

**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-1005

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 gas production recovered using vapor recovery units (“VRU gas”) from the pools, leases, and wells as described in Exhibit A (“Application”).
2. Applicant proposed a method to allocate the VRU gas production to the pools, leases, and wells to be commingled based upon measuring the oil production from each pool, lease, and well.
3. Applicant stated that it intends to keep the oil production from one or more group(s) of wells identified in Exhibit B segregated from the oil production from all other wells prior to measuring that production with an allocation meter.
4. Applicant provided notice of the Application to all persons owning an interest in the VRU 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.
5. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
6. Applicant certified the commingling of VRU gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the VRU gas production to less than if it had remained segregated.
7. 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.
8. Applicant stated that it sought authorization to surface commingle and off-lease measure, as applicable, VRU 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.

CONCLUSIONS OF LAW

9. 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.
10. 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.
11. 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.
12. 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.
13. Commingling of VRU 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.
14. 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.
15. 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 VRU gas production from the pools, leases, and wells as described in Exhibit A.

Applicant is authorized to store and measure VRU 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 VRU 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 VRU 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. The allocation of VRU 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 VRU 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.

3. The allocation of VRU gas production to each group of wells identified in Exhibit B shall be determined by separating and metering the oil production from each group as described by Train in Exhibit B prior to commingling that oil production with oil production from any other well.
4. The VRU gas production for each well identified in Exhibit A shall be determined by separating and metering the oil production prior to commingling it with oil production from another well.
5. 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.
6. Applicant shall calibrate the meters used to measure or allocate oil production in accordance with 19.15.12.10 C.(2) NMAC.
7. If the commingling of VRU gas production from any pool, lease, or well reduces the value of the commingled VRU 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 VRU 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.
8. 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.
9. 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 VRU gas production to it, and the location(s) that commingling of its production will occur.

10. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
11. 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).
12. 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: 9/2/2025

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: **PLC-1005**

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

Central Tank Battery: **Bluebird Central Tank Battery (VRU Only)**

Central Tank Battery Location: **UL D, Section 21, Township 20 South, Range 32 East**

Gas Title Transfer Meter Location: **UL D, Section 21, Township 20 South, Range 32 East**

Pools

Pool Name	Pool Code
SALT LAKE;BONE SPRING	53560
SALT LAKE;WOLFCAMP	53570

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
PA Bone Spring NMNM 068294T	ALL	13-20S-31E
	ALL	14-20S-31E
	S2SE	22-20S-31E
	ALL	23-20S-31E
	ALL	24-20S-31E
	ALL	25-20S-31E
	ALL	26-20S-31E
	E2	27-20S-31E
	ALL	17-20S-32E
	W2W2	18-20S-32E
BLM Lease NMNM 105413526 (NMLC 0065752A)	ALL	19-20S-32E
	ALL	20-20S-32E
	ALL	21-20S-32E
	NW4	28-20S-32E
	E2, N2NW	29-20S-32E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-52505	BIG EDDY UNIT BB GRIEVOUS #100H	S2	19-20S-32E	53570
		S2	20-20S-32E	
		S2	21-20S-32E	
30-025-50723	BIG EDDY UNIT BB HUX #201H	S2	19-20S-32E	53570
		S2	20-20S-32E	
		S2	21-20S-32E	
30-025-53773	BIG EDDY UNIT BB HUX #202H	S2	19-20S-32E	53570
		S2	20-20S-32E	
		S2	21-20S-32E	
30-025-47225	BIG EDDY UNIT DI BB JABBA #101H	S2S2	19-20S-32E	53560
		S2S2	20-20S-32E	
		S2S2	21-20S-32E	

