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MAR 22 2004

OIL CONSERVATION
DIVISION

March 18, 2004

Mr. Will Jones
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

pwvjd040976238

DHC-3232-A

4/6/04

Subject: Application for Exception to Rule 303-C Downhole Commingle
Florance #72
Unit B, Sec 19, T27N, R08W
San Juan County, NM

Mr. Jones:

by David C.
XTO Energy Inc. respectfully requests approval to modify the existing downhole commingle order DHC 3232~~A~~, approved 1/20/04, by the addition of the Wildcat Basin Mancos formation to the existing DHC order. Presently DHC 3232~~A~~ pertains to the downhole commingling of the Otero Chacra, Blanco Mesaverde and the Basin Dakota pools in the Florance #72. Upon approval of the modification to downhole commingle, the well will be completed and the pools commingled. The WI, NRI and ORRI ownership are common between all pools.

The allocation percentages for gas and oil were based upon the surrounding average 9-section EUR's for each pool.

XTO Energy Inc. requests approval to downhole commingle the Otero Chacra, Wildcat Basin Mancos, Blanco Mesaverde and the Basin Dakota pools. Should you need any additional information, please contact us at (505) 324-1090.

Sincerely,

Holly C. Perkins
Regulatory Specialist

xc: TWD
LWF
George Cox, FTW Land
Well File

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- 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

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 ☐ 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

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☒ Does Not Apply

- [A]** ☐ 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] 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: Statements must be completed by an individual with managerial and/or supervisory capacity.

HOLLY C. PERKINS
 Print or Type Name

Holly C. Perkins
 Signature

REGULATORY SPECIALIST
 Title

3/18/04
 Date

Holly_perkins@xtoenergy.com
 e-mail Address

District I
1625 N. French Drive, Hobbs, NM 88240

District II
1301 W. Grand Avenue, 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-107A
Revised June 10, 2003

Oil Conservation Division

1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE

☒ Single Well

☐ Establish Pre-Approved Pools

EXISTING WELLBORE

☐ Yes ☒ No

APPLICATION FOR DOWNHOLE COMMINGLING

XTO ENERGY INC. 2700 FARMINGTON AVE, SUITE K-1 FARMINGTON, NM 87401

Operator Address
FLORANCE 72 UNIT B, SEC 19, T27N, R08W

Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 167067 Property Code API No. 30-045-31896 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Otero Chacra	Blanco Mesaverde Wildcat Basin Mancos	Basin Dakota
Pool Code	82329	72319 97232	71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	3106' - 3773' Perforated	3773' - 4887' MV Perforated 5924' - 6122' MC Perforated	6653' - 6959' Perforated
Method of Production (Flowing or Artificial Lift)	FLOWING	FLOWING FLOWING	FLOWING
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	Est 300 psig	Est 340 psig (MV) Est 340 psig (MC)	Est 300 psig
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1311	1399 (MV) 1206 (MC)	1414
Producing, Shut-In or New Zone	New Zone	New Zone New Zone	New Zone
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: Rates:	Date: Rates:	Date: Rates:
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas Water 0% 13% 0%	Oil Gas Water MV: 34% 41% 34% MC: 12% 9% 12%	Oil Gas Water 54% 37% 54%

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ No ☐
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes ☐ No ☐

Are all produced fluids from all commingled zones compatible with each other? Yes ☒ No ☐

Will commingling decrease the value of production? Yes ☐ No ☒

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands
or the United States Bureau of Land Management been notified in writing of this application? Yes ☒ No ☐

NMOCD Reference Case No. applicable to this well: _____

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools

List of all operators within the proposed Pre-Approved Pools

Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.

Bottomhole pressure data.

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

SIGNATURE Holly C. Perkins TITLE: REGULATORY SPECIALIST DATE: MARCH 18, 2004

TYPE OR PRINT NAME: HOLLY C. PERKINS TELEPHONE NO: (505) 324-1090

E-MAIL ADDRESS: Holly_perkins@xtoenergy.com

9-Section Allocation
Florance 72

Zone	Avg Oil EUR (mbo)	Avg Gas EUR (mmcf)	Oil Allocation	Gas Allocation
Dakota	10	933	54.14%	37.39%
Mancos	2	216.975	11.91%	8.70%
Mesaverde	6	1,031	33.95%	41.30%
Chacra	0	315	0.00%	12.61%
Total	18	2,495	100.00%	100.00%

Florance #72
Offset Mancos/Gallup Completions

Well	Location	EUR Gas (mmcf)	EUR Oil (mbo)
Florance D 10B	17 27N 8W	31.322	0.221
Florance 63F	17 27N 8W	30.106	0.097
Florance 68	20 27N 8W	112.375	1.535
Navajo Indian B 7	19 27N 8W	694.097	7.066
Average		216.975	2.230

DISTRICT II
P.O. Drawer DD, Artesia, N.M. 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
PO Box 2088, Santa Fe, NM 87504-2088

