

TCF66-200514-C-107B 955

Revised March 23, 2017

RECEIVED: 5/14/20	REVIEWER:	TYPE: CTB	APP NO: pDM2015054581
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Geological & Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505

**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Applicant:** XTO Energy Inc **OGRID Number:** 5380  
**Well Name:** Ross Draw 3031 Fed 1H & Ross Draw 31 Fed WAL COM 6H **API:** 30-015-44446;30-015-45121  
**Pool:** Purple Sage; Wolfcamp **Pool Code:** 98220

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW**

**1) TYPE OF APPLICATION:** Check those which apply for [A]

A. Location - Spacing Unit - Simultaneous Dedication

☐ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD

B. Check one only for [I] or [II]

[I] Commingling - Storage - Measurement

☐ DHC ☒ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

**2) NOTIFICATION REQUIRED TO:** Check those which apply.

- A. ☐ Offset operators or lease holders  
 B. ☒ Royalty, overriding royalty owners, revenue owners  
 C. ☐ Application requires published notice  
 D. ☐ Notification and/or concurrent approval by SLO  
 E. ☒ Notification and/or concurrent approval by BLM  
 F. ☐ Surface owner  
 G. ☒ For all of the above, proof of notification or publication is attached, and/or,  
 H. ☐ No notice required

**FOR OCD ONLY**

- ☐ Notice Complete  
☐ Application Content Complete

**3) CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

**Note:** Statement must be completed by an individual with managerial and/or supervisory capacity.

Tracie J. Cherry, Regulatory Lead

Print or Type Name

Signature

Date

05/14/2020

432-221-7379

Phone Number

tracie\_cherry@xtoenergy.com

e-mail Address

District I  
1625 N. French Drive, Hobbs, NM 88240  
District II  
811 S. First St., Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St Francis Dr, Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107-B  
Revised August 1, 2011

**OIL CONSERVATION DIVISION**  
1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

Submit the original  
application to the Santa Fe  
office with one copy to the  
appropriate District Office.

**APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)**

OPERATOR NAME: XTO Permian Operating, LLC (373075)

OPERATOR ADDRESS: 6401 Holiday Hill Rd. Bldg 5 Midland, TX 79707

APPLICATION TYPE:

☐ Pool Commingling ☒ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☐ State ☒ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. \_\_\_\_\_

Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling  
☒ Yes ☐ No

**(A) POOL COMMINGLING**  
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

(2) Are any wells producing at top allowables? ☐ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No.

(4) Measurement type: ☐ Metering ☐ Other (Specify)

(5) Will commingling decrease the value of production? ☐ Yes ☐ No If "yes", describe why commingling should be approved

**(B) LEASE COMMINGLING**

Please attach sheets with the following information

(1) Pool Name and Code. Purple Sage; Wolfcamp (Gas) (98220)

(2) Is all production from same source of supply? ☒ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No

(4) Measurement type: ☒ Metering ☐ Other (Specify)

**(C) POOL and LEASE COMMINGLING**

Please attach sheets with the following information

(1) Complete Sections A and E.

**(D) OFF-LEASE STORAGE and MEASUREMENT**

Please attached sheets with the following information

(1) Is all production from same source of supply? ☐ Yes ☐ No

(2) Include proof of notice to all interest owners.

**(E) ADDITIONAL INFORMATION (for all application types)**

Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.

(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Tracie J. Cherry

TITLE: Regulatory Coordinator

DATE: 05/14/2020

TYPE OR PRINT NAME Tracie J. Cherry

TELEPHONE NO.: 432-221-7379

E-MAIL ADDRESS: tracie\_cherry@xtoenergy.com

**Proposal for Ross Draw 3031 Battery**

XTO Energy, Inc. (XTO) is requesting approval for Surface Commingle oil production for the wells listed on the attached table.

**Well Information and Lease Description**

The Ross Draw 3031 Battery ("battery") is used as a common tank battery for two (2) wells. Both wells are in different communitization agreements (CA) with the same Federal royalty burden.

The battery has three (3) 750 bbl oil tanks and four (4) produced water tanks on the location. The battery is located in Lot 5 Sec 31 T26S-R30E, (GIS 32.0008137, -103.9152263). Oil from this facility is sent through a LACT into a pipeline. The gas from the battery is sent to through a 'check' meter on location before going to Energy Transfer Company (ETC) through the gas sales meter located NWNW Sec. 25 T26S-R29E (32.0180736, -103.9419173).

