

DATE IN 8/30/07	SUSPENSE	ENGINEER W. Jones	LOGGED IN 8/30/07	TYPE DHC 3460	APP NO. PTDS0724252928
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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



**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

August 27, 2007

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

Subject: Downhole Commingle RB Sullivan #3F  
30-045-34304 Sec 11 - T27N - R10W  
Basin Dakota & Wildcat Basin Mancos  
San Juan, New Mexico

Dear Mr. Jones:

Enclosed please find an administrative application form (C107A) and attachments for downhole commingling of the Basin Dakota and Wildcat Basin Mancos pools. XTO Energy Inc. plans to drill this well immediately and downhole commingle at the time of completion.

The ownership (WI, MRI & ORRI) of these pools are identical in this wellbore. Downhole commingling in this manner will offer an economic method of production while protecting against reservoir damage, waste of reserves and violation of correlative rights. Should you require any additional information please contact me at (505) 324-1090.

If you have any questions pertaining to this matter, please call me at (505) 324-1090.

Sincerely,

A handwritten signature in cursive script that reads 'Holly C. Perkins'.

Holly C. Perkins  
Regulatory Compliance Tech

xc: Wellfile  
OCD, Aztec Office

2007 AUG 30 AM 11:07  
RECEIVED

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. <b>30-045-34304</b>
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: <b>RB SULLIVAN</b>
8. Well Number <b>#3F</b>
9. OGRID Number <b>5380</b>
10. Pool name or Wildcat <b>WILDCAT BASIN MANCOS/BASIN DAKOTA</b>

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 _____
2. Name of Operator <b>XTO Energy Inc.</b>
3. Address of Operator <b>2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401</b>
4. Well Location Unit Letter <b>E</b> : <b>1965</b> feet from the <b>NORTH</b> line and <b>850</b> feet from the <b>WEST</b> line Section <b>11</b> Township <b>27N</b> Range <b>10W</b> NMPM County <b>SAN JUAN</b>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <b>6208'</b>

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. proposes to downhole commingle the Basin Dakota (71599) and the Wildcat Basin Mancos (97232) upon completion of drilling. Allocations for pools is based upon Dakota & Mancos production from two wells in the same section as this well. Supporting documentation is attached.

Basin Dakota: Oil: 66.67% Gas: 47.62% Water: 91.44%

Wildcat Basin Mancos: Oil: 33.33% Gas: 52.38% Water: 8.56%

Ownership between pools is common & certified notice to owners was unnecessary. Downhole commingling will offer an economical method of production while guarding against reservoir damage, waste of reserves & protection of correlative rights. Since well is on private land, no notice was given to BLM.

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 constructed or closed according to NMOC guidelines ☐ , a general permit ☐ or an (attached) alternative OCD-approved plan ☐

SIGNATURE Holly C. Perkins TITLE REGULATORY COMPLIANCE TECH DATE 8/24/2007

Type or print name **HOLLY C. PERKINS** E-mail address: **holly\_perkins@xtoenergy.com** Telephone No. **505-324-1090**

For State Use Only

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

Conditions of Approval, if any:

District I

1625 N. French Dr., Hobbs, NM 88240

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**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

Form C-102

Permit 52785

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-045-34304	2. Pool Code 7LS99	3. Pool Name BASIN DAKOTA (PRORATED GAS)
4. Property Code 22631	5. Property Name R E SULLIVAN	6. Well No 003F
7. GGRID No 5380	8. Operator Name NTO ENERGY, INC	9. Elevation 6268

**10. Surface Location**

10L - Lot E	Section 11	Township 27N	Range 10W	Lot Idn	Feet From 1965	N-S Line N	Feet From 850	E-W Line W	County SAN JUAN
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**11. Bottom Hole Location If Different From Surface**

11L - Lot	Section	Township	Range	Lot Idn	Feet From	N-S Line	Feet From	E-W Line	County
12. Dedicated Acres 320.00		13. Joint or Infill		14. Consolidation Code		15. 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**

