Form 3 180-5 FORM APPROVED **UNITED STATES** DEPARTMENT OF THE INTERIOR OMB NO. 1004-0137 (August 2007) Expires July 31, 2010 BUREAU OF LAND MANAGEMENT 5. Lease Serial No. SUNDRY NOTICES AND REPORTS ON WELLS

Bo not use this form for proposals to drill or to re-enter an NMNM000546 6. If Indian, Allottee or Tribe Name abandoned well., Use Form 3160-3 (APD) for such proposals. Common Field Child 7. If Unit or CA/Agreement, Name and/or No E :: CS :: CS :: BMIT IN TRIPLICATE - Other instructions on page 2 Type of Well 8. Well Name and No. Oil Well X Gas Well Other AMENDED MULTIPLE SEE BELOW Name of Operator XTO Energy Inc. 9. API Well No. 3a. Address 3b. Phone No. (include area code) MULTIPLE SEE BELOW 382 CR 3100, AZTEC, NM 87410 505-333-3100 10. Field and Pool, or Exploratory Area 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) BASIN DAKOTA SEE FOOTAGES BELOW - SWNW SEC.12(E)-T30N-R13W BASIN FRUITLAND COAL N.M.P.M. 11. County or Parish, State SAN JUAN NM 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF ACTION TYPE OF SUBMISSION X Notice of Intent Acidize Deepen Production (Start/Resume) Water Shut-Off Alter Casing Fracture Treat Reclamation Well Integrity Subsequent Report New Construction Recomplete SURFACE Casing Repa. Plug and Abandon Change Plans Temporarily Abandon COMMINGLE Final Abandonment Notice Plug Back Water Disposal Convert to Injection APPLICATION 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 recomplete 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 shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.) BELL FEDERAL 12 #2 (FC) - API: 30-045-31679 - FOOTAGES: 1615' FNL & 900' FWL CA#: NMNML04938 BELL FEDERAL GAS COM A #1E (DK) - API: 30-045-25614 - FOOTAGES: 1620' FNL & 930' FWL - CA#: NMNM073826 XTO Energy Inc proposes to surface commingle the above per the attached documents. OIL CONS. DIV DIST. 3 BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND JUL 0 8 2015 OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS I hereby certify that the foregoing is true and correct Name (Printed/Typed) Title KRISTEN D. REGULATORY ANALYST Signature Date 9/29/2014 THIS SPACE FOR FEDERAL OR STATE OFFICE USE Title Approved by 07-02-2015 Engineer lambekou Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that Office the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, makes it a crime for any personal form 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.

fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

18



382 CR 3100 Aztec, NM 87410 (505)333-3100 FAX: (505)333-3280

September 29, 2014

Mr. Michael McMilan New Mexico Oil Conservation Division 1220 S. St. Francis Drive Santa Fe, NM 87505 Mr. Jim Lovato Bureau of Land Management 1235 LaPlata Hwy Farmington, NM 87401

Subject: Amendment to PLC-404 Surface Commingle

Bell Federal 12 #02 & Bell Federal Gas Com A #1E

Sec 12, T30N, R13W San Juan County, NM

Dear Mr. McMilan & Mr. Jim Lovato:

XTO Energy Inc. requests permission for surface commingling of natural gas produced from the following wells: Bell Federal 12 #02 & Bell Federal Gas Com A #1E. These wells are located in Section 12-Township 30N-Range 13W UL E, in San Juan County, New Mexico.

XTO plans to produce the commingled gas through a central compressor, thus decreasing emissions, lowering operating expenses and extending the economic life of the wells. This increases the ultimate recoveries on all leases. The anticipated allocated fuel production and fuel usage for the compressor is noted in the attachments.

The Bell Federal Gas Com A #1E will be equipped with an allocation meter that will be maintained by XTO Energy in accordance with State and Federal Regulations (Onshore Order No. 5). Another allocation meter will be set downstream of the Bell Federal 12 #02 CDP. Production volumes for the Bell Federal 12 #02 will be calculated by subtracting the CDP volume from the Bell Federal Gas Com A #1E volume. Produced liquids will not be surface commingled. Ownership for these two wells is diverse; therefore all interest owners have been notified via certified mail, return receipt, on September 29,2014.

