

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Secretary

Adrienne Sandoval, Director
Oil Conservation Division



January 14, 2020

POOL/LEASE COMMINGLING

Administrative Order PLC-629

XTO Energy, Inc.
Attention: Tracie Cherry
6401 Holiday Hill Rd. Bldg 5 Midland, TX 79707

Pursuant to your application received on November 14, 2019, XTO Energy, Inc. ("Operator") is hereby authorized to surface commingle oil and gas production and off-lease measure from the pools, wells, and associated leases identified in Exhibit A and incorporated by reference into this Order. The wells are located in Sections 18 and 19, Township 23 South, Range 30 East, NMPM, Eddy County, New Mexico.

For purposes of allocating oil and gas production, the life of each well shall be divided into three ranges. Those ranges shall be the initial production period, initial plateau period, and decline period. The initial production period is defined as from first production to when the peak production rate has been reached. The initial plateau period is defined as from after the peak production rate has been reached to until the peak decline rate has been reached. The decline period is defined as any time after the peak decline rate has been reached.

For each well during the initial production period, the oil and gas production shall be separated into three independent streams and each stream shall be measured individually before commingling.

For each well in the initial plateau and decline periods, the oil and gas production shall be allocated using well tests. Each well test shall consist of a period of time with a duration greater than or equal to 24 hours in which the oil and gas production from the well being tested shall be separated into three independent streams and each stream shall be measured individually before commingling. Each well test may consist of the combination of nonconsecutive periods of time provided the following two conditions are met; (a) each period of time must have a duration greater than or equal to 6 hours; and (b) the summation of the periods of time must have a duration greater than or equal to 24 hours.

For each well during the initial plateau period, the minimum number of well tests that shall be required is **Four well tests per month.**

For each well during the decline period, the minimum number of well tests that shall be required each month shall be contingent upon the well's decline rate and is as follows:

Four well tests per month while the decline rate is **greater than 21 % per month**.

Three well tests per month while the decline rate is **between 21 % and 13 % per month**.

Two well tests per month while the decline rate is **between 13 % and 6 % per month**.

One well test per month while the decline rate is **less than 6 % per month**.

Operator shall submit a Sundry Notice (C-103) to the Engineering Bureau in Santa Fe when the planned number of well tests per month decreases due to the well transitioning to a production period in which the well requires fewer well tests per month. The Sundry Notice shall include a production curve and a decline rate curve demonstrating that the well meets the conditions to require fewer well tests per month.

Additional gas gathered from process equipment after commingling shall be measured and allocated to each well based on the individual well's production.

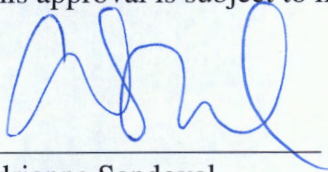
The commingled oil production from the wells shall be measured either by a lease automatic custody transfer ("LACT") meter or by a run ticket mutually agreed upon by Operator and the oil transporter. The measurement and sell of the commingled oil production shall occur at the respective central tank battery ("CTB") described in Exhibit A.

The commingled gas production from the wells shall be measured at the CTB described in Exhibit A using a custody transfer meter except when the gas pipeline is experiencing problems at which time the commingled gas production from the wells shall be measured using the appropriate meters.

Operator may add subsequently drilled wells to this Order in accordance with Division Rule 19.15.12.10(C)(4)(g) NMAC by submitting a completed C-107B to the Engineering Bureau in Santa Fe via the OCD Fee Portal.

The allocation meters shall be calibrated in accordance with Division Rule 19.15.12.10(C)(2) NMAC.

This approval is subject to like approval from the Bureau of Land Management.



Adrienne Sandoval
Director

AS/dm

cc: OCD – Engineering Bureau
 OCD – Artesia District Office
 Bureau of Land Management

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: PLC-629

Date: 01/14/20

Operator: XTO Energy, Inc

Central Tank Battery: Nash Deep East Tank Battery

Central Tank Battery Location: Section 23, Township 23 South, Range 30 East, NMPM

Gas Custody Transfer Meter Location: Section 23, Township 23 South, Range 30 East, NMPM

Pools

Pool Name	Pool Code	Pool Name	Pool Code
FORTY NINER RIDGE BONE SPRING, WEST	96526		
WC-015 G-05 S233031K; WOLFCAMP	98241		

Leases

NMNM70992X (Sec 6-T23S-R30E)
NMNM70992X (Sec 7-T23S-R30E)
NMNM70992X (Sec 18-T23S-R30E)

Wells

Well API	Well Name	Location	Pool Code
30-015-46586	Nash Unit 403H	UL C-Sec 19-T23S-R30E	98241
30-015-45494	Nash Unit 201H	UL A-Sec 19-T23S-R30E	96526
30-015-45495	Nash Unit 202H	UL A-Sec 19-T23S-R30E	96526
30-015-45496	Nash Unit 203H	UL B-Sec 19-T23S-R30E	96526
30-015-45497	Nash Unit 204H	UL B-Sec 19-T23S-R30E	96526
30-015-46584	Nash Unit 205H	UL C-Sec 19-T23S-R30E	96526
30-015-45498	Nash Unit 206H	UL N-Sec 18-T23S-R30E	96526
30-015-45499	Nash Unit 207H	UL M-Sec 18-T23S-R30E	96526
30-015-46585	Nash Unit 208H	UL M-Sec 18-T23S-R30E	96526
30-015-45500	Nash Unit 301H	UL A-Sec 19-T23S-R30E	96526
30-015-45501	Nash Unit 302H	UL B-Sec 19-T23S-R30E	96526
30-015-45502	Nash Unit 303H	UL N-Sec 18-T23S-R30E	96526
30-015-46583	Nash Unit 304H	UL M-Sec 18-T23S-R30E	96526
30-015-45503	Nash Unit 401H	UL A-Sec 19-T23S-R30E	98241
30-015-45504	Nash Unit 402H	UL B-Sec 19-T23S-R30E	98241
30-015-45505	Nash Unit 404H	UL M-Sec 18-T23S-R30E	98241