

DATE IN <u>10.3.11</u>	SUSPENSE	ENGINEER <u>RE</u>	LOGGED IN <u>10.3.11</u>	TYPE <u>PLC</u>	APP NO. <u>1127656580</u>
------------------------	----------	--------------------	--------------------------	-----------------	---------------------------

PTGW
5380
owens #1

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
owens #1

ADMINISTRATIVE APPLICATION CHECKLIST

30-045-10866

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]**

Fed

- [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 _____

Amend PC-1013
M-7-31W-12W

- [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.

Jennifer Morrow _____ *Jennifer Morrow* _____ Sr. Regulatory Compliance Technician _____ September 30, 2011 _____
 Print or Type Name Signature Title Date

_____ Jennifer.Morrow@XTOEnergy.com _____
 e-mail Address

PLC-350



September 30, 2011

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

Subject: Amend Surface Commingle
Owens #1 CDP – PC-1013 ✓
San Juan County, NM

Dear Mr. Ezeanyim:

XTO Energy Inc. requests administrative approval to amend the previously approved (PC-1013) surface commingling of natural gas produced from the following wells: Owens #1 and Owens #1A. Stagecoach #1 was approved with the original application, but this well was Plugged and Abandoned 1/25/2007. XTO would like to add the Stagecoach #2 to the system. These wells are located in Section 07-Township 31N-Range 12W in San Juan County, New Mexico.

XTO plans to produce the commingled gas through a central compressor, thus lowering operating expenses and extending the economic life of the wells. 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 August 26, 2011.

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,

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. PC-1013
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
Blanco Mesaverde 72319				
Basin Fruitland Coal 71629				

- (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

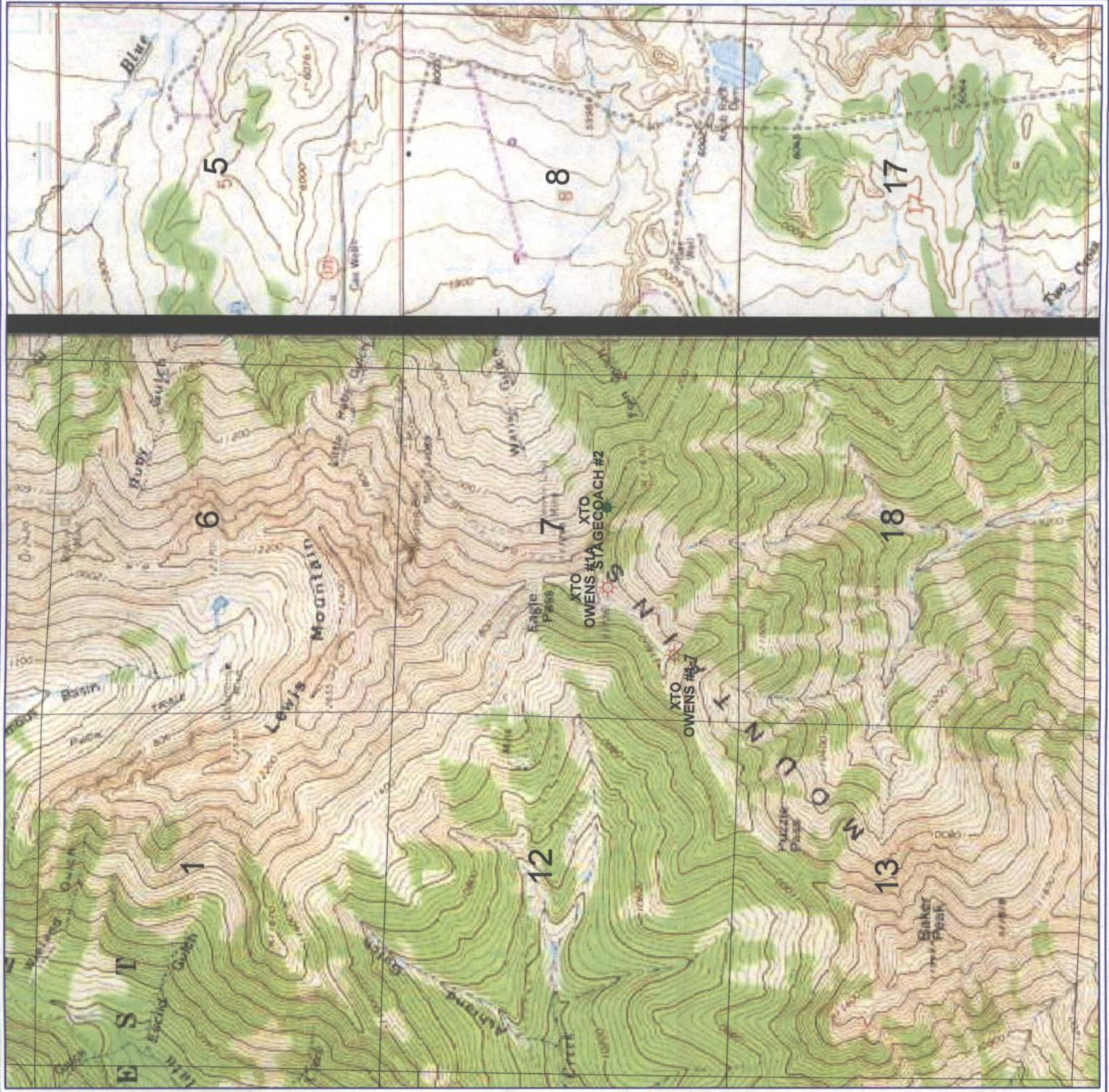
- (1) Is all production from same source of supply? Yes No
(2) Include proof of notice to all interest owners.

