Received by OCD: 4/3/2020 4:19:08 PM

7TOEC_200403_C_107B 676

/ I QEC-2004	403-C-10/D 0			
RECEIVED: 4/3/20	REVIEWER:	TYPE: PI		^{D:} pDM2009950514
		above this table for o CO OIL CONSER Cal & Engineer ancis Drive, Sa	VATION DIVIS ing Bureau –	· (
	ADMINIST	ATIVE APPLICA	TION CHECKL	LIST
THIS CHECK	LIST IS MANDATORY FOR AI REGULATIONS WHICH RE			PTIONS TO DIVISION RULES AND N SANTA FE 373075
Applicant: <u>XTO Permia</u>	an Operating LLC			OGRID Number: <u>373580</u>
Nell Name: Poker Lak				API: 30-015-42452;30-015-42592
Pool: Purple Sage; Wolf	camp & Wildcat G-06	S243026M; Bone S	Spring P	Pool Code: <u>96046 & 97798</u>
1) TYPE OF APPLICAT A. Location – Sp □NSL	ION: Check those bacing Unit – Simult NSP@	aneous Dedica	[A]	□sd
 [1] Comming DH [11] Injection WF 2) NOTIFICATION REC A. Offset ope B. Royalty, o C. Application D. Notification E. Notification F. Surface operation 	– Disposal – Pressu X PMX S QUIRED TO: Check erators or lease hol verriding royalty ov on requires publishe on and/or concurre wner he above, proof o	LC PC rre Increase – Er WD IPI those which app ders wners, revenue ed notice ent approval by ent approval by]EOR PPR oly. owners SLO BLM	FOR OCD ONLY FOR OCD ONLY Notice Complete Application Content Complete
administrative app	proval is accurate	and complete t	o the best of m	n this application for ny knowledge. I also e 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 Lead

prai Gray

Print or Type Name

04/03/20

Date

432-221-7379

Phone Number

tracie_cherry@xtoenergy.com e-mail Address

Signature

District I 1625 N. French Drive, Hobbs, NM 88240 District II		e of New Mexico d Natural Resources Do	epartment		Form C-107-B August 1, 2011
District III 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	1220 S	RVATION DIVIS 5. St Francis Drive New Mexico 87505		Submit application to t office with one appropriate Dis	copy to the
		COMMINGLING	G (DIVERSE	OWNERSHIP)	
	rmian Operating, I	LC (373075) 5 Midland, TX 797	/07		
APPLICATION TYPE:	iliuay Hill Ru. Blug		07		
Pool Commingling Lease Commingling	ng Pool and Lease Co	ommingling Off-Lease	Storage and Measur	rement (Only if not Surface	e Commingled)
	State Fede		1	x 1 x	
Is this an Amendment to existing Order Have the Bureau of Land Management					ingling
Yes No	(1) 80		<u> </u>		
		OL COMMINGLIN ts with the following in			
(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 (Gas) (96046)	48 / 1319	See attached			
Wildcat G-06 S243026M; Bone Spring (97798)	45 / 1361				
		4			
		-			
 (2) Are any wells producing at top allowal (3) Has all interest owners been notified b (4) Measurement type: Metering [(5) Will commingling decrease the value of t	y certified mail of the pr ☐ Other (Specify) of production? ☐Yes	▶ No If "yes", descri		ing should be approved	
	()	SE COMMINGLIN ts with the following in			
 Pool Name and Code. Is all production from same source of s Has all interest owners been notified by Measurement type: Metering 	supply? Yes N	Jo	∏Yes ∏N	0	
		I LEASE COMMIN ts with the following in			
(1) Complete Sections A and E.					
])	· ·	FORAGE and MEA			
 Is all production from same source of s Include proof of notice to all interest of 	supply? 🗌Yes 🔲 🏾	ets with the following No	information		
(E) AI		DRMATION (for all ts with the following in		vpes)	
 A schematic diagram of facility, includ A plat with lease boundaries showing a 	ding legal location.			ate lands are involved.	

