

DATE IN 5-27-10	SUSPENSE	ENGINEER RE	LOGGED IN 5-27-10	TYPE PLC	APP NO. 1015228511
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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



XTO
5380

OHIO GOVT #213

ADMINISTRATIVE APPLICATION CHECKLIST

30-045-07411

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

30-045-23037

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 Increase Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection]
 [EOR-Qualified Enhanced Oil Recovery Certification]

PLC - [unclear]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for

- [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

PLC - 329

[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.

Jennifer Morrow
 Print or Type Name

Jennifer Morrow
 Signature

Sr. Regulatory Compliance Technician
 Title

May 26, 2010
 Date

Jennifer.Morrow@xtoenergy.com
 e-mail Address



RECEIVED OCD

2010 MAY 27 A 11: 25

May 26, 2010

Mr. Richard Ezeanyim
New Mexico Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, NM 87505

Mr. Jim Lovato
Bureau of Land Management
1235 La Plata Highway
Farmington, NM 87401

Subject: Proposed Surface Commingle
Ohio Government #2 and Ohio Government #3
San Juan County, NM

Dear Mr. Ezeanyim & Mr. Lovato:

XTO Energy Inc. requests administrative approval for surface commingling of natural gas produced from the following wells: Ohio Government #2 and Ohio Government #3. These wells are located in Section 15P-Township 28N-Range 11W in San Juan County, New Mexico.

XTO plans to produce the commingled gas through a central compressor, thus minimizing the footprint of these locations, as well as helping to keep the emissions and noise levels down. This increases the ultimate recoveries on all leases. The anticipated allocated fuel production and fuel usage for the compressor is noted in the attachments.

Each well will be equipped with allocation meters that will be maintained by XTO Energy in accordance with State and Federal Regulations (Onshore Order No. 5). Produced liquids will not be surface commingled. All interest owners have been notified via certified mail, return receipt, on March 17, 2010.

The following attachments are included with this application:

- Form C107B (application for surface commingle; diverse ownership)
- Map of all wells and their associated leases
- Form C-102 for each well (plats)
- Table of well with lease and agreement information, spacing, permits, gravities/BTU, MCF
- Schematic diagram showing all flowlines, compressors & equipment
- Details of allocation formula
- Letter to WI, NRI & ORRI owners & list of owners
- Administrative Application Checklist

Sincerely,

A handwritten signature in cursive script that reads 'Jennifer Morrow'.

Jennifer Morrow
Senior Regulatory Compliance Tech

xc: OCD, Aztec Office

District I
1625 N. French Drive, Hobbs, NM 88240
District II
1301 W. Grand Ave, Artesia, NM 88210
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-107-B
Revised June 10, 2003

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original
application to the Santa Fe
office with one copy to the
appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: XTO Energy Inc.

OPERATOR ADDRESS: 382 Road 3100, Aztec, New Mexico 87410

APPLICATION TYPE:

☐ Pool Commingling ☐ Lease Commingling ☒ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☐ State ☒ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. _____

Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling

☒ Yes ☐ No

(A) POOL COMMINGLING

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
ARMENTA GALLUP 02290					
FULCHER KUTZ PC 77200					

(2) Are any wells producing at top allowables? ☐ Yes ☒ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No.

(4) Measurement type: ☒ Metering ☐ Other (Specify)

(5) Will commingling decrease the value of production? ☐ Yes ☒ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING

Please attach sheets with the following information

(1) Pool Name and Code.

(2) Is all production from same source of supply? ☐ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No

(4) Measurement type: ☐ Metering ☐ Other (Specify)

(C) POOL and LEASE COMMINGLING

Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

(1) Is all production from same source of supply? ☐ Yes ☐ No

(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.

