

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 _____

*7/23/04
Letter only for info*

- [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 _____

District I
1625 N. French Drive, Hobbs, NM 88240

District II
1301 W. Grand Avenue, 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-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

XTO ENERGY INC. 2700 FARMINGTON AVE, SUITE K-1 FARMINGTON, NM 87401

Operator UTE INDIANS A 36 P/ Address SEC 27, T32N, R14W SAN JUAN

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

OGRID No. 167067 Property Code API No. 30-045-31604 Lease Type: Federal X State Fee

DATA ELEMENT	UPPER ZONE UNDES. ✓	INTERMEDIATE ZONE UNDES. ✓	LOWER ZONE UNDES. ✓
Pool Name	Barker Dome Ismay <i>GM</i>	Barker Dome Desert Creek <i>GM</i>	Barker Dome Akah /Upper Barker Creek <i>GM</i>
Pool Code	96354 ✓	96353 ✓	96352 ✓
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	7716' - 7854'	7897' - 8003'	8113' - 8159' & 8203' - 8241'
Method of Production (Flowing or Artificial Lift)	Flowing	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)	<i>DAC-3221-A</i>		
Oil Gravity or Gas BTU (Degree API or Gas BTU)			
Producing, Shut-In or New Zone	New Zone	Producing	Producing
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 10% Gas 1% Water 9%	Oil 0% Gas 64% Water 6%	Oil <i>90</i> / 35% Gas <i>35</i> / 90% Water 85%

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: *DAE-3221*

- 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 7/7/04

TYPE OR PRINT NAME HOLLY C. PERKINS TELEPHONE NO. (505) 564-6720
E-MAIL ADDRESS holly_perkins@xtoenergy.com

District I
1625 N. French Drive, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

District II
1301 W. Grand Avenue, Artesia, NM 88210

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

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

APPLICATION FOR DOWNHOLE COMMINGLING

XTO ENERGY INC. 2700 FARMINGTON AVE, SUITE K-1 FARMINGTON, NM 87401

Operator UTE INDIANS A 36 Address SEC 27, T32N, R14W SAN JUAN

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

OGRID No. 167067 Property Code API No. 30-045-31604 Lease Type: Federal X State Fee

Table with 4 columns: DATA ELEMENT, UPPER ZONE, INTERMEDIATE ZONE, LOWER ZONE. Rows include Pool Name (Barker Creek Paradox), Pool Code (71560), Top and Bottom of Pay Section, Method of Production (Flowing), Bottomhole Pressure, Oil Gravity or Gas BTU, Producing, Shut-In or New Zone, Date and Oil/Gas/Water Rates of Last Production, and Fixed Allocation Percentage.

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: DAC-3221

- 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. 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.

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- 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 7/7/04

TYPE OR PRINT NAME HOLLY C. PERKINS TELEPHONE NO. (505) 564-6720

E-MAIL ADDRESS holly_perkins@xtoenergy.com

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 JUL 06 2004
 Energy, Minerals and Natural Resources

Form C-103
 Revised May 08, 2003

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

WELL API NO. 30-045-31604
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: UTE INDIANS A
8. Well Number 36
9. OGRID Number 167067
10. Pool name or Wildcat BARKER DOME

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 Gas Well Other

2. Name of Operator
XTO Energy Inc.

3. Address of Operator
2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401

4. Well Location
 Unit Letter **P** : **932** feet from the **SOUTH** line and **845** feet from the **EAST** line
 Section **27** Township **32N** Range **14W** NMPM County **SAN JUAN**

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

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

SUBSEQUENT REPORT OF:

REMEDIAL WORK ALTERING CASING

COMMENCE DRILLING OPNS. PLUG AND ABANDONMENT

CASING TEST AND CEMENT JOB

OTHER: **CHANGE TO COMMINGLE ORDER**

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. requests permission to amend DHC-3221 per attached documents:

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 6/21/04

Type or print name HOLLY C. PERKINS Telephone No. 505-324-1090

(This space for State use)

APPROVED BY _____ TITLE _____ DATE _____

Conditions of approval, if any:

**Ute Indians A #36
Barker Dome Paradox
Unit P, Sec 27, T-32-N, R-14-W**

Pools	Interval	Perforation Interval	Measured BHP (psi)	Measured BHT (deg F)	Three Hour Flow Test*			Calc Daily Gas Rate (MCFPD)	Proposed Allocation (%)
					Metered Oil (BO)	Metered Water (BW)	Metered Gas (MCF)		
Barker Creek Paradox Average Production	Alkali Gulch	8,540' - 8,544'	2068	218	0	0	40	320	0
	Lower Barker Creek	8,288' - 8,406'	664	213	0	0	63	504	
Barker Dome Akah/Upper Barker Creek Average Production	Upper Barker Creek	8,203' - 8,241'	476	212	0	0	37	296	35
	Akah	8,113' - 8,159'	733	212	0	0	52	416	
Barker Dome Desert Creek	Desert Creek	7,897' - 8,003'	3293	208	0	0	83	664	
Barker Dome Ismay	Ismay	7,716' - 7,854'	409	202	0	0	-	664	64
								<10	<10

* The flow tests were conducted up 2-7.8" tbg with a packer for three hours. The gas was tied into a compressor and was metered. The liquids were produced to a tank.

Proposed Allocations:

	Gas %	Oil %*	Water %*
Barker Creek Paradox (pool code - 71560)	0.00%	0.00%	0.00%
Barker Dome Akah/Upper Barker Creek (pool code - 96352)	35.00%	90.00%	85.00%
Barker Dome Desert Creek (pool code - 96353)	64.00%	0.00%	6.00%
Barker Dome Ismay (pool code - 96354)	1.00%	10.00%	9.00%

*Oil and water allocations based on off set production data.

Jones, William V

From: Holly_Perkins@xtoenergy.com
Sent: Monday, July 26, 2004 7:00 AM
To: Jones, William V
Subject: Re: Downhole Commingle Application for Ute Indians A Well No. 36 30- 045-31604



Ute Indians A
#36 Owners

there is no allocation because there is a plug over that zone. The owners originally notified are attached. However, with the plugged lower zone, there are no owners for the upper zones. Just XTO

Please let me know if this is satisfactory in response to your questions.
(See attached file: Ute Indians A #36 Owners)

Holly C. Perkins
Regulatory Specialist
XTO Energy Inc.
(505) 564-6720
holly_perkins@xtoenergy.com

"Jones, William
V"
<WVJones@state.nm.us>
07/23/2004 03:33
PM

To
"Holly_Perkins@xtoenergy.com"
<Holly_Perkins@xtoenergy.com>
cc
"Hayden, Steven"
<SHAYDEN@state.nm.us>, "Ezeanyim,
Richard" <REzeanyim@state.nm.us>
Subject
Downhole Commingle Application for
Ute Indians A Well No. 36 30-
045-31604

Hello Holly:

I have a question about this application. I understand this is a diverse interest situation. Since it is, we must be more rigorous, to prevent a possible correlative rights violation.

The lower zone in this well is the Barker Creek-Paradox Gas at approximately 8288 to 8544 feet deep. Your supporting data shows a 3 hour measured gas rate for this zone. Your

Jones, William V

To: Holly_Perkins@xtoenergy.com

Cc: Hayden, Steven; Ezeanyim, Richard

Subject: Downhole Commingle Application for Ute Indians A Well No. 36 30-045-31604

Hello Holly:

I have a question about this application. I understand this is a diverse interest situation. Since it is, we must be more rigorous, to prevent a possible correlative rights violation.

The lower zone in this well is the Barker Creek-Paradox Gas at approximately 8288 to 8544 feet deep. Your supporting data shows a 3 hour measured gas rate for this zone. Your average offset production is also positive for this zone. Your pressure in this zone is also adequate. Despite all this, you are not allocating any production to this zone.

Why is that? Please let me know.

Would you also send a list of the owners you notified for this application?

Regards,

Will Jones

William V. Jones

Engineering Bureau

Oil Conservation Division

Santa Fe

7/23/2004