

RECEIVED: 11/13/20	REVIEWER: DM	TYPE: PLC	APP NO: pDM2031858995
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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 Permian Operating LLC **OGRID Number:** 373075
Well Name: James Ranch Unit D11 and James Ranch Unit D11A; Multiple wells **API:** Multiple
Pool: WWC G-07 S2230216; Bone Spring & Los Medanos; Wolfcamp **Pool Code:** 97905 & 96597

**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 holdersB. ☒ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☒ Notification and/or concurrent approval by SLOE. ☒ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☒ 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 Coordinator

Print or Type Name

Signature

11/13/20

Date

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
WC G-07 S2230216; Bone Spring (97905)	See Attached				
Los Medanos; Wolfcamp (96597)					

(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) Allocation by test

(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.

(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) Allocation by test

(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.

Table attached

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: 11/13/20

TYPE OR PRINT NAME Tracie J. Cherry

TELEPHONE NO.: 432-221-7379

E-MAIL ADDRESS: tracie_cherry@xtoenergy.com

Well Name	BOPD	Oil Gravity @60 deg.	BOPD X gravity	Value /BBL		MCFPD	Dry BTU	MCFPD X BTU	Value/m
JRU DI 1 127H	230	43.6	10028			1000	1260	1260000	
JRU DI 1 157H	250	43.6	10900			300	1260	378000	
JRU DI 1 161H	250	43.6	10900			1500	1260	1890000	
JRU DI 1 169H	275	43.6	11990			1200	1260	1512000	
JRU DI 1 213H	950	43.6	41420			1500	1260	1890000	
JRU DI 1A 203H	600	43.6	26160			1600	1260	2016000	
JRU DI 1A 204H	500	43.6	21800			1600	1260	2016000	
JRU DI 1A 206H	800	43.6	34880			1800	1260	2268000	
JRU DI1 7W 210	1300	43.6	56680			2000	1260	2520000	
JRU DI1 7E 211H	1200	43.6	52320			1800	1260	2268000	
JRU DI1 7W 212H	900	43.6	39240			1600	1260	2016000	
JRU DI 1 503H 1	1200	45	54000			2400	1300	3120000	
JRU DI 1 700H 2	1200	45	54000			2400	1300	3120000	
JRU DI 1 701H 2	1200	45	54000			2400	1300	3120000	
JRU DI 1 702H 2	1200	45	54000			2400	1300	3120000	
JRU DI1A ENNIS 111H	2400	50	120000			4465	1400	6251000	
JRU Ennis DI1A 112H	2400	50	120000			4465	1400	6251000	
JRU Ennis DI1A 113H	2400	50	120000			4465	1400	6251000	
JRU Ennis DI1A 114H	2400	50	120000			4465	1400	6251000	
JRU Ennis DI1A 115Y	2400	50	120000			2723	1400	3812200	
JRU Ennis DI1A 904H 3	2400	45	108000			3000	1300	3900000	
JRU Ennis DI1A 805H 3sh	1175	45	52875			2300	1300	2990000	
Composite	27630	46.803945	1293193			51383	1327.68	68220200	

All crude oil for this battery with API between 44.1 and 50 will be sold as WTI Light. Price is based on commodity pricing at time of sale. No difference in the realized price or quality is expected.

Price for MMBTU is the combined BTU value at the sales meter. Given the similarity of BTU contents, there should be no significant price difference or sensitivity to allocation factors. Price is determined by commodity pricing at time of sale. Wells are not producing at this time.

Process Flow and Measurement

Each well will flow from its respective location to an inlet header on the South side of the facility. Wells will be directed to either a test separator or a bulk production separator. Oil production will be measured off of each test separator using a Coriolis test meter. Gas will be measured using an Electronic Flow Meter and water will be measured using a mag meter. After separation, oil from the wells in test will combine in a shared line and routed to one of two (2) horizontal heater treaters, through a vapor recovery tower and be transferred into the oil pipeline using a LACT unit. Production is allocated to each well based on the volume recorded on each well's Coriolis test meter and the volume recorded at the LACT unit. The LACT unit will be the FMP for oil at this facility. The LACT unit is installed and proven per 43 CFR 3174 requirement.

