartners.com.

Kind regards,

Cross Timbers Energy, LLC

By: 
Connie Blaylock
Regulatory Analyst



Commingling Application for New Mexico AE State Lease

Cross Timbers Energy, LLC

EXHIBIT A: Notice List

Commissioner of Public Lands *Certified Mail*

State of New Mexico

P.O. Box 1148

Santa Fe, NM 87504-1148

Bisco, Inc. *Certified Mail*

Attn: John Bissett

P.O. Box 1055

Lovington, NM 88260

MorningStar Operating LLC *Hand-delivered*

400 W 7th Street

Fort Worth, TX 76102

Copies of this application were mailed or hand-delivered to these individuals, companies, and organizations on or before April 15, 2022.



Connie Blaylock

Cross Timbers Energy, LLC

Cross Timbers Energy, LLC
400 W 7TH ST
FORT WORTH TX 76102-4701

\$5.31 US POSTAGE
FIRST-CLASS
Apr 14 2022
Mailed from ZIP 76102
3 oz First-Class Mail Flats Rate



11923275
062S0012913542

USPS CERTIFIED MAIL



9407 1118 9876 5875 0236 16

State of New Mexico
Commissioner of Public Lands
PO BOX 1148
SANTA FE NM 87504-1148



Cross Timbers Energy, LLC
400 W 7TH ST
FORT WORTH TX 76102-4701

\$5.31 US POSTAGE
FIRST-CLASS
Apr 14 2022
Mailed from ZIP 76102
3 oz First-Class Mail Flats Rate



062S0012913542

11923275

USPS CERTIFIED MAIL



9407 1118 9876 5875 0235 24

Bisco, Inc
John Bissett
PO BOX 1055
LOVINGTON NM 88260-1055



From: [Engineer, OCD, EMNRD](#)
To: [Connie Blaylock](#)
Cc: [McClure, Dean, EMNRD](#); [Kautz, Paul, EMNRD](#); [Wrinkle, Justin, EMNRD](#); [Powell, Brandon, EMNRD](#); lisa@rwbyram.com; [Dawson, Scott](#)
Subject: Approved Administrative Order PLC-809
Date: Friday, June 3, 2022 12:35:21 PM
Attachments: [PLC809 Order.pdf](#)

NMOCD has issued Administrative Order PLC-809 which authorizes Cross Timbers Energy, LLC (298299) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-20165	New Mexico AE State #9	C	12-18S-34E	61780
30-025-20509	New Mexico AE State #16	C	11-18S-34E	61780
30-025-25082	New Mexico AE State #25	B	11-18S-34E	61780
30-025-28271	New Mexico AE State #26	E	12-18S-34E	61850

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. If you have any questions regarding this matter, please contact me.

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

From: [Connie Blaylock](#)
To: [McClure, Dean, EMNRD](#)
Cc: [Deanna Poindexter](#); [Holly Wood](#); [Amy Byars](#)
Subject: [EXTERNAL] Surface commingling application PLC-809 NM AE State
Date: Thursday, April 14, 2022 12:05:58 PM
Attachments: [Re-Notice Packet C-107 Surface Commingle NM AE State.pdf](#)

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Hi Dean,

Please see the attached Re-Notice Packet for the C-107 Surface Commingle Application for the NM AE State lease.

The interest owner listing is included, and this packet will be send out certified mail to them today. Thank you for your help!

Have a nice Easter +,
Connie

From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Sent: Thursday, April 14, 2022 11:40 AM
To: Connie Blaylock <cblaylock@mspartners.com>
Cc: Deanna Poindexter <dpindexter@mspartners.com>
Subject: RE: [EXTERNAL] RE: EXTERNAL:surface commingling application PLC-809 NM AE State

Hello Connie,

No, I am not seeing others. I only thought there were from our phone conversation, but I must have misunderstood.

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

From: Connie Blaylock <cblaylock@mspartners.com>
Sent: Thursday, April 14, 2022 10:24 AM
To: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Cc: Deanna Poindexter <dpindexter@mspartners.com>
Subject: RE: [EXTERNAL] RE: EXTERNAL:surface commingling application PLC-809 NM AE State

Hi Dean,

Just another question about the interest owners – other than MorningStar and Cross Timbers, there are two additional owners that were originally determined and noticed, the SLO and Bisco, Inc. Are you seeing others? Attached is the Word doc that was included in the original packet, and excel sheet (not included originally) with more information.

Thanks,

Connie

From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Sent: Thursday, April 14, 2022 11:00 AM
To: Connie Blaylock <cblaylock@mspartners.com>
Cc: Deanna Poindexter <dpoindester@mspartners.com>; Holly Wood <hwood@mspartners.com>; Amy Byars <abyars@mspartners.com>
Subject: RE: [EXTERNAL] RE: EXTERNAL:surface commingling application PLC-809 NM AE State

Hello Connie,

The amended language is good.

The interest owners will need to be provided the entire packet again as re-notice is required.

Within the original application, only one additionally interest owner was identified. Once new notice has been provided, please provide a list of all working, royalty, and overriding royalty interest owners which were provided notice along with the tracking numbers for those notices.

The documents will not need to be submitted online. However, once notice has been conducted please provide me with the amended packet via email including the list of interest owners referenced above.

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

From: Connie Blaylock <cblaylock@mspartners.com>
Sent: Thursday, April 14, 2022 8:01 AM
To: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Cc: Deanna Poindexter <dpoindester@mspartners.com>; Holly Wood <hwood@mspartners.com>; Amy Byars <abyars@mspartners.com>
Subject: [EXTERNAL] RE: EXTERNAL:surface commingling application PLC-809 NM AE State

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Good morning, Dean,

Attached is the revised letter to clarify the intentions of Cross Timbers Energy and MorningStar Operating regarding the surface commingle application for the NM AE State lease.