A plat wit (2) (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:_ Anal Gray

TITLE: Regulatory Coordinator

DATE: 04/03/20

Page 2 of 14

TYPE OR PRINT NAME Tracie J. Cherry

E-MAIL ADDRESS: tracie_cherry@xtoenergy.com

TELEPHONE NO.: 432-221-7379

	UNITED STATE EPARTMENT OF THE I	INTERIOR		OMB NO	<i>Page 3 of 14</i> APPROVED D. 1004-0137 inuary 31, 2018
SUNDRY	UREAU OF LAND MANA NOTICES AND REPC	ORTS ON WELLS	F	5. Lease Serial No. NMNM02862	muu y 51, 2010
abandoned we	is form for proposals to II. Use form 3160-3 (AF	PD) for such proposals.	Γ	6. If Indian, Allottee o	r Tribe Name
SUBMIT IN	TRIPLICATE - Other ins	tructions on page 2		7. If Unit or CA/Agree NMNM71016X	ement, Name and/or No.
 Type of Well ☑ Oil Well ☐ Gas Well ☐ Other State State	ner			8. Well Name and No. POKER LAKE UN	IIT DTD 108H
2. Name of Operator XTO PERMIAN OPERATING	Contact: LLC E-Mail: tracie_che	TRACIE J CHERRY erry@xtoenergy.com		9. API Well No. 30-015-42452	
3a. Address 6401 HOLIDAY HILL RD BLD MIDLAND, TX 79707	G 5	3b. Phone No. (include area code Ph: 432-221-7379	e)	10. Field and Pool or I PURPLE SAGE	
4. Location of Well (Footage, Sec., T	., R., M., or Survey Description	n)		11. County or Parish,	State
Sec 23 T24S R30E Mer NMP	NENE 590FNL 1020FEL	-		EDDY COUNTY	Υ, NM
12. CHECK THE AI	PPROPRIATE BOX(ES)) TO INDICATE NATURE (OF NOTICE, F	REPORT, OR OTH	IER DATA
TYPE OF SUBMISSION		TYPE C	OF ACTION		
☑ Notice of Intent	□ Acidize	Deepen	Productio	on (Start/Resume)	□ Water Shut-Off
—	□ Alter Casing	Hydraulic Fracturing	Reclamat	ion	U Well Integrity
Subsequent Report	Casing Repair	□ New Construction	Recomplete	ete	☑ Other Surface Commingling
Final Abandonment Notice	□ Change Plans	Plug and Abandon	_ 1	rily Abandon	Surface Commingin
	Convert to Injection	Plug Back	🗖 Water Di	sposal	
If the proposal is to deepen direction Attach the Bond under which the wo following completion of the involved testing has been completed. Final At determined that the site is ready for f XTO Permian Operating LLC production at a common tank	rk will be performed or provide loperations. If the operation re- bandonment Notices must be fi- inal inspection. respectfully submits this battery. Oil will be transp	e the Bond No. on file with BLM/BI esults in a multiple completion or rec led only after all requirements, inclu sundry notice to commingle o ported to, stored and sold fror	A. Required subs completion in a ne iding reclamation, bil and gas m the Poker	equent reports must be w interval, a Form 316	filed within 30 days 0-4 must be filed once
Lake Unit Big Sinks 23 Batter location and sold at same.	y via LACT unit into a pip	eline. Gas will be transported	d to this		
Producing wells associated at POKER LAKE UNIT DTD 108 POKER LAKE UNIT DTD 907	H / 30-015-42452				
All required exhibits are attach	ned to this sundry.				
NMOCD is being petitioned for	r like approval.				
14. I hereby certify that the foregoing is	Electronic Submission #	#509633 verified by the BLM We IIAN OPERATING LLC, sent to	ell Information the Carlsbad	System	
Name(Printed/Typed) TRACIE J	CHERRY	Title REGU	LATORY COC	RDINATOR	
Signature (Electronic S	Submission)	Date 04/03/2	2020		
	THIS SPACE F	OR FEDERAL OR STATE	OFFICE US	E	
Approved By onditions of approval, if any, are attache ertify that the applicant holds legal or equ					Date
hich would entitle the applicant to condu	act operations thereon.	Office			a · · ·
the 18 U.S.C. Section 1001 and Title 43 States any false, fictitious or fraudulent	U.S.C. Section 1212, make it a statements or representations a	a crime for any person knowingly an s to any matter within its jurisdiction	d willfully to mak	e to any department or	agency of the United
nstructions on page 2) ** OPERA	FOR-SUBMITTED ** C	DPERATOR-SUBMITTED	** OPERATO	DR-SUBMITTED	**

