

PEQTN-200110-C-107B 1380

Revised March 23, 2017

RECEIVED: 1/10/20	REVIEWER: DM	TYPE: PC	APP NO: pDM2001454500
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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: XTO Energy, Inc**OGRID Number:** 005382**Well Name:** Lone Watie 32 State & Shocker 32 State**API:** 30-015-45772 & 30-015-36220**Pool:** Purple Sage; Wolfcamp & Rock Spur; Bone Spring**Pool Code:** 98220 / 37060

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 holdersB. ☒ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☒ Notification and/or concurrent approval by SLOE. ☐ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☒ For all of the above, proof of notification or publication is attached, and/or,H. ☐ No notice required**FOR OCD ONLY**☐ Notice Complete
☐ 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.

Tracie J. Cherry, Regulatory Coordinator

Print or Type Name

Date

01/10/20

432-221-7379

Phone Number

tracie_cherry@xtoenergy.com

e-mail Address

Signature

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: XTO Energy, Inc (005380)
OPERATOR ADDRESS: 6401 Holiday Hill Rd. Bldg 5 Midland, TX 79707
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
Purple Sage; Wolfcamp (98220)	49.1 / 1124.7	44.7 / 1109.9		Crude w/gravity above 44 degrees but below 50 is sold as "WTI Light" based on market.	57 / 83
Rock Spur; Bone Spring (52775)	44.4 / 1109.8			Gas price is also market priced Price based on volume and combined BTU value at sales meter. Due to similarity in BTU, there should be no significant difference or sensitivity in price or allocation factors	850 / 6400

- (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: Tracie J. Cherry TITLE: Regulatory Coordinator DATE: 01/10/20

TYPE OR PRINT NAME Tracie J. Cherry TELEPHONE NO: 432-221-7379

E-MAIL ADDRESS: tracie_cherry@xtoenergy.com

Proposal for Lone Shocker Battery

XTO is requesting approval for Surface Commingle for the following:

Lone Watie 32 State 168H (Prop Code: 325120, API: 30-015-45772)

Purple Sage; Wolfcamp (98220)

Shocker 32 State 3H (Prop Code: 37060, API: 30-015-36220)

Rock Spur; Bone Spring (52775)

Both located:

SHL: NENE Sec 32 25S-29E

BHL: SESE Sec 32 25S-29E

Well Information and Lease Description

The Lone Shocker Battery ("battery") will be used as a common tank battery for these two (2) wells with diverse ownership, completed in different pools. The Lone Shocker tank battery shares a pad with the Thriller Federal tank battery; the production and metering are kept separate.

The battery has one (1), 750 bbl oil tank and two (2) 750 bbl produced water tanks on the location. Measured via LACT and truck hauled by the purchaser. The gas from the battery is sent to Lucid Energy (Lucid) through the gas sales meter on location.

Process Flow and Allocation Description

The flow of production is shown in detail on the enclosed facility diagram. A map is included with this application outlining lease boundaries, location of wells and facility.

Each well will be routed from their respective location to a dedicated 3-phase metering separator. Oil, gas and water will be measured separately and continuously from these separators using Coriolis test meters (oil), electronic flow meters (EFM) and mag meters (water).

The oil from both vessels is routed through a shared vertical heater treater (after metering) and stored in the oil tank on location. Oil is measured via LACT unit and truck hauled for sales. The LACT is the point of custody transfer. The LACT will be proven when installed and monthly thereafter.

Gas production from both wells is gathered into a shared gas line (after metering) allocated daily using the factor derived from the volumes recorded on the two (2) EFM meters the Lucid sales meter. All EFM gas meters are installed and calibrated per API requirements. The sales meter will be the custody transfer point for gas at this facility. During an emergency or pipeline restrictions, gas can be diverted to a (metered) flare on location.

Water production is measured using mag meters located off the separators. The water is stored in fiberglass water tanks and truck hauled from the facility for commercial disposal.