The following attachments are included with this application:

Form C107B (application for surface commingle; diverse ownership)

Map of all wells and their associated leases

Form C-102 for each well (plats)

Table of well with lease and agreement information, spacing, permits, gravities/BTU, MCF

Schematic diagram showing all flowlines, compressors & equipment

Details of allocation formula

Letter to WI, NRI & ORRI owners & list of owners

Administrative Application Checklist

Justin D. Babcock

Sincerely,

Kristen D. Babcock Regulatory Analyst

| DATE IN SI | SUSPENSE | ENGINEER | LOGGED IN | TYPE | API NO. |
|------------|----------|----------|-----------|------|---------|

ABOVE THIS LINE FOR DIVISION USE ONLY

# NEW MEXICO OIL CONSERVATION DIVISION



| - Engineering Bureau -<br>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   |
| Application Acronyms:  [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]  [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]  [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]  [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response] |
| [1.] TYPE OF APPLICATION - Check Those Which Apply for [A]  |
| [A.] Location - Spacing Unit - Simultaneous Dedication  |
| □ NSL □ NSP □ DD □ SD   |
| Check One Only for [B] or [C]   |
| [B.] Commingling-Storage-Measurement  |
| □ DHC □ CTB 🐹 PLC □ PC □ OLS □ OLM  |
| [C.] Injection -Disposal -Pressure Increase- Enhanced Oil Recovery   WFX PMX SWD IPI EOR PPR  |
| [2.] NOTIFICATION REQUIRED TO: -Check Those Which Apply, or   Dose Not Apply  |
| [A.] X Working, Royalty or Overriding Royalty Interest Owners   |
| [B]. Offset Operators, Leaseholders or Surface Owner  |
| [C.] Application is One Which Requires Published Legal Notice   |
| [D.] Notification and/or Concurrent Approval by BLM or SLO  |
| U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office  [E.] For all of the above, Proof of Notification or Publication is Attached, and/or,  |
| [F.] Waivers are Attached   |
| [3.] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.  |
| [4.] <b>CERTIFICATION:</b> 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.   |
|   |

witen D. Barbeack

Regulatory Analyst

9/29/2014

Kristen D.Babcock Print or Type Name

Title

Date

<u>District I</u> 1625 N. French Drive, Hobbs, NM 88240

District II

1301 W. Grand Ave. Artesia, NM 88210

District III

1000 Rio Brazos Road, Aztec, NM 87410

E-MAIL ADDRESS: kristen\_babcock@xtoenergy.com

<u>District IV</u> 1220 S. St Francis Dr. Santa Fe, NM 87505

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-107-B Revised June 10, 2003

## 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   | ON FOR SURFACE  | COMMINGLING   | (DIVERSE           | OWNERSHIP)                                      |               |
|---|---|---|--------------------|---|---------------|
|   | Energy, Inc.  |   |                    |   |               |
|   | CR 3100, Aztec. NM 8741   | 0   |                    |   |               |
| APPLICATION TYPE:   | _   |   |                    |   |               |
| Pool Commingling Lease Comm   |   | -   | Storage and Measur | ement (Only if not Surface                      | e Commingled) |
| LEASE TYPE: Fee   | State State Fede  |   |                    | N. I. M. Di C 103                               | Ā             |
| Is this an Amendment to existing ( Have the Bureau of Land Manager  ⊠Yes □No  |   |   |                    |   |               |
|   |   | L COMMINGLING s with the following in                     |                    |   |               |
| (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       |
| Basin Dakota (71599)  |   | <u> </u>  |                    |   |               |
| Basin Fruitland Coal (71629   |   |   |                    |   |               |
|   |   | <br>  |                    |   |               |
|   |   | -   |                    |   |               |
| <ul> <li>(2) Are any wells producing at top a</li> <li>(3) Has all interest owners been noti</li> <li>(4) Measurement type:   Meterin</li> <li>(5) Will commingling decrease the v</li> </ul> | ied by certified mail of the progen Grant (Specify) alue of production? | ⊠No If "yes", describ                                     |                    | ng should be approved                           |               |
|   |   | SE COMMINGLINGS with the following in                     |                    |   |               |
| <ol> <li>Pool Name and Code.</li> <li>Is all production from same source.</li> <li>Has all interest owners been notified.</li> <li>Measurement type: ☐Metering</li> </ol>                     |   |   | □Yes □N            | 0   |               |
|   |   | LEASE COMMIN  |                    |   |               |
| (1) Complete Sections A and E.  | Please attach sheet   | s with the following in                                   | formation          |   | NE            |
| (1) Complete Sections A and E.  |   |   |                    |   |               |
|   | (D) OFF-LEASE ST<br>Please attached she                                 | ORAGE and MEAS<br>ets with the following i                |                    |   |               |
| <ul><li>(1) Is all production from same source</li><li>(2) Include proof of notice to all interest</li></ul>  |   | lo  |                    |   |               |
| (E)   | ADDITIONAL INFO   | RMATION (for all s with the following in                  |                    | /pes)   |               |
| <ol> <li>A schematic diagram of facility,</li> <li>A plat with lease boundaries shown</li> <li>Lease Names, Lease and Well No.</li> </ol>   | ncluding legal location.<br>ving all well and facility locat            |   |                    | ate lands are involved.                         |               |
| I hereby certify that the information about   | ove is true and complete to the   | best of my knowledge and                                  | d belief.          |   |               |
| SIGNATURE: KWSTEND  | Babcock T   | ITLE: REGULATORY  | ANALYST            | DATE: 9/2                                       | 9/14          |
| TYPE OR PRINT NAME KRISTE   | N'D. BABCOCK  |   | TELE               | EPHONE NO.: <u>505-333-</u>                     | 3206          |