	<b>OPERATOR CERTIFICATION</b>		
	<p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p>		
	<p>E-Signed By: Cheryl Moore          Title: Regulatory Analyst          Date: 5/3/2007</p>		
	<b>SURVEYOR CERTIFICATION</b>		
	<p><i>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.</i></p>		
	<p>Surveyed By: Roy Rush          Date of Survey: 1.12.2007          Certificate Number: 3894</p>		

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Huerfano 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 S. St. Francis Dr.**  
**Santa Fe, NM 87505**

Form C-101  
 Permit 32788

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 80-045-34304	2. Pool Code 97232	3. Pool Name WC BASIN MANCOS
4. Property Code 22631	5. Property Name R D SULLIVAN	6. Well No 005F
7. OUID No 5380	8. Operator Name XTO ENERGY, INC.	9. Elevation 6205

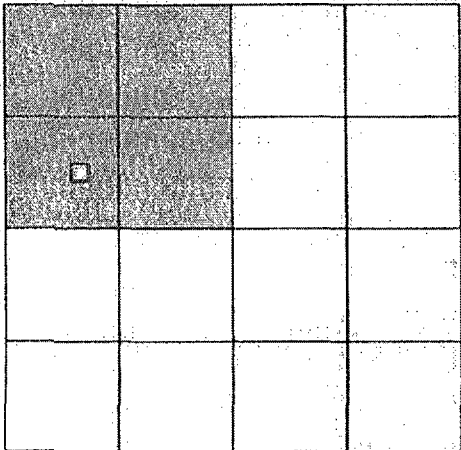
**10. Surface Location**

UL - Lot E	Section 11	Township 27N	Range 10W	Lot 1dn	Feet From 1965	N-S Line H	Feet From 850	E-W Line W	County SAN JUAN
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**11. Bottom Hole Location If Different From Surface**

UL - Lot	Section	Township	Range	Lot 1dn	Feet From	N-S Line	Feet From	E-W Line	County
12. Dedicated Acre 160.00	13. Joint or Infill	14. Consolidation Code	15. 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 style="text-align: center;"><b>OPERATOR CERTIFICATION</b></p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p>E-Signed By: Cheryl Moore        Title: Regulatory Analyst        Date: 5/3/2007</p> <hr/> <p style="text-align: center;"><b>SURVEYOR CERTIFICATION</b></p> <p><i>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.</i></p> <p>Surveyed By: Roy Rush        Date of Survey: 4/12/2007        Certificate Number: 8894</p>
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## RB SULLIVAN #3F ALLOCATIONS

The Martin Gas Com C #2 and the RB Sullivan #4 are located in the same section as the RB Sullivan #3F. Allocations are based upon the Dakota production in the Martin GC C #2 and the Mancos production in the RB Sullivan #4:

### RB SULLIVAN #3F ALLOCATIONS

Gas	52.38% Mancos	47.62% Dakota
Oil	33.33% Mancos	66.67% Dakota
Water	8.56% Mancos	91.44% Dakota

### Martin Gas Com C #2 Dakota Production

50 MCFPD  
2 BOPD  
2.67 BWPD

### RB Sullivan #4 Mancos production

55 MCFPD  
2 BOPD  
2.67 BWPD

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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-107A  
Revised June 10, 2003

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

APPLICATION TYPE  
☒ Single Well  
☐ Establish Pre-Approved Pools  
EXISTING WELLBORE  
Yes ☐ No ☐

APPLICATION FOR DOWNHOLE COMMINGLING

DHC-3950

XTO ENERGY INC.

2700 FARMINGTON AVE, SUITE K-1

FARMINGTON, NM 87401

Operator Address  
SULLIVAN RB #3F UL "E" SEC 11, T27N, R10W SAN JUAN

Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 5380 Property Code API No. 30-045-34304 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)	5724' -6079'		6513' -6750
Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
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	New Zone		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 Water 33.33% 52.38% 8.56%	Oil Gas Water	Oil Gas Water 66.67% 47.62% 91.44%

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ No ☐  
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? 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 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 8/24/07

TYPE OR PRINT NAME HOLLY C. PERKINS TELEPHONE NO. (505) 324-1090  
E-MAIL ADDRESS holly\_perkins@xtoenergy.com