



February 9, 2018

XTO Energy Inc.  
382 Road 3100  
Aztec, New Mexico 87410  
Office: 505.333 3100  
Fax: 505 333 3280

Mr. Michael McMillan  
New Mexico Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

Mr. William Tambeakau  
Bureau of Land Management  
6251 College Blvd., Ste A  
Farmington, NM 87402

**RE: Proposed Surface Commingle**

Stanolind Gas Com D #1C (30-045-31124; Blanco Mesaverde)  
Stanolind Gas Com D #3 (30-045-32310; Basin Fruitland Coal)  
SE/4 SW/4 Sec. 17, T32N, R12W, N.M.P.M.  
San Juan County, New Mexico

Gentlemen:

XTO Energy Inc. (XTO) requests administrative approval for surface commingling of natural gas produced from the above wells located in San Juan County, New Mexico.

XTO plans to produce the commingled gas through a central compressor on the Stanolind Gas Com D #1C well, minimizing the footprint on the location, lowering compression expenses as well as keeping emissions and noise levels down. This increases the ultimate recoveries on all leases. The anticipated allocated production and fuel usage for the compressor is noted in the attachments.

The Stanolind Gas Com D #3 well will be equipped with a meter that will be maintained by XTO Energy in accordance with State and Federal Regulations (Onshore Order No. 5). XTO will meter gas from the Stanolind Gas Com D #3 well prior to entering the compressor on the Stanolind Gas Com D #1C well. The Stanolind Gas Com D #1C gas will be allocated after commingling with the Stanolind Gas Com D #3 gas, using the subtraction method to allocate production for the Stanolind Gas Com D #1C well. Produced liquids will not be surface commingled. All interest owners have been notified via certified mail, return receipt, on January 22, 2018.

The following attachments are included with this application:

- Administrative Application Checklist
- State form C-107-B (application for surface commingle; diverse ownership)
- Map of all wells and their associated leases
- Form C-102 for each well (plats)
- Table of well & lease and agreement information, spacing, permits, gravities/BTU & MCF
- Schematic diagram showing all flowlines, compressors & equipment
- Details of allocation formula
- Copy of letter to WI, NRI & ORRI owners & proof of mailing

Sincerely,

A handwritten signature in cursive script that reads 'Cherylene L. Weston'.

Cherylene L. Weston, CPLTA  
Senior Permitting Analyst

/clw

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 Energy Inc.  
OPERATOR ADDRESS: 382 Road 3100, Aztec, NM 87410  
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
Blanco Mesaverde (72319)					
Basin Fruitland Coal (71629)					

- (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.  
(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: Cherylene L. Weston TITLE: Sr. Permitting Analyst DATE: 2-9-18  
TYPE OR PRINT NAME: Cherylene L. Weston TELEPHONE NO.: 505-333-3190  
E-MAIL ADDRESS: cherylene\_weston@xtoenergy.com



DISTRICT I  
1825 N. French Dr., Hobbs, N.M. 88240

DISTRICT II  
811 South First, Artesia, N.M. 88210

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

DISTRICT IV  
2040 South Pecheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

2040 South Pecheco  
Santa Fe, NM 87505

Form C-102  
Revised August 15, 2000

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-045-31124		<sup>2</sup> Pool Code 72319		<sup>3</sup> Pool Name BLANCO MESQUERDE	
<sup>4</sup> Property Code 22817		<sup>5</sup> Property Name STANOLIND GAS COM "D"			<sup>6</sup> Well Number 1C
<sup>7</sup> OGRI No. 167067		<sup>8</sup> Operator Name XTO ENERGY INC.			<sup>9</sup> Elevation 5974'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	17	32-N	12-W		660'	SOUTH	1750'	WEST	SAN JUAN

<sup>11</sup> 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
<sup>12</sup> Dedicated Acres 302.63		<sup>13</sup> Joint or Infill I	<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.				