# OIL CONSERVATION DIVISION

# P. O. BOX 2088

## SANTA FE, NEW MEXICO 87501

Form (-107 Revised 10-1-78

All distances must be from the cuter boundaries of the Section.

| alor             |  |                           | Ledee                  |   |                 | Well No.  | •           |
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DISTRICT | P.O. Box 1980, Hobbs, N.M. 88241-1980

State of New Mexico
-.ergy, Minerals & Natural Resources Department.

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Capies
Fee Lease - 3 Capies

DISTRICT II P.O. Drawer DO, Artenio, N.M. 86211-0719

OIL CONSERVATION DIVISION

DISTRICT IN 1006 Rio Erozos Rd., Azioc, N.M. 87410

DISTRICT IV

P.O. Box 2068 Santa Fe. NM 87504—2088

AMENDED REPORT

| O Box 2068, San                      | ta Fe, NH i   | 37504-2088       |                           |           |                               |                        |                         |   |  |
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| 16706                                | ۳۰            |                  |                           |           | XTO ENERG                     | r inc.                 |                         |   | 5787   |
|                                      |               |                  |                           | ь         | 10 Surface                    | Location               |                         |   |  |
| UL or let no.<br>E                   | Section<br>12 | Township<br>30-N | Range<br>13-W             | Lot Idn   | Feet from the<br>1615         | Harth/South Item NORTH | Foot from the<br>900    | East/West line<br>WEST                            | SAN JUAN   |
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| 4 Dedicated Acres                    | //            |                  | Joint or Infill           |           | "Consolication C              | 9 <b>4</b> 0           | Order Re.               |   |  |
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### \_Bell Federal\_ CDP

#### Proposed Allocation Procedure

#### Base Data:

W = Gas Volume (Mcf) from allocation meters at individual wells during allocation period

