

DATE IN 7.29.11	SUSPENSE 8/8/11	ENGINEER WVT	LOGGED IN 7.29.11	TYPE DHC	APP NO 1121053667
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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



PT6W  
XTO 5380  
RECEIVED OGD  
JF DAK #1E  
30-045-25615

### 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.

WANETT MCCAULEY  
Print or Type Name

Wanett McCauley  
Signature

REGULATORY COMPLIANCE TECHNICIAN  
Title

7/27/2011  
Date

wanett mccauley@xtoenergy.com  
e-mail Address

DISTRICT I  
1625 N French Dr, Hobbs, NM 88240  
DISTRICT II  
1301 W Grand Avenue, Artesia, NM 88210  
DISTRICT III  
1000 Rio Brazos Rd, Aztec, NM 87410  
DISTRICT IV  
1220 S St Francis Dr, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources

Oil Conservation Division

1220 South St Francis Dr  
Santa Fe, New Mexico 87505

Form C-107A  
Revised June 10, 2003

APPLICATION TYPE

☒ Single Well

Establish Pre-Approved Pools

EXISTING WELLBORE

☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

XTO Energy Inc.

382 CR 3100, Aztec, NM 87410

Operator

Address

JF Day E

#1E

E

Sec 17

T-28N

R10W

San Juan

Lease

Well No

Unit Letter-Section-Township-Range

County

OGRID No 5380

Property Code 22616

API No 30-045-25615

Lease Type

☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Basin Mancos		Basin Dakota
Pool Code	97232		71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5538' - 5884'		6385' - 6572'
Method of Production (Flowing or Artificial Life)	Artificial Life		Artificial Life
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)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)			1.222
Producing, Shut-In or New Zone	New Zone		Shut-In
Date and Oil/Gas/Water Rates of Last Production (Note: For new zones with no production history, applicants shall be required to attach production estimates and supporting data)	Date Rates	Date Rates	Date Rates
			6/01/2010 1.6 BO/243 MCF/51.3 BW
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required)	Oil 91 % Gas 61 %	Oil % Gas %	Oil 9 % Gas 39 %

Are all working, overriding, and royalty interests identical in all commingled zones?  
If not, have all working, overriding, and royalty interests been notified by certified mail?

Yes ☐ No ☒  
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 all offset operators
- Notification list of working, overriding, and royalty interests for uncommon interest cases
- Any additional statements, data, or documents required to support commingling

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 Wanett McCauley TITLE Reg Compliance Technician DATE 7/27/2011