(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Jennifer Morrow

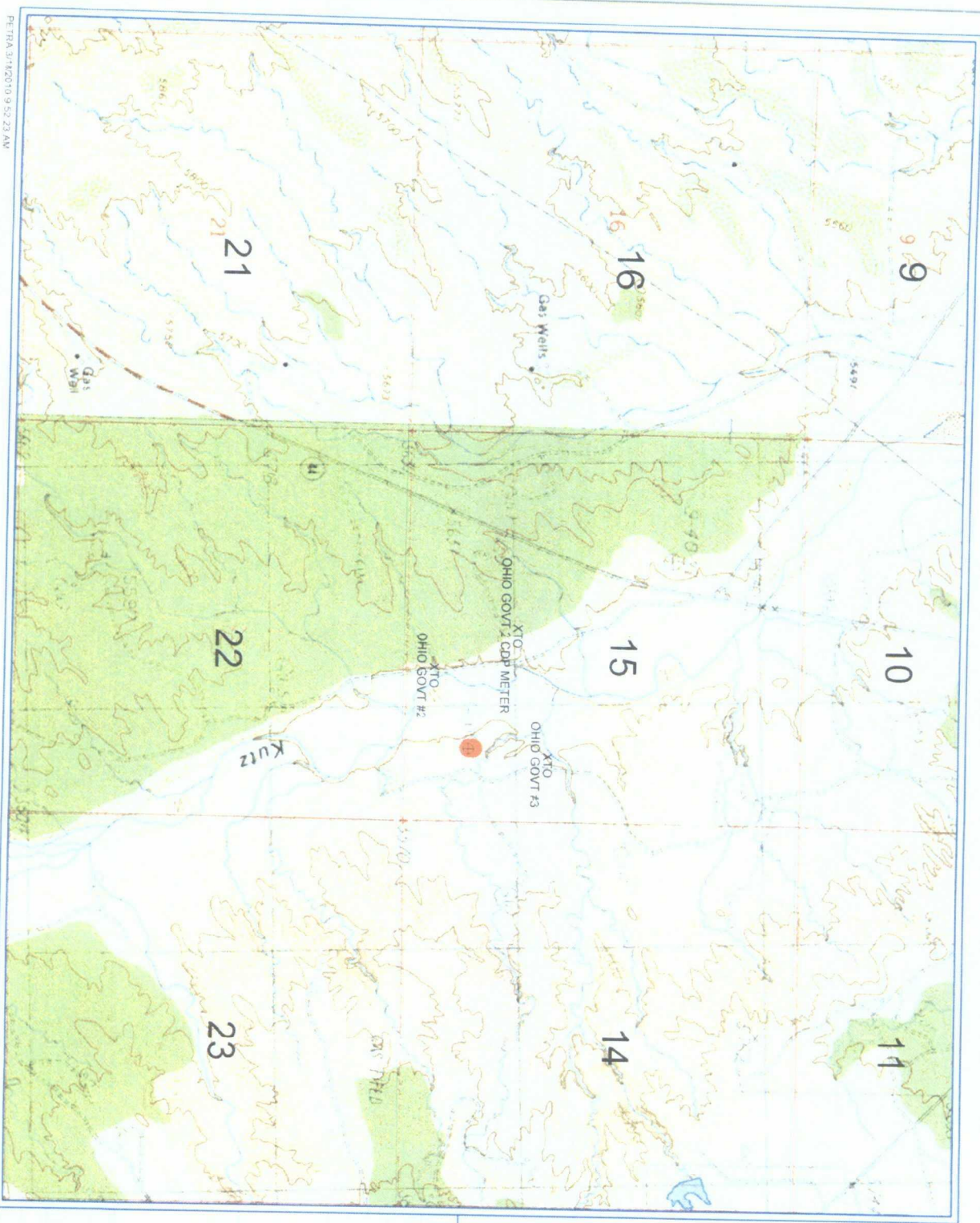
TITLE: Sr. Regulatory Compliance Technician