X = Gas Volume (Mcf) from CDP Sales Meter during allocation period

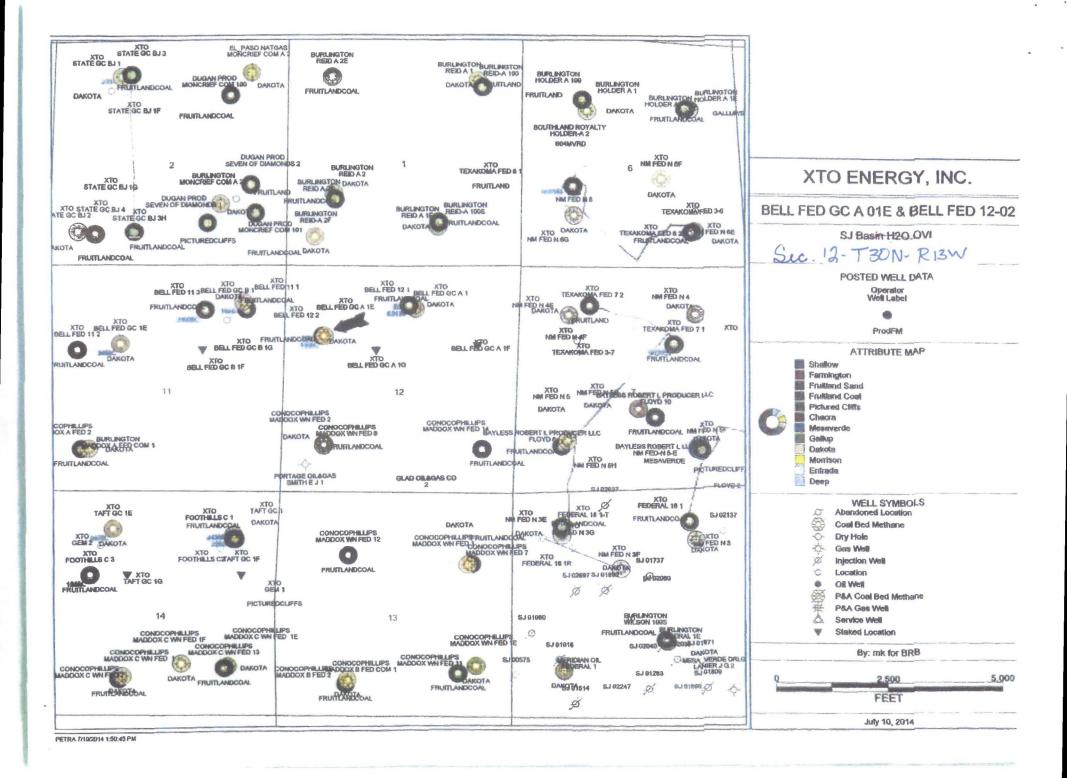
Y = BTU's from CDP Sales Meter during allocation period

Allocation Period is typically a calendar month and will be the same for all wells.

1. Individual Well Gas Production = A + B + C + D + E

A = Allocated Sales Volume,  $Mcf = (W/SUM W) \times X$ (individual well volume divided by the sum of the well volumes; multiplied by total from CDP)

- B = On lease fuel usage, Mcf. Determined from equipment specifications and operating conditions.
- C = Purged and/or vented gas from well and/or lease equipment, Mcf. Calculated using equipment specifications and pressures.
- D = Allocated fuel from gathering system equipment. The total fuel required to operate gathering system equipment will be allocated to the individual wells benefiting from the equipment using allocation factors determined by W/SUM W for the wells involved.
- E = Allocated volume of gas lost and/or vented from the gathering system and/or gathering system equipment, Mcf. The total volume will be determined using industry accepted procedures for the conditions existing at the time of the loss. All volumes corresponding to liquid condensation within the gathering system will also be determined. The total volume lost and/or vented will be allocated to the individual wells affected using factors determined by W/SUM W.
- 2. Allocated Individual Well BTU's = ((W x Individual well BTW/SUM (@ x individual well BTU)) x Y. Individual well gas heating values to be determined in accordance with BLM regulations (currently Onshore Order #5).



Well Name: Field:

Bell Federal 12-02

San Juan County NM Lease # Lease # NM-0545, API # 30-045-31679
Section: SW/NW Sec. 12 (E), T-30N, R-13W
CA # If Applicable : N/A NM NM 1 b 4 9 38
Updated: 7725/2014

Well Name: Field: Lease #

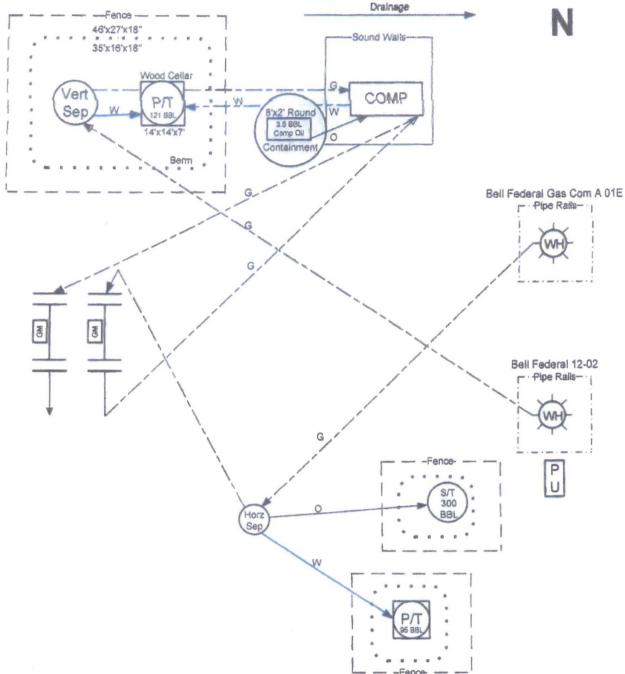
Bell Federal Gas Com A 01E San Juan County NM