TYPE OR PRINT NAME Wanett McCauley TELEPHONE NO ( 505 ) 333-3630

E-MAIL wanett.mccauley@xtoenergy.com

Release 8/15/11

**ESTIMATED PRODUCTION**

	GAS EUR	OIL EUR	WATER
MANCOS	222,169	3,505	1,700
DAKOTA	140,553	342	1,595
TOTAL	362,721	3,846	3,294

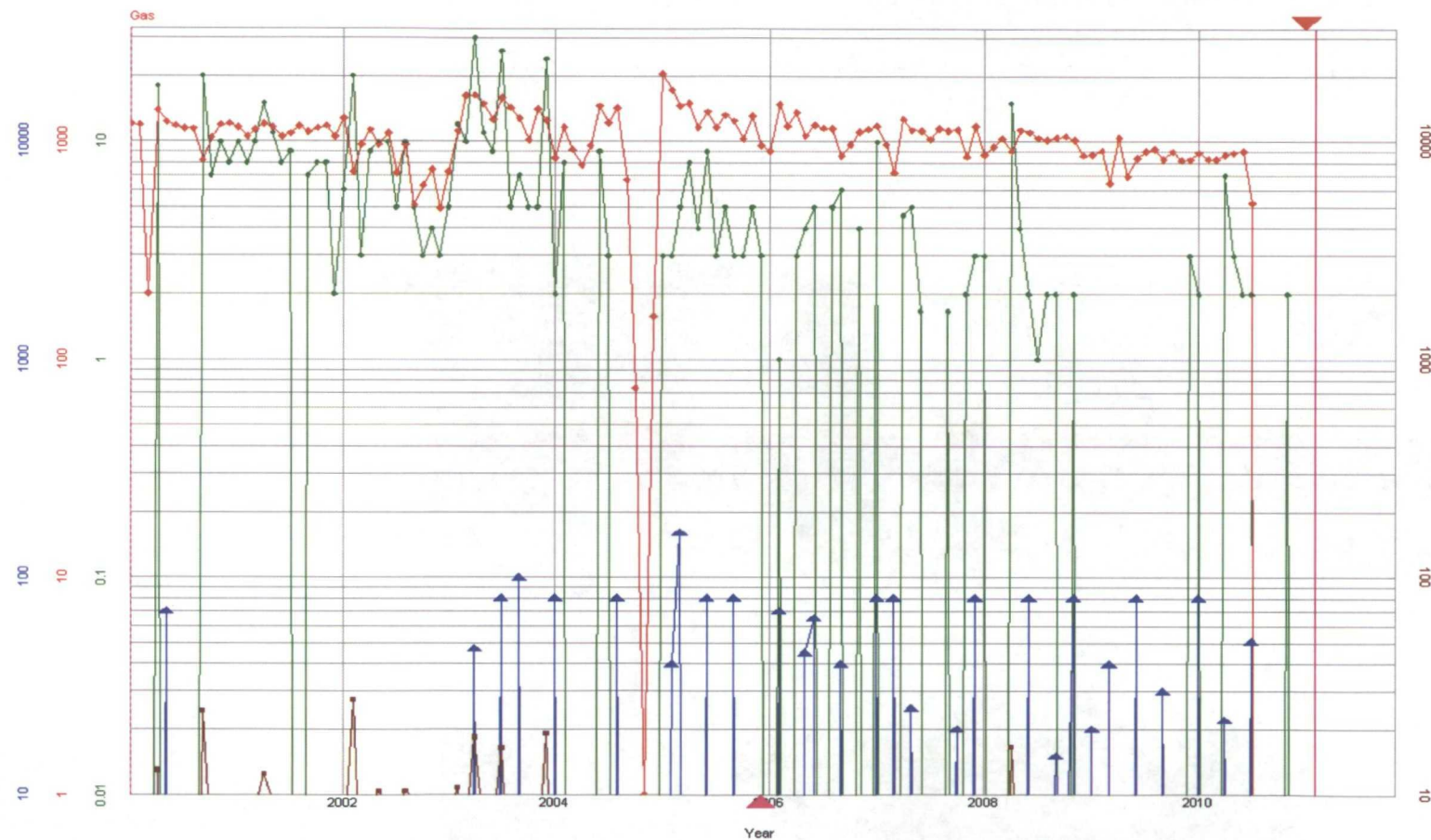
**ALLOCATIONS**

	GAS	OIL	WATER
MANCOS	61%	91%	52%
DAKOTA	39%	9%	48%

API	LEASE NAME	NO	RESERVOIR	SEC	TWN	RNG	FIELD	COUNTY	OPERATOR	1st PROD	LAST PROD	OIL	GAS	WATER	REM WATER	EUR-OIL	EUR-GAS	DLY OIL	DLY GAS	DLY WAT
3004525538	CONGRESS LACHMAN	4E	GALLUP	18	28 N	10 W	ARMENTA	SAN JUAN	ENERGEN RES	19830401	20091101	3,403	386,925	1,228	925	3,403	392,356	0	15 1	0 3
3004534381	DAY, JF D	1F	GALLUP	20	28 N	10 W	BASIN	SAN JUAN	XTO ENERGY	20080531	20101101	439	49,661	582	1,964	1,162	202,892	0 2	41 1	0 6
3004533643	DAY, JF E	1G	GALLUP	17	28 N	10 W	BASIN	SAN JUAN	XTO ENERGY	20070531	20101101	1,819	28,251	353	579	4,994	92,068	1 1	16 2	0 2
3004534380	KUTZ FEDERAL	10G	GALLUP	18	28 N	10 W	BASIN	SAN JUAN	XTO ENERGY	20080930	20101101	777	38,508	186	579	860	44,287	0 6	29 1	0 2
3004534383	KUTZ FEDERAL	12F	GALLUP	21	28 N	10 W	BASIN	SAN JUAN	XTO ENERGY	20080930	20101101	1,516	69,893	486	1,617	7,104	379,241	1 8	72 1	0 5
AVERAGE:												1,591	114,648	567	1,133	3,505	222,169	0.74	34.72	0.36