(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: September 30, 2011
TYPE OR PRINT NAME Jennifer Morrow TELEPHONE NO.: 505-333-3682
E-MAIL ADDRESS: Jennifer_Morrow@xtoenergy.com



XTO Energy, Inc.

Owens #1 CDP

Section 7 - T31N - R12W
San_Juan_with Radius.OVL



POSTED WELL DATA
Operator Well Label



WELL SYMBOLS
Gas Well
Oil & Gas Well



By: JM

September 6, 2011

NEW MEXICO OIL CONSERVATION COMMISSION
Well Location and Acreage Dedication Plat

Section A.

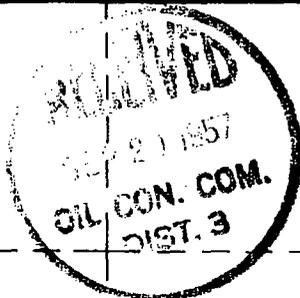
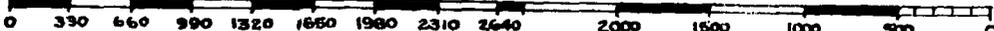
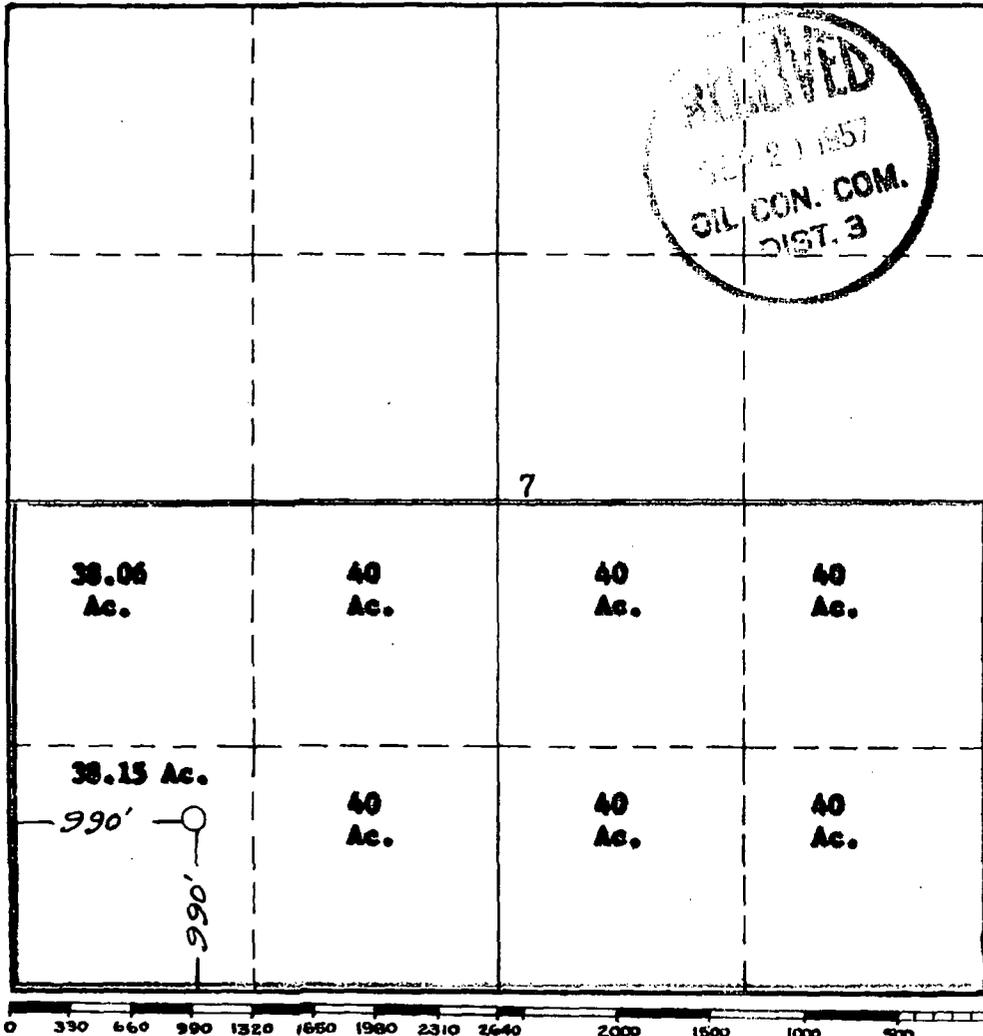
Date August 19, 1957

Operator COLORADO WESTERN EXPLORATION CO. Lease Government-Owned
Well No. 1-7 Unit Letter H Section 7 Township 31 NORTH Range 12 WEST NMPM
Located 990 Feet From the SOUTH Line, 990 Feet From the WEST Line
County SAN JUAN G. L. Elevation 5824.0 Dedicated Acreage 316.21 Acres
Name of Producing Formation Man Verde Pool Blanco

1. Is the Operator the only owner* in the dedicated acreage outlined on the plat below?
Yes _____ No X
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes X No _____. If answer is "yes," Type of Consolidation Operating Agreement - Communitization being prepared
3. If the answer to question two is "no," list all the owners and their respective interests below:

<u>Owner</u>	<u>Land Description</u>

Section B



This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

COLORADO WESTERN EXPLORATION, INC.

James E. Lease (Operator)
312 U. S. National Bank Bldg.
(Representative)
Denver 2, Colorado
8-19-57
Address

This is to certify that the well location shown on the plat in Section B 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 29 JUNE 1957

James E. Lease
Registered Professional Engineer and/or Land Surveyor.