**Process Flow and Allocation Description**

The flow of production is shown in detail on the enclosed facility diagram. A map is included with this application outlining lease/CA boundaries, location of wells and facility.

**Oil Process Flow:**

Under normal operating conditions, the combined production stream from both wells flow from their respective locations to a dedicated 3-phase metering separator. Oil from the 3-phase separator flows through their respective Coriolis test meter (#DBRD0017G & #DBRD0018G), then through a shared heater treater. From the treaters, oil enters a shared line and flows through a VRT and then to the tanks. From the tanks, oil is sold into the pipeline through LACT #DBRD0019OL.

Oil production is allocated to each well based on a factor derived from the Coriolis test meter reading, and the LACT meter reading. The LACT meter is installed per API and CFR 43 3174 requirements and is proven quarterly. LACT meter #DBRD0019OL is the Federal FMP for crude at this facility

**Gas Process Flow**

Gas production from the wells also flows to this battery and follows the same separation, metering and allocation process as oil. The gas produced at this facility is measured using a sales 'check' meter (#DBRD0013G) prior to leaving the facility and is then combined with gas from two (2) other facilities prior to sales/custody transfer. The 'check' meter will function as the Federal FMP for gas at the facility.

Approval to commingle of gas production from this facility with gas from the Ross Draw 25 31 and Ross Draw 25N facilities is being requested in a separate filing.

Water production is measured using turbine meters located off the test separators. Water from the test separators and the heater treaters is discharged into a common water line to travel to the water tanks where it is stored until it enters the SWD system.

This facility was built with a 'Main' production train for future development, utilizing bulk and test allocation. As only two wells are currently utilizing this facility, each well will be routed to a dedicated metering separator and be metered individually. At such time the decision is made to add additional wells, the appropriate CAA application will be submitted prior to producing the wells to this facility.

**Summary:**

The proposed commingling and allocation will not result in reduced royalty or improper measurement of production. The proposed commingling will reduce the surface facility footprint and overall emissions.

Commingling oil and gas production of these wells is necessary for the complete economic recovery of minerals in place..

The NMOCD is being petitioned for like approval.

XTO understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.

The BLM and NMOCD will be notified of any future changes in the facilities.

Form 3160-5  
(June 2015)UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB NO. 1004-0137  
Expires: January 31, 2018**SUNDRY NOTICES AND REPORTS ON WELLS**  
**Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.**5. Lease Serial No.  
NMNM17225A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.  
NMNM1397398. Well Name and No.  
ROSS DRAW 31 FEDERAL WAL COM 6H9. API Well No.  
30-015-4512110. Field and Pool or Exploratory Area  
PURPLE SAGE;WOLFCAMP (GAS)11. County or Parish, State  
EDDY COUNTY, NM**SUBMIT IN TRIPLICATE - Other instructions on page 2**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

XTO ENERGY INC

Contact: TRACIE J CHERRY

E-Mail: tracie\_cherry@xtoenergy.com

3a. Address

6401 HOLIDAY HILL RD BLDG 5  
MIDLAND, TX 79707

3b. Phone No. (include area code)

Ph: 432-221-7379

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 31 T26S R30E Mer NMP SENE 170FNL 430FEL

## 12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Subsurface Commingling
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

XTO Energy Inc respectfully submits this sundry notice to commingle oil and gas production at a common tank battery. Oil will be transported to, stored and sold from the Ross Draw 3031 Battery via LACT from this location. Gas will be separated and measured at the facility and sold at a location off lease.

Well associated at this facility are:

Ross Draw 3031 Federal 1H / 30-015-44446

Ross Draw 31 Federal WAL COM 6H / 30-015-45121

NMOCD is being petitioned for like approval.

All required exhibits are attached to this sundry.

14. I hereby certify that the foregoing is true and correct.

**Electronic Submission #515308 verified by the BLM Well Information System  
For XTO ENERGY INC, sent to the Carlsbad**

Name (Printed/Typed) TRACIE J CHERRY

Title REGULATORY COORDINATOR

Signature (Electronic Submission)

