

Revised March 23, 2017

R8PGD-201119-C-107B CTB-975

|                    |              |           |                       |
|--------------------|--------------|-----------|-----------------------|
| RECEIVED: 11/19/20 | REVIEWER: DM | TYPE: CTB | APP NO: pDM2032430984 |
|--------------------|--------------|-----------|-----------------------|

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: 373750  
 Well Name: Big Eddy Unit D129 - multiple wells API: Multiple  
 Pool: Salt Lake; Bone Spring Pool Code: 53560

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

11/19/20

Date

432-218-3754

Phone Number

Signature

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  
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<br>Non-Commingled<br>Production | Calculated Gravities /<br>BTU of Commingled<br>Production |  | Calculated Value of<br>Commingled<br>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. Salt Lake; Bone Spring (53560)  
(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: 11/19/20

TYPE OR PRINT NAME Tracie J. Cherry TELEPHONE NO.: 432-218-3754

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

**APPLICATION LEASE COMMINGLE (CTB)****Big Eddy DI29 Tank Battery**

XTO requests approval to commingle oil and gas production from diversely owned wells at the new Big Eddy Unit DI29 Tank Battery NWNW Section 21, 20S-32E (LAT. 32.564815, LONG. -103.778572). Approval to measure, store and sell production off-lease is also requested. All wells are permitted to produce from the same Salt Lake; Bone Spring pool. However, until paying well determinations are submitted and approved and the corresponding Bone Spring Participating Area (PA) is approved forming a common base of ownership, each well will be considered as having diverse ownership. Wells flowing to the battery are listed on a separate attachment.

**PROCESS FLOW DESCRIPTION AND ALLOCATION**

The flow of production is shown in detail on the enclosed facility diagram. Also enclosed is a map detailing the lease boundaries, well locations and battery location. The facility will be constructed with eight (8) 3- phase test separators. Each test separator is equipped with a Coriolis test meter, gas orifice meter and water magnetic flow meter. Each well will be assigned to a metered test separator and production continuously measured.

The inlet header is configured so wells are directed to a test separator. After the test separators, oil production will be combined with the oil flow into a shared oil line, sent through a horizontal heater treater, vapor recovery tower and then on to the oil storage tanks. The oil is will be sold through a LACT meter into the crude pipeline from the vapor recovery tower. Steel oil tanks are located at the facility; these will be utilized for overflow if needed. Oil from the tanks will be sold into the pipeline via LACT. Oil production will be allocated daily using a factor derived from the volume recorded on the Coriolis test meter and the LACT meter readings.

The LACT meter will be the custody transfer and royalty settlement point for oil.

Gas production from all wells will follow the same separation and measurement process as oil. Gas will be allocated daily based on the factor derived using the volume recorded on the EFM test/allocation meter on the test separators and the volume recorded on the gas sales meter. The gas sales meter will be the point of custody transfer and royalty settlement.

Gas can also be directed to a (metered) flare on location, downstream of the allocation meters, in case of emergency or restricted pipeline capacity.

All water from the batteries is metered from the test separators using a magnetic meter. Water will be stored in steel tanks at the battery then sent through a magnetic flow meter to the water takeaway pipeline.

The facility is constructed with a 'bulk' production separator for future expansion. Approval to allocate production by well test is not being requested at this time.

**Summary:**

The oil and gas meters will be installed, proven and calibrated upon installation and on a regular basis thereafter per API and NMOCD specifications.

The working interest, royalty interest and overriding royalty interest owners have been notified of this proposal by certified mail (see attached).

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.