DATE: May 26, 2010

TYPE OR PRINT NAME JENNIFER MORROW

TELEPHONE NO.: (505) 333-3682

E-MAIL ADDRESS: Jennifer.Morrow@xtoenergy.com



XTO ENERGY INC.
OHIO GOVT #2 CDP
SEC. 15 T28N-R11W
SAN JUAN COUNTY, NM

POSTED WELL DATA

Operator
Well Label



WELL SYMBOLS
Gas Well
Unknown Status

By vi

March 18, 2010

Ohio Government

Well Name	API#	Pool	S-T-R	FNL/FSL	FEL/FWL	Lease Number	Agreement Number	Permits	Gravity	BTU	Est Daily Gas Rate
Ohio Government #2	30-045-07411	Armenta Gallup	15P-28N-11W	890' FSL	990' FEL	NMNM-020498	N/A	N/A	35.6	1268	16
Ohio Government #3	30-045-23037	Fulcher Kutz PC	15P-28N-11W	950' FSL	990' FEL	NMNM-020498	NMNM-75971	N/A	N/A	1061	63

Ohio Government #2

Proposed Allocation Procedure

Base Data:

W = Gas volume (MCF) from allocation meters at individual wells during allocation period

X = Gas volume (MCF) from CDP sales meter during allocation period

Allocation period is typically a calendar month and will be the same for all wells.

Production and fuel use will be based on the following formula:

$$\text{Allocated sales volume (MCF)} = (W / \text{Sum } W) \times X$$

NOTE: Production liquids will not be surface commingled.

Compressor information:

Location:	Ohio Gov't #2	
Lat/Long:	36.65732/-107.985	
Manufacturer:	CATERPILLAR	
Engine:	G3306NA	
Horse Power:	90	
Fuel usage:		
100%	21.6	mcfd
75%	18.3	mcfd
50%	15.1	mcfd

DISTRICT
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Marathon Oil Co.		Lease Ohio Government		Well No. 2
Unit Letter P	Section 15	Township 28-N	Range 11-W NMPM	County San Juan
Actual Footage Location of Well: 890 feet from the South line and 990 feet from the East line				
Ground level Elev. 5517'	Producing Formation Gallup	Pool Armenta Gallup	Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
- ☐ Yes ☐ No If answer is "yes" type of consolidation _____
- If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____
- No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.

			RECEIVED
			APR 13 1992
			OIL CON. DIV.) DIST. 3

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature _____

Thomas m. Price

Printed Name _____

Thomas M. Price

Position

Adv. Eng. Tech.

Company	
---------	--

Marathon Oil Co.

Date _____

4-10-92

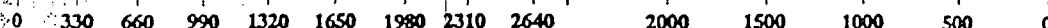
SURVEYOR CERTIFICATION

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 knowledge and belief.

Date Surveyed

Signature & Seal of
Professional Surveyor

Certificate No.



NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

Operator Marathon Oil Company			Lease Ohio Government			Well No. DAK 3
Unit Letter P	Section 15	Township 28 North	Range 11 West	County San Juan		

