

DATE IN 1-31-05	SUSPENSE	ENGINEER Caterach	LOGGED IN 2-1-05	TYPE CTB	APP NO. P5ENL0503225968
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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: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name

Signature

Title

Date

e-mail Address



January 26, 2005

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

2005 JAN 31 PM 1 09

Re: Administrative Approval to Surface Commingle
Florance D #13 and # 13B
Sec 20, T 27 N, R 08 W
San Juan County, New Mexico

XTO Energy Inc. (XTO) requests permission to modify the current surface commingle order (PC-1067) for the subject wells. The Florance D #13 is a South Blanco Pictured Cliffs – Blanco Mesaverde DHC well and the Florance D #13B is Otero Chacra - Blanco Mesaverde DHC well.

Allocation of condensate, water and gas between the two wells is accomplished through periodic testing. It is proposed to modify the current commingle order by installation of a meter run on the Florance D #13B. In order to obtain the gas volume for the Florance D #13, the gas volume recorded at the Florance D #13B will be subtracted from the total volume measured at the Florance D #13 CDP meter.

Florance #13 CDP meter – Florance D #13B meter = Florance D #13 volume.

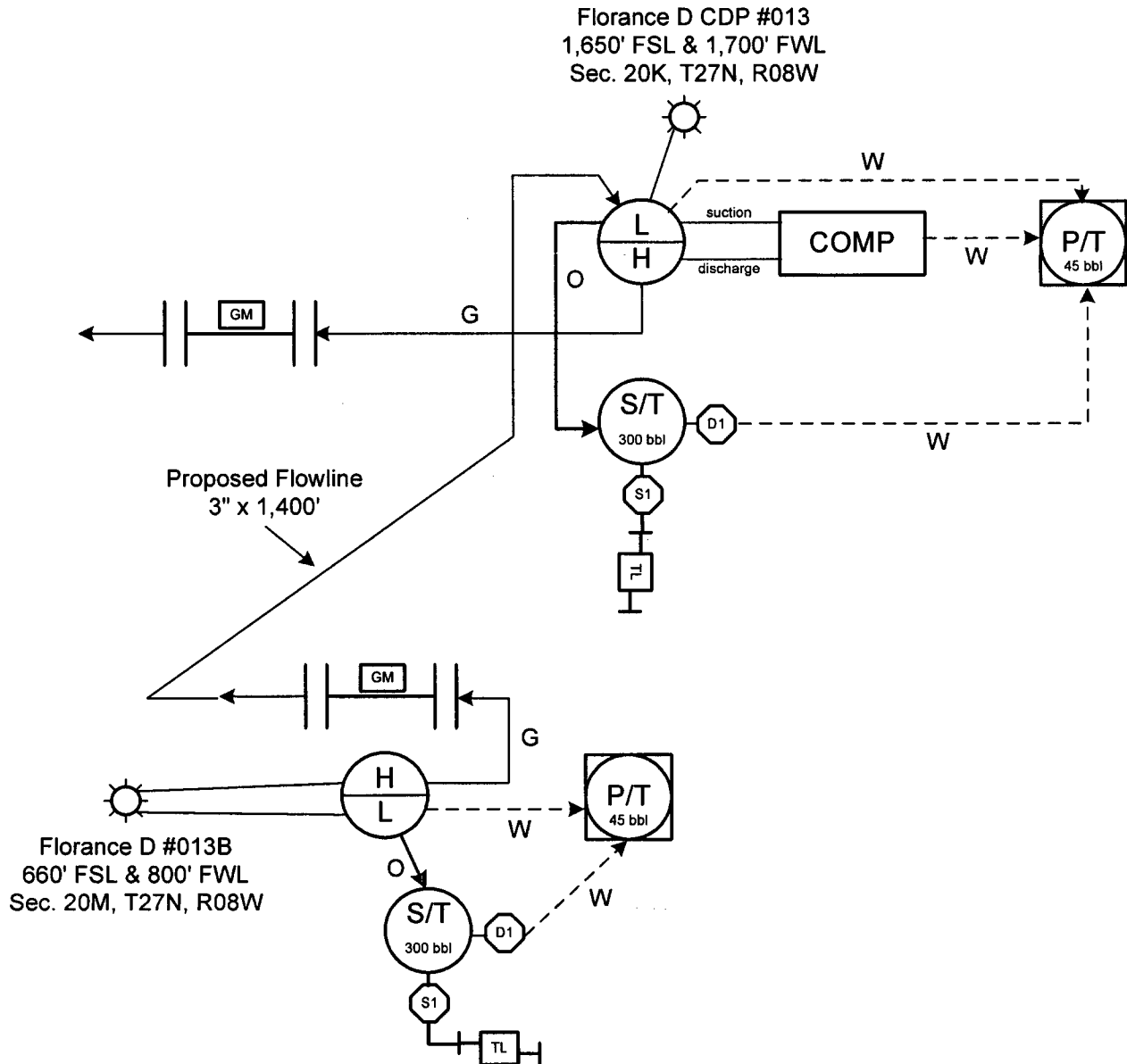
In order to allocate the lease gas volume used to operate the compressor, the percent of gas contribution from each well will be directly applied to the compressor's daily fuel consumption. Oil and water production will be measured at each well.