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

| <b>Federal Lease: NMNM001206A, NMLC065752A</b><br><b>State Lease: V067071 (Surface locations only)</b><br><b>Pool: Salt Lake; Bone Spring (53560)</b> |              |  |
|---|--------------|--|
| <b>Well Name<br/>(Property Code)</b>  | <b>API</b>   | <b>Loc ¼, ¼, Sec. Twp, Rng</b>                       |
| Big Eddy Unit DI29W Vader #100H<br>(326994)   | 30-025-46515 | SHL: SWSW Sec 16 20S-32E<br>BHL: NWNW Sec 18 20S-32E |
| Big Eddy Unit DI29W Vader #101H<br>(326994)   | 30-025-46516 | SHL: SWSW Sec 16 20S-32E<br>BHL: SWNW Sec 18 20S-32E |
| Big Eddy Unit DI29W Vader #103H<br>(326994)   | 30-025-46751 | SHL: SWSW Sec 16 20S-32E<br>BHL: SWSW Sec 18 20S-32E |
| Big Eddy Unit DI29W Vader #104H<br>(326994)   | 30-025-46542 | SHL: NWSW Sec 16 20S-32E<br>BHL: NWNW Sec 19 20S-32E |
| Big Eddy Unit DI29W Vader #105H<br>(326994)   | 30-025-46654 | SHL: NWSW Sec 16 20S-32E<br>BHL: SWNW Sec 19 20S-32E |
| Big Eddy Unit 29W BS2-5W #365H*<br>(326489)   | 30-025-46541 | SHL: SWSW Sec 16 20S-32E<br>BHL: NWSW Sec 18 20S-32E |
| Big Eddy Unit DI29E Vader #106H<br>(327077)   | 30-025-46655 | SHL: NWSW Sec 16 20S-32E<br>BHL: NENE Sec 21 20S-32E |
| Big Eddy Unit DI29E Vader #107H<br>(327077)   | 30-025-46543 | SHL: NWSW Sec 16 20S-32E<br>BHL: SENE Sec 21 20S-32E |

\*Sundry for well name change to Big Eddy Unit DI29W Vader 102H has been submitted.

CERTIFIED MAILING LIST  
XTO PERMIAN OPERATING LLC  
BIG EDDY UNIT DI29 BATTERY

**Certified #7013 1710 0001 1161 1010**

NEW MEXICO MILITARY INSTITUTE,  
BOARD OF REGENTS  
Attn: Finance Operation Officer  
101 W COLLEGE  
ROSWELL, NM 88201

**Certified #7013 1710 0001 1161 1027**

CONQUISTADOR COUNCIL BSA TRUST FUND  
Attn: M. Rickman Trust Officer  
PO BOX 840738  
DALLAS, TX 75284-0738

**Certified 7013 1710 0001 1161 1034**

UNIVERSITY OF NEW MEXICO,  
BOARD OF REGENTS,  
c/o Real Estate Director  
1 UNIV OF NEW MEXICO MSC063595  
ALBUQUERQUE, NM 87131

**Certified #7013 1710 0001 1161 1041**

BUREAU OF LAND MANAGEMENT  
620 E GREENE ST  
CARLSBAD, NM 88220-6292

**Certified #7013 1710 0001 1161 1362**

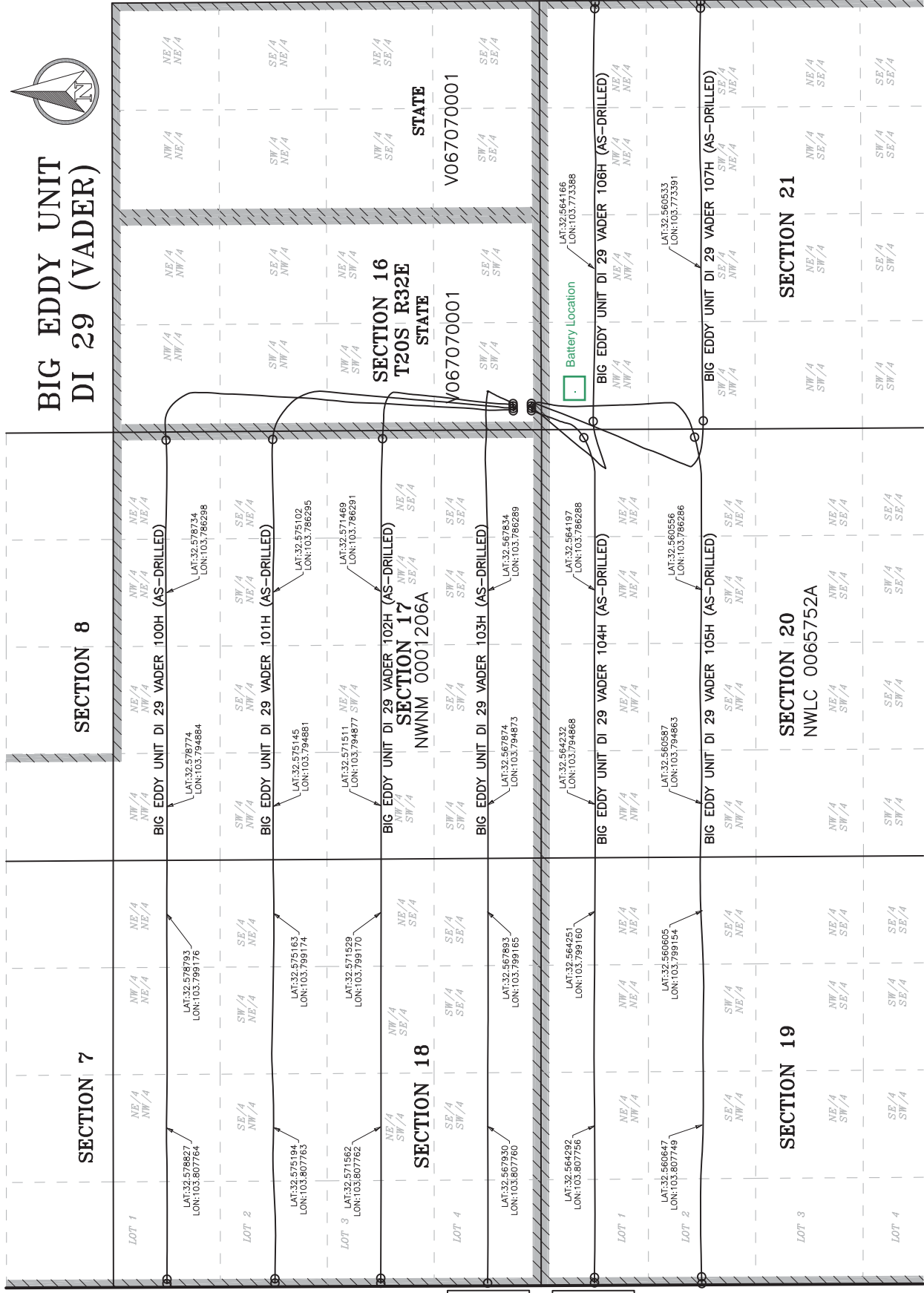
BEPCO LP  
HUGH C MONTGOMERY, DIR LAND  
201 MAIN STREET SUITE 3100  
FORT WORTH, TX 76102-3131