For wells not in test, production is directed to a 'bulk' production separator and into the shared oil line with the production from the test separators (downstream of the test meters) to be routed through the VRT and to the tanks.

There are four (4) 750 bbls storage tanks on location for oil storage if either of the LACT units are taken off line for maintenance or if any other operational upset occurs.

Gas from the separation equipment flows to a shared gas line that is routed to either the gas sales line or, in the event of limited pipeline capacity or emergency, a metered flare on location. Production is allocated to each well based on the volume recorded at gas EFM test meter and the volume recorded at the sales meter. The gas sales meter will be the FMP for gas at this facility. All EFM gas meters will be installed and calibrated per API and 43 CFR 3175 requirement.

Water production from the wells is routed to a shared water line and flows to storage tanks on location. Water then enters a main SWD system pipeline.

Variance Request

XTO is requesting this variance to produce the Wolfcamp wells, along with the 6th Revised Bone Spring PA wells (NMNM70965H) into the James Ranch D11A Battery until such time as XTO's submission through the 8th Revised Bone Spring Participating Area, and revised Wolfcamp Participating Area, covering the same surface area is approved by BLM and State Land Office.

Until the Wolfcamp Participating Area is in effect thus forming a common base of ownership, the wells will be considered "diversely owned". XTO is also petitioning the NMOCD for approval to allocate production to these diversely owned wells using a well test method. Initially, the first three (3) Wolfcamp wells (114H, 115Y & 904H) will have dedicated metering and separation until the remaining Wolfcamp wells (111H, 112H & 113H) are brought online in approximately 12 months. At that time, the Wolfcamp wells will transition to a bulk and test method. Wells will be tested in accordance with the testing schedule and decline curves attached to this application.

XTO also requests approval to add future wells and leases to this commingle approval and allocate production by well test method until the Participating Areas are finalized. Interest owners of wells to be added will be furnished notice.

All Bone Spring wells will be in an established Participating Area and production will immediately be allocated using a bulk and test method.

The existing Bone Spring PA NMNM70965H currently contains 80 acres (1.6667%) of State of New Mexico minerals. The potential for royalty impact on the Wolfcamp wells will be negligible. Once the Participating Areas are finalized, the appropriate CAA will be submitted.

The proposed measurement and allocation proposal will not result in the in reduced royalty or improper measurement of production.

Based on historical performance, the commingling of production from the Bone Spring and Wolfcamp formations will not result in a reduction of royalty value. The majority of the production into the James Ranch Unit D11A Battery will be from the Bone Spring formation. The blending of the production from the two formations is not expected to have any impact on the value of the production.

The commingling of production is in the interest of conservation and minimizing waste and will result in the most effective and economic means to maximize the ultimate economic recovery of the reserves in place from the affected wells. The proposed commingling and allocation will not result in reduced royalty or improper measurement. The proposed commingling will reduce the surface facility footprint and overall emissions.

Approval to commingle production from the wells flowing to the facility will avoid the need to request multiple CAA applications until the final PAs are established.