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

<p>16</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>Signature: <u>Jeffrey W Patton</u></p> <p>Printed Name: <u>JEFFREY W PATTON</u></p> <p>Title: <u>DISTRICT ENGINEER</u></p> <p>Date: <u>5-29-02</u></p> <p>18 SURVEYOR CERTIFICATION</p> <p>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</p> <p>Date of Survey: <u>1-3-02</u></p> <p>Signature of Surveyor: <u>[Signature]</u></p> <p>Professional Land Surveyor Seal: <u>ROY A. RUSH</u></p> <p>Certificate Number: <u>8894</u></p>
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DISTRICT I  
1625 N. French Dr., Hobbs, N.M. 88240

DISTRICT II  
511 South First, Artesia, N.M. 88210

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

DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

2040 South Pacheco  
Santa Fe, NM 87505

Form C-102  
Revised August 15, 2000

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-045-32310	<sup>2</sup> Pool Code 71629	<sup>3</sup> Pool Name Basin Fruitland Coal
<sup>4</sup> Property Code 22817	<sup>5</sup> Property Name STANLIND GAS COM D	<sup>6</sup> Well Number 3
<sup>7</sup> OGED No. 167067	<sup>8</sup> Operator Name XTO ENERGY INC.	<sup>9</sup> Elevation 5974'

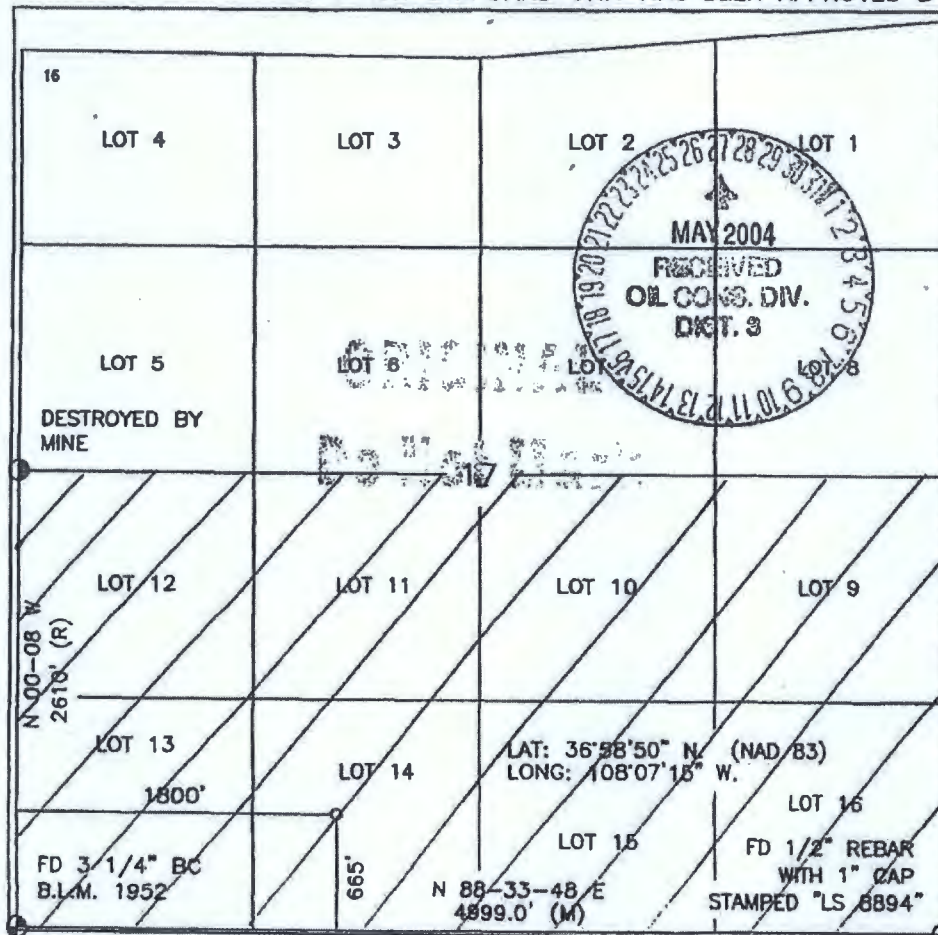
<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	17	32-N	12-W		665'	SOUTH	1800'	WEST	SAN JUAN

<sup>11</sup> 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
<sup>12</sup> Dedicated Acres 302.63 S12			<sup>13</sup> Joint or Infill I		<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.		