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, NM 87504-2088

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 3004521896		² Pool Code 71599	³ Pool Name Basin Dakota
⁴ Property Code	⁵ Property Name FLORANCE		⁶ Well Number 72
⁷ OGRID No. V1870107	⁸ Operator Name XTO ENERGY INC.		⁹ Elevation 6095

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	19	27-N	8-W		775	NORTH	1555	EAST	SAN JUAN

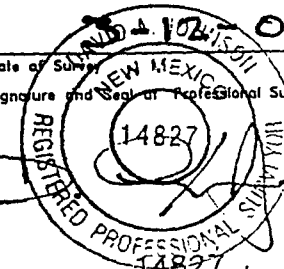
11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	19	27-N	8-W		2125	NORTH	825	EAST	SAN JUAN

12 Dedicated Acres 320 E/2	13 Joint or Infill I	14 Consolidation Code	15 Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16

<p>LOT 1</p>	<p>QTR. CORNER FD 3 1/4" BC 1955 BLM</p> <p>87-38-39 W SEC. CORNER 2584.5' (M) FD 3 1/4" BC 1955 BLM</p> <p>775' N 263' 1038' 557'</p> <p>1555'</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><u>Kelly K Small</u> Signature</p> <p><u>Kelly K Small</u> Printed Name</p> <p><u>Drilling Assistant</u> Title</p> <p><u>815103</u> Date</p>
<p>LOT 2</p>	<p>LAT. 36°33'55" N. (NAD 83) LONG. 107°43'08" W. (NAD 83)</p> <p>BOTTOM HOLE LOCATION</p> <p>19</p> <p>01-53-18 W 5328.9' (M)</p>	<p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plan was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p><u>NOV 10 2003</u> Date of Survey</p> <p><u>[Signature]</u> Signature and Seal of Professional Surveyor:</p> <p style="text-align: center;">  </p>
<p>LOT 3</p>	<p>WITNESS CORNER FD 3 1/4" BC 1955 BLM</p> <p>N 01-53 E 26.4' (0.40 CH)</p> <p>CALC'D CORNER</p>	<p>14827 Certificate Number</p>
<p>LOT 4</p>		

DISTRICT I
P.O. Box 1980, Hobbs, N.M. 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, N.M. 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, NM 87504-2088

Form C-102

Revised February 21, 1994

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-045-31896		2 Pool Code 97232		3 Pool Name WILDCAT BASIN MANCOS		
4 Property Code		5 Property Name FLORANCE			6 Well Number 72	
7 GRID No. 167067		8 Operator Name XTO ENERGY INC.			9 Elevation 6095	

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	19	27-N	8-W		775	NORTH	1555	EAST	SAN JUAN

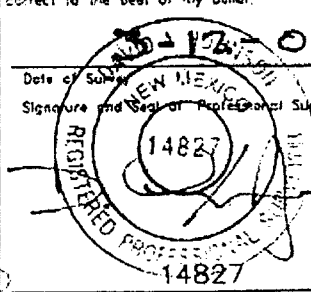
11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	19	27-N	8-W		2125	NORTH	825	EAST	SAN JUAN

12 Dedicated Acres 160 NE/4		13 Joint or Infill		14 Consolidation Code		15 Order No.	
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LOT 1	QTR. CORNER FD 3 1/4" BC 1955 BLM	775'	263'	1555'	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief <i>Holly C. Perkins</i> Signature HOLLY C. PERKINS Printed Name REGULATORY SPECIALIST Title 3-18-04 Date
LOT 2	LAT. 36°33'55" N. (NAD 83) LONG. 107°43'08" W (NAD 83)	557'	BOTTOM HOLE LOCATION D	S 01-53-18 W 5328.9'(M)	18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Date of Survey 3-18-04 Signature and Seal of Professional Surveyor:  Certificate Number
LOT 3					
LOT 4	WITNESS CORNER FD 3 1/4" BC 1955 BLM N 01-53 E 26.4' (0.40 CH) CALC'D CORNER				

DISTRICT I
P.O. Box 1980, Hobbs, N.M. 88241-1980

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 3004531896	² Pool Code 72319	³ Pool Name Blanca Mesaverde
⁴ Property Code	⁵ Property Name FLORANCE	⁶ Well Number 72
⁷ GRID No. 167067	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 6095

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	19	27-N	8-W		775	NORTH	1555	EAST	SAN JUAN