Attachment to
Certified Mailing List

LEE M BASS DBA 201MT O AND G LLC
THE BASS SICKEL 2016 CHILDRENS TRUST
32 MINERAL I BPEOR NM LLC
32 MINERAL II BPEOR NM LLC
BMT I BPEOR NM LLC
BMT II BPEOR NM LLC
CAPITAL PARTNERSHIP II (CTAM)
CTV CTAM BPEOR NM LLC
CTV LMB I BPEOR NM LLC
CTV LMB II BPEOR NM LLC
CTV SRB I BPEOR NM LLC
CTV SRB II BPEOR NM LLC
KEYSTONE CTAM BPEOR NM LLC
KEYSTONE RMB BPEOR NM LLC
LMBI I BPEOR NM LLC
LMBI II BPEOR NM LLC
SRBI I BPEOR NM, LLC
SRBI II BPEOR NM LLC
SRBMT O&G NM LLC
THE ANNE CHANDLER BASS EVANS 2016 CHILDRENS TRUST
THE CHRISTOPHER MADDOX BASS CHILDRENS TRUST
THE TIMOTHY RICHARDSON BASS 2016 CHILDRENS TRUST
THRU LINE BPEOR NM LLC
WD I BPEOR NM LLC
WD II BPEOR NM LLC
2016 HYATT BASS FAMILY TRUST
2016 SAMANTHA BASS FAMILY TRUST

Per the letter attached, interest owners associated with the Bass Family of companies have agreed to a single application sent to Mr. Hugh C. Montgomery, Director of Land rather than be notified individually.