Proposal for Poker Lake Unit Big Sinks 23 Battery

XTO Permian Operating LLC (XTO) is requesting approval for Surface Commingle for the wells listed on the attached table.

Well Information and Lease Description

The Poker Lake Unit 23 Big Sinks Battery ("battery") is used as a common tank battery for two (2) wells. Both wells are currently producing as 'unit' wells with paying well determinations pending. The wells will require different participating areas (PA) and/or communitization agreements (CA) as they are completed in different formations. Although the agreement sizes will be different, they will encompass the same leases and be comprised of the same percentage of Federal and State of New Mexico acreage.

The battery has four (4) 750 bbl oil tanks and four (4) fiberglass produced water tanks on the location. The battery is located in NENE Sec 23 T24S-R30E, (32.2094157, -103.8463948). Oil from this facility is sent through a LACT into a pipeline. 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/PA boundaries, location of wells and facility. All wells are located inside the Poker Lake Unit boundaries.

Oil Process Flow:

Under normal operating conditions, the combined production stream from both wells flow from their respective locations to a dedicated 3-phase metering separator. Oil from the 3-phase separator flows through their respective Coriolis test meter (#108H – mtr #DBBBS0053O; #907H – mtr #DBBS0054O), then through a dedicated heater treater. From the treaters, oil enters a shared and flows through a VRT and then to the tanks. From the tanks, oil is sold into the pipeline through LACT #DBBS055OL.

Oil production is allocated to each well based on a factor derived from the Coriolis test meter reading, and the LACT meter reading. The LACT meter is installed per API and CFR 43 3174 requirements and is proven quarterly. LACT meter #DBBS0550L is the FMP for crude at this facility

Gas Process Flow

Gas production from the wells also flows to this battery and follows the same separation, metering and allocation process as oil.

Gas is metered off of each well's 3-phase metering separator (#108H – mtr #DBBS0053G; #907H – mtr #DBBSDBBS0054G), flows into a shared line and is routed through a 'check' meter (#DBBS0049G) then to the Lucid gas sales meter (#14462) on location. The gas that is gathered from the heater treaters enters a separate line and is routed through a 2-phase flare 'scrubber' and in placed into the gas sales line. If needed, the gas is routed to the metered high pressure flare (#DBBS0051G) on location.

In case of emergency or pipeline restrictions, all gas can be routed to the low pressure flare on location prior to the check and sales meters.

Gas production is allocated daily using the factor derived from the volumes recorded on the test meters and the sales check meter. All EFM gas meters are installed and calibrated per API and 43 CFR 3174 requirements. The sales check meter (#DBBS0049G) will be the designated FMP for gas at this facility.

This facility utilizes a VRU to capture tank vapors. Gas from the VRU is recorded on EFM meter (#DBBS0052G) and is allocated based on each wells' allocated oil production.

Water production is measured using turbine meters located off the test separators. Water from the test separators and the heater treaters is discharged into a common water line to travel to the water tanks where it is stored until it enters the SWD system.

Summary:

The proposed commingling and allocation will not result in reduced royalty or improper measurement of production. The proposed commingling will reduce the surface facility footprint and overall emissions.

Commingling oil and gas production of these wells is necessary for the complete economic recovery of minerals in place. Approval to commingle the wells until final PAs are determined is requested to avoid multiple CAA filings. If the PWDs and/or PAs are not approved, the appropriate CAAs will be submitted.

The NMOCD is being petitioned for like approval.

XTO 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 will be notified of this proposal via certified mail.

The BLM and NMOCD will be notified of any future changes in the facilities.