Sincerely,

A handwritten signature in cursive script that reads "Brenda Waller".

Brenda Waller
Manager of Regulatory Compliance

XTO ENERGY INC.
Proposed Commingling Schematic
Florance D CDP #013 & Florance D #013B
Sec. 20, T27N, R08W, Unit K & M
Federal Lease #: NMNM03380
API #: 30-045-06345 & 30-04531081



General sealing of valves, sales by tank gauging.

Production phase: Drain valve D1 and sales valve S1 are sealed closed.

Sales phase: Drain valve D1 is sealed closed. Sales valve S1 is sealed open.

Draining phase: Drain valve D1 is sealed open. Sales valve S1 is sealed closed.

This lease is subject to the site security plan for San Juan Basin Area.
 The plan is located at: XTO Energy Inc
 2700 Farmington Ave., Bldg. K, Ste. 1
 Farmington, NM 87401
 Updated: 01/28/05



Cross Timbers Operating Company

Completed
6/19/00

Bureau of Land Management
Farmington District Office
1235 La Plata Highway
Farmington, NM 87401

Re. Surface Commingling of the Florance "D" LS #2 & Florance #63E.

Gentleman:

Cross Timbers hereby request approval to surface commingle the above mentioned wells. The Florance #63E is a Mesaverde Dakota well and the Florance "D" LS #2 is a Pictured Cliffs well.

The two wells will be surface commingled as shown in the attached well site diagram.

Allocation of Production to Contributing Sources

In order to adequately allocate the gas volume from each well, the meter and meter run will remain with each well (current configuration). In order to obtain the gas volume for the Florance #63E, the gas volume recorded for the Florance "D" LS #2 (meter #71009) will be subtracted from the (total) gas volume measured by the Florance #63E (meter #93981).

Meter (#93981) – Meter (#71009) = Gas volume for the Florance #63E.

In order to allocate the lease gas volume used to operate the compressor, the percent of gas contribution from each well will be directly applied to the compressor's daily fuel consumption (9 MCFPD).

22014
Meter (#71009) / Meter (#93981) * 9 MCFPD * #Days comp in operation = Lease use for the Florance "D" LS #2.

(Meter (#93981) – Meter (#71009)) / Meter (#93981) * 9 MCFPD * #Days comp in operation = Lease use for the Florance #63E

RTU 363
The use of two calibrated meters and the subtraction method should eliminate the need for annual testing.

As far as oil production is concerned, all oil will be given to the Florance #63E well. The Florance "C" LS #2 will received no allocated oil production. Please see the enclosed decline curves.

D2 22014
10B 22141
63E Remainder



Cross Timbers Operating Company

Economic Justification

The Florance "D" LS #2 is an old PC that was completed in the mid 1950's. This well was experiencing bottomhole pressure depletion and was nearing the end of economic life but with compression the well can be returned to economical production. In order to reduce environmental impact and the use of redundant surface equipment including compression it is in the best interest of all parties involved that the current equipment installed on the Florance #63E be used to improve economic benefit of both wells.