WELL LIST
XTO PERMIAN OPERATING LLC
JAMES RANCH UNIT DI1A BATTERY

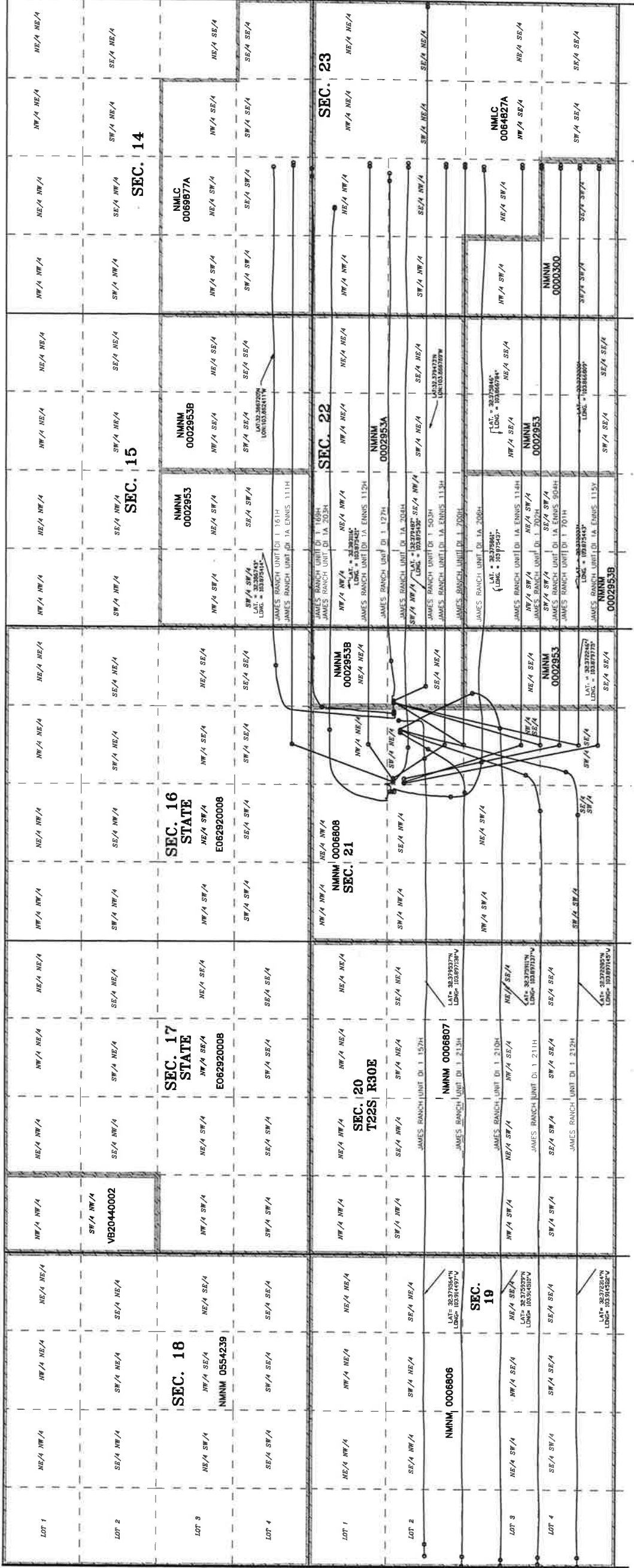
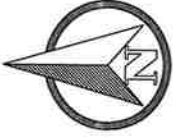
Federal Participating Area: NMNM70965H			
Well Name (Property Code)	API	Pool (Pool Code)	Loc ¼, ¼, Sec. Twp, Rng
James Ranch Unit DI1 157H (325535)	30-015-42607	WC G-07 S2230216; Bone Spring (97905)	SHL: SWNE Sec 21 22S-30E BHL: SWNW Sec 19 22S-30E
James Ranch Unit DI1 161H (325535)	30-015-43607	WC G-07 S2230216; Bone Spring (97905)	SHL: SWNE Sec 21 22S-30E BHL: SESW Sec 14 22S-30E
James Ranch Unit DI1 169H (325535)	30-015-42628	WC G-07 S2230216; Bone Spring (97905)	SHL: SWNE Sec 21 22S-30E BHL: SESW Sec 14 22S-30E
*James Ranch Unit DI1 BS2A 5W 210H (325537) (James Ranch Unit DI1 210H)	30-015-45398	WC G-07 S2230216; Bone Spring (97905)	SHL: SWNE Sec 21 22S-30E BHL: NESW Sec 19 22S-30E
*James Ranch Unit DI1 BS2A 7E 211H (325538) (James Ranch Unit DI1 211H)	30-015-45399	WC G-07 S2230216; Bone Spring (97905)	SHL: SWNE Sec 21 22S-30E BHL: SWSW Sec 19 22S-30E
*James Ranch Unit DI1 BS2A 7W 212H (325539) (James Ranch Unit DI1 212H)	30-015-45396	WC G-07 S2230216; Bone Spring (97905)	SHL: SWNE Sec 21 22S-30E BHL: SWSW Sec 19 22S-30E
*James Ranch Unit DI1 BS1 3E 212H (325539) (James Ranch Unit DI1 213H)	30-015-45397	WC G-07 S2230216; Bone Spring (97905)	SHL: SWNE Sec 21 22S-30E BHL: NESW Sec 19 22S-30E
