

State of New Mexico
Energy, Minerals and Natural Resources Department

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Governor

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Adrienne Sandoval, Director
Oil Conservation Division



October 16, 2019

POOL/LEASE COMMINGLING

Administrative Order PLC-604

XTO Permian Operating, LLC
Attention: Tracie J. Cherry
6401 Holiday Hill Rd. Bldg 5 Midland, TX 79707

Pursuant to your application received on August 26, 2019, XTO Permian Operating, LLC ("XTO") is hereby authorized to surface commingle oil and gas production and off-lease measure from the following pools:

Nash Draw; Delaware/BS (Avalon Sand)	(47545)
Pierce Crossing; Bone Spring, East	(96473)

and from the wells and associated leases identified in the application, which is attached as Exhibit A and incorporated by reference into this Order. The wells are located in Sections 17, 18, 19, 20, and 30, Township 24 South, Range 30 East, NMPM, Eddy County, New Mexico. This order includes the wells that are currently shut-in which are identified in Exhibit A, in the event that they are restarted.

Production from the wells shall be determined as follows:

The oil and gas production from each Federal Lease shall flow into a dedicated 3-phase separator as described in Exhibit A. The production stream shall be separated into 3 independent streams and each stream shall be measured individually before commingling. The oil and gas production from each well within Federal Lease: NMNM 71016G shall be determined by monthly well tests as described in Exhibit A. Additional gas gathered from process equipment after commingling shall be measured and allocated to each well based on the individual well's production.

The commingled oil production from the wells shall be measured and sold at the respective central tank battery ("CTB") described in Exhibit A and measured by a lease automatic custody transfer ("LACT") meter.

The commingled gas production from the wells shall be measured at the CTB 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.

For future additions of wells and leases to this commingling operation, notice shall only be given to those interest owners in the wells and leases to be added, in accordance with Division Rule 19.15.12.10 C (4) (g) NMAC.

XTO may add subsequently drilled wells that produce from the approved pools within the project areas by submitting a Sundry Notice C-103 to the Engineering Bureau in Santa Fe.

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

This approval is subject to like approval from the Bureau of Land Management before commencing commingling operations.

XTO shall notify the Artesia District Office before commingling oil and gas production.

XTO shall comply with all Division Rules and Regulations.



Adrienne Sandoval
Director

AS/dm

cc: OCD – Engineering Bureau
 OCD – Artesia District Office
 Bureau of Land Management