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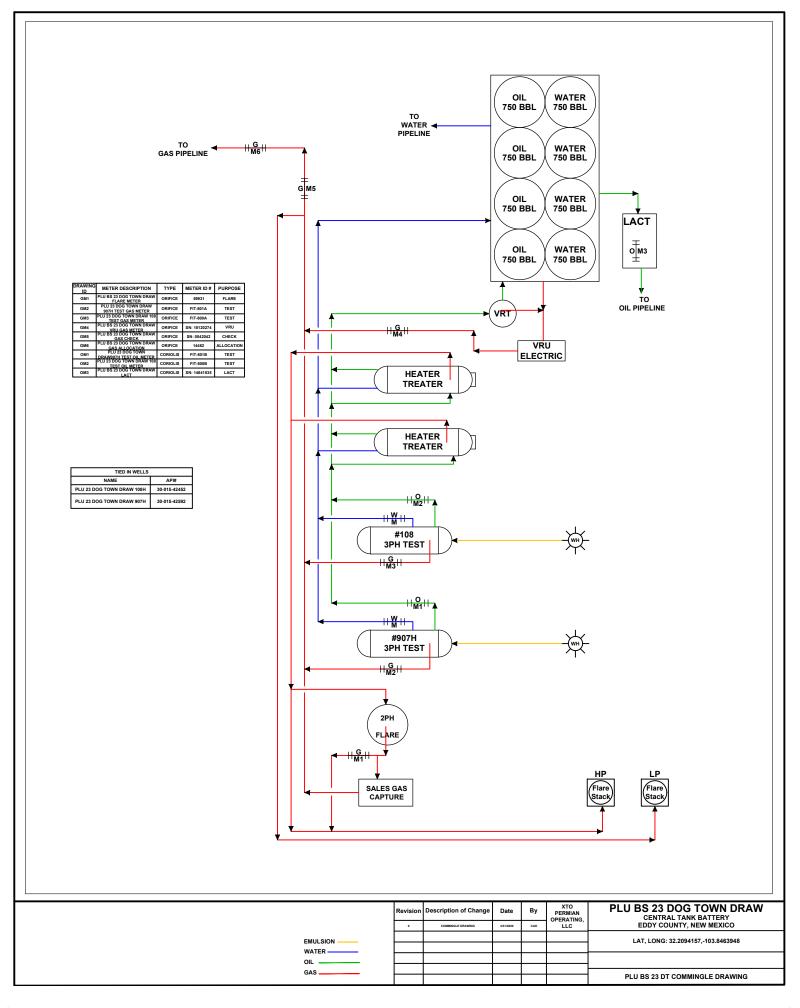
Federal Lease: NMNM71016X	NMNM0304	52 (320 ac), NMNM	068905 (320 ac) E0522911 (160 ac)				
Well Name	API	Loc ¼, ¼, Sec.	Pool (NMOCD Pool Code)	BOPD	Grav	MCFPD	BTU
(Property Code)		Twp, Rng					
Poker Lake Unit 23 DTD #108H (325598)	30-015- 42452	SHL: NENE Sec 23 24S-30E BHL: NESE Sec 2 24S-30E	Purple Sage; Wolfcamp (Gas) (96046)	600	48	1500	1319

Federal Lease: NMNM71016X	NMNM0304	52 (160 ac), NMNM	068905 (160 ac) E0522911 (80 ac)				
Well Name	API	Loc ¼, ¼, Sec.	Pool (NMOCD Pool Code)	BOPD	Grav	MCFPD	BTU
(Property Code)		Twp, Rng					
Poker Lake Unit 23 DTD #907H (325598)	30-015- 42592	SHL: SESW Sec 23 24S-30E BHL: NESE Sec 02 24S-30E	Wildcat G-06 S243026M; Bone Spring (97798)	650	45	1600	1361

Received by OCD: 4/3/202	20 4:19:08 PM	Oil Gravity	BOPD X				MCFPD X	Page 7 of 1
Well Name			gravity		MCFPD		BTU	
108H	600	48	28800		1500	1319	1978500	
907H	650	45	29250		1600	1361	2177600	
Composite	1250	46.44	58050		3100	1340.68	4156100	

Crude at this facility is sold at Poker Lake Unit central delivery point based on an aggregate API at the CDP. Oil that is low sulphur content with a API gravity between 44.1 and 49.9 is sold as WTI light.