James Ranch Unit DI1 503H (325535)	30-015-47007	WC G-07 S2230216; Bone Spring (97905)	SHL: SENE Sec 21 22S-30E BHL: SENE Sec 23 22S-30E
*James Ranch Unit DI1 BS2B 8E 212H (325539) (James Ranch Unit DI1 701H)	30-015-45462	WC G-07 S2230216; Bone Spring (97905)	SHL: SENE Sec 21 22S-30E BHL: SESW Sec 23 22S-30E
*James Ranch Unit DI1 BS2B 6E 212H (325539) (James Ranch Unit DI1 702H)	30-015-45461	WC G-07 S2230216; Bone Spring (97905)	SHL: SENE Sec 21 22S-30E BHL: SESW Sec 23 22S-30E
James Ranch Unit DI1 BS2B 5E 214H (325532)	30-015-45351	WC G-07 S2230216; Bone Spring (97905)	SHL: SWNE Sec 21 22S-30E BHL: NESW Sec 23 22S-30E
James Ranch Unit DI1 127H (325535)	30-015-43231	WC G-07 S2230216; Bone Spring (97905)	SHL: SENE Sec 21 22S-30E BHL: SENW Sec 23 22S-30E
James Ranch Unit DI1A 203H (325542)	30-015-43237	WC G-07 S2230216; Bone Spring (97905)	SHL: SENW Sec 21 22S-30E BHL: NENW Sec 23 22S-30E
James Ranch Unit DI1A 204H (325542)	30-015-43240	WC G-07 S2230216; Bone Spring (97905)	SHL: SWNE Sec 21 22S-30E BHL: SENW Sec 23 22S-30E
James Ranch Unit DI1A 206H (325542)	30-015-43236	WC G-07 S2230216; Bone Spring (97905)	SHL: SENW Sec 21 22S-30E BHL: SWNW Sec 23 22S-30E
James Ranch Unit DI1A Ennis 904H	30-015-45617	WC G-07 S2230216; Bone Spring (97905)	SHL: SWNE Sec 21 22S-30E BHL: SESW Sec 23 22S-30E

