

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

**APPLICATION FOR SURFACE COMMINGLING  
SUBMITTED BY CIVITAS PERMIAN OPERATING, LLC      ORDER NO. PLC-1129**

**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. Civitas Permian Operating, LLC (“Applicant”) submitted a complete application to surface commingle the oil and gas production from the pools and leases described in Exhibit A (“Application”).
2. Applicant included a complete list of the wells currently dedicated to each pool and lease.
3. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
4. 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.
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 and leases 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.
8. Applicant submitted or intends to submit one or more proposed communitization agreement(s) (“Proposed Agreement(s)”) to the BLM or NMSLO, as applicable, identifying the acreage of each lease to be consolidated into a single pooled area (“CA Pooled Area”), as described in Exhibit A.
9. Applicant submitted or intends to submit one or more application(s) to the BLM or NMSLO, as applicable, to form or revise a participating area (“PA”) and has identified the acreage of

each lease within each spacing unit (“PA Pooled Area”) to be included in the application(s), as described in Exhibit A.

10. 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.
11. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.

### **CONCLUSIONS OF LAW**

12. 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.
13. 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.
14. 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.
15. 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.
16. 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.
17. 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.
18. 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 and leases as described in Exhibit A.

Applicant is authorized to surface commingle oil and gas production from the wells included in Exhibit A provided that they produce from a pool and lease described in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease, as applicable, from the pools and leases 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, as applicable, 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. For each CA Pooled Area described in Exhibit A, Applicant shall submit a Proposed Agreement to the BLM or NMSLO, as applicable, prior to commencing oil and gas production. If Applicant fails to submit the Proposed Agreement, this Order shall terminate on the following day.

No later than sixty (60) days after the BLM or NMSLO approves or denies a Proposed Agreement, Applicant shall submit a Form C-103 to OCD with a copy of the decision and a description of the approved lands, as applicable. If Applicant withdraws or the BLM or NMSLO denies a Proposed Agreement, this Order shall terminate on the date of such action, and Applicant shall cease commingling the production from the CA Pooled Area. If the BLM or NMSLO approves but modifies the Proposed Agreement(s), Applicant shall comply with the approved Agreement(s), and no later than sixty (60) days after such decision, Applicant shall submit a new surface commingling application to OCD to conform this Order with the approved Agreement(s) if the formation or dedicated lands are modified or if a modification is made that will affect this Order. If Applicant fails to submit the new surface commingling application or OCD denies the new surface commingling application, this Order shall terminate on the date of such action.

Applicant shall allocate the oil and gas production to each lease within a CA Pooled Area in proportion to the acreage that each lease bears to the entire acreage of the CA Pooled Area until the Proposed Agreement which includes the CA Pooled Area is approved. After the Proposed Agreement is approved, the oil and gas production from the CA Pooled Area shall be allocated as required by the BLM's or NMSLO's, as applicable, approval of the Agreement, including any production that had been allocated previously in accordance with this Order.

3. No later than sixty (60) days after the BLM or NMSLO, as applicable, approves Applicant's paying well determination for a well, Applicant shall submit to the BLM or NMSLO an application to form or revise a PA that includes the PA Pooled Area as defined in Applicant's Form C-102 ("PA Application"). If Applicant fails to submit the PA Application, this Order shall terminate on the following day. No later than sixty (60) days after the BLM or NMSLO approves or denies the PA Application, Applicant shall submit a Form C-103 to OCD with

a copy of the decision. If Applicant withdraws or the BLM or NMSLO denies the PA Application, this Order shall terminate on the date of such action. If the BLM or NMSLO approves but modifies the PA Application, Applicant shall comply with the approved PA, and no later than sixty (60) days after such decision, Applicant shall submit a new surface commingling application to OCD to conform this Order with the approved PA if the formation or dedicated lands are modified or if a modification is made that will affect this Order. If Applicant fails to submit the new surface commingling application or OCD denies the new surface commingling application, this Order shall terminate on the date of such action.