I believe I incorrectly used the term "spacing units" in the original letter. Hopefully, this will address the questions you asked in the email below.

The gas sales meter is located at the battery, which is located in the SE/4 of the NW/4 of Section 12-

18S-34E. This information has been added to the letter.

Please advise if additional information is needed for approval of the commingle application.

Will the interest owners need to be sent the packet again?

Will the C-107 and supporting docs need to be submitted online again?

Thank you,

Connie Blaylock

Regulatory Compliance

MorningStar Partners, L.P. | MorningStar Operating LLC | Cross Timbers Energy, LLC | Southland Royalty Company, LLC

400 West 7th Street | Fort Worth, Texas 76102

Direct Line: 817.334.7882

cblaylock@mspartners.com

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

Sent: Thursday, April 07, 2022 11:31 AM

To: Connie Blaylock <cblaylock@mspartners.com>

Subject: EXTERNAL:surface commingling application PLC-809

Ms. Blaylock,

I am reviewing surface commingling application PLC-809 which involves a commingling project that includes the NM AE State Battery and is operated by Cross Timbers Energy, LLC (298299).

Please provide the quarter quarter location for the battery. Additionally, please provide the quarter quarter of the gas sales meter if is located differently than the battery.

if I recall our prior conversation correctly, is it correct that there is a difference in ownership between the Abo and Blinebry formations?

From prior conversations it seems like Cross Timber's intent may have been to request that the production from each lease and pool be allowed to be metered separately. However, within your application you directly reference the spacing units. Please note that a spacing unit is not a lease nor is recognized as such in Part 12 of the NMAC. Additionally, each of the 4 wells in this case have their own individual spacing units which would imply that your intent is to meter each well separately, something which the facility does not seem to be designed for.

Presuming that I am correct regarding Cross Timber's intent for allocation, then the application will need to be amended and a change in allocation method to be more lenient is considered a major modification which will require new notification of the amended application. The 20 day notice period will restart once this notification has been sent. To avoid the notice period, a written statement from the interest owners confirming they do not protest the application may be submitted. An email response is sufficient to qualify as a written statement.

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
OIL CONSERVATION DIVISION**

**APPLICATION FOR SURFACE COMMINGLING
SUBMITTED BY CROSS TIMBERS ENERGY, LLC**

ORDER NO. PLC-809

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. Cross Timbers Energy, LLC (“Applicant”) submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells identified 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 intends to segregate the oil and gas production from each lease and from each pool within that lease as identified in Exhibit B from the oil and gas production from all other pools and leases prior to measuring the production from each pool and lease with an allocation meter.
4. 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.
5. 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.
6. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
7. 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.
8. Applicant in the notice for the Application stated that it sought authorization to add additional pools, leases, and wells and identified the parameters to make such additions.

9. 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 identified 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 identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery 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 identified 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 identified in Exhibit A at a central tank battery described in Exhibit A.

2. This Order supersedes Order CTB-259.

3. The allocation of oil and gas production to each pool and lease identified in Exhibit B shall be determined by separating and metering the production from each pool and lease as described by Group ID in Exhibit B prior to commingling that production with production from any other pool and lease.
4. The allocation of oil and gas production to wells not included in Exhibit A but that produce from a pool and lease identified 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.
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 or lease identified 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**



**ADRIENNE E. SANDOVAL
DIRECTOR**

DATE: Jun 3, 2022

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: PLC-809

Operator: Cross Timbers Energy, LLC (298299)

Central Tank Battery: NM AE State Battery

Central Tank Battery Location: UL F, Section 12, Township 18 South, Range 34 East

Gas Title Transfer Meter Location: UL F, Section 12, Township 18 South, Range 34 East

Pools

Pool Name	Pool Code
VACUUM; ABO REEF	61780
VACUUM; BLINEBRY	61850

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
BO 12580003 (ABO)	All	11-18S-34E
	W/2	12-18S-34E
BO 12580003 (BLINEBRY)	All	11-18S-34E
	W/2	12-18S-34E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-20165	New Mexico AE State #9	C	12-18S-34E	61780
30-025-20509	New Mexico AE State #16	C	11-18S-34E	61780
30-025-25082	New Mexico AE State #25	B	11-18S-34E	61780
30-025-28271	New Mexico AE State #26	E	12-18S-34E	61850

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit B

Order: **PLC-809**
Operator: **Cross Timbers Energy, LLC (298299)**

Pools

Pool Name	Pool Code
VACUUM; ABO REEF	61780
VACUUM; BLINEBRY	61850

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
BO 12580003 (ABO)	All	11-18S-34E
	W/2	12-18S-34E
BO 12580003 (BLINEBRY)	All	11-18S-34E
	W/2	12-18S-34E

Pools within each Lease

Lease	Pool Code	Group ID
BO 1250003 (ABO)	61780	AA
BO 1250003 (BLINEBRY)	61850	BB

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Group ID
30-025-20165	New Mexico AE State #9	C	12-18S-34E	AA
30-025-20509	New Mexico AE State #16	C	11-18S-34E	AA
30-025-25082	New Mexico AE State #25	B	11-18S-34E	AA
30-025-28271	New Mexico AE State #26	E	12-18S-34E	BB

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 96203

CONDITIONS

Operator: CROSS TIMBERS ENERGY, LLC 400 West 7th Street Fort Worth, TX 76102	OGRID: 298299
	Action Number: 96203
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	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 contact me.	6/3/2022