

3/22/06 4/12/06 WILL JONES 3/22/06 DHC
DATE IN SUSPENSE ENGINEER LOGGED IN TYPE APP NO. PTDS0608159203

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



2700 Farmington Ave, K-1 Farmington, NM 87401
Phone: (505) 324-1090 FAX: (505) 564-6700

March 14, 2006

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

Subject: Application for Exception to Rule 303A
C.A. McAdams C #1F Downhole Commingle
30-045-33406 Unit H Sec 05-T27N- R10W
Basin Mancos and Basin Dakota
SF-077941; San Juan, NM

Dear Mr. Jones:

Enclosed please find an administrative application form (C107A) and attachments for downhole commingling for the captioned well. By copy of this application by certified mail, return receipt requested, XTO has notified all offset operators in the formations captioned above as well as all affected interest owners. The Division Director may approve the proposed downhole commingling in the absence of any valid objections from any offset operator or any interest owners within 20 days after the receipt of the application if, in his opinion, waste will not result thereby, and correlative rights will not be violated.

Any questions pertaining to this matter, please call me at (505) 324-1090.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Lorri D. Bingham'.

Lorri D. Bingham
Regulatory Compliance Tech

xc: Wellfile
OCD, Aztec Office

2006 MAR 22 PM 2 35

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 87240
District II
1301 W. Grand Ave., 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

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-045-33406
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: CA McADAMS C
8. Well Number 1F
9. OGRID Number
10. Pool name or Wildcat Basin Dakota / WC Basin Mancos

Pit or Below-grade Tank Application ☐ or Closure ☐
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other _____	7. Lease Name or Unit Agreement Name: CA McADAMS C
2. Name of Operator XTO ENERGY INC.	8. Well Number 1F
3. Address of Operator 2700 Farmington Ave., Bldg. K, Ste 1 Farmington, NM 87401	9. OGRID Number
4. Well Location Unit Letter <u>H</u> : <u>1725</u> feet from the <u>NORTH</u> line and <u>1310</u> feet from the <u>EAST</u> line Section <u>5</u> Township <u>27N</u> Range <u>10W</u> NMPM County <u>San Juan</u>	10. Pool name or Wildcat Basin Dakota / WC Basin Mancos
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5997' GR	

Pit or Below-grade Tank Application ☐ or Closure ☐
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐
OTHER: DOWNHOLE COMMINGLE ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐
OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

XTO Energy Inc. is requesting approval to downhole commingle product fr/the Basin Dakota & the Wildcat Basin Mancos in the CA McAdams C #1F. XTO Energy will DHC upon completion of the well. Allocations are based on a 9-section EUR & calculated as follows:

Gas: DK 93% EM 7% Water: DK 98% EM 2% Oil: DK 75% EM 25%

All interest owners were notified by certified, return receipt mail on March 14, 2006. DHC will offer an economical method for production while protecting against reservoir damage, waste of reserves & violation of correlative rights.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐ , a general permit ☐ or an (attached) alternative OCD-approved plan ☐

SIGNATURE Lois D. Bingham TITLE REGULATORY COMPLIANCE TECH DATE 3/15/06

Type or print name LOIS D. BINGHAM

E-mail address: Regulatory@xtoenergy.com

Telephone No. (505) 324-1090

For State Use Only

APPROVED BY _____ TITLE _____ DATE _____

Conditions of Approval, if any:

DISTRICT I
1825 W. Francis Dr., Hobbs, N.M. 88240

DISTRICT II
1304 W. Grand Ave., Artesia, N.M. 88210

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

DISTRICT IV
1220 South St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number	*Pool Code	*Pool Name
	97232	Basin Manos
*Property Code	*Property Name	*Well Number
	C A McADAMS C	1F
*OCROD No.	*Operator Name	*Elevation
107067	XTO ENERGY INC.	5997'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot No.	Feet from the	North/South line	Feet from the	East/West line	County
H	5	27-N	10-W		1725	NORTH	1310	EAST	SAN JUAN

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot No.	Feet from the	North/South line	Feet from the	East/West line	County
*Dedicated Acres			*Joint or Infill		*Consolidation Code		*Order No.		
0.2814 10104									

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 LOT 4	FD. 2 1/2" B.C. 1913 U.S.G.L.O. LOT 3	N 89-52-57 W 2839.6' (M) LOT 2	FD. 2 1/2" B.C. 1913 U.S.G.L.O. LOT 1	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature: Kelly L. Small Printed Name: Kelly L. Small Registered Name: Kelly L. Small Date: 9/29/09
		5	FD. 2 1/2" B.C. 1913 U.S.G.L.O.	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: 2005 Signature: [Signature] Printed Name: [Name] Registered Name: [Name] Date: 13-0-08 Certificate Number: 14831
	LAT. 38°36'24.5"N (NAD 27) LONG. 107°54'49.6" W (NAD 27)			

DISTRICT I
1686 N. French Dr., Hobbs, N.M. 88240

DISTRICT II
1301 W. Grand Ave., Artesia, N.M. 88210

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

DISTRICT IV
1220 South St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102

Revised June 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number	*Pool Code	*Pool Name
	71599	Basin Dakota
*Property Code	*Property Name	*Well Number
	C A McADAMS C	1F
*OCRD No	*Operator Name	*Elevation
167067	XTO ENERGY INC.	5997'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Id#	Feet from the	North/South line	Feet from the	East/West line	County
H	5	27-N	10-W		1725	NORTH	1310	EAST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Id#	Feet from the	North/South line	Feet from the	East/West line	County
*Dedicated Acres			*Total or Initial		*Consolidation Code		*Order No.		
2/2 321.04									

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 LOT 4 FD. 2 1/2" B.C. 1913 U.S.G.L.O.	LOT 3 FD. 2 1/2" B.C. 1913 U.S.G.L.O.	LOT 2 N 89-52-57 W 2639.6' (M)	LOT 1 FD. 2 1/2" B.C. 1913 U.S.G.L.O.	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature: <i>Debra K. Small</i> Printed Name: Debra K. Small Regulatory Compliance Tech Date: 9/29/09
LAT. 36°36'24.5"N (NAD 27) LONG. 107°54'49.6" W (NAD 27)				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: 9/29/09 Signature: <i>[Signature]</i> NEW MEXICO 14831 REGISTERED PROFESSIONAL SURVEYOR Certificate Number: 13-08

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State of New Mexico
Energy, Minerals and Natural Resources Department

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. 2700 FARMINGTON AVE, SUITE K-1 FARMINGTON, NM 87401
Operator Address

CA McADAMS C #1F SEC 5-T27N-R10W UL H SAN JUAN COUNTY
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No 167067 Property Code API No.30-045-33406 Lease Type: X Federal State Fee

DATA ELEMENT	UPPER ZONE			INTERMEDIATE ZONE			LOWER ZONE		
Pool Name	MANCOS						Borin; DAKOTA Pro Gas		
Pool Code	97232						71599		
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	6239' - 6296'						6327' - 6562'		
Method of Production (Flowing or Artificial Lift)	DRILLING						DRILLING		
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)									
Producing, Shut-In or 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	Wtr	Oil	Gas	Wtr	Oil	Gas	Wtr
	25%	7%	2%		%	%	75 %	93%	98%

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes No X
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes X No
Are all produced fluids from all commingled zones compatible with each other? Yes X No
Will commingling decrease the value of production? Yes No X
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 X 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 COMPLIANCE TECH DATE: 3/17/06
TYPE OR PRINT NAME HOLLY C. PERKINS TELEPHONE NO 505-324-1090
E-MAIL ADDRESS Regulatory@xtoenergy.com