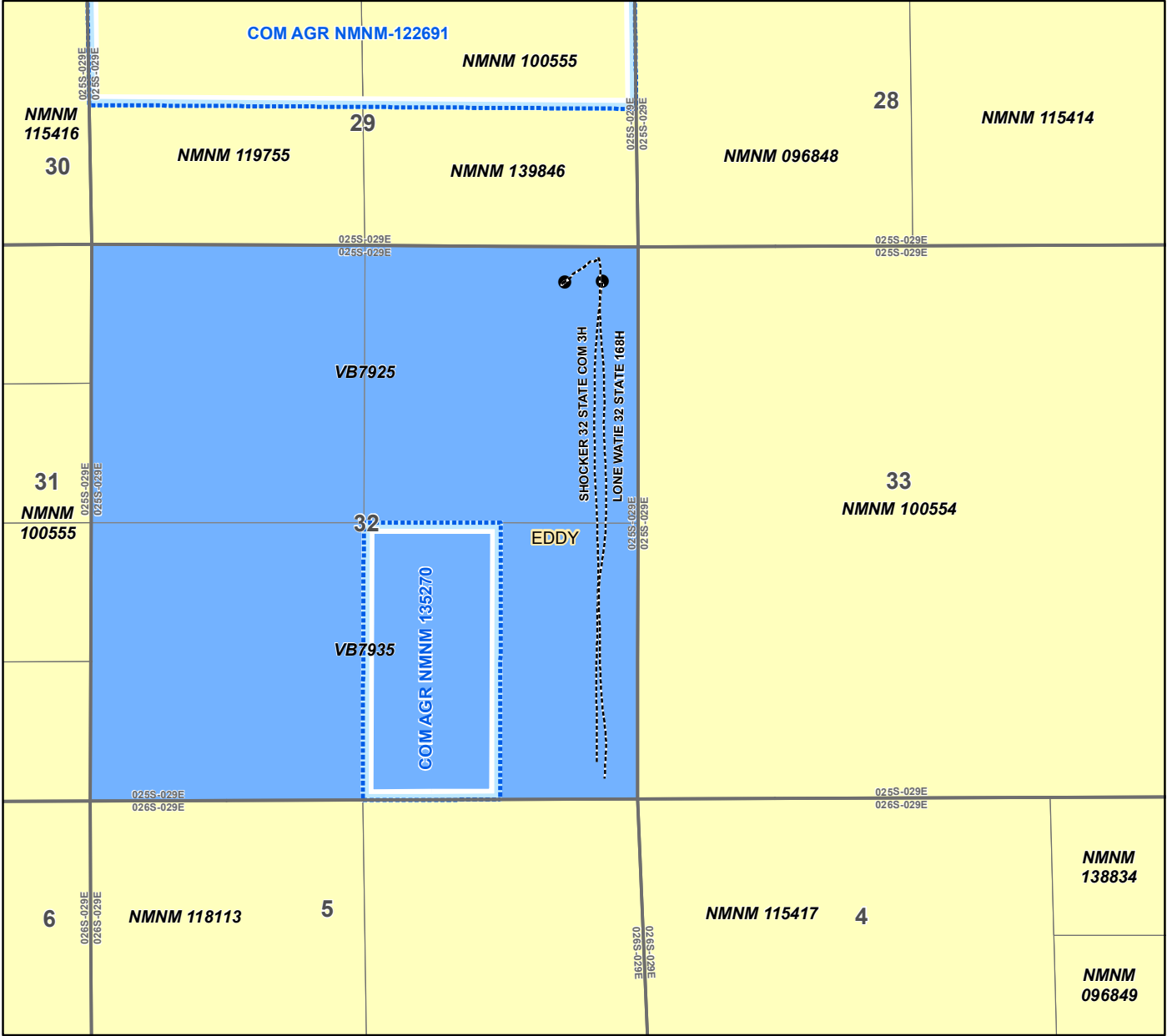
Summary:

The proposed commingling and allocation will not result in reduced royalty or improper measurement of production. Commingling of oil and gas production is necessary for the ultimate recovery of the minerals in place and to minimize waste. The proposed commingling will also reduce the surface facility footprint and overall emissions.

XTO ENERGY, INC. understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.

Working, royalty, and overriding interest owners are being notified of this proposal via certified mail.

Lone Watie 32 State,
Shocker 32 State wells
Eddy Co., NM
November 26, 2019



- surface hole location
- wellbore
- Communitization agreement
- State Lease
- Federal Lease

Certified Mailing List
XTO Energy Inc
Lone Shocker Battery
Eddy Co., NM

Certified Mailing	Name1	Address1	City	State	Zip
7017 2400 0001 0139 1846	OXY Y-1 COMPANY	PO BOX 4294	HOUSTON	TX	77210-4294
7016 2070 0000 9005 6768	FEATHERSTONE DEVELOPMENT CORP*	PO BOX 429	ROSWELL	NM	88202-0429
	PARROT HEAD PROPERTIES, LLC*	PO BOX 429	ROSWELL	NM	88202-0429
	PROSPECTOR LLC*	PO BOX 429	ROSWELL	NM	88202-0429
	BIG THREE ENERGY GROUP LLC*	PO BOX 429	ROSWELL	NM	88202-0429
7016 2070 0000 9005 6751	DEVON ENERGY PRODUCTION CO LP	20 N BROADWAY	OKLAHOMA CITY	OK	73102-8260
7016 2070 0000 9005 6744	VANGUARD OPERATING LLC	PO BOX 46094	HOUSTON	TX	77210-6094
7016 2070 0000 9005 6737	NESTEGG ENERGY CORPORATION	2308 SIERRA VISTA RD	ARTESIA	NM	88210
7016 2070 0000 9005 6720	NEW MEXICO COMMISSIONER OF PUBLIC LANDS	310 OLD SANTA FE TRAIL	SANTA FE	NM	87501

* Companies with the same mailing address
were notified with one mailing

I, Tracie J Cherry, do hereby certify the interest owners for the well(s) in the Lone Shocker Tank Battery were furnished a copy of XTO's application, via certified mail on this date.