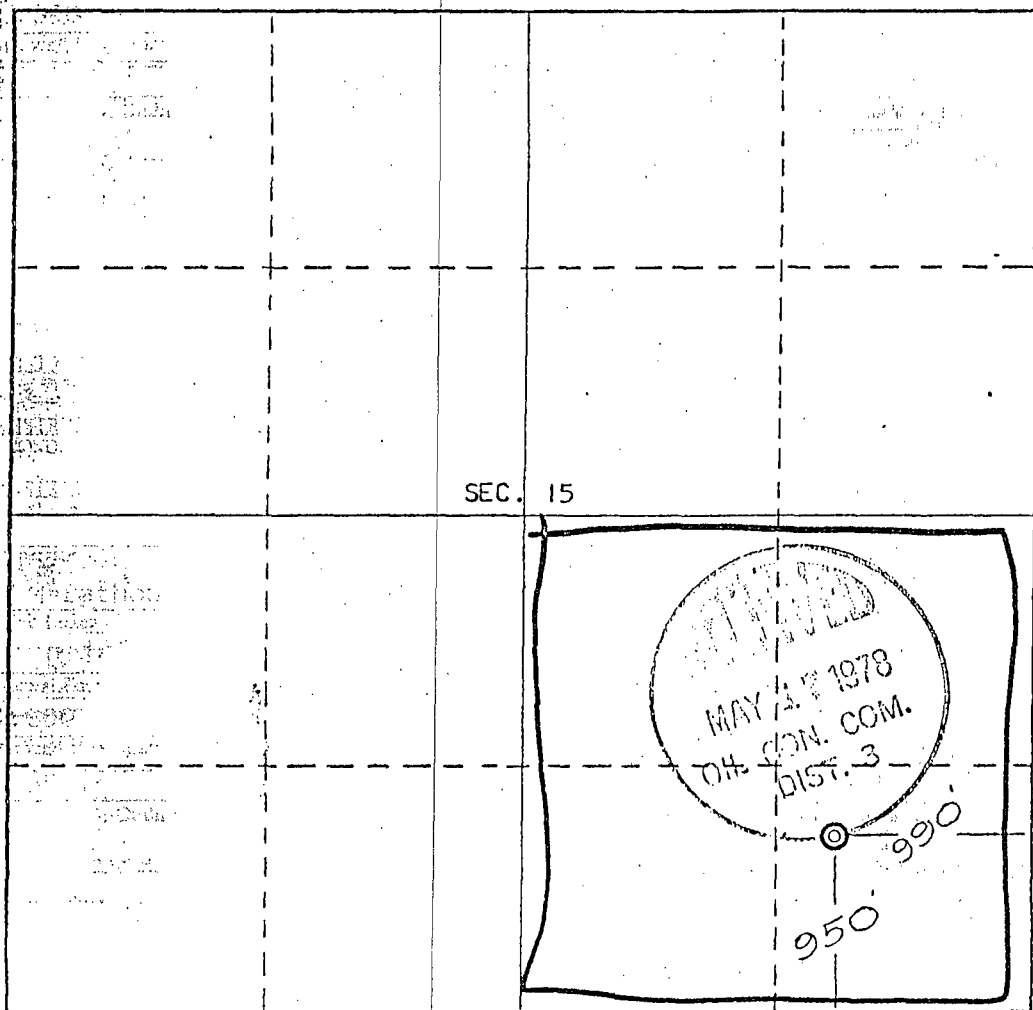
Actual Footage Location of Well: 950 feet from the South line and 990 feet from the East line			
Ground Level Elev. 5516	Producing Formation Pictured Cliffs	Pool Fulcher Kutz Pictured Cliffs	Dedicated Acreage 160 320 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation NA

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name
J. F. Wirth
Position
Drilling Superintendent

Company
Marathon Oil Company

Date
May 5, 1978

REGISTERED LAND SURVEYOR
STATE OF NEW MEXICO
I hereby certify that the well location shown on this plat was plotted from field notes of a Reg. No. **3602** made by me or under my supervision, and that the same are true and correct to the best of my knowledge and belief.
ERNEST V. ECHOHAWK