Price for MMBTU is the combined BTU value at the sales meter. Given the similarity of BTU contents, there should be no significant price difference or sensitivity to allocation factors.



Poker Lake Unit 23 DTD 108H Poker Lake Unit 23 DTD 907H Eddy Co., NM March 31, 2020



Wellbore BLM Active Unit BLM participating area Communitization agreement State Lease Federal Lease

Document Path: O:\Arcview\Projects\Clint\New Mexico\selected wells-PLU 23 Tracie Cherrie 033120\selected wells

2,000

4,000

8,000 Feet

CERTIFIED MAILING LIST XTO Permian Operating LLC Poker Lake Unit Big Sinks 23 Battery

Certified #7019 0700 0001 4218 0110

Bureau of Land Management 620 E. Greene Street Carlsbad, NM 88220-6292 Certified #7019 0700 0001 4218 0097 Chevron USA, Inc 6301 Deauville Blvd Midland, TX 79706 <u>Certified #7019 0700 0001 4218 0103</u> BEPCO, LP Hugh C. Montgomery III, Land Mgr 201 Main Street Ft Worth, TX 7610

Certified #7019 0700 0001 4218 1858

New Mexico State Land Office 310 Old Santa Fe Trail Santa Fe, NM 87501

I, Tracie J Cherry, do hereby certify a copy of XTO Permian Operating LLC's application to commingle production at the Poker Lake Unit Big Sinks 23 was sent on this date to the working, royalty and overriding royalty owners listed, via certified mail.

Signed: Tracie J Oherry

Title: Regulatory Coordinator

Date:

AppReserved burgee commingle 4:19:08 PM BOPCO, LP

Poker Lake Unit 442/443 Battery Battery Eddy County, NM

			Cumulative			-	-	-	-	-	Past 6 Months Production	s Productic	n		-	-	-		
Well	Prod. Start	Oil	Gas	Wtr		Feb		Ja	January	December	nber	Ν	November		Oct	October		September	эr
					0	G	V	0	GW	0 6	٧	0	G	۷	0	×	0	Ð	۷
108H	2/1/19	236,426	587,453	560,153	18,445	47,348	123,872	20,859 54	54,305 0	23,027 59,098	0	24,065	65,216	0	24,074 62,385	385 0	23,035	61,780	0
907H	2/1/19	369,448	909,420	1,510,801	18,594	56,242	3,731	23,896 56	56,242 145,739	26,413 62,138	38 160,414	28,898	73,281 1	172,964	30,686 76,112	112 190,327	30,715	75,011	166,184

BEPCO, L.P. 201 MAIN ST FORT WORTH, TEXAS 76102-3131 817/390-8400

October 23, 2017

EMAIL/OVERNIGHT MAIL

XTO Energy Inc. 500 West Illinois, Suite 100 Midland, Texas 79701

Attn: Tracie J. Cherry

Re: New Mexico Regulatory Notifications

Dear Tracie,

Pursuant to our recent discussions concerning notifications required under the rules and regulations of the New Mexico Oil Conservation Division, or any other regulatory body as such situations occur, this letter is to advise you that all notifications can be sent to the following address:

BEPCO, L.P.201 Main Street, Suite 3100Fort Worth, Texas 76102Attn: Hugh C. Montgomery III Director of Land

This will be the designated representative for each of the entities listed below:

32 MINERAL I BPEOR NM, LLC; 32 MINERAL II BPEOR NM, LLC; 820MT I BPEOR NM, LLC; 820MT II BPEOR NM, LLC; ACB BPEOR NM, LLC; ARBGT (SRB) I BPEOR NM, LLC; ARBGT (SRB) II BPEOR NM, LLC; ARB-LMB PC I BPEOR NM, LLC; ARB-LMB PC II BPEOR NM, LLC: ARB-RMB PC BPEOR NM, LLC; ARB-SRB PC I BPEOR NM, LLC; ARB-SRB PC II BPEOR NM, LLC; BMT I BPEOR NM, LLC; BMT II BPEOR NM, LLC; CAPITAL PARTNERSHIP (RMB) BPEOR, LLC; CAPITAL PARTNERSHIP (CTAM) BPEOR, LLC;