Applicant shall allocate the oil and gas production to each lease within a PA Pooled Area in proportion to the acreage that each lease bears to the entire acreage of the PA Pooled Area until the PA Pooled Area is included in a PA. After a PA Pooled Area is included in a PA, the oil and gas production from the PA Pooled Area shall be allocated as required by the BLM's or NMSLO's, as applicable, approval of the PA, including any production that had been allocated previously in accordance with this Order.

4. 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.
5. 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.
6. 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.

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.

- b. The plateau period shall be measured from the end of the initial production period to the peak decline rate.

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.

- c. The decline period shall be measured from the end of the plateau period until the well is plugged and abandoned.

During the decline period, the oil and gas production for each well identified in Exhibit A shall be allocated as follows:

- i. a minimum of three (3) well tests per month when the decline rate is greater than twenty-two percent (22%) per month;
- ii. 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
- iii. 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.
  - ii. The total duration of the nonconsecutive periods shall be a minimum of eighteen (18) hours.
  - iii. A vessel shall be allowed to reach equilibrium and a sufficient liquid retention time for accurate measurement achieved prior to beginning the well test.

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.

7. If Applicant recovers oil or gas production from produced water prior to Applicant injecting it or transferring custody of it, then that production shall be allocated to each well in the proportion that it contributed to the total produced water.
8. If Applicant recovers gas production using a vapor recovery unit (VRU), then that gas production shall be allocated to each well in the proportion that it contributed to the total oil production.

9. 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.
10. 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.
11. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10(C)(2) NMAC.
12. Applicant shall install and utilize vessels that are appropriately designed to ensure sufficient separation of the fluids and to accurately measure oil and gas production.
13. 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.
14. 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.
15. 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.
16. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
17. 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).

18. 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*

---

**ALBERT C. S. CHANG  
DIRECTOR**

**DATE:** 05/29/2026

State of New Mexico  
Energy, Minerals and Natural Resources Department

## Exhibit A

Order: PLC-1129

Operator: Civitas Permian Operating, LLC (332195)

Central Tank Battery: Seinfeld Yada Federal Unit A Central Tank Battery

Central Tank Battery Location: UL N, Section 35, Township 24 South, Range 35 East x2

Central Tank Battery: First Tee E2 Well Pad

Central Tank Battery Location: UL H, Section 3, Township 25 South, Range 35 East

Gas Title Transfer Meter Location: UL N, Section 35, Township 24 South, Range 35 East

### Pools

Pool Name	Pool Code
WC025 G09 S243532M;WOLFBONE	98098
WC-025 G-09 S253502B;LWR BONE SPRIN	98185

### Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
PROPOSED Bone Spring CA NMNM	SE4	03-25S-35E
	E2	10-25S-35E
PA Wolfbone NMNM 105727785 (141169A)	ALL	22-24S-35E
	ALL	26-24S-35E
	ALL	27-24S-35E
	E2E2, SWNE, W2SE	28-24S-35E
	NE4, E2SE	33-24S-35E
	ALL	34-24S-35E
	ALL	35-24S-35E
	N2	03-25S-35E
	ALL	26-24S-35E
	ALL	35-24S-35E
PROPOSED PA Bone Spring	ALL	35-24S-35E
BLM Lease NMNM 105696537 (135596)	SESW, S2SE	35-24S-35E
FEE Lease	W2E2	26-24S-35E
	W2W2, NENW, NESW, N2NE, N2SE	35-24S-35E
	SENW, S2NE	35-24S-35E
BLM Lease NMNM 105386839 (120912)	SENW, S2NE	35-24S-35E
BLM Lease NMNM 105696532 (138891)	W2, E2E2	26-24S-35E

### Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-55126	FIRST TEE FEDERAL COM #111H	SE4	03-25S-35E	98185
		E2	10-25S-35E	
30-025-55127	FIRST TEE FEDERAL COM #112H	SE4	03-25S-35E	98185
		E2	10-25S-35E	
30-025-55128	FIRST TEE FEDERAL COM #113H	SE4	03-25S-35E	98185
		E2	10-25S-35E	
30-025-55129	FIRST TEE FEDERAL COM #121H	SE4	03-25S-35E	98185
		E2	10-25S-35E	

30-025-55132	FIRST TEE FEDERAL COM #122H	SE4 E2	03-25S-35E 10-25S-35E	98185
30-025-48253	SEINFELD YADA FEDERAL UNIT #135H	W2W2 W2W2	26-24S-35E 35-24S-35E	98098
30-025-48254	SEINFELD YADA FEDERAL UNIT #211H	W2W2 W2W2	26-24S-35E 35-24S-35E	98098
30-025-48255	SEINFELD YADA FEDERAL UNIT #215H	W2W2 W2W2	26-24S-35E 35-24S-35E	98098
30-025-48269	SEINFELD YADA FEDERAL UNIT #137H	E2W2 E2W2	26-24S-35E 35-24S-35E	98098
30-025-48270	SEINFELD YADA FEDERAL UNIT #138H	E2E2 E2E2	26-24S-35E 35-24S-35E	98098
30-025-48271	SEINFELD YADA FEDERAL UNIT #212H	E2W2 E2W2	26-24S-35E 35-24S-35E	98098
30-025-48272	SEINFELD YADA FEDERAL UNIT #213H	W2E2 W2E2	26-24S-35E 35-24S-35E	98098
30-025-48273	SEINFELD YADA FEDERAL UNIT #214H	E2E2 E2E2	26-24S-35E 35-24S-35E	98098
30-025-48274	SEINFELD YADA FEDERAL UNIT #216H	W2E2 W2E2	26-24S-35E 35-24S-35E	98098
30-025-48275	SEINFELD YADA FEDERAL UNIT #217H	E2W2 E2W2	26-24S-35E 35-24S-35E	98098
30-025-48276	SEINFELD YADA FEDERAL UNIT #218H	E2E2 E2E2	26-24S-35E 35-24S-35E	98098
30-025-48313	SEINFELD YADA FEDERAL UNIT #136H	W2E2 W2E2	26-24S-35E 35-24S-35E	98098
30-025-50985	SEINFELD YADA FEDERAL UNIT #221H	W2W2 W2W2	26-24S-35E 35-24S-35E	98098
30-025-50986	SEINFELD YADA FEDERAL UNIT #222H	E2W2 E2W2	26-24S-35E 35-24S-35E	98098
30-025-50987	SEINFELD YADA FEDERAL UNIT #223H	W2E2 W2E2	26-24S-35E 35-24S-35E	98098
30-025-50988	SEINFELD YADA FEDERAL UNIT #224H	E2E2 E2E2	26-24S-35E 35-24S-35E	98098
30-025-55725	SEINFELD FEDERAL UNIT #611H	W2W2 W2W2	26-24S-35E 35-24S-35E	98185
30-025-55836	SEINFELD FEDERAL UNIT #612H	E2W2 E2W2	26-24S-35E 35-24S-35E	98185
30-025-55835	SEINFELD FEDERAL UNIT #613H	W2E2 W2E2	26-24S-35E 35-24S-35E	98185
30-025-55834	SEINFELD FEDERAL UNIT #614H	E2E2 E2E2	26-24S-35E 35-24S-35E	98185

State of New Mexico  
Energy, Minerals and Natural Resources Department

**Exhibit B**

Order: PLC-1129  
Operator: Civitas Permian Operating, LLC (332195)