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



17 OPERATOR CERTIFICATION

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

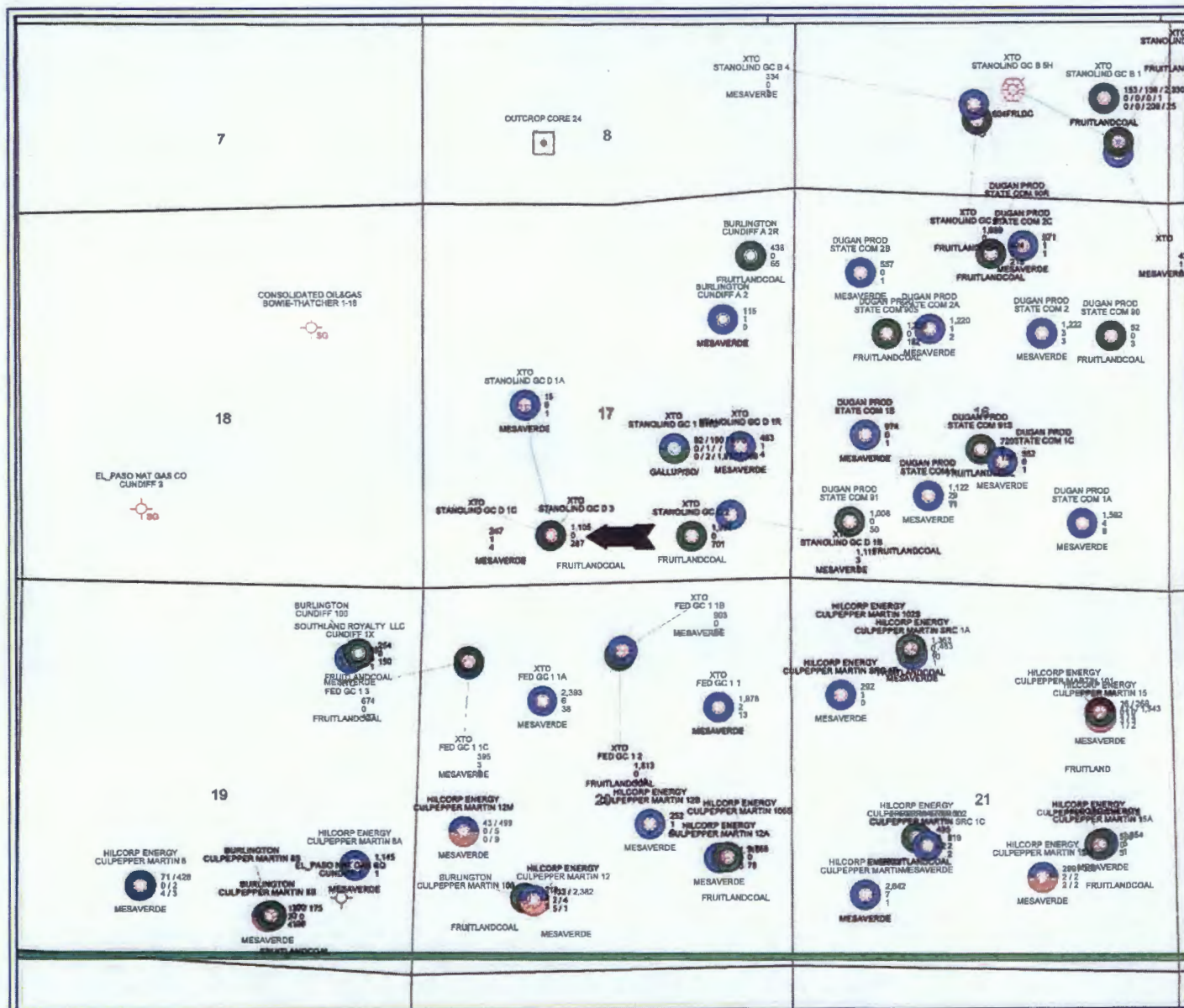
Signature Kerry K Small  
Printed Name Kerry K Small  
Title Drilling Assistant  
Date 8/18/03

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.