SRBI I BPEOR NM, LLC; SRBI II BPEOR NM, LLC; SRBMT I BPEOR NM, LLC: SRBMT II BPEOR NM, LLC; SSB 1993C I BPEOR NM, LLC; SSB 1993C II BPEOR NM. LLC: THRU LINE BPEOR NM, LLC: TRB BPEOR NM, LLC; WD I BPEOR NM, LLC; WD II BPEOR NM, LLC; BOPCO-LMBI I BPEOR NM, LLC; BOPCO-LMBI II BPEOR NM, LLC; BOPCO-SRBI I BPEOR NM, LLC: BOPCO-SRBI II BPEOR NM, LLC; BOPCO-KEYSTONE (RMB) BPEOR NM, LLC; BOPCO-KEYSTONE (CTAM) BPEOR NM, LLC; CAPITAL PARTNERSHIP II (CTAM) BPEOR NM, LLC; CMB BPEOR NM, LLC; CTV-LMB I BPEOR NM, LLC; CTV-LMB II BPEOR NM, LLC; CTV-CTAM BPEOR NM, LLC; CTV-SRB I BPEOR NM, LLC; CTV-SRB II BPEOR NM, LLC; EPB-PC BPEOR NM, LLC; FINE LINE BPEOR NM, LLC: GOLIAD- LMB I BPEOR NM, LLC: GOLIAD-LMB II BPEOR NM, LLC; GOLIAD-SRB I BPEOR NM, LLC; GOLIAD-SRB II BPEOR NM, LLC; KEYSTONE (RMB) BPEOR NM, LLC; KEYSTONE (CTAM) BPEOR NM, LLC; LMBI I BPEOR NM, LLC; LMBI II BPEOR NM, LLC; MLB BPEOR NM, LLC; PRB II 1993C I BPEOR NM, LLC; PRB II 1993C II BPEOR NM, LLC: RFB 1993C I BPEOR NM, LLC; RFB 1993C II BPEOR NM, LLC; RMB BPEOR NM, LLC;

BOPCO-THRU LINE BPEOR NM, LLC; DELBASIN-SRB I BPEOR NM, LLC; DELBASIN-SRB II BPEOR NM, LLC; DELBASIN-LMB I BPEOR NM, LLC; DELBASIN-LMB II BPEOR NM, LLC; DELBASIN-RMB BPEOR NM, LLC; DELBASIN-EPB BPEOR NM, LLC; PRB II 1993A I BPEOR, LLC; PRB II 1993A II BPEOR, LLC; RFB 1993A I BPEOR, LLC; SSB 1993A I BPEOR, LLC; and SSB 1993A II BPEOR, LLC, all Texas limited liability companies

In an effort to cut down on unnecessary paper, whenever there is more than one of the entities listed above involved, please send one notification which can be addressed to the affected entities as a group.

Should you have any questions concerning the above, please feel free to contact me at (817)390-8584.

Very truly yours,

mer Hugh C. Montgomery III

Director of Land BEPCO, L.P.

Each of the individuals/organizations listed below are interest owners in one or all of the wells included in this application. Per the letter attached, each of the individuals/organizations has agreed to one point of notice; Mr. Hugh C. Montgomery, Director of Land for BEPCO, LP.

2016 SAMANTHA BASS FAM TR BMT I BPEOR NM LLC CTV-CTAM BPEOR NM LLC CTV-LMB I BPEOR NM LLC CTV-LMB II BPEOR NM LLC CTV-SRB I BPEOR NM LLC CTV-SRB II BPEOR NM LLC KEYSTONE(CTAM) BPEOR NM LLC KEYSTONE(RMB) BPEOR NM LLC LMBI I BPEOR NM LLC LMBI II BPEOR NM LLC SRBI I BPEOR NM LLC SRBI I BPEOR NM LLC THRU LINE BPEOR NM LLC