

3/8/07 (NOTICES SENT) 1/11/07

DHC 3863

PWJ0707168567

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. 2700 Farmington Ave., Bldg. E, Ste 1 Farmington, NM 87401
Operator Address

JOHNSON GAS COM B #1E (T) SEC 21-T27N-R10W SAN JUAN
Lease Well No Unit Letter-Section-Township-Range County

DHC-3863

OGRID No. 5380 Property Code 22749 API No. 30-045-24166 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	WILDCAT BASIN MANCOS		BASIN DAKOTA
Pool Code	97232		71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5562' - 5745'		6295' - 6464'
Method of Production (Flowing or Artificial Lift)	F		F
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)	1382		1363
Producing, Shut-In or New Zone	NEW		NEW
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: 71.43 % Gas: 19.05 %	Oil: % Gas: %	Oil: 28.57 % Gas: 80.95 %

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 ☐

NMOC 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 Lorri D. Bingham TITLE REGULATORY COMP TECH DATE 1/11/07

TYPE OR PRINT NAME LORRI D. BINGHAM TELEPHONE NO. (505) 324-1090

E-MAIL lorri.bingham@ctoenergy.com

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other Instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

XTO Energy Inc.

3a. Address

2700 Farmington Ave., Bldg. K, Ste 1 Farmington,

3b. Phone No. (include area code)

505-324-1090

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1850' FSL & & 1115' FEL SEC 21I-T27N-R10W

5. Lease Serial No.

NMSF077386A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

JOHNSON GAS COM B #1E

9. API Well No.

30-045-24166

10. Field and Pool, or Exploratory Area

BASIN DAKOTA

WILDCAT BASIN MANCOS

11. County or Parish, State

SAN JUAN

NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

TYPE OF ACTION

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☒ Other **DOWNHOLE**

COMMINGLING

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

XTO Energy Inc. requests approval for exception to Rule 303-C to permit downhole commingling of production from the Basin Dakota (71599) and the Wildcat Basin Mancos (97232) pools. The proposed allocations are based upon average production of this well and are as follows:

Basin Dakota	Gas: 80.95%	Oil: 28.57%	Water: 75%
Wildcat Basin Mancos	Gas: 19.05%	Oil: 71.43%	Water: 25%

Pools are not included in the NMCD pre-approved pool combinations for DHC in the San Juan Basin. Ownership in both pools is not common in both zones; therefore, interest owners were notified by certified mail return receipt on 1/11/07. Downhole commingling will offer an economic method of production while protecting against reservoir damage, waste of reserves & protecting correlative rights.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

LOREI D. BINGHAM

Title

REGULATORY COMPLIANCE TECH

Date **1/11/2007**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Jones, William V., EMNRD

From: Lorri_Bingham@xtoenergy.com
Sent: Thursday, March 08, 2007 11:13 AM
To: Jones, William V., EMNRD
Subject: Jicarilla Apache #8

Attachments: Johnson Gas Com B #1E Prelim C107A.pdf; Johnson Gas Com B #1E Prelim NOI DHC (BLM).pdf



Johnson Gas Com B Johnson Gas Com B
#1E Prelim C... #1E Prelim N...

Hi, Will!

Sorry to bother again, but I have an older application that I would also like to check on. I'm wondering if it went to the wrong place or something by mistake because it's so old?? Please find the attachments for the Johnson GC B #1E.

(See attached file: Johnson Gas Com B #1E Prelim C107A.pdf) (See attached file: Johnson Gas Com B #1E Prelim NOI DHC (BLM).pdf)

Thanks again!

Lorri Bingham
Regulatory Compliance Technician
XTO Energy, Inc./Farmington
(505) 566-7951

Lorri
Bingham/FAR/CTOC

03/07/2007 09:48
AM

"Jones, William V., EMNRD"
<William.V.Jones@state.nm.us>

To

cc

Subject

RE: Jicarilla Apache #8 (Document
link: Lorri Bingham)

Thanks so much!!

Lorri Bingham
Regulatory Compliance Technician
XTO Energy, Inc./Farmington
(505) 566-7951

"Jones, William
V., EMNRD"



Mandi Moncrief/FTW/CTOC
11/09/2006 08:42 AM

To Brock Hendrickson/FAR/CTOC@CTOC
cc
bcc
Subject Re: Fw: DHC

Okay, well that would make the allocations as follows:

Dakota:
80.95% gas
28.57% oil
75% water

Gallup:
19.05% gas
71.43% oil
25% water

Works for me.

Mandi Moncrief
Reservoir Engineer
San Juan Basin
XTO Energy
(817) 885 - 3045
Brock Hendrickson/FAR/CTOC



Brock
Hendrickson/FAR/CTOC
11/09/2006 09:35 AM

To Mandi Moncrief/FTW/CTOC@CTOC
cc
Subject Re: Fw: DHC

Here is the production numbers:

Dakota
85 MCFD
0.2 BOPD
1.5 BWPD

Gallup
20 MCFD
0.5 BOPD
0.5 BWPD

Regards,

Brock Hendrickson
Operations Engineer
XTO Energy, Farmington, NM
Work: 505-564-6723
Cell: 505-330-6870

E-Mail: Brock_Hendrickson@xtoenergy.com
Mandi Moncrief/FTW/CTOC



Mandi Moncrief/FTW/CTOC

11/08/2006 09:08 AM

To Brock Hendrickson/FAR/CTOC@CTOC

cc

Subject Re: Fw: DHC

Ok I was finally able to see some production on the Johnson GC B #1E. It looks like the Mancos production has leveled out. I think it would be okay to go ahead and DHC with the Dakota at this time.

Mandi Moncrief
Reservoir Engineer
San Juan Basin
XTO Energy
(817) 885 - 3045
Brock Hendrickson/FAR/CTOC



Brock
Hendrickson/FAR/CTOC

11/07/2006 10:46 AM

To Mandi Moncrief/FTW/CTOC@CTOC

cc

Subject Fw: DHC

What do you think of this well? The Mancos has been on for over 2 months now. Can you get a DHC for this well?

Regards,

Brock Hendrickson
Operations Engineer
XTO Energy, Farmington, NM
Work: 505-564-6723
Cell: 505-330-6870
E-Mail: Brock_Hendrickson@xtoenergy.com
----- Forwarded by Brock Hendrickson/FAR/CTOC on 11/07/2006 09:40 AM -----



Trenis Lusk/FAR/CTOC

11/07/2006 09:42 AM

To Brock Hendrickson/FAR/CTOC@CTOC

cc

Subject DHC

Brock,

I have another DHC that you inherited from Mike, the Johnson Gas Com B #1E; although we may not be quite ready to DHC based on the production check with FTW/the field.