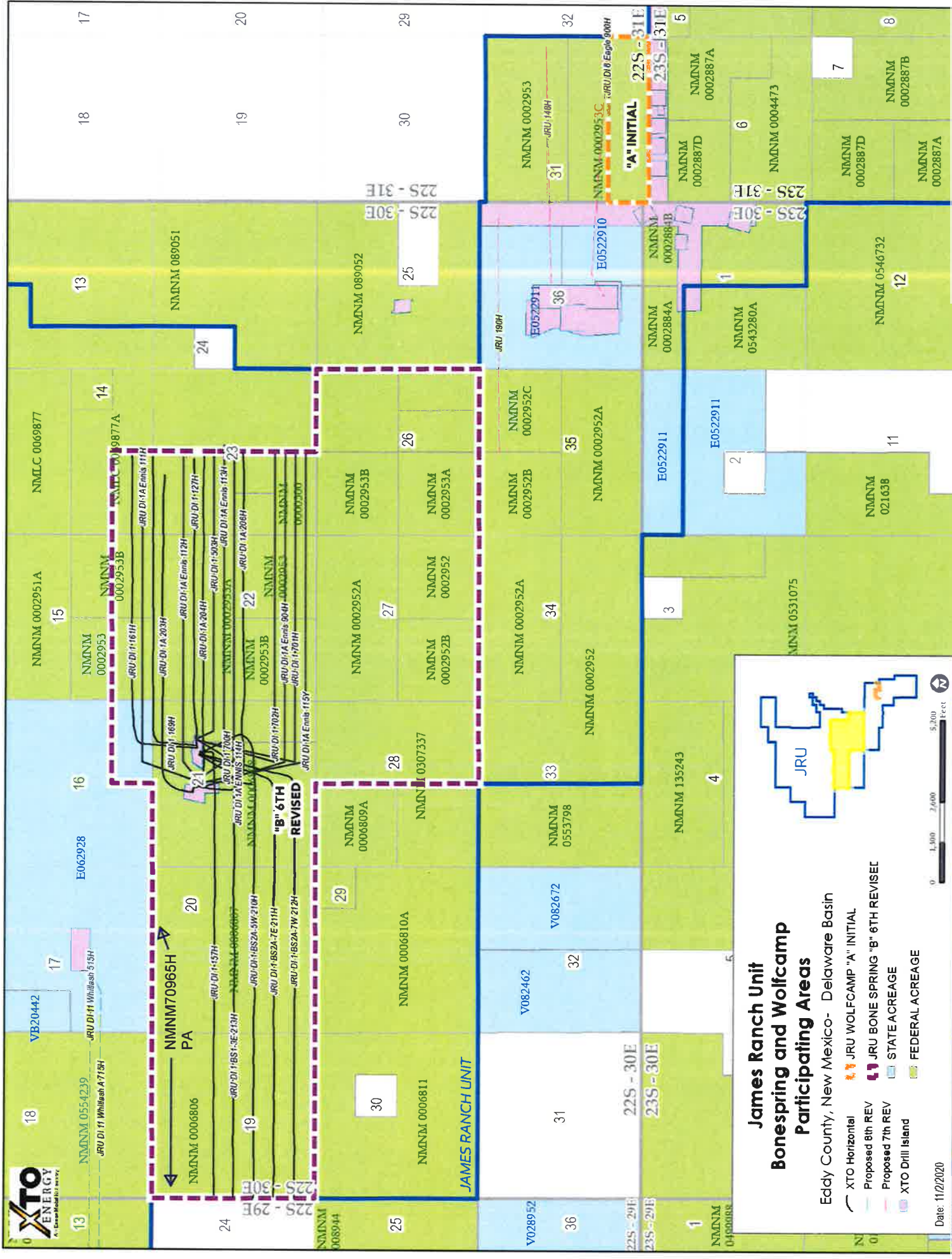
WELL LIST
XTO PERMIAN OPERATING LLC
JAMES RANCH UNIT D11A BATTERY

Federal Leases: NMNM02953, MNM02953B, NMNM069877A, NMNM06808, NMNM02953B, NMNM02953A, NMNM02953, NMNM02953B, NMNM02953, NMNM0300, NMLC064827A State Lease: E062920008			
Well Name (Property Code)	API	Pool (Pool Code)	Loc ¼, ¼, Sec. Twp, Rng
*James Ranch Unit D11A WCY 7E 222H (325547) (James Ranch Unit D11A Ennis 111H)	30-015-45612	Los Medanos; Wolfcamp (Gas) (96597)	SHL: SWNE Sec 21 22S-30E BHL: SESW Sec 14 22S-30E
*James Ranch Unit D11A WCY 1E 219H (325544) (James Ranch Unit D11A Ennis 112H)	30-015-45613	Los Medanos; Wolfcamp (Gas) (96597)	SHL: SWNE Sec 21 22S-30E BHL: NENW Sec 23 22S-30E
*James Ranch Unit D11A WCY 3E 220H (325545) (James Ranch Unit D11A Ennis 113H)	30-015-45614	Los Medanos; Wolfcamp (Gas) (96597)	SHL: SWNE Sec 21 22S-30E BHL: SWNW Sec 23 22S-30E
James Ranch Unit D11A Ennis 114H	30-015-45615	Los Medanos; Wolfcamp (Gas) (96597)	SHL: SWNE Sec 21 22S-30E BHL: NESW Sec 23 22S-30E
James Ranch Unit D11A Ennis 115Y	30-015-47514	Los Medanos; Wolfcamp (Gas) (96597)	SHL: SWNE Sec 21 22S-30E BHL: SESW Sec 23 22S-30E

*Wells marked with an asterisk have well name and number changes pending. New well name is shown in parenthesis.

JAMES RANCH UNIT DI 1
&
JAMES RANCH UNIT DI 1A





James Ranch Unit
Bonespring and Wolfcamp
Participating Areas

Eddy County, New Mexico - Delaware Basin

- XTO Horizontal
- Proposed 8th REV
- Proposed 7th REV
- XTO Drill Island
- JRU WOLF CAMP "A" INITIAL
- JRU BONE SPRING "B" 6TH REVISED
- STATE ACREAGE
- FEDERAL ACREAGE

Date: 11/2/2020



Date: November 12, 2020

To: Cherry, Tracie

From: Adnan Athira

Re: JRU D11A Battery Producers Forecasted Declines

Proposed JRU D11A Battery Producers: D11A Ennis 111H, 112H, 113H, 114H, and 115Y Eddy County, New Mexico

Regarding the application for a pool/lease commingle for the wells producing to the JRU D11A Battery, the production decline of the wells is in accordance with the production decline presented in Order R-14299.

During initial production, production will be allocated based on a minimum of ten (10) well tests per month

During the plateau period, the oil and gas production for each well 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 shall be allocated as follows:

- (a) a minimum of three (3) well tests per month when the decline rate is greater than 22% per month;
- (b) a minimum of two (2) well tests per month when the decline rate is between 22% and 10% per month; and
- (c) a minimum of one (1) well test per month when the decline rate is less than 10% per month

The five wells attached to this forecast have been drilled but yet to be put online. Average type curves for 10kft Wolfcamp Y and 10kft Wolfcamp A wells are shown, summary detail of decline parameters for each of the 5 wells are also captured in tabular format below each chart.