Date Surveyed
April 27, 1978

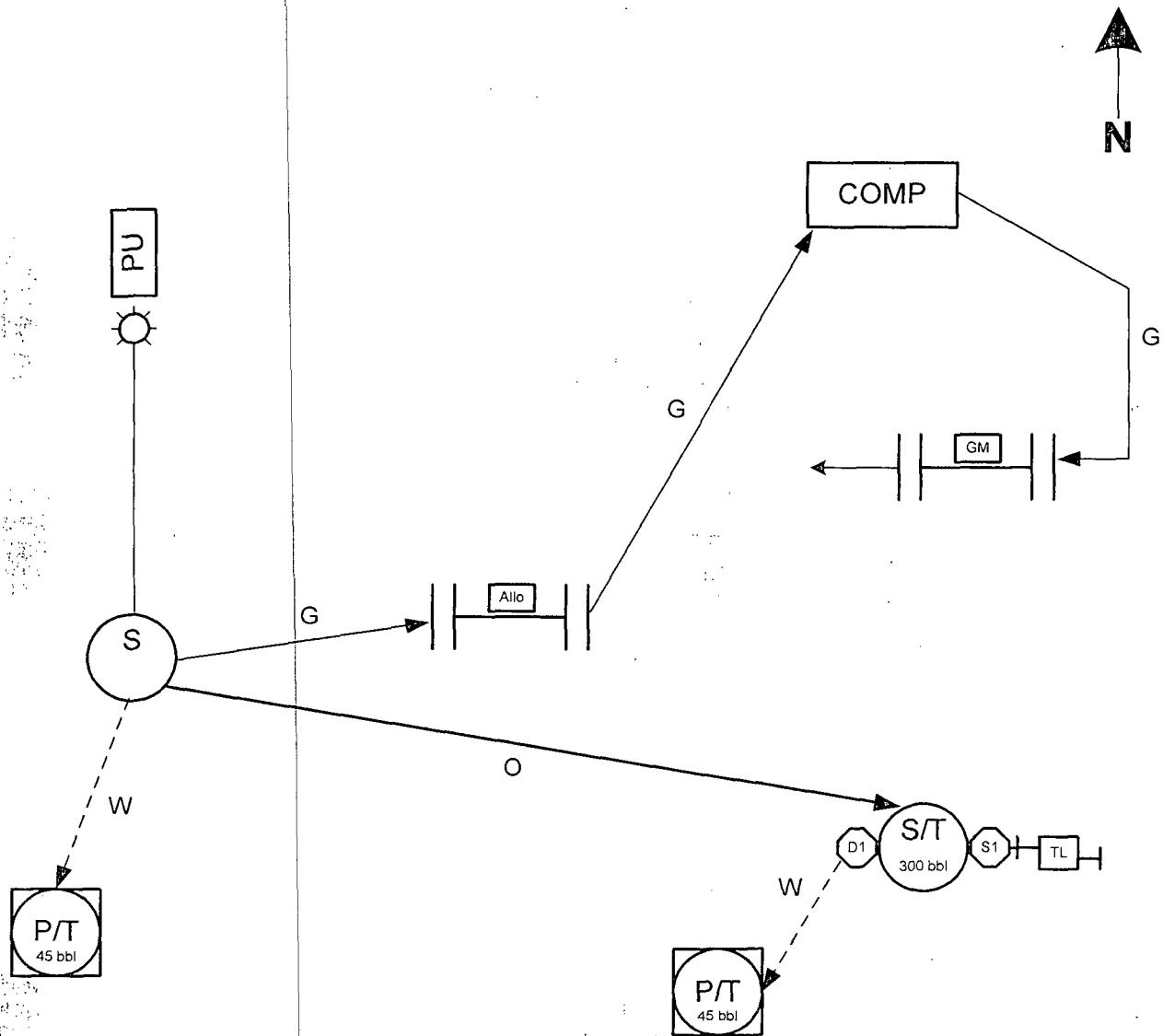
Registered Professional Engineer and/or Land Surveyor

E. V. Echohawk
Certificate No. **3602**

E.V. Echohawk LS

0 330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960 4290 4620 4950 5280 5610 5940 6270 6600

XTO ENERGY INC.
Lease: OHIO GOVT CDP #002
Location: SEC. 15, T28N, R11W, UNIT P
Federal Agreement #: NMNM020498



General sealing of valves, sales by tank gauging.

Production phase: Drain valve D1 and sales valve S1 sealed closed.

Sales phase: Drain valve D1 sealed closed. Sales valve S1 sealed open.

Draining phase: Drain valve D1 sealed open. Sales valve S1 sealed closed.

