

**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-1042

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 Resources, LLC (“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 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.
4. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
5. 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.
6. 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.
7. 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

8. 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.

9. 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.
10. 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.
11. 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.
12. 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.
13. 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.
14. 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-976.
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 shall be based on the production life of each well as measured for three periods: (a) the initial production period shall be measured from the first production until the earlier of either the peak production rate or thirty (30) days after the first production; (b) the plateau period shall be measured from the end of the initial production period to the peak decline rate; and (c) the decline period shall be measured from the end of the plateau period until the well is plugged and abandoned.

During the initial production period, the oil and gas production for each well identified in Exhibit A shall be allocated using a production curve calculated from a minimum of ten (10) well tests per month, except that any day in which a well test cannot achieve an accurate result due to a temporary change in oil and gas production shall not be included in the computation of time determining the well test schedule. The production curve shall be calculated by interpolating daily production for each day using the known daily production obtained by well tests and shall use a method of interpolation that is at minimum as accurate as maintaining a constant rate of change for each day's production between the known daily production values.

During the plateau period, the oil and gas production for each well identified in Exhibit A shall be allocated using a minimum of three (3) well tests per month.

During the decline period, the oil and gas production for each well identified in Exhibit A shall be allocated as follows: (a) a minimum of three (3) well tests per month when the decline rate is greater than twenty-two percent (22%) per month; (b) a minimum of two (2) well tests per month when the decline rate is between twenty-two percent (22%) and ten percent (10%) per month; and (c) a minimum of one (1) well test per month when the decline rate is less than ten percent (10%) per month.

Upon OCD's request, Applicant shall submit a Form C-103 to the OCD Engineering Bureau that contains the decline rate curve and other relevant information demonstrating the production life of a well.

Applicant shall conduct a well test by separating and metering the oil and gas production from that well for either (a) a minimum of twenty-four (24) consecutive hours; or (b) a combination of nonconsecutive periods that meet the following conditions: (i) each period shall be a minimum of six (6) hours; and (ii) the total duration of the nonconsecutive periods shall be a minimum of eighteen (18) hours.

The well test requirements of this Order shall be suspended for any well shut-in for a period that continues for more than fifteen (15) days until the well commences production.

5. 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.
6. 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.

7. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10 C.(2) NMAC.
8. 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.
9. 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.
10. 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.
11. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
12. 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).
13. 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 C. S. CHANG
DIRECTOR**

DATE: 10/20/2025

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: **PLC-1042**

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

Central Tank Battery: **Poker Lake Unit 28 Big Sinks West Central Tank Battery**

Central Tank Battery Location: **UL F, Section 28, Township 25 South, Range 31 East**

Central Tank Battery: **Poker Lake Unit 28 Big Sinks East Satellite**

Central Tank Battery Location: **UL H, Section 28, Township 25 South, Range 31 East**

Gas Title Transfer Meter Location: **UL F, Section 28, Township 25 South, Range 31 East**

Gas Title Transfer Meter Location: **UL H, Section 28, Township 25 South, Range 31 East**

Gas Title Transfer Meter Location: **UL A, Section 28, Township 25 South, Range 31 East**

Gas Title Transfer Meter Location: **UL C, Section 28, Township 25 South, Range 31 East**

Gas Title Transfer Meter Location: **UL E, Section 28, Township 25 South, Range 31 East**

Gas Title Transfer Meter Location: **UL M, Section 22, Township 25 South, Range 31 East**

Pools

Pool Name	Pool Code
PADUCA;BONE SPRING	96641
WILDCAT BIG SINK;BONE SPRING	96654
JENNINGS;BONE SPRING, WEST	97860
PURPLE SAGE;WOLFCAMP (GAS)	98220

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
PA Wolfcamp "E" NMNM 105723200 (071016AU)	S2	25-25S-30E
	S2	26-25S-30E
	ALL	35-25S-30E
	ALL	36-25S-30E
	S2	16-25S-31E
	S2	17-25S-31E
	SW4, SE4	18-25S-31E
	ALL	19-25S-31E
	ALL	20-25S-31E
	ALL	21-25S-31E
	SWSW	22-25S-31E
	NWNW	27-25S-31E
	ALL	28-25S-31E
	ALL	29-25S-31E
	ALL	30-25S-31E
	ALL	31-25S-31E
	ALL	32-25S-31E
	ALL	33-25S-31E
	ALL	04-26S-31E
	E2	06-26S-31E
SLO Lease LG-1326-0002	W2NW	03-26S-31E

BLM Lease NMNM 105341361 (089057)	W2, SESE	01-26S-31E
	E2NW, SW4	03-26S-31E
	N2, N2S2, SESW, S2SE	10-26S-31E
	ALL	11-26S-31E
	N2	12-26S-31E