A blue ink signature of Adnan Athira.

Adnan Athira

Reservoir Engineer

Delaware Basin Subsurface Team

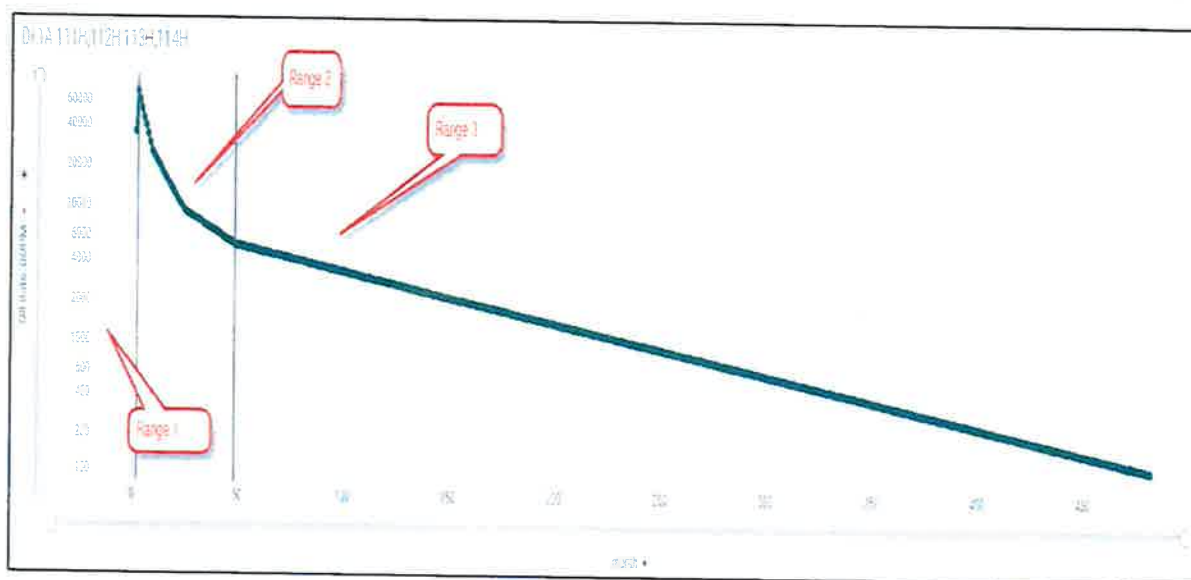


Figure 1: Hyperbolic Decline Forecast (Oil) for JRUDI1A 111H, 112H, 113H, and 114H Wolfcamp Y @ 10,000ft