**JF Day E 1E, Dakota**  
**Remaining Production**

Gas 140,553  
 Oil 342  
 Water 1,595





382 CR 3100  
Aztec, NM 87410

July 26, 2011

Interest Owners

Subject: Notice of Intent to Apply for Downhole Commingling  
JF Day E #1E  
Unit E, Sec 17-T28N-R10W

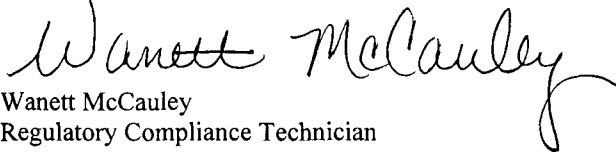
XTO Energy Inc. is submitting an application to the New Mexico Oil Conservation Division (NMOCD) to downhole commingle production from the Basin Dakota and the Basin Mancos, pools in the JF Day E #1E. Commingling of these pools will minimize operating costs, add reserves and improve economics of the well.

The proposed allocation percentages for each pool are as follows:

Basin Dakota:	Gas: 39%	Oil: 9%	Water: 48%
Basin Mancos:	Gas: 61%	Oil: 91%	Water: 52%

NMOCD requires all interest owners be notified of intent to downhole commingle if ownership is different between zones. If you have questions specifically pertaining to this letter, I may be contacted at (505) 333-3630. If you have any objections to our application, please contact me within twenty (20) days of the date of this letter. For any other inquiries, please call the toll free automated number (866-886-2613) with your owner number in hand or you may contact Deanna Garcia with XTO Energy's Land Department at (817) 885-3521.

Sincerely,

  
Wanett McCauley  
Regulatory Compliance Technician

xc: well file

CONOCOPHILLIPS COMPANY ATTN:  
OUTSIDE OPERATED JIB  
1070 PLAZA OFFICE BLDG  
BARTLESVILLE, OK 740040000

JF DAY E #1E DHC REG DEPT wm

CONOCOPHILLIPS COMPANY ATTN:  
OUTSIDE OPERATED JIB  
1070 PLAZA OFFICE BLDG  
BARTLESVILLE, OK 740040000

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CONOCOPHILLIPS COMPANY ATTN:  
OUTSIDE OPERATED JIB  
1070 PLAZA OFFICE BLDG  
BARTLESVILLE, OK 740040000

JF DAY E #1E DHC REG DEPT wm

FULLERTON TRUST A REESE  
FULLERTON & MARILYN FULLER  
PO BOX 382  
SANTA FE, NM 875040382

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FULLERTON TRUST B REESE  
FULLERTON & MARYLIN FULLER  
PO BOX 382  
SANTA FE, NM 875040382

JF DAY E #1E DHC REG DEPT wm

MMS XTO FEDERAL  
C/O XTO ENERGY INC  
810 HOUSTON STREET  
FORT WORTH, TX 761026298

JF DAY E #1E DHC REG DEPT wm

MMS XTO FEDERAL  
C/O XTO ENERGY INC  
810 HOUSTON STREET  
FORT WORTH, TX 761026298

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C/O XTO ENERGY INC  
810 HOUSTON STREET  
FORT WORTH, TX 761026298

JF DAY E #1E DHC REG DEPT wm

NEELY-ROBERTSON REV FAM TRUST  
CARLA NEELY & DONNA  
P O BOX 29562  
SANTA FE, NM 875920000

JF DAY E #1E DHC REG DEPT wm

NEELY-ROBERTSON REV FAM TRUST  
CARLA NEELY & DONNA  
P O BOX 29562  
SANTA FE, NM 875920000

JF DAY E #1E DHC REG DEPT wm

NEELY-ROBERTSON REV FAM TRUST  
CARLA NEELY & DONNA  
P O BOX 29562  
SANTA FE, NM 875920000

JF DAY E #1E DHC REG DEPT wm

SAN JUAN PARTNERSHIP C/O TRUE  
OIL COMPANY  
C/O TRUE OIL CO  
P O BOX 2360  
CASPER, WY 826022360

JF DAY E #1E DHC REG DEPT wm

SAN JUAN PARTNERSHIP C/O TRUE  
OIL COMPANY  
C/O TRUE OIL CO  
P O BOX 2360  
CASPER, WY 826022360

JF DAY E #1E DHC REG DEPT wm

SAN JUAN PARTNERSHIP C/O TRUE  
OIL COMPANY  
C/O TRUE OIL CO  
P O BOX 2360  
CASPER, WY 826022360

JF DAY E #1E DHC REG DEPT wm