Signature and Seal of a Professional Surveyor:  
DAVID A. JOHNSON  
Date of Survey 8/18/03  
Certificate Number 14827





# XTO ENERGY, INC.

## STANOLIND GC D3 and D1C

SJ\_Rio Arriba\_Water Well Project.OVL

T32N-R12W-S17

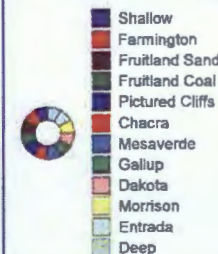
### POSTED WELL DATA

Operator  
Well Label

● PdCum - CUMGAS, MMCF  
● PdCum - CUMOil, MBBLs  
● PdCum - CUMWTR, MBBLs

ProdFM

### ATTRIBUTE MAP



### WELL SYMBOLS



By: mk for Mike Logan



December 13, 2017

Well	Pumping Unit		Separator(s)		Vented Gas (mcfpd)
	Engine	Fuel Usage (mfcfd)	Burners (y/n)	Fuel Usage (mcfpd)	
Stanolind Gas Com D1C	None - Plunger Lift	0	Y	1	0.0
Stanolind Gas Com D3	Arrow C-46	2.6	Y	1	0.0

Compressor Information		
Location:	Stanolind Gas Com D1C	
Property #	72410	
XTO Compressor #	2119C	
Lat/Long:	36.98064	-108.1209
Manufacturer:	CATERPILLAR	
Engine:	G3304NA	
Horse Power:	95	
Fuel Usage:	15	mcf/d
MV	15	mcf/d
FC	170	mcf/d

# WELL INFORMATION

Well Name	API#	Pool	S-T-R	FNL/FSL	FEL/FWL	Lease Number	Agreement Number	Permits	Gravity	BTU	Est Daily Gas Rate
Stanolind Gas Com D 1C	30-045-31124	Mesa Verde	Sec 17-T32N-R12W	660 FSL	1750 FWL	NMSF-078311	N/A	N/A	0.741	1275.90	15.00
Stanolind Gas Com D 3	30-045-32310	Basin Fruitland Coal	Sec 17-T32N-R12W	665 FSL	1800 FWL	NMNM-103104	N/A	N/A	0.729	836.70	170.00

Well	Stanolind Gas Com D1C	Stanolind Gas Com D3
Formation	Mesa Verde	Basin Fruitland Coal
Average 2017 Production (mcf)		
November	15	170
October	16	176
September	17	166
August	13	186
July	15	192
June	16	197



## **Stanolind Gas Com D #1C 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 =  $(W / \text{SUM } W) \times X$

(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.

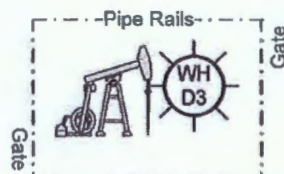
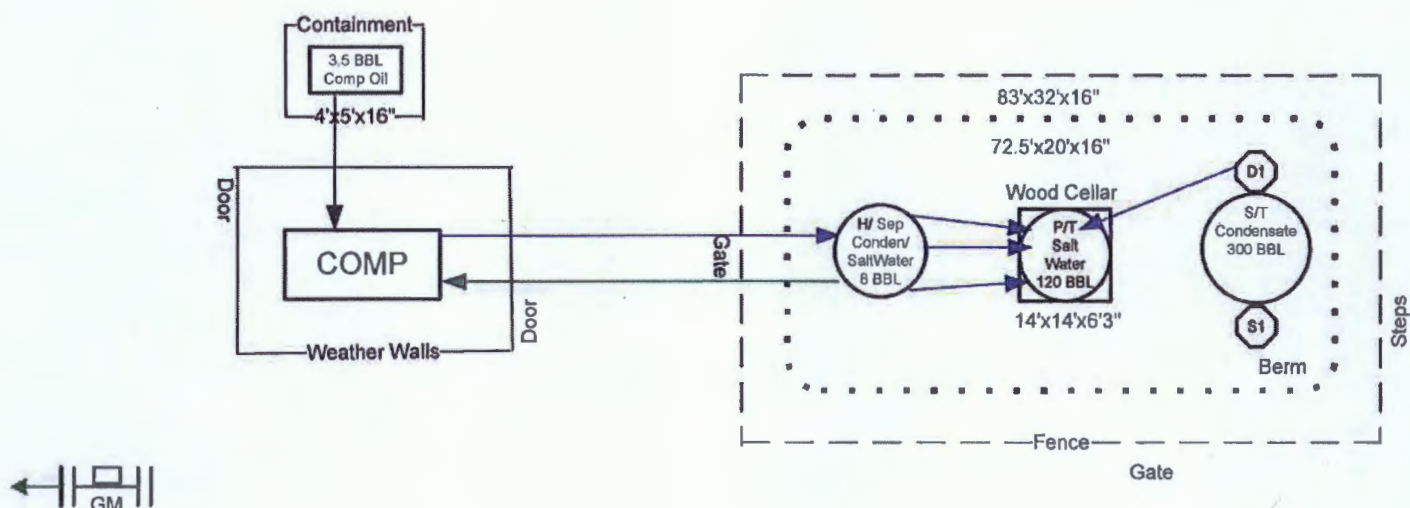
C = Purged and/or vented gas from well and/or lease equipment, Mcf. Calculated using equipment specifications and pressures.

