

DATE IN 7.27.10	SUSPENSE	ENGINEER WJP	LOGGED IN 7.27.10	TYPE DHC 4295	APP NO. 1020851121
-----------------	----------	--------------	-------------------	---------------	--------------------

ABOVE THIS LINE FOR DIVISION USE ONLY

# NEW MEXICO OIL CONSERVATION DIVISION

RECEIVED OGD

- Engineering Bureau -

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



XTO

Martin Gas Com B #1F

2010 JUL 26 PM

## ADMINISTRATIVE APPLICATION CHECKLIST

30-045-34091

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATION 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

Signature

*Wanett McCauley*

REGULATORY COMPLIANCE TECHNICIAN  
 Title

7/22/2010  
 Date

wanett\_mccauley@xtoenergy.com  
 e-mail Address

DISTRICT I  
1623 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

Form C-107A  
Revised June 10, 2003

APPLICATION TYPE

☒ Single Well

☐ Establish Pre-Approved Pools

EXISTING WELLBORE

☐ Yes ☒ No

XTO Energy Inc.

Operator

382 CR 3100, Aztec, NM 87410

Address

DHC-4295

MARTIN GAS COM B

Lease

#1F

Well No.

H

Unit

SEC 31

T28N

R10W

County

SAN JUAN

County

OGRID No. 5380

Property Code 22622

API No. 30-045-34091

Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	BASIN MANCOS		BASIN DAKOTA
Pool Code	97232		71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5,506' - 5,696'		6,228' - 6,459'
Method of Production (Flowing or Artificial Life)	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)	1.331		1.271
Producing, Shut-In or New Zone	PRODUCING		SHUT-IN
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: 6/01/2010 Rates: 192.4 BO/495 MCF/0 BW	Date: Rates:	Date: 11/01/2009 Rates: 4.6 BO/170 MCF/0 BW
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil: 69 % Gas: 35 %	Oil: % Gas: %	Oil: 31 % Gas: 65 %

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: \_\_\_\_\_

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

REGULATORY COMPL TECH

DATE 7/22/2010

TYPE OR PRINT NAME

WANETT MCCAULEY

TELEPHONE NO. ( 505 ) 333-3630

E-MAIL

wanett.mccauley@xtoenergy.com

## Martin Gas Com B1F

Dakota			
Month	Oil	Gas	Water
Jun-08	0.32	86.55	2.58
Jul-08	0.90	89.26	0.03
Aug-08	0.65	78.10	2.58
Sep-08	0.81	79.61	1.94
Oct-08	0.32	85.45	0.00
Nov-08	0.74	52.13	0.03
Dec-08	0.68	73.23	1.94
Jan-09	0.71	66.68	0.10
Feb-09	0.39	48.06	1.35
Mar-09	0.48	55.35	0.00
Apr-09	0.61	48.77	1.29
May-09	0.48	46.68	0.00
Jun-09	0.35	37.26	0.00
Jul-09	0.29	31.71	1.29
Aug-09	0.19	33.32	0.00
Sep-09	0.32	30.84	0.00
Oct-09	0.39	45.74	1.29
Nov-09	0.16	5.68	0.00
Average	0.49	55.25	0.80

Gallup			
Month	Oil	Gas	Water
Feb-10	2.93	27.61	0.61
Mar-10	0.29	11.39	2.86
Apr-10	0.57	2.32	0.00
May-10	1.39	30.00	0.00
Jun-10	0.21	31.00	0.00
Average	1.08	30.00	0.69

Allocations:			
	Oil	Gas	Water
Dakota	31%	65%	54%
Gallup	69%	35%	46%