Date 05/14/2020

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

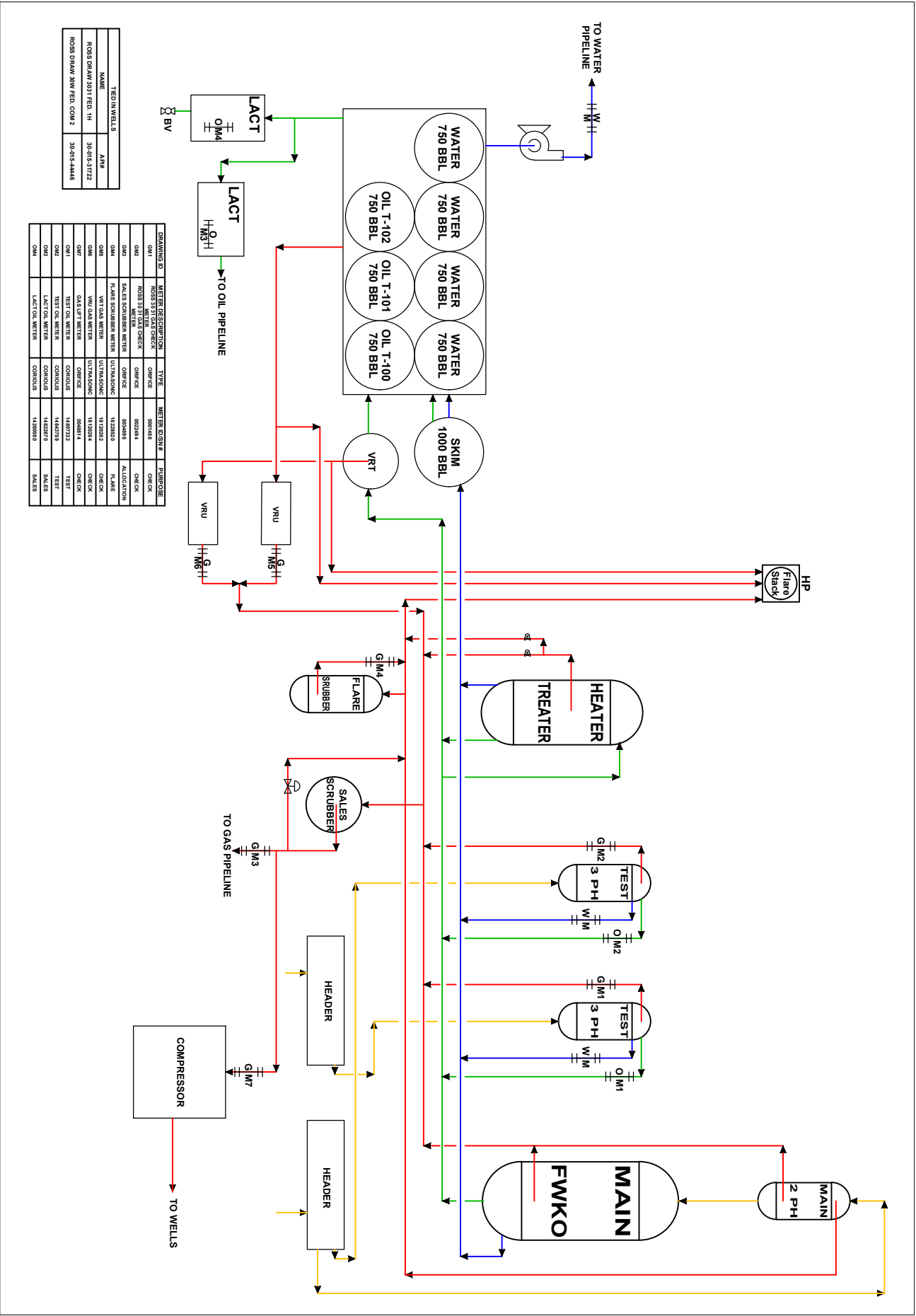
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

**\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\***

Federal Lease: NMNM139998 CA NMNM019612 (248.81 ac), NMNM017225A (200.74 ac) 12.5% Fed Royalty							
Well Name (Property Code)	API	Loc ¼, ¼, Sec. Twp, Rng	Pool (NMOCD Pool Code)	BOPD		MCFPD	
Ross Draw 3031 Federal 1H (319260)	30-015- 44446	SHL: NWE Sec 31 T26S-R30E BHL: NWNW Sec 30 T26S-R30E	Purple Sage; Wolfcamp (Gas) (98220)	300		1500	