This lease is subject to the site security plan for San Juan Basin Area.
The plan is located at: XTO Energy Inc.
2700 Farmington Ave., Bldg. K, Ste. 1
Farmington, NM 87401

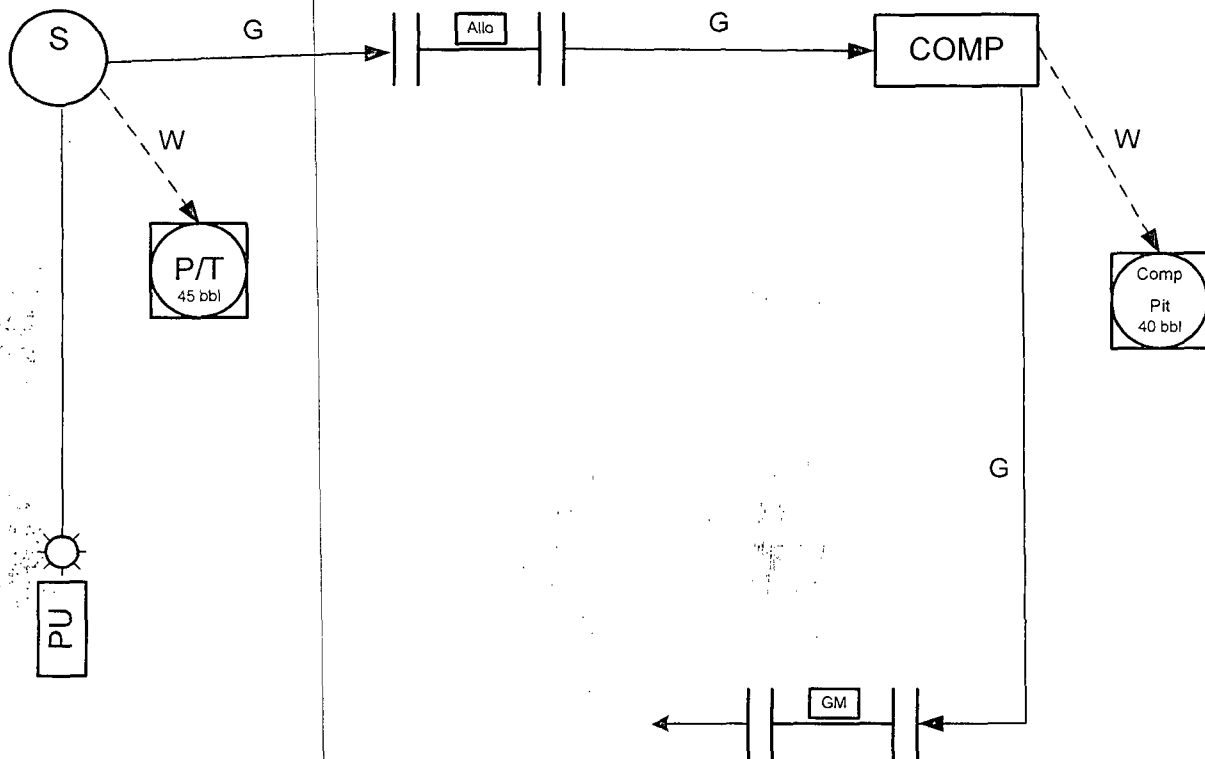
XTO ENERGY INC.

Lease: OHIO GOVT #003

Location: SEC. 15, T28N, R11W, UNIT P

Federal Agreement #: SRM1285

API # 30-045-23037



General sealing of valves, sales by tank gauging.

Production phase: Drain valve D1 and sales valve S1 sealed closed.

Sales phase: Drain valve D1 sealed closed. Sales valve S1 sealed open.

Draining phase: Drain valve D1 sealed open. Sales valve S1 sealed closed.

This lease is subject to the site security plan for San Juan Basin Area.

The plan is located at: XTO Energy Inc.