Lease # NM-0546, API # 30-045-25614

SW/NW Sec. 12 (E), T-30N, R-13W Section: CA # If Applicable : NMNM073826

Updated: 7/25/2014





Production Gas Oil Water **Equalizing Line** Catch Basin-

General sealing of valves, sales by tank gauging Production phase: Drain valve D1 and sales valve S1 sealed closed. Sales phase: Drain valve D1 sealed closed. Sales valve S1 open. Draining phase: Drain valve D1 open. Sales valve S1 closed.

This lease is subject to the site security plan for San Juan Basin Area. The plan is located at: XTO ENERGY INC.

382 Road 3100 Aztec, NM 87410

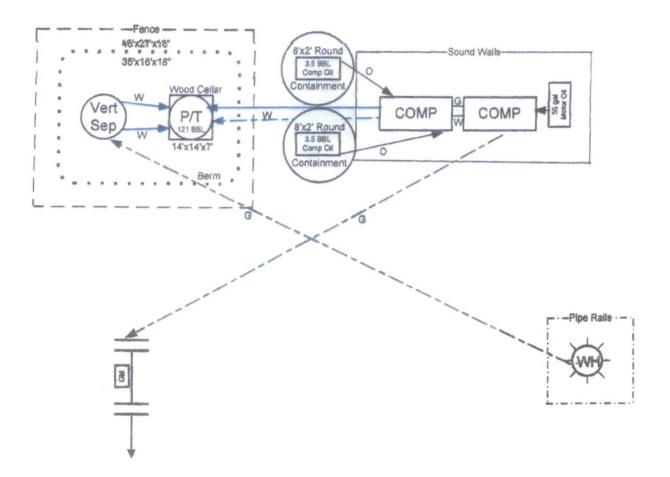
Well Name: Bell Federal 12 #2 Field:

San Juan County NM Lease # NM-0546, API # 30-045-31679 Lease # SW/NW Sec. 12 (E), T-30N, R-13W WA NMNW 104938 2/15/2010 Section: CA # If Applicable :

Updated:

Drainage





Production Gas Oil Water **Equalizing Line** Catch BasinGeneral sealing of valves, sales by tank gauging Production phase: Drain valve D1 and sales valve S1 sealed closed. Sales phase: Drain valve D1 sealed closed. Sales valve S1 open. Draining phase: Drain valve D1 open. Sales valve S1 closed.

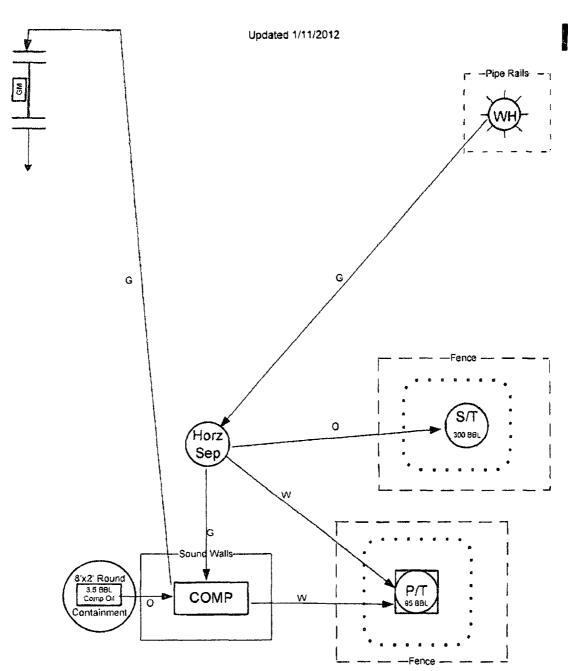
This lease is subject to the site security plan for San Juan Basin Area. The plan is located at: XTO ENERGY INC. 382 Road 3100 Aztec, NM 87410

# XTO ENERGY, INC BELL FEDERAL GAS COM A #1E

SW/4 NW/4 Sec 12, T30N, R13W, Unit E LEASE: NMNM-0546

COMM AGREEMENT: NMNM-73826





General seating of valves, sales by tank gauging
Production phase: Drain valve D1 and sales valve S1 sealed closed,
Sales phase: Drain valve D1 sealed closed, Sales valve S1 open.
Draining phase: Drain valve D1 open. Sales valve S1 closed.