Federal Lease: NMNM139739 CA NMNM121477 (320 ac), NMNM17225A (448.41) 12.5% Fed Royalty							
Well Name (Property Code)	API	Loc ¼, ¼, Sec. Twp, Rng	Pool (NMOCD Pool Code)	BOPD		MCFPD	
Ross Draw 31 Federal WAL COM 6H (322644)	30-015- 45121	SHL: SENE Sec 31 T26S-R30E BHL: NENE Sec 19 T26S-R30E	Purple Sage; Wolfcamp (Gas) (98220)	600		2500	

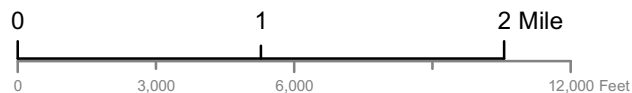
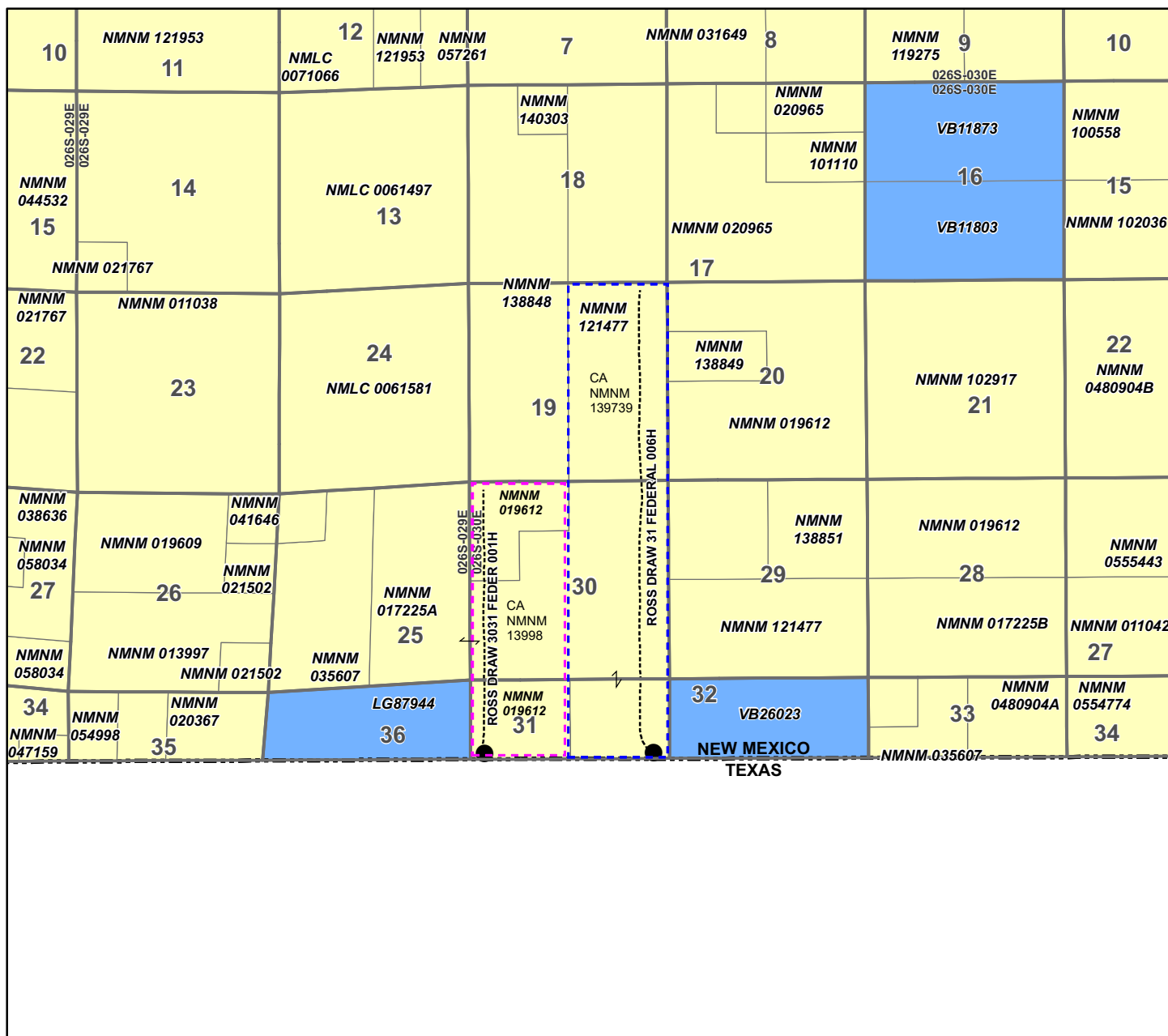