30-025-47224	BIG EDDY UNIT DI BB JABBA #100H	N2S2	19-20S-32E	53560
		N2S2	20-20S-32E	
		N2S2	21-20S-32E	
30-025-50823	BIG EDDY UNIT DI BB JABBA #102H	N2N2	28-20S-32E	53560
		N2N2	29-20S-32E	
		N2N2	30-20S-32E	
30-025-47270	BIG EDDY UNIT DI BB JABBA #104H	N2S2	28-20S-32E	53560
		N2S2	29-20S-32E	
		N2S2	30-20S-32E	
30-025-47227	BIG EDDY UNIT DI BB JABBA #103H	S2N2	28-20S-32E	53560
		S2N2	29-20S-32E	
		S2N2	30-20S-32E	
30-025-50439	BIG EDDY UNIT BB HUX #200H	S2S2	28-20S-32E	53560
		S2S2	29-20S-32E	
		S2S2	30-20S-32E	
30-025-46542	BIG EDDY UNIT 29W VADER #104H	N2N2	19-20S-32E	53560
		N2N2	20-20S-32E	
30-025-46541	BIG EDDY UNIT 29W VADER #102H	N2S2	17-20S-32E	53560
		N2S2	18-20S-32E	
30-025-46515	BIG EDDY UNIT 29W VADER #100H	N2N2	17-20S-32E	53560
		N2N2	18-20S-32E	
30-025-46654	BIG EDDY UNIT 29W VADER #105H	S2N2	19-20S-32E	53560
		S2N2	20-20S-32E	
30-025-46751	BIG EDDY UNIT 29W VADER #103H	S2S2	17-20S-32E	53560
		S2S2	18-20S-32E	
30-025-46543	BIG EDDY UNIT 29E VADER #107H	S2N2	21-20S-32E	53560
30-025-46655	BIG EDDY UNIT 29E VADER #106H	N2N2	21-20S-32E	53560
30-025-46516	BIG EDDY UNIT 29W VADER #101H	S2N2	17-20S-32E	53560
		S2N2	18-20S-32E	

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit B

Order: PLC-1005
Operator: XTO Permian Operating, LLC (373075)

Wells				
Well API	Well Name	UL or Q/Q	S-T-R	Train
30-025-52505	BIG EDDY UNIT BB GRIEVOUS #100H	S2	19-20S-32E	A1
		S2	20-20S-32E	
		S2	21-20S-32E	
30-025-50723	BIG EDDY UNIT BB HUX #201H	S2	19-20S-32E	A1
		S2	20-20S-32E	
		S2	21-20S-32E	
30-025-53773	BIG EDDY UNIT BB HUX #202H	S2	19-20S-32E	A1
		S2	20-20S-32E	
		S2	21-20S-32E	
30-025-47225	BIG EDDY UNIT DI BB JABBA #101H	S2S2	19-20S-32E	A2
		S2S2	20-20S-32E	
		S2S2	21-20S-32E	
30-025-47224	BIG EDDY UNIT DI BB JABBA #100H	N2S2	19-20S-32E	A2
		N2S2	20-20S-32E	
		N2S2	21-20S-32E	
30-025-50823	BIG EDDY UNIT DI BB JABBA #102H	N2N2	28-20S-32E	A2
		N2N2	29-20S-32E	
		N2N2	30-20S-32E	
30-025-47270	BIG EDDY UNIT DI BB JABBA #104H	N2S2	28-20S-32E	A2
		N2S2	29-20S-32E	
		N2S2	30-20S-32E	
30-025-47227	BIG EDDY UNIT DI BB JABBA #103H	S2N2	28-20S-32E	A2
		S2N2	29-20S-32E	
		S2N2	30-20S-32E	
30-025-50439	BIG EDDY UNIT BB HUX #200H	S2S2	28-20S-32E	A2
		S2S2	29-20S-32E	
		S2S2	30-20S-32E	
30-025-46542	BIG EDDY UNIT 29W VADER #104H	N2N2	19-20S-32E	A2
		N2N2	20-20S-32E	
30-025-46541	BIG EDDY UNIT 29W VADER #102H	N2S2	17-20S-32E	A2
		N2S2	18-20S-32E	
30-025-46515	BIG EDDY UNIT 29W VADER #100H	N2N2	17-20S-32E	A2
		N2N2	18-20S-32E	
30-025-46654	BIG EDDY UNIT 29W VADER #105H	S2N2	19-20S-32E	A2
		S2N2	20-20S-32E	
30-025-46751	BIG EDDY UNIT 29W VADER #103H	S2S2	17-20S-32E	A2
		S2S2	18-20S-32E	
30-025-46543	BIG EDDY UNIT 29E VADER #107H	S2N2	21-20S-32E	A2

30-025-46655	BIG EDDY UNIT 29E VADER #106H	N2N2	21-20S-32E	A2
30-025-46516	BIG EDDY UNIT 29W VADER #101H	S2N2	17-20S-32E	A2
		S2N2	18-20S-32E	

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 503266

CONDITIONS

Operator: XTO PERMIAN OPERATING LLC. 6401 HOLIDAY HILL ROAD MIDLAND, TX 79707	OGRID: 373075
	Action Number: 503266
	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 .	9/5/2025