

DATE IN <u>9.29.11</u>	SUSPENSE	ENGINEER <u>WVJ</u>	LOGGED IN <u>9.29.11</u>	TYPE <u>DHC</u>	APP NO. <u>1127234467</u>
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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



RECEIVED OCD

## 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

9/26/2011  
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

APPLICATION FOR DOWNHOLE COMMINGLING

Amended  
Form C-107A  
Revised June 10, 2003

APPLICATION TYPE

☒ Single Well

☐ Establish Pre-Approved Pools

EXISTING WELLBORE

☒ Yes ☐ No

Operator  
**XTO Energy Inc.**

Address  
**382 CR 3100, Aztec, NM 87410**

Lease  
**BOLACK C LS**

Well No.  
**#14**

Unit Letter-Section-Township-Range  
**B SEC 30 T27N R08W**

County  
**SAN JUAN**

OGRID No. **5380** Property Code **22596** API No. **30-045-06281** Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	<b>BASIN FRUITLAND COAL</b>	<b>SOUTH BLANCO PC</b>	<b>BLANCO MESAVERDE</b>
Pool Code	<b>71629</b>	<b>72439</b>	<b>72319</b>
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	<b>1968' - 2052'</b>	<b>2094' - 2150'</b>	<b>4362' - 4510'</b>
Method of Production (Flowing or Artificial Life)	<b>ARTIFICIAL LIFE</b>	<b>ARTIFICIAL LIFE</b>	<b>ARTIFICIAL LIFE</b>
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)	<b>108</b>	<b>156</b>	<b>545</b>
Oil Gravity or Gas BTU (Degree API or Gas BTU)		<b>1.319</b>	<b>1.319</b>
Producing, Shut-In or New Zone	<b>NEW ZONE</b>	<b>PRODUCING</b>	<b>PRODUCING</b>
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: <b>8/01/2011</b> Rates: <b>0 BO/173 MCF/0 BW</b>	Date: <b>8/01/2011</b> Rates: <b>0.7 BO/351 MCF/0 BW</b>
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil: <b>0</b> % Gas: <b>50</b> %	Oil: <b>0</b> % Gas: <b>35</b> %	Oil: <b>100</b> % Gas: <b>15</b> %

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: **DHC-1439**

ATTACHMENTS:

- C-102 for each zone to be commingling 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 9/26/2011

TYPE OR PRINT NAME WANETT MCCAULEY

TELEPHONE NO. ( 505 ) 333-3630

E-MAIL wanett.mccauley@xtoenergy.com

**Bolack C LS 14 - Allocations**

Modern Wells Producing from the Fruitland Coal within the 9 Section surrounding the Bolack C LS 14

LEASE NO.	RESERVOIR	SECTION	TOWNSHIP	RANGE	FIELD	OPERATOR	1st PROD	LAST PROD	DAYS ON	CUMULATIVE OIL (BBL)	CUMULATIVE GAS (MCF)	CUMULATIVE WATER (BBL)	AVERAGE OIL (BBL/D)	AVERAGE GAS (MCF/D)	AVERAGE WATER (BBL/D)
BOLACK C	17 FRUITLAND COAL	30	27 N	8 W	BASIN	XTO ENERGY	20011001	20031001	198	0	3489	619	0.00	17.62	3.13
BOLACK C	18 FRUITLAND COAL	31	27 N	8 W	BASIN	XTO ENERGY	20011001	20101001	3155	0	459630	708	0.00	145.37	0.22
BOLACK C	24 FRUITLAND COAL	30	27 N	8 W	BASIN	XTO ENERGY	20060101	20101001	1705	0	65688	145	0.00	38.53	0.09
BOLACK C	25 FRUITLAND COAL	31	27 N	8 W	BASIN	XTO ENERGY	20060101	20101001	1742	0	128017	545	0.00	73.49	0.31
FLORANCE	69R FRUITLAND COAL	19	27 N	8 W	BASIN	XTO ENERGY	20020101	20101001	3147	0	213389	8213	0.00	67.81	2.61
FLORANCE	70 FRUITLAND COAL	20	27 N	8 W	BASIN	XTO ENERGY	20030801	20051101	711	0	12064	0	0.00	16.97	0.00
HUERFANITO UNIT	50 FRUITLAND COAL	36	27 N	9 W	BASIN	BURLINGTON	20060801	20101001	1346	0	128173	823	0.00	95.23	0.61
HUERFANITO UNIT	78M FRUITLAND COAL	36	27 N	9 W	BASIN	BURLINGTON	20030801	20101001	2580	0	191210	917	0.00	74.11	0.36
HUERFANITO UNIT COM	174 FRUITLAND COAL	24	27 N	9 W	BASIN	BURLINGTON	20000701	20101001	3732	0	896699	972	0.00	240.27	0.26
HUERFANITO UNIT COM	552 FRUITLAND COAL	24	27 N	9 W	BASIN	BURLINGTON	20031101	20101001	2453	0	231360	946	0.00	93.18	0.38
NAVAJO INDIAN B	4 FRUITLAND COAL	30	27 N	8 W	BASIN	BURLINGTON	20080901	20101001	786	0	88924	0	0.00	113.13	0.00
										AVERAGE			0.00	89.70	0.72