I, Tracie J Cherry, do hereby certify the interest owners for the well(s) in the Big Eddy DI29 Battery were furnished a copy of XTO's application, via certified mail on this date.

Signed:



Tracie J. Cherry  
Regulatory Coordinator  
Date: 11/19/2020



**BIG EDDY UNIT  
DI 29 (VADER)**

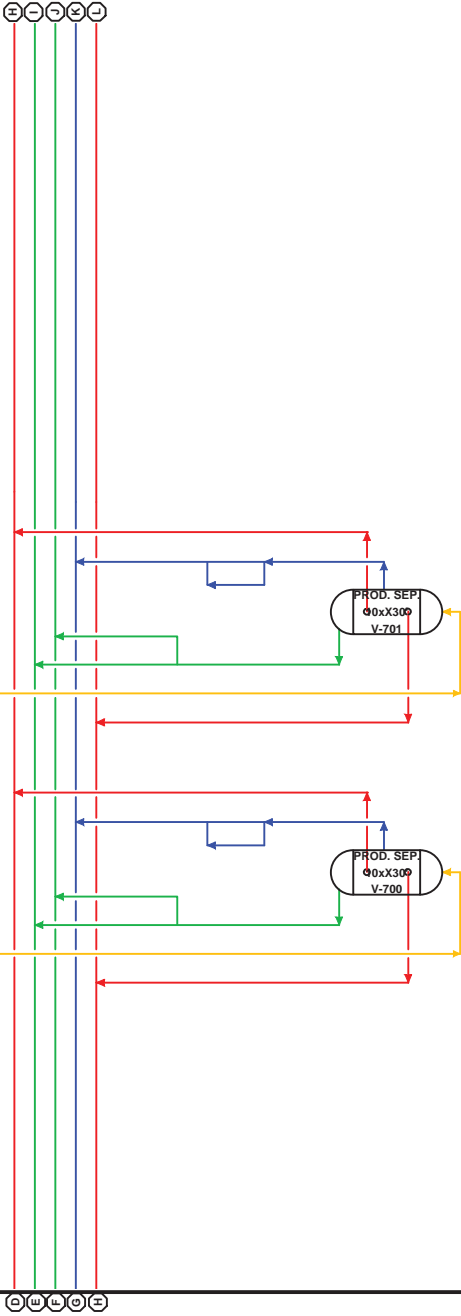
| SEC. 18 LOT ACREAGE TABLE |             |
|---------------------------|-------------|
| LOT 1                     | 39.47 ACRES |
| LOT 2                     | 39.49 ACRES |
| LOT 3                     | 39.51 ACRES |
| LOT 4                     | 39.53 ACRES |

| SEC. 19 LOT ACREAGE TABLE |             |
|---------------------------|-------------|
| LOT 1                     | 39.56 ACRES |
| LOT 2                     | 39.60 ACRES |
| LOT 3                     | 39.64 ACRES |
| LOT 4                     | 39.68 ACRES |