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

Farmington, NM 87401



March 17, 2010

RE: Notice to Working and Royalty Interest Owners
Application to Surface Commingle Gas Production
San Juan County, New Mexico

XTO Energy Inc. is applying to the New Mexico Oil Conservation Division (NMOCD) and Bureau of Land Management (BLM) for approval to surface commingle gas production from the Ohio Government #2 and Ohio Government #3. NMOCD requires that all interest owners be notified of plans to surface commingle when ownership is different between wells.

Produced gas from each well will be measured separately prior to being commingled. We plan to produce the commingled gas through a shared compressor. Produced liquids will not be surface commingled. In the future, additional wells, pools, and acreage may be added to this surface commingle or this gathering system.

If you need additional information, or have any questions, please contact me at (505) 333-3682. If you have an objection to our application, you must file a protest in writing to the NMOCD Santa Fe office at 1220 South Saint Francis Drive, Santa Fe, NM 87505 within 20 days from the date of this letter. If there are no objections raised, an application will be submitted to NMOCD at that time.

Sincerely,

A handwritten signature in cursive script that reads "Jennifer Morrow".

Jennifer Morrow
Senior Regulatory Compliance Technician

Xc: Well Files
FW Land Department
NMOCD, Aztec

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expose Pop-Up Edge™

 **EVERY® 5160®**

CHRISTMANN MINERAL COMPANY A
TEXAS CORPORATION
PO BOX 66
PINEDALE, WY 829410066
OHIO GOVT #2 CDP REG DEPT JENNIFER

CHRISTMANN MINERAL COMPANY A
TEXAS CORPORATION
PO BOX 66
PINEDALE, WY 829410066
OHIO GOVT #2 CDP REG DEPT JENNIFER

CHRISTMANN MINERAL COMPANY A
TEXAS CORPORATION
PO BOX 66
PINEDALE, WY 829410066
OHIO GOVT #2 CDP REG DEPT JENNIFER

HERD PARTNERS, LTD.
PO BOX 130
MIDLAND, TX 797020130
OHIO GOVT #2 CDP REG DEPT JENNIFER

HERD PARTNERS, LTD.
PO BOX 130
MIDLAND, TX 797020130
OHIO GOVT #2 CDP REG DEPT JENNIFER

HERD PARTNERS, LTD.
PO BOX 130
MIDLAND, TX 797020130
OHIO GOVT #2 CDP REG DEPT JENNIFER

JACK MARKHAM
1500 BROADWAY SUITE 1212
LUBBOCK, TX 794010000
OHIO GOVT #2 CDP REG DEPT JENNIFER

JACK MARKHAM
1500 BROADWAY SUITE 1212
LUBBOCK, TX 794010000
OHIO GOVT #2 CDP REG DEPT JENNIFER

JACK MARKHAM
1500 BROADWAY SUITE 1212
LUBBOCK, TX 794010000
OHIO GOVT #2 CDP REG DEPT JENNIFER

MMS XTO FEDERAL
C/O XTO ENERGY INC
810 HOUSTON STREET
FORT WORTH, TX 761026298
OHIO GOVT #2 CDP REG DEPT JENNIFER

MMS XTO FEDERAL
C/O XTO ENERGY INC
810 HOUSTON STREET
FORT WORTH, TX 761026298
OHIO GOVT #2 CDP REG DEPT JENNIFER

MMS XTO FEDERAL
C/O XTO ENERGY INC
810 HOUSTON STREET
FORT WORTH, TX 761026298
OHIO GOVT #2 CDP REG DEPT JENNIFER

PROVIDENCE MINERALS, LLC
14860 MONTFORT DR, STE 209
DALLAS, TX 752540000
OHIO GOVT #2 CDP REG DEPT JENNIFER

PROVIDENCE MINERALS, LLC
14860 MONTFORT DR, STE 209
DALLAS, TX 752540000
OHIO GOVT #2 CDP REG DEPT JENNIFER

PROVIDENCE MINERALS, LLC
14860 MONTFORT DR, STE 209
DALLAS, TX 752540000
OHIO GOVT #2 CDP REG DEPT JENNIFER

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