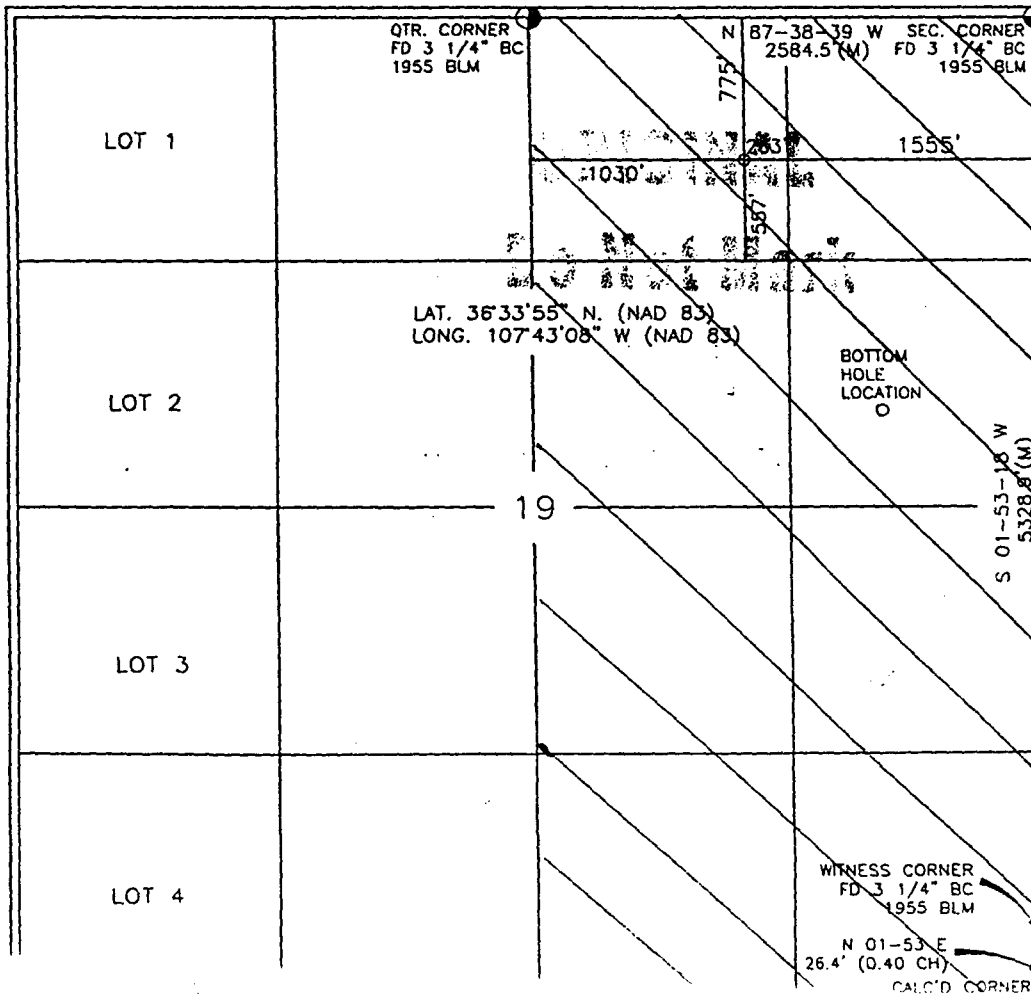
¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	19	27-N	8-W		2125	NORTH	825	EAST	SAN JUAN

¹² Dedicated Acres 320 E12	¹³ Joint or Infill I	¹⁴ Consolidation Code	¹⁵ Order No.
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16



17 OPERATOR CERTIFICATION

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

Signature: Heely K Small
Printed Name: Heely K Small
Title: Drilling Assistant
Date: 8/5/03

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey: 8/5/03
Signature and Seal of Professional Surveyor: [Signature]
Certificate Number: 14827

DISTRICT IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 3004531896	² Pool Code 32329	³ Pool Name OTERO CHACRA
⁴ Property Code	⁵ Property Name FLORANCE	⁶ Well Number 72
⁷ OGRID No. 167067	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 6095

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	19	27-N	8-W		775	NORTH	1555	EAST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

UL or lot no. H	Section 19	Township 27-N	Range 8-W	Lot Idn	Feet from the 2125	North/South line NORTH	Feet from the 825	East/West line EAST	County SAN JUAN
¹² Dedicated Acres 160 NE / 4			¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.		

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
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16

QTR. CORNER
FD 3 1/4" BC
1955 BLM

SEC. CORNER
FD 3 1/4" BC
1955 BLM

LOT 1

1030'

775' N

263'

1555'

557'

LOT 2

LAT. 36°33'55" N. (NAD 83)
LONG. 107°43'06" W (NAD 83)

BOTTOM
HOLE
LOCATION

19

S 01-53-18 W
5328.9'(M)

LOT 3

LOT 4

WITNESS CORNER
FD 3 1/4" BC
1955 BLM

N 01-53 E
26.4' (0.40 CH)

CALC'D CORNER

17 OPERATOR CERTIFICATION

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

Signature JEFFREY W PATTON
Printed Name DRIVING ENGINEER
Title
Date 10-31-05

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plot was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey _____
Signature and Seal of Professional Surveyor: _____

Signature and Seal of Professional Surveyor:

Certificate Number