Wells				
Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-53229	POKER LAKE UNIT 28 21 BS #105H	SENE, E2SE	16-25S-31E	96641
		E2E2	21-25S-31E	
		E2NE	28-25S-31E	
30-015-53230	POKER LAKE UNIT 28 21 BS #125H	SENW, E2SW	16-25S-31E	96641
		E2W2	21-25S-31E	
		E2NW	28-25S-31E	
30-015-53231	POKER LAKE UNIT 28 21 BS #126H	S2NE, SE4	16-25S-31E	96641
		E2	21-25S-31E	
		NE4	28-25S-31E	
30-015-55078	POKER LAKE UNIT 28 21 BS #155H	SENE, E2SE	16-25S-31E	96641
		E2E2	21-25S-31E	
		E2NE	28-25S-31E	
30-015-55812	POKER LAKE UNIT 28 BS #109H	W2SW	28-25S-31E	97860
		W2W2	33-25S-31E	
		W2W2	04-26S-31E	
30-015-55764	POKER LAKE UNIT 28 BS #113H	SWNW, W2SW	28-25S-31E	97860
		W2W2	33-25S-31E	
		W2W2	04-26S-31E	
30-015-55930	POKER LAKE UNIT 28 BS #209H	E2SW	28-25S-31E	97860
		E2W2	33-25S-31E	
		E2W2	04-26S-31E	
30-015-55931	POKER LAKE UNIT 28 BS #210H	E2SW	28-25S-31E	97860
		E2W2	33-25S-31E	
		E2W2	04-26S-31E	
30-015-55933	POKER LAKE UNIT 28 BS #309H	W2SE	28-25S-31E	97860
		W2E2	33-25S-31E	
		W2E2	04-26S-31E	
30-015-55934	POKER LAKE UNIT 28 BS #310H	W2SE	28-25S-31E	97860
		W2E2	33-25S-31E	
		W2E2	04-26S-31E	
30-015-55628	POKER LAKE UNIT 28 BS #406H	SE4	28-25S-31E	97860
		E2	33-25S-31E	
		E2	04-26S-31E	
30-015-55627	POKER LAKE UNIT 28 BS #407H	E2SE	28-25S-31E	97860
		E2E2	33-25S-31E	
		E2E2	04-26S-31E	
30-015-55767	POKER LAKE UNIT 28 BS #110H	E2SE	29-25S-31E	96654
		E2NE	32-25S-31E	

30-015-55719	POKER LAKE UNIT 28 BS #408H	SWNW, W2SW W2W2, SENE, E2SW	27-25S-31E 34-25S-31E	97860
30-015-53898	POKER LAKE UNIT 22 3 BS #121H	W2W2 W2W2 W2NW	27-25S-31E 34-25S-31E 03-26S-31E	97860
		SWSE	22-25S-31E	96641
30-015-54007	POKER LAKE UNIT 22 3 BS #114H	W2 W2	27-25S-31E 34-25S-31E	97860
		S2SW	34-25S-31E	96641
30-015-53900	POKER LAKE UNIT 22 3 BS #123H	W2W2 W2W2 W2NW	27-25S-31E 34-25S-31E 03-26S-31E	97680
		SWSW	22-25S-31E	96641
30-015-53899	POKER LAKE UNIT 22 3 BS #122H	SW4 W2 W2 NW4	22-25S-31E 27-25S-31E 34-25S-31E 03-26S-31E	98220
30-015-53992	POKER LAKE UNIT 22 3 BS #124H	S2SW W2 W2 NW4	22-25S-31E 27-25S-31E 34-25S-31E 03-26S-31E	98220
30-015-53895	POKER LAKE UNIT 22 3 BS #111H	E2SE E2SE, NESE	16-25S-31E 21-25S-31E	98220
30-015-53896	POKER LAKE UNIT 22 3 BS #112H	SE4 E2 N2NE	16-25S-31E 21-25S-31E 28-25S-31E	98220
30-015-50186	POKER LAKE UNIT 28 21 BS #102H	W2 NW4	21-25S-31E 28-25S-31E	98220
30-015-48960	POKER LAKE UNIT 28 21 BS #103H	E2SW, W2SE NE4, E2SE W2SW NW4	17-25S-31E 20-25S-31E 21-25S-31E 28-25S-31E	98220
30-015-48952	POKER LAKE UNIT 28 21 BS #104H	NWSE, NESW, S2SE N2NE, SENE, NESE SWNW, NWSW, S2SW NWNE, N2NW, SENW, SWNE	17-25S-31E 20-25S-31E 21-25S-31E 28-25S-31E	98220
30-015-48954	POKER LAKE UNIT 28 21 BS #107H	W2SW E2SE NW4, SWNE, NESW, W2SE, SESE SWNW N2NE, SENE	16-25S-31E 17-25S-31E 21-25S-31E 27-25S-31E 28-25S-31E	98220
30-015-50187	POKER LAKE UNIT 28 21 BS #121H	W2 NW4	21-25S-31E 28-25S-31E	98220
30-015-50188	POKER LAKE UNIT 28 21 BS #122H	W2 NW4	21-25S-31E 28-25S-31E	98220