Cross Timbers plans to surface commingle the above mentioned wells as soon as approval is received.

If you have any questions concerning this matter, please feel free to contact me anytime.

Sincerely,

Jeffrey W. Patton
Production Engineer



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

COMMINGLING ORDER PC-1009

Cross Timbers Operating Company
2700 Farmington Avenue, Building K, Suite 1
Farmington, New Mexico 87401

Attention: Mr. Jeffrey W. Patton

Lease: Florance Lease (Federal Lease No. NM03380) *D #2 8' 63 E*
Description: NW/4 NE/4 of Section 17, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico.

The above-named company is hereby authorized to commingle South Blanco-Pictured Cliffs (Prorated Gas – 72439), and downhole commingled Blanco-Mesaverde (Prorated Gas – 72319) and Basin-Dakota (Prorated Gas – 71599) Pool production from the above mentioned lease and to determine production from each pool by separately metering the production from South Blanco-Pictured Cliffs Gas Pool and determining the downhole commingled Blanco-Mesaverde and Basin-Dakota Gas Pool production by the subtraction method. The Blanco-Mesaverde and Basin-Dakota Gas Pool production are downhole commingled pursuant to Division Order DHC-1216.

NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.


REMARKS: The production shall be delivered to the El Paso Field Services meter located in NW/4 NE/4 of Section 17, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico.

FURTHER: The operator shall notify the Aztec District Office of the Division upon implementation of the commingling process.

PROVIDING: Like approval by the U. S. Bureau of Land Management is also required.

Division Order PC-1009
Cross Timbers Operating Company
May 23, 2000
Page 2

DONE at Santa Fe, New Mexico, on this 23rd day of May, 2000.


LORI WROTENBERY,
Division Director

LW/MWA/kv

cc: Oil Conservation Division- Aztec
U.S. Bureau of Land Management - Farmington



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Betty Rivera

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

AMENDED COMMINGLING ORDER PC-1009-B

XTO Energy Inc.
2700 Farmington Avenue
Building K, Suite 1
Farmington, New Mexico 87401

REC'D / SAN JUAN

NOV 4 2002

Attention: Mr. Darrin L. Steed

The existing pool commingle order is hereby amended by adding all (4) four pools to be commingled in the newly drilled Florance D No. 10B. The resulting order is as follows:

The above named company is hereby authorized to surface commingle the following pools and acreage within Federal Lease NMNM-03380:

Wildcat Basin-Mancos	(Gas 97232)
South Blanco-Pictured Cliffs	(Prorated Gas 72439)
Basin-Dakota	(Prorated Gas 71599)
Blanco-Mesaverde	(Prorated Gas 72319)
Otero-Chacra	(Gas 82329)

New Well:	Florance D No. 10B (API No. 30-045-31086)
	Blanco-Mesaverde E/2 dedication
	Basin-Dakota N/2 dedication
	Wildcat Basin-Mancos NE/4 dedication
	Otero-Chacra NE/4 dedication
	(all zones commingled by permit DHC-3060)

Existing Well:	Florance No. 063E (API No. 30-045-24595)
	Blanco-Mesaverde E/2 dedication
	and Basin-Dakota N/2 dedication (DHC-1216)

Existing Well:	Florance D LS No. 2 (API No. 30-045-06548)
	South Blanco-Pictured Cliffs NE/4 dedication

All wells are located in the NE/4, Section 17, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico.

Condensate, water, and gas allocation between wells shall be accomplished through periodic testing. The sales points for gas and condensate shall be located on this lease.

Administrative Order PC-1009-B

XTO Energy, Inc.

October 29, 2002

Page 2

NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

FURTHER: The operator shall notify the supervisor of the Aztec district office prior to implementation of this commingling operation.

DONE at Santa Fe, New Mexico, on this 29th of October 2002.

(WVJ)
Lori Wrotenbery

LORI WROTENBERY,
Director

LW/wvjj

cc: Oil Conservation Division- Aztec
Bureau of Land Management – Farmington