

**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-983

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.
8. Applicant submitted or intends to submit one or more application(s) to the BLM or NMSLO, as applicable, to form or revise a participating area (“PA”) and has identified the acreage of each lease within each spacing unit (“PA Pooled Area”) to be included in the application(s), as described in Exhibit A.
9. This Order is associated with Order CTB-974 which authorizes in-full or in-part the commingling of Gas production from the pools, leases, and wells 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. 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
DIRECTOR**

DATE: 8/13/2025

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: **PLC-983**

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

Central Tank Battery: **Poker Lake Unit 29 Bing Sinks West Central Tank Battery**

Central Tank Battery Location: **UL C, F, Section 29, Township 25 South, Range 31 East**

Central Tank Battery: **Poker Lake Unit 29 Bing Sinks East Central Tank Battery (Satellite)**

Central Tank Battery Location: **UL A, B, G, H, Section 29, Township 25 South, Range 31 East**

Gas Title Transfer Meter Location: **UL A, B, C, F, H, Section 29, Township 25 South, Range 31 East**

Pools

Pool Name	Pool Code
WILDCAT BIG SINK;BONE SPRING	96654
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 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
	SWSW	22-25S-31E
	NWNW	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
	E2	06-26S-31E
SLO Lease B1-0757-0012	E2SE	16-25S-31E
	E2SW	32-25S-31E
SLO Lease B1-0757-0013	NENE, W2SE	16-25S-31E
	NW4, W2SW	32-25S-31E
SLO Lease B1-0676-00022	W2	16-25S-31E
	N2NE	32-25S-31E

BLM Lease NMNM 105313878 (NMLC 0063079A)	N2, SW4	24-25S-30E
	N2, SW4	25-25S-30E
	SW4	17-25S-31E
	SW4	18-25S-31E
	W2, NE4	19-25S-31E
BLM Lease NMNM 105447046 (0157756B)	SE4	17-25S-31E
BLM Lease NMNM 105415137 (NMLC 0061862A)	NWNE, N2NW, S2N2	21-25S-31E
BLM Lease NMNM 105442338 (NMLC 0061634A)	E2SW	20-25S-31E
BLM Lease NMNM 105504581 (NMLC 0061634B)	N2, W2SW	20-25S-31E
	NENW, W2W2	29-25S-31E
	NE4, W2	30-25S-31E
	NE4, W2	31-25S-31E
BLM Lease NMNM 105314492 (0157756A)	SE4	20-25S-31E
	SE4	29-25S-31E
	SE4	30-25S-31E
	SE4	31-25S-31E
BLM Lease NMNM 105315075 (NMLC 0062140A)	SW4	21-25S-31E
	NWNW	27-25S-31E
	NW4, W2NE, NENE	28-25S-31E
	NE4	29-25S-31E
BLM Lease NMNM 105468255 (NMLC 0063136A)	W2SW	27-25S-31E
	S2	28-25S-31E
	SE4	29-25S-31E
BLM Lease NMNM 105447021 (NMLC 0062140)	SE4	21-25S-31E
	SWNW	27-25S-31E
	SENE	28-25S-31E

Wells				
Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-45880	POKER LAKE UNIT 29 BS #128H	SE4	29-25S-31E	98220
		E2	32-25S-31E	
		E2	05-26S-31E	
30-015-45881	POKER LAKE UNIT 29 BS #707H	SE4	29-25S-31E	98220
		E2	32-25S-31E	
30-015-45914	POKER LAKE UNIT 29 BS #106H	SE4	29-25S-31E	98220
		E2	32-25S-31E	
		E2	05-26S-31E	
30-015-45916	POKER LAKE UNIT 29 BS #122H	SW4	29-25S-31E	98220
		W2	32-25S-31E	
30-015-45917	POKER LAKE UNIT 29 BS #127H	SE4	29-25S-31E	98220
		E2	32-25S-31E	
		E2	05-26S-31E	
30-015-45918	POKER LAKE UNIT 29 BS #701H	SW4	29-25S-31E	98220
		W2	32-25S-31E	
30-015-45919	POKER LAKE UNIT 29 BS #703H	SW4	29-25S-31E	98220
		W2	32-25S-31E	