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  $W / \text{SUM } W$  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  $W / \text{SUM } W$ .

2. Allocated Individual Well BTU's =  $((W \times \text{Individual well BTW} / \text{SUM } (@ \times \text{individual well BTU})) \times Y$ . Individual well gas heating values to be determined in accordance with BLM regulations (currently Onshore Order #5).

Well Name: Stanolind Gas Corn D # 1 C  
 Field: San Juan County NM  
 Serial Number: Lease # SF-078311, API # 30-045-31124  
 Section: Sec. 17 (N), T-32N, R-12W  
 Updated by: Kurt Hoekstra 7-8-2016



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

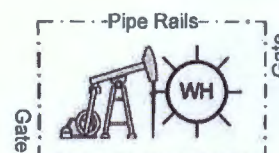
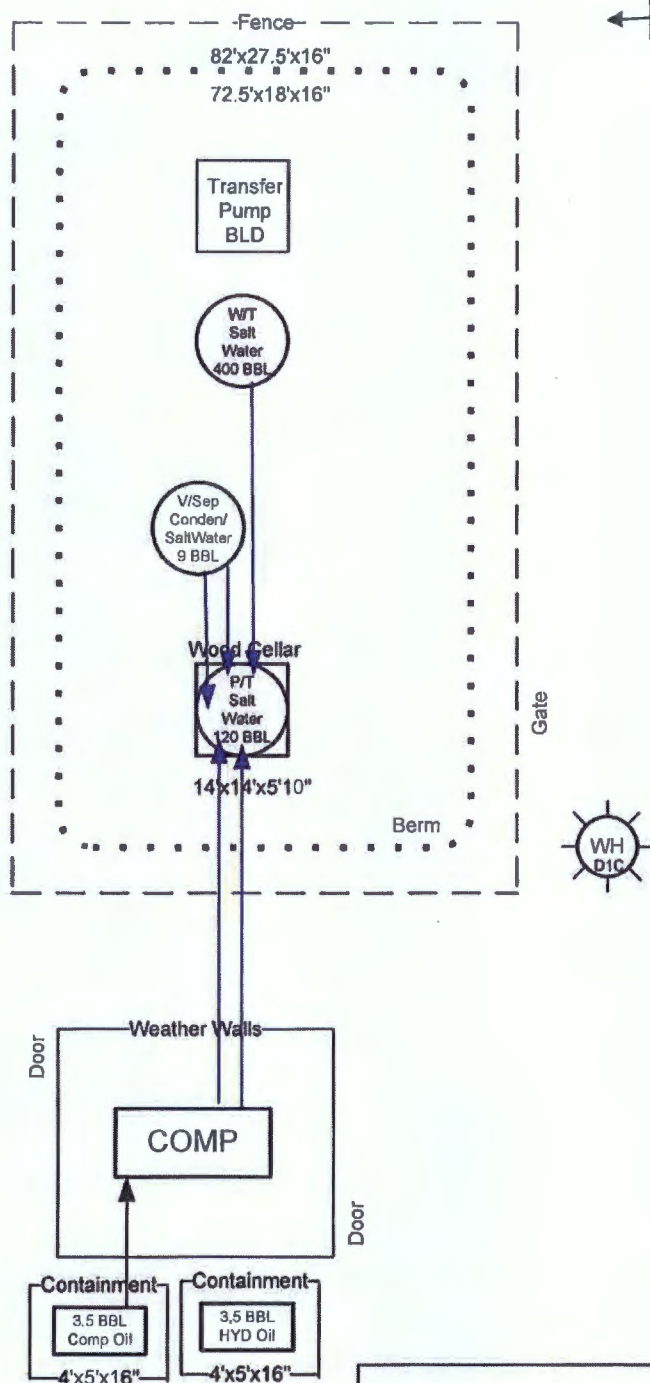
General sealing of valves, sales by tank gauging  
 Production phase: Drain valve D1 and sales valve S1 sealed closed.  
 Sales phase: Drain valve D1 sealed closed. Sales valve S1 open.  
 Draining phase: Drain valve D1 open. Sales valve S1 closed.