Wells Producing from the Pictured Cliffs around the Bolack C LS 14 that had a Re-frac completed on them

LEASE NO.	RESERVOIR	SECTION	TOWNSHIP	RANGE	FIELD	OPERATOR	1st PROD	LAST PROD	DAYS ON	CUMULATIVE OIL (BBL)	CUMULATIVE GAS (MCF)	CUMULATIVE WATER (BBL)	AVERAGE OIL (BBL/D)	AVERAGE GAS (MCF/D)	AVERAGE WATER (BBL/D)
CUCCIA COM	1 PICTURED CLIFFS	32	27 N	8 W	BALLARD	XTO ENERGY	19570831	20100901	2241	0	135759	185	0.00	60.58	0.08
CUCCIA STATE	2 PICTURED CLIFFS	32	27 N	8 W	BLANCO S	XTO ENERGY	19570228	20101201	3889	0	317665	970	0.00	81.68	0.25
FLORANCE D	5 PICTURED CLIFFS	18	27 N	8 W	BLANCO S	XTO ENERGY	19561031	20101201	1690	0	115058	230	0.00	68.08	0.14
										AVERAGE			0.00	70.11	0.16

Bolack C LS 14 - Current Production from Mesaverde + Expected uplift from PWOP

LEASE NAME	RESERVOIR	Section	Township	Range	Field	OPERATOR	Oil (BBL/D)	Gas (MCF/D)	Water (BBL/D)
Bolack C LS	14 Mesaverde	30	27 N	8 W	BLANCO	XTO ENERGY	9.16	32.87	0.74

**Allocations**

	Oil	Gas	Water
Fruitland Coal	0%	50%	45%
Pictured Cliffs	0%	35%	10%
Mesaverde	100%	15%	45%
Total	100%	100%	100%

**Last 12 Months Production for the Bolack C LS 14**

*Mesaverde Production*

	Oil Prod (BBL)	Gas Prod (MCF)	Water Prod (BBL)	Days On	Oil (BBL/D)	Gas (MCF/D)	Water (BBL/D)
8/31/2010	1	479	0	31	0.03	15.45	0.00
9/30/2010	0	718	84	30	0.00	23.93	0.36
10/31/2010	0	472	0	31	0.00	15.23	0.00
11/30/2010	8	585	0	30	0.27	19.50	0.00
12/31/2010	3	552	0	31	0.10	17.81	0.00
1/31/2011	1	383	40	31	0.03	12.35	0.78
2/28/2011	0	428	0	28	0.00	15.29	0.00
3/31/2011	8	621	4	31	0.26	20.03	7.75
4/30/2011	6	600	0	30	0.20	20.00	0.00
5/31/2011	5	617	0	31	0.16	19.90	0.00
6/30/2011	3	494	0	30	0.10	16.47	0.00
7/31/2011	2	574	0	31	0.06	18.52	0.00
<b>AVERAGE</b>					<b>0.10</b>	<b>17.87</b>	<b>0.74</b>
<b>Add expected increase due to PWOP (15 MCFPD):</b>					<b>0.10</b>	<b>32.87</b>	<b>0.74</b>

**Jones, William V., EMNRD**

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**From:** Wanett\_McCauley@xtoenergy.com  
**Sent:** Tuesday, October 18, 2011 10:44 AM  
**To:** Jones, William V., EMNRD  
**Cc:** Brooks, David K., EMNRD; Ezeanyim, Richard, EMNRD  
**Subject:** Re: Downhole Commingle application from XTO: Bolack C LS #14 30-045-06281 (Proposed amendment to DHC-1439-A)

Good morning Will,

Below are the estimated static reservoir pressures for the Bolack C LS #14.

Fruitland Coal = 108 psi  
Pictured Cliffs = 166 psi  
Mesaverde = 545 psi

Wanett McCauley  
Regulatory Compliance Technician  
XTO Energy, Inc. a subsidiary of ExxonMobil  
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[wanett\\_mccauley@xtoenergy.com](mailto:wanett_mccauley@xtoenergy.com)

"Jones, William V., EMNRD"  
<[William.V.Jones@state.nm.us](mailto:William.V.Jones@state.nm.us)>

10/17/2011 02:21 PM

To "[Wanett\\_McCauley@xtoenergy.com](mailto:Wanett_McCauley@xtoenergy.com)" <[Wanett\\_McCauley@xtoenergy.com](mailto:Wanett_McCauley@xtoenergy.com)>  
cc "Ezeanyim, Richard, EMNRD" <[richard.ezeanyim@state.nm.us](mailto:richard.ezeanyim@state.nm.us)>, "Brooks, David K., EMNRD" <[david.brooks@state.nm.us](mailto:david.brooks@state.nm.us)>  
Subject Downhole Commingle application from XTO: Bolack C LS #14 30-045-06281 (Proposed amendment to DHC-1439-A)

Hello Wanett:

Would you ask your engineer to estimate the static reservoir pressure for the three reservoirs being commingled in this well (Fruitland, Pictured Cliffs, and Mesaverde)?

Just send me an email and I can print it and put the numbers in your application.

Regards,

William V Jones, P.E.  
Engineering, Oil Conservation Division  
1220 South St. Francis Drive, Santa Fe, NM 87505  
Tel 505.476.3448 ~ Fax 505.476.3462