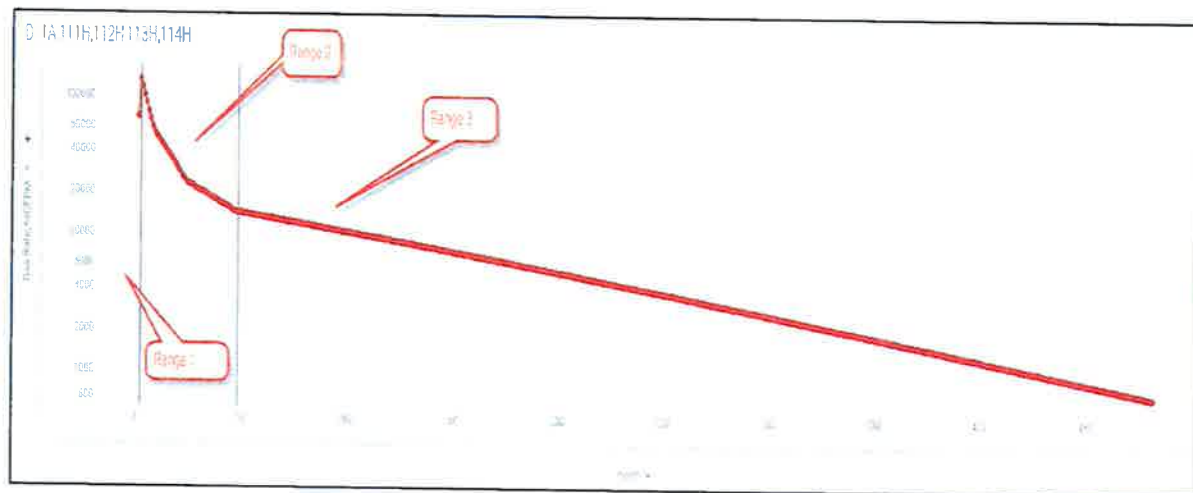


Figure 2: Hyperbolic Decline Forecast (Gas) for JRUDI1A 111H, 112H, 113H, and 114H Wolfcamp Y @ 10,000ft

Table 1: Forecast Parameter for JRUDI1A 111H, 112H, 113H, and 114H Wolfcamp Y @10,000ft

Forecast Parameters		
Q_i	2,400 BOPD	4,465 MCFD
D_e	0.75	0.75
B	1.10	1.10
D_{min}	0.10	0.10



Figure 3: Hyperbolic Decline Forecast (Oil) for JRUDI1A 115Y Wolfcamp A @10,000ft

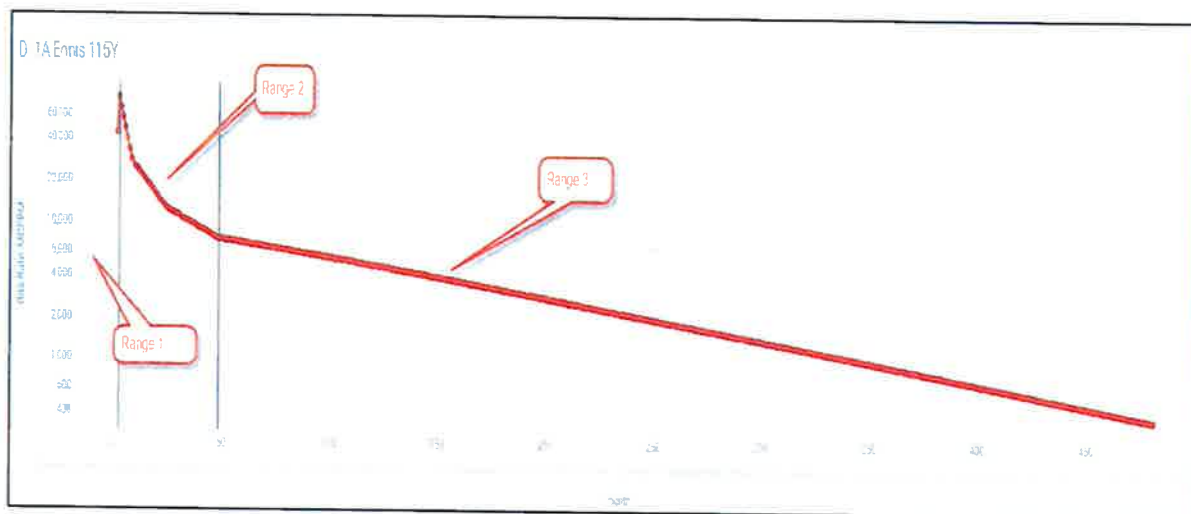


Figure 4: Hyperbolic Decline Forecast (Gas) for JRUDI1A 115Y Wolfcamp A @10,000ft

Table 2: Forecast Parameter for JRUDI1A 115Y Wolfcamp A @10,000ft

Forecast Parameters		
Q_i	1,500 BOPD	2,723 MCFPD
D_e	0.77	0.77
B	1.0	1.0
D_{min}	0.10	0.10