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: Stanolind Gas Com D # 3  
 Field: San Juan County NM  
 Lease #: Lease # NMSF-078311, API # 30-045-32310  
 Section: SE/SW Sec. 17 (N), T-32N, R-12W  
 CA # If Applicable: NMNM-103104  
 Updated by: Kurt Hoekstra 7-8-2016

Drainage ↑

↑  
N



Production  
 Gas  
 Oil  
 Water  
 Equalizing Line  
 Catch Basin-

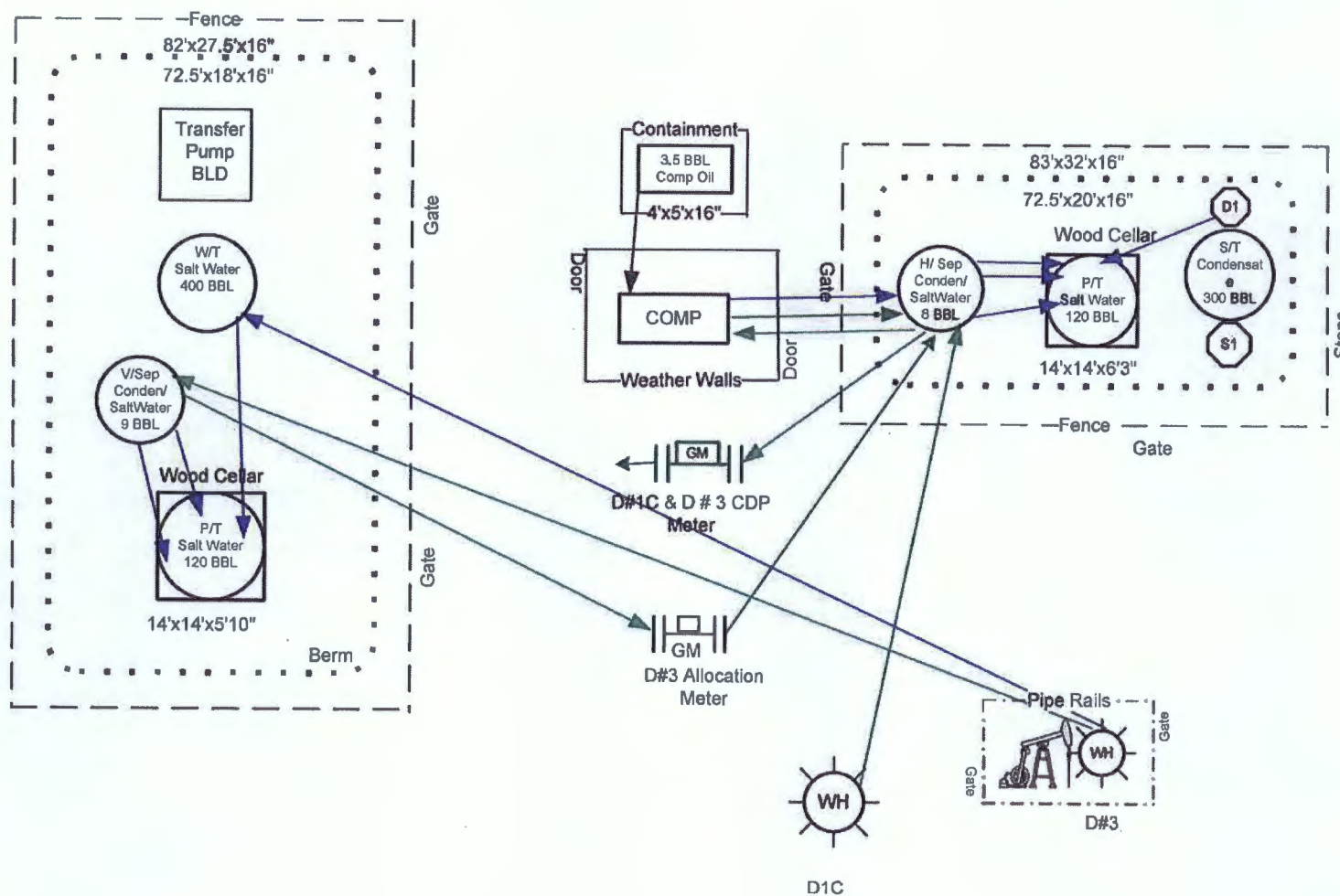
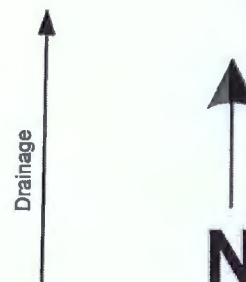
General sealing of valves, sales by tank gauging  
 Production phase: Drain valve D1 and sales valve S1 sealed closed.  
 Sales phase: Drain valve D1 sealed closed. Sales valve S1 open.  
 Draining phase: Drain valve D1 open. Sales valve S1 closed.