James E. Lease
Certificate No. 1463

Division I
 PO Box 1988, Hobbs, NM 88241-1988
 District II
 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Rio Grande Rd., Aztec, NM 87419
 District IV
 PO Box 2089, Santa Fe, NM 87504-2089

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

Form C-10
 Revised February 21, 1995
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

* API Number 30-045-30130		* Field Code 72319	* Pool Name BLANCO - MESA VERDE
* Property Code 22489	* Property Name JONES		* Well Number 1-A
* OGRID No. 14021	* Operator Name MARATHON OIL COMPANY		* Devision 5884

19 Surface Location

UT or lot no.	Section	Township	Range	East/West	Feet from the	North/South line	Feet from the	East/West line	County
K	7	31 N	12 W		1975	South	1980	West	San Juan

20 Bottom Hole Location If Different From Surface

UT or lot no.	Section	Township	Range	East/West	Feet from the	North/South line	Feet from the	East/West line	County

* Indicated Acres 32.70 S-2	* Joint or Infill	* Consolidation Code	* 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

10
18.86 ac
N 88° 14' W
19.93 ac

Lot No. (Twp.)
1

39.86 ac

2

Sec.

7

1980

19.10 ac
N 80° 37' W

40.01 ac

37.91 ac

37.91 ac

40.06 ac

40.01 ac

17 OPERATOR CERTIFICATION

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

Brian Wood

Signature

Printed Name
BRIAN WOOD

Title
CONSULTANT

Date
FEB. 3, 2000

18 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 belief.

Date of Survey

Signature
William R. Shanks II

Professional Engineer
NEW MEXICO
#8466

WILLIAM R. SHANKS II
Certificate Number 8466

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240

DISTRICT II
811 South First, Artesia, N.M. 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised August 15, 2000

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-31624		*Pool Code 711029		*Pool Name Basin Fruitland Coal	
*Property Code 30342		*Property Name STAGECOACH			*Well Number 2
*GRID No. 167067		*Operator Name XTO ENERGY INC.			*Elevation 5901'

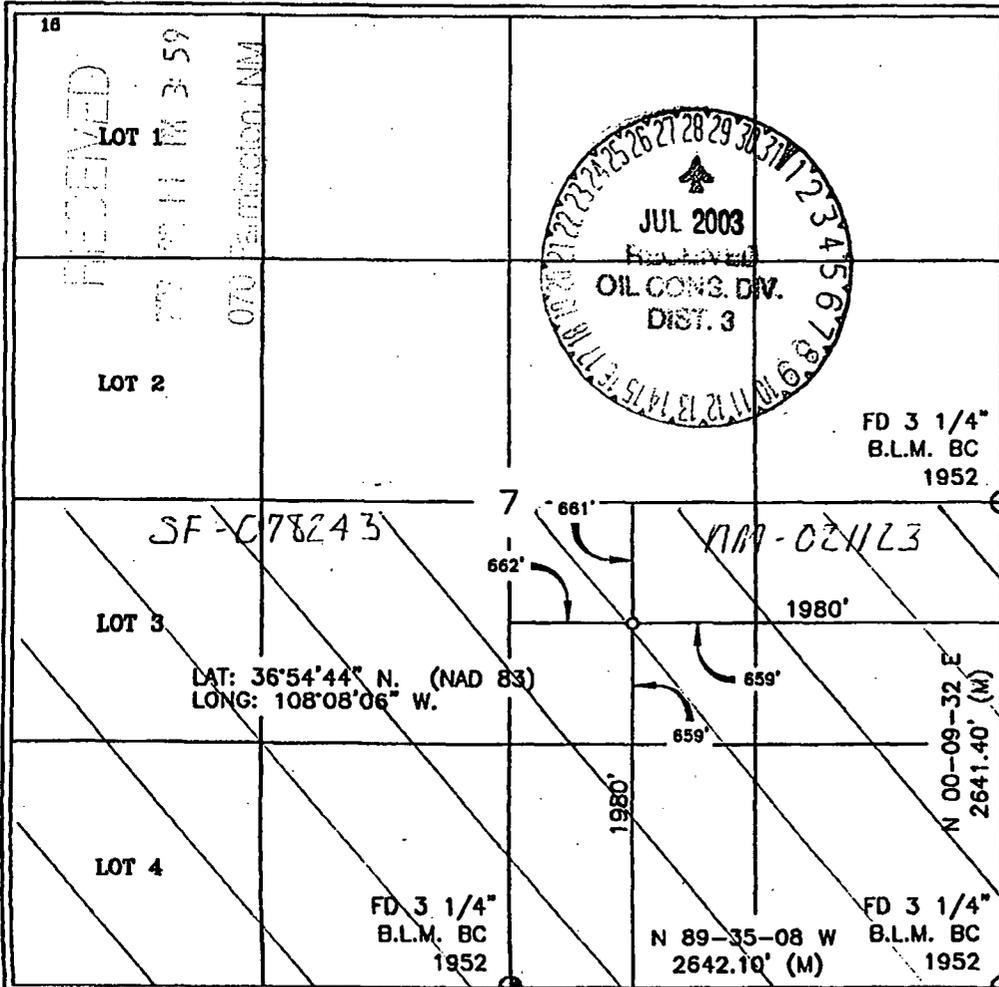
10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	7	31-N	12-W		1980'	SOUTH	1980'	EAST	SAN JUAN