**Trains**

Yada A CTB A

First Tee Wells B

**Wells**

Well API	Well Name	UL or Q/Q	S-T-R	Train
30-025-55126	FIRST TEE FEDERAL COM #111H	SE4	03-25S-35E	A1
		E2	10-25S-35E	
30-025-55127	FIRST TEE FEDERAL COM #112H	SE4	03-25S-35E	A1
		E2	10-25S-35E	
30-025-55128	FIRST TEE FEDERAL COM #113H	SE4	03-25S-35E	A1
		E2	10-25S-35E	
30-025-55129	FIRST TEE FEDERAL COM #121H	SE4	03-25S-35E	A1
		E2	10-25S-35E	
30-025-55132	FIRST TEE FEDERAL COM #122H	SE4	03-25S-35E	A1
		E2	10-25S-35E	
30-025-48253	SEINFELD YADA FEDERAL UNIT #135H	W2W2	26-24S-35E	B1
		W2W2	35-24S-35E	
30-025-48254	SEINFELD YADA FEDERAL UNIT #211H	W2W2	26-24S-35E	B1
		W2W2	35-24S-35E	
30-025-48255	SEINFELD YADA FEDERAL UNIT #215H	W2W2	26-24S-35E	B1
		W2W2	35-24S-35E	
30-025-48269	SEINFELD YADA FEDERAL UNIT #137H	E2W2	26-24S-35E	B1
		E2W2	35-24S-35E	
30-025-48270	SEINFELD YADA FEDERAL UNIT #138H	E2E2	26-24S-35E	B1
		E2E2	35-24S-35E	
30-025-48271	SEINFELD YADA FEDERAL UNIT #212H	E2W2	26-24S-35E	B1
		E2W2	35-24S-35E	
30-025-48272	SEINFELD YADA FEDERAL UNIT #213H	W2E2	26-24S-35E	B1
		W2E2	35-24S-35E	
30-025-48273	SEINFELD YADA FEDERAL UNIT #214H	E2E2	26-24S-35E	B1
		E2E2	35-24S-35E	
30-025-48274	SEINFELD YADA FEDERAL UNIT #216H	W2E2	26-24S-35E	B1
		W2E2	35-24S-35E	
30-025-48275	SEINFELD YADA FEDERAL UNIT #217H	E2W2	26-24S-35E	B1
		E2W2	35-24S-35E	
30-025-48276	SEINFELD YADA FEDERAL UNIT #218H	E2E2	26-24S-35E	B1
		E2E2	35-24S-35E	
30-025-48212	SEINFELD YADA FEDERAL UNIT	W2E2	26-24S-35E	B1

30-025-46513	#136H	W2E2	35-24S-35E	B1
30-025-50985	SEINFELD YADA FEDERAL UNIT	W2W2	26-24S-35E	B1
	#221H	W2W2	35-24S-35E	
30-025-50986	SEINFELD YADA FEDERAL UNIT	E2W2	26-24S-35E	B1
	#222H	E2W2	35-24S-35E	
30-025-50987	SEINFELD YADA FEDERAL UNIT	W2E2	26-24S-35E	B1
	#223H	W2E2	35-24S-35E	
30-025-50988	SEINFELD YADA FEDERAL UNIT	E2E2	26-24S-35E	B1
	#224H	E2E2	35-24S-35E	
30-025-55725	SEINFELD FEDERAL UNIT #611H	W2W2	26-24S-35E	B1
		W2W2	35-24S-35E	
30-025-55836	SEINFELD FEDERAL UNIT #612H	E2W2	26-24S-35E	B1
		E2W2	35-24S-35E	
30-025-55835	SEINFELD FEDERAL UNIT #613H	W2E2	26-24S-35E	B1
		W2E2	35-24S-35E	
30-025-55834	SEINFELD FEDERAL UNIT #614H	E2E2	26-24S-35E	B1
		E2E2	35-24S-35E	

Sante Fe Main Office  
Phone: (505) 476-3441

General Information  
Phone: (505) 629-6116

Online Phone Directory  
<https://www.emnrd.nm.gov/ocd/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 590473

**CONDITIONS**

Operator: Civitas Permian Operating, LLC 555 17th Street Denver, CO 80202	OGRID: 332195
	Action Number: 590473
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

**CONDITIONS**

Created By	Condition	Condition Date
sarah.clelland	None	6/1/2026