Revision	Description of Change	Date	By	XTD
1	COMMINGLED DRAWING	4/23/20	CH	PERMAN OPERATING, LLC
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ROSS 30 31  
CENTRAL TANK BATTERY  
EDDY COUNTY, NEW MEXICO  
LAT: LONG: 32.0008137, -103.9182263  
COMMINGLED DRAWING



Ross Draw 3031 Federal 1H / 30-015-44446  
Ross Draw 31 Federal WAL COM 6H / 30-015-45121  
Eddy Co., New Mexico  
May 12, 2020



- surface hole location
- wellbore
- BLM communization agreement
- BLM Participating Area
- State Lease
- Federal Lease



CERTIFIED MAILING LIST  
XTO ENERGY, INC  
ROSS DRAW 3031 BATTERY

**CERT #7019 0700 0001 4218 1315**

LAURELIND CORPORATION  
PO BOX 2143  
ROSWELL, NM 88202

**CERT #7019 0700 0001 4218 1353**

J HARRIS INVESTMENTS LLC  
5960 W PARKER RD STE 278-102  
PLANO, TX 75093

**CERT #7019 0700 0001 4218 1322**

SCOTT A HARRIS  
PO BOX 1018  
JUPITER, FL 33468

**CERT #7019 0700 0001 4218 1360**

BUREAU OF LAND MANAGEMENT  
620 E GREENE ST  
CARLSBAD, NM 88220

**CERT #7019 0700 0001 4218 1339**

FAWN C LAWRENCE  
DBA DAJALACO LLC  
408 MIRADA CT  
GRAND JUNCTION, CO 81507

**CERT #7019 0700 0001 4218 1346**

ZACHARY HARRIS  
DBA NINEBARK LAND LLC  
PO BOX 12902  
TALLAHASSEE, FL 32317

Interest owners in some tracts could not be identified. Additional notice of application was done by publication.

I, Tracie J Cherry, do hereby certify the interest owners for the well(s) in the Ross Draw 3031 Battery were furnished a copy of XTO's application, via certified mail on this date.

Signed:

  
Tracie J. Cherry

Title:

Regulatory Coordinator

Date:

05/14/2020

# Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

## Affidavit of Publication

Ad # 0004184520

This is not an invoice

### XTO ENERGY

6401 HOLIDAY HILL RD. BLDG 5

MIDLAND, TX 79707

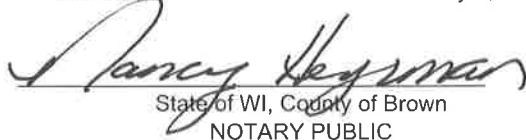
I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

05/08/2020



Legal Clerk

Subscribed and sworn before me this May 8, 2020:


State of WI, County of Brown  
NOTARY PUBLIC

5.15.23

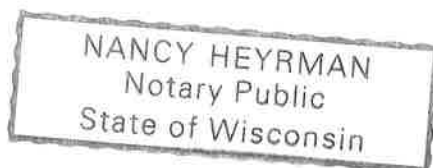
My commission expires

XTO Energy, Inc. is applying to NMOCD to surface commingle oil production at a common tank battery in Eddy County, NM. The Ross Draw 3031 Battery is located Lot 5, Sec 31 T26S-R29E (GIS 32.008137, -103.9152263) Oil production to be commingled originates from the following pool:  
Purple Sage; Wolfcamp (Gas)  
NMOCD pool code: 98220

Leases include both the State and Federal leases in Eddy County, NM located:  
Sec 19 T26S-R30E (E/2)  
Sec 30 T26S-R30E (E/2)  
Sec 30 T26S-R30E (E/2 W/2)  
Sec 31 T26S-R30E (NE/4 NW/4)  
Sec 31 T26S-R30E (N/2 NE/4)

Affected parties are being notified via certified letter. Publication serves as notice to owners not located.

Interested parties must file objections or requests for hearing with the New Mexico Oil Conservation Division, 1220 South Saint Frances Dr. Santa Fe, NM 87505 within 20 days of publication or approval will be administratively granted. Additional information can be obtained by contacting Tracie J Cherry, XTO Energy Inc., 6401 Holiday Hill Rd Bldg 5, Midland, TX 79707. Phone number 432-221-7379 #4184520, Current Argus, May 8, 2020



Ad # 0004184520

PO #: NMOCD to surface commingle oil  
production at a common tank batte

# of Affidavits: 1