30-015-48953	POKER LAKE UNIT 28 21 BS #124H	SW, SWSE	17-25S-31E	98220
		NWNE, S2NE, N2SE,	20-25S-31E	
		SESE	21-25S-31E	
		SWSW	28-25S-31E	
		NWNW, S2NW	29-25S-31E	
30-015-48955	POKER LAKE UNIT 28 21 BS #127H	NENE	16-25S-31E	98220
		SWSW	17-25S-31E	
		N2SE, SESE	20-25S-31E	
		NENE	21-25S-31E	
		NWNW, S2NW,	28-25S-31E	
30-015-50189	POKER LAKE UNIT 28 21 BS #151H	N2SW, SESW, SWSE	28-25S-31E	98220
		NE4	28-25S-31E	
		SW4	33-25S-31E	
		W2	04-26S-31E	
		W2	17-25S-31E	
30-015-48956	POKER LAKE UNIT 28 21 BS #153H	SE4	20-25S-31E	98220
		E2NE	21-25S-31E	
		W2NW, SW4, SWSE	28-25S-31E	
		NENW, W2NE	21-25S-31E	
		W2	28-25S-31E	
30-015-53232	POKER LAKE UNIT 28 21 BS #154H	NW4	21-25S-31E	98220
		SW4, SWSE	28-25S-31E	
		NWNE, NENW,	21-25S-31E	
		S2NE, N2SE, SESE	27-25S-31E	
		W2NW	28-25S-31E	
30-015-47810	POKER LAKE UNIT 28 BS #104H	E2NE	28-25S-31E	98220
		SW4	33-25S-31E	
		W2	04-26S-31E	
		W2	28-25S-31E	
		SE4	33-25S-31E	
30-015-45507	POKER LAKE UNIT 28 BS #106H	E2	04-26S-31E	98220
		E2	28-25S-31E	
		SE4	33-25S-31E	
		E2	04-26S-31E	
		E2	28-25S-31E	
30-015-45540	POKER LAKE UNIT 28 BS #108H	SW4	33-25S-31E	98220
		W2	04-26S-31E	
		W2	28-25S-31E	
		SW4	33-25S-31E	
		W2	04-26S-31E	
30-015-45480	POKER LAKE UNIT 28 BS #121H	W2	28-25S-31E	98220
		W2	33-25S-31E	
		SW4	04-26S-31E	
		W2	28-25S-31E	
		W2	33-25S-31E	
30-015-47804	POKER LAKE UNIT 28 BS #122H	W2	04-26S-31E	98220
		SW4	28-25S-31E	
		W2	33-25S-31E	
		SW4	04-26S-31E	
		W2	28-25S-31E	
30-015-45482	POKER LAKE UNIT 28 BS #123H	W2	33-25S-31E	98220
		W2	04-26S-31E	
		SW4	28-25S-31E	
		W2	33-25S-31E	
		W2	04-26S-31E	
30-015-45483	POKER LAKE UNIT 28 BS #124H	SW4	28-25S-31E	98220
		W2	33-25S-31E	
		W2	04-26S-31E	
		SW4	28-25S-31E	
		W2	33-25S-31E	

30-015-45508	POKER LAKE UNIT 28 BS #125H	SE4	28-25S-31E	98220
		E2	33-25S-31E	
		E2	04-26S-31E	
30-015-45484	POKER LAKE UNIT 28 BS #126H	SE4	28-25S-31E	98220
		E2	33-25S-31E	
		E2	04-26S-31E	
30-015-45539	POKER LAKE UNIT 28 BS #127H	SE4	28-25S-31E	98220
		E2	33-25S-31E	
		E2	04-26S-31E	
30-015-45485	POKER LAKE UNIT 28 BS #128H	SE4	28-25S-31E	98220
		E2	33-25S-31E	
		E2	04-26S-31E	
30-015-45737	POKER LAKE UNIT 28 BS #705H	SW4	28-25S-31E	98220
		W2	33-25S-31E	
30-015-45732	POKER LAKE UNIT 28 BS #707H	SE4	28-25S-31E	98220
		E2	33-25S-31E	
		E2	04-26S-31E	
30-015-47807	POKER LAKE UNIT 28 BS #901H	SW4	28-25S-31E	98220
		W2	33-25S-31E	
30-015-47818	POKER LAKE UNIT 28 BS #903H	SW4	28-25S-31E	98220
		W2	33-25S-31E	
30-015-45509	POKER LAKE UNIT 28 BS #905H	SE4	28-25S-31E	98220
		E2	33-25S-31E	
		E2	04-26S-31E	
30-015-45491	POKER LAKE UNIT 28 BS #907H	SE4	28-25S-31E	98220
		E2	33-25S-31E	
		E2	04-26S-31E	

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 518366

CONDITIONS

Operator: XTO PERMIAN OPERATING LLC. 6401 HOLIDAY HILL ROAD MIDLAND, TX 79707	OGRID: 373075
	Action Number: 518366
	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 .	10/20/2025