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
*Dedicated Acres 316.21		*Joint or Infill S/Z		*Consolidation Code I		*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



17 OPERATOR CERTIFICATION

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

Signature: *JW Patton*
 Printed Name: JEFFREY W PATTON
 Title: DRILLING ENGINEER
 Date: 4-11-03

18 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 belief.

Date of Survey: _____
 Signature and Seal of Professional Surveyor: *DAVID A. JOHNSON*
 Registered Professional Surveyor: 14827
 Certificate Number: 14827

Owens #1 CDP

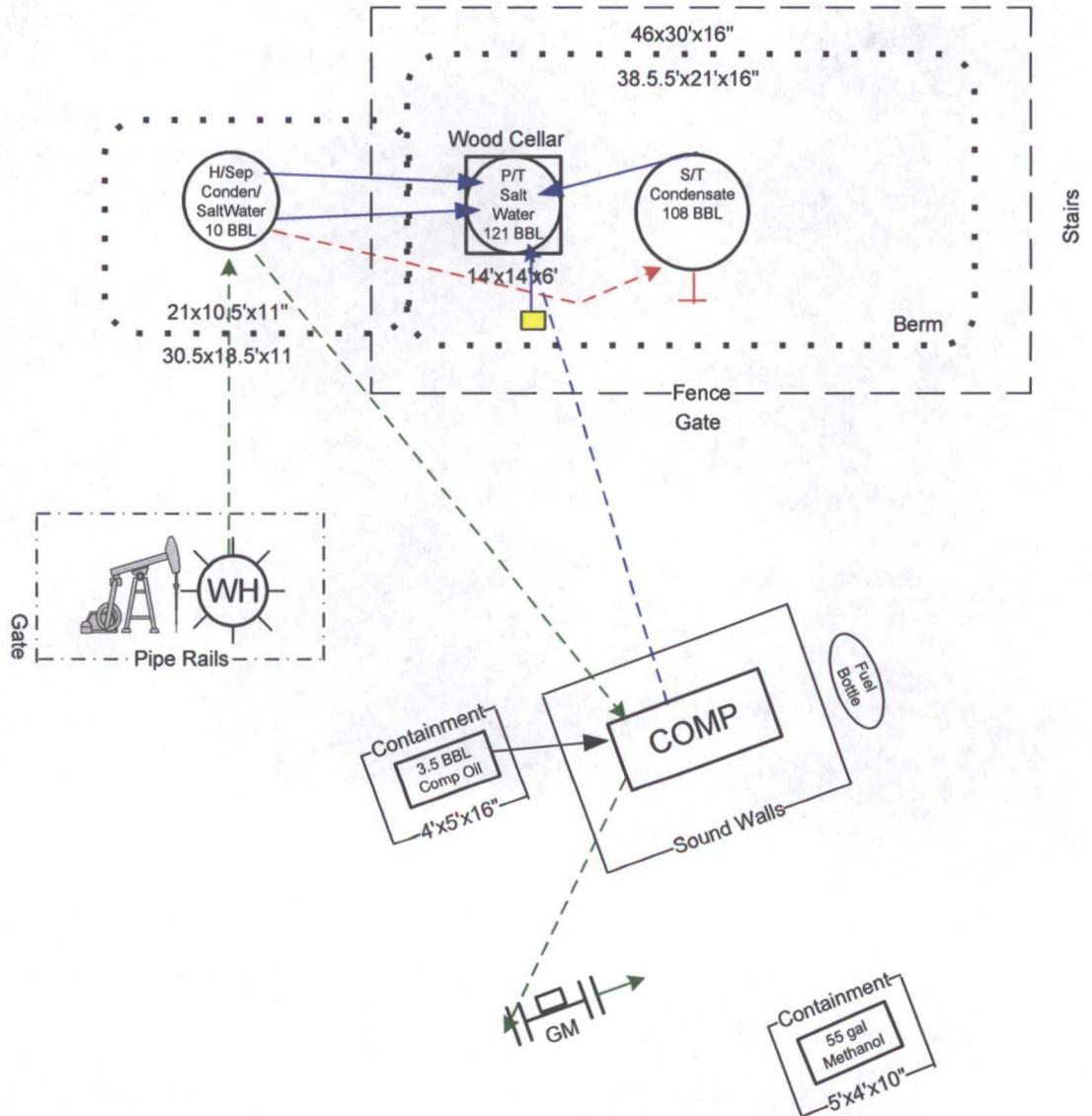
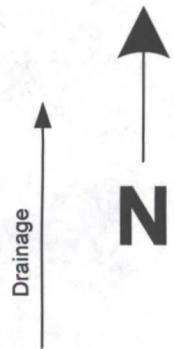
Well Name	API#	Pool	S-T-R	FNL/FSL	FEL/FWL	Lease Number	Agreement Number	Permits	Gravity	BTU	Est Daily Gas Rate
Owens #1	30-045-10866	Blanco Mesaverde	S07M-T31N-R12W	990' FSL	990' FWL	NMSF-078243	N/A	PC-1013-0	0	1.2204	40.32