Signed:



Tracie J. Cherry

Title:

Regulatory Coordinator

Date:

01/10/20

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 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
SANTA FE DISTRICT
1220 South St. Francis Dr.
Santa Fe, NM 87505

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

MAR 05 2019

☐ AMENDED REPORT

RECEIVED

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-45772	² Pool Code 98220	³ Pool Name Purple Sage WILDCAT, WOLFCAMP
⁴ Property Code 325120	⁵ Property Name LONE WATIE 32 STATE	
⁷ OGRID No. 005380	⁸ Operator Name XTO ENERGY, INC.	⁹ Well Number 168H ⁹ Elevation 2,980'

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
A	32	25 S	29 E		336	NORTH	695	EAST	EDDY

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
P	32	25 S	29 E		200	SOUTH	330	EAST	EDDY

¹² Dedicated Acres 160 320	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.

¹⁶ SEC. 29 A S.H.L. GRID AZ = 89°19'43" HORIZ. DIST. = 365.35' SEC. 32 T25S R29E GRID AZ = 180°02'56" HORIZ. DIST. = 4,778.69' C 330' D 330' E 330' F 330' SEC. 5 T26S R29E SEC. 4	SURFACE LOCATION NAD 27 NME Y = 397,536.5 X = 603,345.0 LAT. = 32.092504°N LONG. = 103.998622°W 	LAST TAKE POINT NAD 27 NME Y = 392,892.2 X = 603,708.2 LAT. = 32.079734°N LONG. = 103.998502°W 	¹⁷ 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 unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at 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. Kelly Kardos 3/4/19 Signature Date Kelly Kardos Printed Name kelly.kardos@xtoenergy.com E-mail Address
	FIRST TAKE POINT NAD 27 NME Y = 397,540.8 X = 603,710.3 LAT. = 32.092513°N LONG. = 103.998442°W 	BOTTOM HOLE LOCATION NAD 27 NME Y = 392,762.2 X = 603,708.2 LAT. = 32.079737°N LONG. = 103.998504°W 	
	CORNER COORDINATES TABLE NAD 27 NME A - Y = 397,875.5 N, X = 602,718.1 E B - Y = 397,869.2 N, X = 604,040.7 E C - Y = 395,218.7 N, X = 602,710.6 E D - Y = 395,218.1 N, X = 604,037.9 E E - Y = 392,558.1 N, X = 602,703.5 E F - Y = 392,563.5 N, X = 604,035.9 E 		
	CORNER COORDINATES TABLE NAD 83 NME A - Y = 397,933.6 N, X = 643,802.8 E B - Y = 397,927.3 N, X = 645,225.4 E C - Y = 395,278.7 N, X = 643,895.4 E D - Y = 395,276.1 N, X = 645,222.7 E E - Y = 392,616.1 N, X = 643,888.3 E F - Y = 392,621.5 N, X = 645,220.8 E 		
	SURFACE LOCATION NAD 83 NME Y = 397,594.6 X = 644,529.7 LAT. = 32.092629°N LONG. = 104.000108°W 	LAST TAKE POINT NAD 83 NME Y = 392,950.2 X = 644,891.0 LAT. = 32.079859°N LONG. = 103.998987°W 	¹⁸ 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. 02-22-2019 Date of Survey Signature and Seal of Professional Surveyor: MARK DILLON HARP 23786 Certificate Number AI 2019010140
	FIRST TAKE POINT NAD 83 NME Y = 397,598.9 X = 644,895.0 LAT. = 32.092637°N LONG. = 103.998928°W 	BOTTOM HOLE LOCATION NAD 83 NME Y = 392,820.2 X = 644,891.0 LAT. = 32.079501°N LONG. = 103.998989°W 	

RWP 3-7-19

District I
1625 N. French Dr., Hobbs, NM 88240

District II
1301 W. Grand Avenue, Artesia, NM 88210

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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 July 16, 2010
Submit one copy to appropriate
District Office

☒ **AMENDED REPORT**

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-36220	² Pool Code 96217	³ Pool Name ROCK SPUR BONE SANDS K2
⁴ Property Code 37060	Property Name Shocker 32 State	
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation	
		⁶ Well Number 3H
		⁹ Elevation 2983'GR

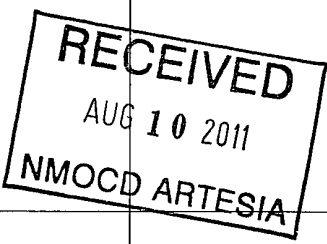
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	32	25S	29E		330	North	330	East	Eddy

¹¹ Bottom Hole Location If Different From Surface (Reported in standard location format)

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	32	25S	29E		342	South	380	East	Eddy
¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

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.

16		<p>Surface</p> <p>330'N 330'E</p>	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>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 unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at 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.</p> <p><i>Tina Huerta</i> August 8, 2011 Signature Date</p> <p>Tina Huerta Printed Name</p> <p>tinah@yatespetroleum.com E-mail Address</p>
			<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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</p>
			<p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p>
			<p>Certificate Number</p>

BHL

342'S
380'E