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: Stanolind Gas Com D # 3 & D # 1C  
 Field: San Juan County NM  
 Lease #: Lease # NMSF-078311, API # 30-045-32310, 30-045-31124  
 Section: SE/SW Sec. 17 (N), T-32N, R-12W  
 CA # If Applicable :  
 Updated by: Kurt Hoekstra 11-7-2017

# Proposed Surface Commingle Diagram



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



VIA CERTIFIED MAIL – RETURN RECEIPT

January 22, 2018

RE: Notice to Working and Royalty Interest Owners  
Application to Surface Commingle Gas Production  
SE/4 SW/4 Sec. 17, T32N, R12W, N.M.P.M.  
San Juan County, New Mexico

Dear Interest Owner:

XTO Energy Inc. is applying to the New Mexico Oil Conservation Division (NMOCD) and Bureau of Land Management (BLM) for approval to surface commingle gas production from the Stanolind Gas Com D #1C (API# 30-045-31124; Blanco Mesaverde) and Stanolind Gas Com D #3 (API# 30-045-32310; Basin Fruitland Coal) wells. NMOCD requires that all interest owners be notified of plans to surface commingle when ownership is different between wells and formations.

This letter serves as notification of our intent to commingle and allocate natural gas as follows: XTO will meter gas from the Federal Gas Com 1 #3 well prior to entering the compressor on the Federal Gas Com 1 #1C well. The Federal Gas Com 1 #1C gas will be allocated after commingling with the Federal Gas Com 1 #3 gas, where we will use the subtraction method to allocate volumes for the Federal Gas Com 1 #1C well. There will be one CDP on the Federal Gas Com 1 #1C well. By surface commingling the wells, we will reduce air emissions, lower compression costs, and reduce the footprint on the location.

If you need additional information, or have any questions, please contact me at (505) 333-3190. If you object 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, an application will be submitted to NMOCD at that time.

Sincerely,

A handwritten signature in cursive script that reads 'Cherylene L. Weston'.

Cherylene L. Weston, CPLTA  
Sr. Permitting Analyst

xc: Well Files  
FTW Land Department  
NMOCD, Aztec

**Stanolind Gas Com D 1C – Blanco Mesaverde  
Stanolind Gas Com D 3 – Basin Fruitland Coal**

**Interest Owners**

BLEDSON LIV TR BILL L BLEDSON TTEE  
BONANZA CREEK MINERALS, LLC  
BRIAN D GIBSON  
ELIZABETH H WHITE FAMILY TR LINDA PAYNE TRUSTEE  
ELIZABETH TURNER CALLOWAY ROBERT WILBURN GUARDIAN  
FRANK & HENRIETTA SCHULTZ REV TRUST CHARLES H SCHULTZ TTEE  
FRED E TURNER  
GIBSON FAMILY TRUST JAFFA D WAHLBERG & GEORGE ANNE SCHARHAG CO-TTEES  
GURDON MILLER  
HILCORP SAN JUAN LP  
J GLENN TURNER, JR  
JJK HOLDINGS LLC  
JOHN L TURNER  
KAREN LYNN HOWARD EASBY-SMITH  
MARTHA JANE HOWARD ALCORTA  
MARY FRANCES TURNER JR TRUST C/O JPMORGAN CHASE BANK NA  
MARY LAIRD HOWARD AINSWORTH  
MMS XTO FEDERAL  
SCHULTZ MANAGEMENT LTD  
VICTORIA WEBB PENDERGRASS  
XTO ENERGY INC



