

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

APPLICATION FOR SURFACE COMMINGLING

SUBMITTED BY MATADOR PRODUCTION COMPANY

ORDER NO. PLC-1022

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. Matador Production Company (“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 stated that it intends to keep the oil and gas production from one or more group(s) of wells identified in Exhibit B segregated from the oil and gas 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 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.
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 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.
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, 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.

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 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.
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 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. This Order supersedes Order CTB-944-A.
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 to each group of wells identified in Exhibit B shall be determined by separating and metering the production from each group as described by Train in Exhibit B prior to commingling that production with production from any other well.
5. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling it with production from another well.
6. 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.
7. 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.
8. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10 C.(2) NMAC.
9. 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.
10. 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.
11. 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.
12. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.

13. 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).
14. 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-1022**

Operator: **Matador Production Company (228937)**

Central Tank Battery: **Amen Corner State Com Central Tank Battery**

Central Tank Battery Location: **UL M, N, Section 22, Township 26 South, Range 36 East**

Satellite Facility: **Azalea 8S Staellite Tank Battery**

Satellite Facility Location: **UL A, B, Section 28, Township 26 South, Range 36 East**

Satellite Facility: **Azalea 5S Satellite Tank Battery**

Satellite Facility Location: **UL C, Section 28, Township 26 South, Range 36 East**

Satellite Facility: **Azalea Central Tank Battery Satellite**

Satellite Facility Location: **UL D, Section 28, Township 26 South, Range 36 East**

Satellite Facility: **Wildhog Satellite Tank Battery**

Satellite Facility Location: **UL C, Section 20, Township 26 South, Range 36 East**

Satellite Facility: **Prizehog Satellite Tank Battery**

Satellite Facility Location: **UL C, Section 19, Township 26 South, Range 36 East**

Gas Title Transfer Meter Location: **UL M, N, Section 22, Township 26 South, Range 36 East**

Pools

Pool Name	Pool Code
WC-025 G-08 S263620C;LWR BONE SPRIN	98150
WC-025 G-09 S263619C;WOLFCAMP	98234

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
CA Wolfcamp SLO 203631 PUN 1365780	E2W2	19-26S-36E
CA Wolfcamp SLO 203713 PUN 1369134	E2E2	19-26S-36E
CA Wolfcamp SLO 203613 PUN 1361752	E2W2	20-26S-36E
CA Wolfcamp SLO 203613 PUN 1361752	E2E2	20-26S-36E
CA Wolfcamp NMNM 105486923 (140150)	W2W2	16-26S-36E
	W2W2	21-26S-36E
CA Wolfcamp SLO 203908 PUN 1376691	W2E2, E2W2	15-26S-36E
	W2E2, E2W2	22-26S-36E
CA Wolfcamp SLO 203733 PUN 1369784	W2W2	28-26S-36E
	W2NW	33-26S-36E
CA Wolfcamp SLO 204347 PUN 1394051	E2E2	28-26S-36E
	E2NE	33-26S-36E
CA Wolfcamp SLO 204348 PUN 1394073	W2E2, E2W2	28-26S-36E
	W2E2, E2W2	33-26S-36E
CA Bone Spring SLO 205146 PUN 1408067	E2W2	28-26S-36E
	E2NW	33-26S-36E
CA Wolfcamp NMNM 105723004 (143670)	W2W2	29-26S-36E
	E2E2	30-26S-36E
	E2NE	31-26S-36E
	W2NW	32-26S-36E

CA Wolfcamp SLO 204287 PUN 1392619	W2W2	29-26S-36E
	E2E2	30-26S-36E
	E2NE	31-26S-36E
	W2NW	32-26S-36E