30-015-45920	POKER LAKE UNIT 29 BS #903H	SW4 W2	29-25S-31E 32-25S-31E	98220
30-015-45932	POKER LAKE UNIT 29 BS #124H	SW4 W2	29-25S-31E 32-25S-31E	98220
30-015-45933	POKER LAKE UNIT 29 BS #125H	SE4 E2 E2	29-25S-31E 32-25S-31E 05-26S-31E	98220
30-015-45934	POKER LAKE UNIT 29 BS #104H	SW4 W2	29-25S-31E 32-25S-31E	98220
30-015-45935	POKER LAKE UNIT 29 BS #121H	SW4 W2	29-25S-31E 32-25S-31E	98220
30-015-45936	POKER LAKE UNIT 29 BS #901H	SW4 W2	29-25S-31E 32-25S-31E	98220
30-015-46174	POKER LAKE UNIT 29 BS #705H	SE4 E2	29-25S-31E 32-25S-31E	98220
30-015-46175	POKER LAKE UNIT 29 BS #102H	SW4 W2	29-25S-31E 32-25S-31E	98220
30-015-46510	POKER LAKE UNIT 29 BS #123H	SW4 W2	29-25S-31E 32-25S-31E	98220
30-015-49114	POKER LAKE UNIT 29 20 BS #158H	W2SW, SESW NESE	17-25S-31E 18-25S-31E	98220
		N2NW, SENW, SWNE, SE4	20-25S-31E	
		W2NW	28-25S-31E	
		E2NE	29-25S-31E	
30-015-49115	POKER LAKE UNIT 29 20 BS #154H	SE4 E2NE	18-25S-31E 19-25S-31E	98220
		W2NW, SW4	20-25S-31E	
		W2NE, NENW	29-25S-31E	
		N2SW, SESW, SWSE	18-25S-31E	
30-015-49116	POKER LAKE UNIT 29 20 BS #124H	NWNE, NENW, S2NE, E2SE4	19-25S-31E	98220
		W2SW	20-25S-31E	
		NW4	29-25S-31E	
		NESW, NWSE, S2SE	18-25S-31E	
30-015-49117	POKER LAKE UNIT 29 20 BS #104H	N2NE, SENE, NESE	19-25S-31E	98220
		SWNW, NWSW, S2SW	20-25S-31E	
		NWNE, NENW, SENW, SWNE	29-25S-31E	
		SWSW	17-25S-31E	
30-015-49119	POKER LAKE UNIT 29 20 BS #107H	E2SE	18-25S-31E	98220
		NW4, E2SW, W2SE	20-25S-31E	
		NE4	29-25S-31E	

30-015-49120	POKER LAKE UNIT 29 20 BS #127H	SWSW	17-25S-31E	98220
		N2SE, SESE	18-25S-31E	
		NENE	19-25S-31E	
		W2NW, SENW, SW4,SWSE	20-25S-31E	
30-015-49123	POKER LAKE UNIT 29 20 BS #103H	NWNE, S2NE, NENW	29-25S-31E	98220
		E2SW, W2SE	18-25S-31E	
		NE4, NESE	19-25S-31E	
		W2SW, SESW	20-25S-31E	
30-015-49183	POKER LAKE UNIT 29 20 BS #108H	N2NW, SENW, SWNE, NESW, NWSE, S2SE	29-25S-31E	98220
		W2SW	17-25S-31E	
		E2SE	18-25S-31E	
		SWNW	28-25S-31E	
30-015-53845	POKER LAKE UNIT 29 20 BS #125H	N2NE, SENE	29-25S-31E	96654
		W2SW	16-25S-31E	
		W2W2	21-25S-31E	
		W2NW	28-25S-31E	
30-015-54265	POKER LAKE UNIT 29 20 BS #151H	W2SW	16-25S-31E	96654
		W2W2	21-25S-31E	
		W2NW	28-25S-31E	
		E2SW, W2SE	16-25S-31E	
30-015-54267	POKER LAKE UNIT 29 20 BS #155H	E2W2, W2E2	21-25S-31E	96654
		W2NE, E2NW	28-25S-31E	
		E2SE	17-25S-31E	
		E2E2	20-25S-31E	
30-015-54395	POKER LAKE UNIT 29 20 BS #102H	E2NE	29-25S-31E	96654
		SW4	16-25S-31E	
		W2	21-25S-31E	
		NW4	28-25S-31E	
30-015-55076	POKER LAKE UNIT 29 20 BS #126H	E2SW	16-25S-31E	96654
		E2W2	21-25S-31E	
		E2NW	28-25S-31E	
		E2SW	17-25S-31E	
30-015-55077	POKER LAKE UNIT 29 20 BS #105H	E2W2	20-25S-31E	96654
		E2NW	29-25S-31E	
		W2SE	17-25S-31E	
		W2E2	20-25S-31E	
30-015-55079	POKER LAKE UNIT 29 20 BS #121H	W2NE	29-25S-31E	96654
		W2SW	29-25S-31E	
		W2W2	32-25S-31E	
		E2SW	29-25S-31E	
30-015-55080	POKER LAKE UNIT 29 20 BS #122H	E2W2	32-25S-31E	96654
		W2SE	29-25S-31E	
		W2E2	32-25S-31E	
		W2NE	29-25S-31E	
30-015-55957	POKER LAKE UNIT 29 BS #208H	W2SW	29-25S-31E	96654
		W2W2	32-25S-31E	
		E2SW	29-25S-31E	
		E2W2	32-25S-31E	
30-015-55958	POKER LAKE UNIT 29 BS #209H	W2SE	29-25S-31E	96654
		W2E2	32-25S-31E	
		W2NE	29-25S-31E	
		W2SW	29-25S-31E	
30-015-55959	POKER LAKE UNIT 29 BS #210H	W2W2	32-25S-31E	96654
		E2SW	29-25S-31E	
		E2W2	32-25S-31E	
		W2SE	29-25S-31E	

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 497033

CONDITIONS

Operator: XTO PERMIAN OPERATING LLC. 6401 HOLIDAY HILL ROAD MIDLAND, TX 79707	OGRID: 373075
	Action Number: 497033
	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 .	8/19/2025