#### WELL INFORMATION

|                      |              |                  |                      | ,         |          |              | Agreement  |         |         |         | Est Daily |
|----------------------|--------------|------------------|----------------------|-----------|----------|--------------|------------|---------|---------|---------|-----------|
| Well Name            | API#         | Pool             | S-T-R                | FNL/FSL   | FEL/FWL  | Lease Number | Number     | Permits | Gravity | BTU     | Gas Rate  |
| Bell Federal GC A 1E | 30-045-25614 | Basin DK (71599) | Sec 12 E, T30N, R13W |           | 930' FWL | NMNM00546    | NMNM073826 |         | 0.707   | 1201.00 | 50.00     |
| Bell Federal 12-2    | 30-045-31679 | Basin FC (71629) | Sec 12 E, T30N, R13W | 1615' FNL | 900' FWL | NMNM00546    | NMNM104938 |         | 0.582   | 993.00  | 85.00     |
| 1                    |              |                  |                      |           |          |              | 1          | . ~     |         | 1       | į.        |
|                      | 1            |                  |                      |           |          |              | 1          |         |         | ·       |           |

| Compressor Information |            |             |  |  |  |  |
|------------------------|------------|-------------|--|--|--|--|
| Location:              | Bell Feder | al 12-2 CDP |  |  |  |  |
| Property #             | 68822      |             |  |  |  |  |
| XTO Compressor #       | 1990C      |             |  |  |  |  |
| Lat/Long:              | 36.83025   | -108.16175  |  |  |  |  |
| Manufacturer:          | CATE       | CATERPILLAR |  |  |  |  |
| Engine:                | G33        | G3306NA     |  |  |  |  |
| Horse Power:           | 145        |             |  |  |  |  |
| Fuel Usage:            | 30         | mcfd        |  |  |  |  |
| DK                     | 50         | mcfd        |  |  |  |  |
| FC                     | 85         | <del></del> |  |  |  |  |

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|                      | Pu         | ımping Unit        | Sepa          |                    |                    |
|----------------------|------------|--------------------|---------------|--------------------|--------------------|
| Well                 | Engine     | Fuel Usage (mfcpd) | Burners (y/n) | Fuel Usage (mcfpd) | Vented Gas (mcfpd) |
| Bell Federal GC A 1E | None       | 0                  | Y             | 5.7                | 0.0                |
| Bell Federal 12-2    | Arrow C-66 | 3.8                | Y             | 5.7                | 0.0                |
|                      |            |                    |               |                    |                    |
|                      |            |                    |               |                    |                    |
|                      |            |                    |               |                    |                    |

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September 29, 2014

Dear Interest Owner

Subject:

Amended Notice to Working and Royalty Interest Owners

Application to Surface Commingle Gas Production

San Juan County, New Mexico

XTO Energy Inc. is applying to the New Mexico Oil Conservation Division (NMOCD) for approval to surface commingle gas production from the Bell Federal 12 #2 Gas Well and Bell Federal Gas Com A #1E Gas Well. NMOCD requires that all interest owners be notified of plans to surface commingle when ownership is different between wells.

Produced gas from the Bell Federal Gas Com A #1E will be equipped with an allocation meter that will be maintained by XTO Energy in accordance with State and Federal Regulations. Another allocation meter will be set downstream of the Bell Federal 12 #2 CDP. Production volumes from the Bell Federal 12 #2 will be calculated by subtracting the CDP volume from the Bell Federal Gas Com A #1E volume. Produced liquids will not be surface commingled. In the future, additional wells, pools, and acreage may be added to this surface commingle or this gathering system.

If you need additional information, or have any questions, please contact me at (505) 333-3206. If you have an objection to our application, you must file a protest in writing to the NMOCD Santa Fe office at 1220 South Saint Francis Drive, Santa Fe, NM 87505 within 20 days from the date of this letter. If there are no objections raised, an application will be submitted to NMOCD at that time.

Sincerely,

Kristen Babcock Regulatory Analyst

Xc: Well Files

FW Land Department

with Babcock

XTO Energy Inc. 382 Road 3100 Aztec, NM 87410 Phone: (505) 333-3100 Fax: (505) 333-3280