[illegible]



| DRAWING ID | METER DESCRIPTION     | TYPE     | METER ID # | PURPOSE    |
|------------|-----------------------|----------|------------|------------|
| G0M        | TEST SEP. GAS METER   | ORIFICE  |            | ALLOCATION |
| G1M        | TEST SEP. GAS METER   | ORIFICE  |            | ALLOCATION |
| G2M        | TEST SEP. GAS METER   | ORIFICE  |            | ALLOCATION |
| G3M        | TEST SEP. GAS METER   | ORIFICE  |            | ALLOCATION |
| G4M        | TEST SEP. GAS METER   | ORIFICE  |            | ALLOCATION |
| G5M        | TEST SEP. GAS METER   | ORIFICE  |            | ALLOCATION |
| G6M        | TEST SEP. GAS METER   | ORIFICE  |            | ALLOCATION |
| G7M        | TEST SEP. GAS METER   | ORIFICE  |            | ALLOCATION |
| O0M        | TEST SEP. OIL METER   | CORIOLIS |            | ALLOCATION |
| O1M        | TEST SEP. OIL METER   | CORIOLIS |            | ALLOCATION |
| O2M        | TEST SEP. OIL METER   | CORIOLIS |            | ALLOCATION |
| O3M        | TEST SEP. OIL METER   | CORIOLIS |            | ALLOCATION |
| O4M        | TEST SEP. OIL METER   | CORIOLIS |            | ALLOCATION |
| O5M        | TEST SEP. OIL METER   | CORIOLIS |            | ALLOCATION |
| O6M        | TEST SEP. OIL METER   | CORIOLIS |            | ALLOCATION |
| O7M        | TEST SEP. OIL METER   | CORIOLIS |            | ALLOCATION |
| W0M        | TEST SEP. WATER METER | MAG      |            | ALLOCATION |
| W1M        | TEST SEP. WATER METER | MAG      |            | ALLOCATION |
| W2M        | TEST SEP. WATER METER | MAG      |            | ALLOCATION |
| W3M        | TEST SEP. WATER METER | MAG      |            | ALLOCATION |
| W4M        | TEST SEP. WATER METER | MAG      |            | ALLOCATION |
| W5M        | TEST SEP. WATER METER | MAG      |            | ALLOCATION |
| W6M        | TEST SEP. WATER METER | MAG      |            | ALLOCATION |
| W7M        | TEST SEP. WATER METER | MAG      |            | ALLOCATION |



LEGEND:

- EMULSION
- WATER
- OIL
- GAS

NOTES:

| Revision | Description of Change | Date       | By | XTO PERMAN OPERATING, LLC |
|----------|-----------------------|------------|----|---------------------------|
| 0        | ISSUED FOR REVIEW     | 6/7/2020   | AE |                           |
| 1        | ISSUED FOR REVIEW     | 10/8/2020  | BM |                           |
| 2        | ISSUED FOR REVIEW     | 10/16/2020 | BM |                           |
|          |                       |            |    |                           |
|          |                       |            |    |                           |

|  |
|--|
| <b>BIG EDDY UNIT DI 29</b><br>CENTRAL TANK BATTERY<br>DELAWARE BASIN |
|  |
|  |
| SITE FLOW DIAGRAM  |
| XTO-DB-BEU-DI29-SFD-0001 - 4 OF 6                                    |



| DRAWING ID | METER DESCRIPTION        | TYPE       | METER ID # | PURPOSE    |
|------------|--------------------------|------------|------------|------------|
| G8M        | SALES GAS METER          | ORIFICE    |            | SALES      |
| G9M        | FLARE SCRUBBER GAS METER | ULTRASONIC |            | ALLOCATION |

| *NOTES:  |                              |  |  |  |  |  |
|----------|------------------------------|--|--|--|--|--|
| 1) V-500 | Dual-Burners: 2MM BTU/HR Ea. |  |  |  |  |  |
| 2) V-501 | Dual-Burners: 2MM BTU/HR Ea. |  |  |  |  |  |