Stanolind Gas Com D3\_D1C Combined Interest Owner Names Address  
Surface Commingle Notice to Working and Royalty Interest Owners dated 1-22-18

Owner Name	Address 1	Address 2	City	State	Zip Code	Certified Mailing Receipt
BLEDSON L/V TR BILL L BLEDSON TTEE	5615 NETHERLAND CT		DALLAS	TX	75229	7012 1010 0002 9434 9692
BONANZA CREEK MINERALS, LLC	2321 CANDELARIA NW		ALBUQUERQUE	NM	87107-3055	7012 1010 0002 9434 9708
BRIAN D GIBSON	PO BOX 22459		SANTA FE	NM	87502	7012 1010 0002 9434 9715
BUREAU OF LAND MANAGEMENT	MMS XTO FEDERAL	6251 COLLEGE BLVD STE A	FARMINGTON	NM	87402	7012 1010 0002 9434 9722
ELIZABETH H WHITE FAMILY TR	LINDA PAYNE TRUSTEE	PO BOX 780099	DALLAS	TX	75378-0099	7012 1010 0002 9434 9739
ELIZABETH TURNER CALLOWAY	ROBERT WILBURN GUARDIAN	PO BOX 191767	DALLAS	TX	75219-1767	7012 1010 0002 9434 9869
FRANK & HENRIETTA SCHULTZ REV TRUST	CHARLES H SCHULTZ TTEE	400 CHISHOLM PL STE 420	PLANO	TX	75075	7012 1010 0002 9434 9876
FRED E TURNER	4925 GREENVILLE AVENUE	ONE ENERGY SQUARE STE 852	DALLAS	TX	75206-4079	7012 1010 0002 9434 9883
GIBSON FAMILY TRUST JAFFA D WAHLBERG	& GEORGE ANNE SCHARHAG CO-TTEES	PO BOX 789	ARCATA	CA	95518-0769	7012 1010 0002 9434 9890
GURDON MILLER	9474 WESTSIDE RD		FORESTVILLE	CA	95436-9501	7012 1010 0002 9434 9906
HILCORP SAN JUAN LP	1111 TRAVIS ST		HOUSTON	TX	77002	7012 1010 0002 9434 9913
J GLENN TURNER, JR	4809 COLE AVE STE 212		DALLAS	TX	75205	7012 1010 0002 9434 9920
JJK HOLDINGS LLC	921 GRECIAN NW		ALBUQUERQUE	NM	87107	7012 1010 0002 9434 9937
JOHN L TURNER	525 GILMER ST #108		SULPHUR SPRINGS	TX	75482	7012 1010 0002 9434 9944
KAREN LYNN HOWARD EASBY-SMITH	1444 SEA FAN DR		PUNTA GORDA	FL	33960-7622	7012 1010 0002 9434 9951
MARTHA JANE HOWARD ALCORTA	548 SUMMIT DR		RICHARDSON	TX	75081-5120	7012 1010 0002 9434 9968
MARY FRANCES TURNER JR TRUST C/O JPMORGAN CHASE BANK NA	ATTN BRADLEY C INCE	PO BOX 2605	FORT WORTH	TX	76113-9919	7012 1010 0002 9434 9975
MARY LAIRD HOWARD AINSWORTH	10260 BRIAR FOREST DR		HOUSTON	TX	77042-2404	7012 1010 0002 9434 9982
SCHULTZ MANAGEMENT LTD	400 CHISHOLM PL STE 420		PLANO	TX	75075	7008 0150 0003 4774 3498
VICTORIA WEBB PENDERGRASS	11023 SNOW WHITE DR		DALLAS	TX	75229	7008 0150 0003 4774 3504
XTO ENERGY INC	810 HOUSTON		FORT WORTH	TX	76102	N/A