Wells				
Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-42744	PRIZEHOG BWZ STATE COM #001H	E2W2	19-26S-36E	98234
30-025-44111	PRIZEHOG BWZ STATE COM #002H	E2E2	19-26S-36E	98234
30-025-42733	WILDHOG BWX STATE COM #001H	E2W2	20-26S-36E	98234
30-025-44112	WILDHOG BWX STATE COM #002H	E2E2	20-26S-36E	98234
30-025-45897	CAMELLIA FEDERAL COM 26 36 21 #121H	W2W2	16-26S-36E	98234
		W2W2	21-26S-36E	
30-025-44810	MAGNOLIA 26 36 22 STATE COM #125H	W2E2, E2W2	15-26S-36E	98234
		W2E2, E2W2	22-26S-36E	
30-025-44104	AZALEA 26 36 28 STATE #111H	W2W2	28-26S-36E	98234
		W2NW	33-26S-36E	
30-025-44229	AZALEA 26 36 28 STATE #121Y	W2W2	28-26S-36E	98234
		W2NW	33-26S-36E	
30-025-52108	AZALEA 26 36 28 STATE COM #072H	E2W2	28-26S-36E	98150
		E2NW	33-26S-36E	
30-025-52110	AZALEA 26 36 28 STATE COM #182H	E2W2	28-26S-36E	98150
		E2NW	33-26S-36E	
30-025-49931	AZALEA 26 36 28 STATE COM #104H	W2E2, E2W2	28-26S-36E	98234
		W2NE, E2NW	33-26S-36E	
30-025-49932	AZALEA 26 36 28 STATE COM #123H	W2E2, E2W2	28-26S-36E	98234
		W2NE, E2NW	33-26S-36E	
30-025-49590	AZALEA 26 36 28 STATE COM #125H	W2E2, E2W2	28-26S-36E	98234
		W2NE, E2NW	33-26S-36E	
30-025-49933	AZALEA 26 36 28 STATE COM #127H	E2E2	28-26S-36E	98234
		E2NE	33-26S-36E	
30-025-49256	S BIG OAK TREE 26 36 31 FEDERAL COM #128H	W2W2	29-26S-36E	98234
		E2E2	30-26S-36E	
		E2NE	31-26S-36E	
		W2NW	32-26S-36E	

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit B

Order: **PLC-1022**
Operator: **Matador Production Company (228937)**

Wells				
Well API	Well Name	UL or Q/Q	S-T-R	Train
30-025-49256	S BIG OAK TREE 26 36 31 FEDERAL COM #128H	W2W2	29-26S-36E	A1
		E2E2	30-26S-36E	
		E2NE	31-26S-36E	
		W2NW	32-26S-36E	
30-025-45897	CAMELLIA FEDERAL COM 26 36 21 #121H	W2W2	16-26S-36E	A2
		W2W2	21-26S-36E	
30-025-52108	AZALEA 26 36 28 STATE COM #072H	E2W2	28-26S-36E	A3
		E2NW	33-26S-36E	
30-025-52110	AZALEA 26 36 28 STATE COM #182H	E2W2	28-26S-36E	A3
		E2NW	33-26S-36E	
30-025-49931	AZALEA 26 36 28 STATE COM #104H	W2E2, E2W2	28-26S-36E	A3
		W2NE, E2NW	33-26S-36E	
30-025-49932	AZALEA 26 36 28 STATE COM #123H	W2E2, E2W2	28-26S-36E	A3
		W2NE, E2NW	33-26S-36E	
30-025-49590	AZALEA 26 36 28 STATE COM #125H	W2E2, E2W2	28-26S-36E	A3
		W2NE, E2NW	33-26S-36E	
30-025-44104	AZALEA 26 36 28 STATE #111H	W2W2	28-26S-36E	A3
		W2NW	33-26S-36E	
30-025-44229	AZALEA 26 36 28 STATE #121Y	W2W2	28-26S-36E	A3
		W2NW	33-26S-36E	
30-025-49933	AZALEA 26 36 28 STATE COM #127H	E2E2	28-26S-36E	A3
		E2NE	33-26S-36E	
30-025-44810	MAGNOLIA 26 36 22 STATE COM #125H	W2E2, E2W2	15-26S-36E	A3
		W2E2, E2W2	22-26S-36E	
30-025-42744	PRIZEHOG BWZ STATE COM #001H	E2W2	19-26S-36E	A3
30-025-44111	PRIZEHOG BWZ STATE COM #002H	E2E2	19-26S-36E	A3
30-025-42733	WILDHOG BWX STATE COM #001H	E2W2	20-26S-36E	A3
30-025-44112	WILDHOG BWX STATE COM #002H	E2E2	20-26S-36E	A3

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 503304

CONDITIONS

Operator: MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240	OGRID: 228937
	Action Number: 503304
	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