Owens #1A	30-045-30130	Blanco Mesaverde	S07K-T31N-R12W	1975' FSL	1980' FWL	NMSF-078243	N/A	PC-1013-0	0	1.2300	36.56
Stagecoach #2	30-045-31624	Fruitland Coal	S07J-T31N-R12W	1980' FSL	1980' FEL	NMNM-021123	N/A	N/A	0	0.9772	208.92

Compressor Information

Compressor Information		
Location:	Owens #1	
Lat/Long:	36.90933/-108.14197	
Manufacturer:	Caterpillar	
Engine:	G3306NA	
Horse Power:	90	
Fuel Usage:		
	100%	21.6 mcf
	75%	18.3 mcf
	50%	15.1 mcf

Plot Plan/Facility Diagram

Well Name: Owens # 1
 Field: San Juan County NM
 Serial Number: API # 30-045-10866
 Section: SW/SW Sec. 7 (M), T-31N, R-12W
 Updated: 4/7/2011

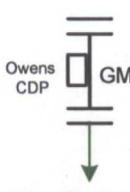


Production
 Gas
 Oil
 Water

Equalizing Line
 Catch Basin -

Flow Lines

Buried Flow Lines

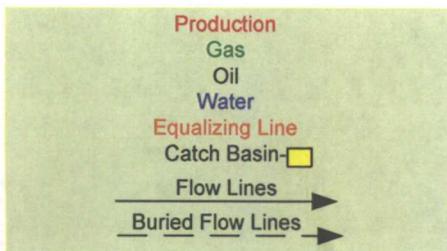
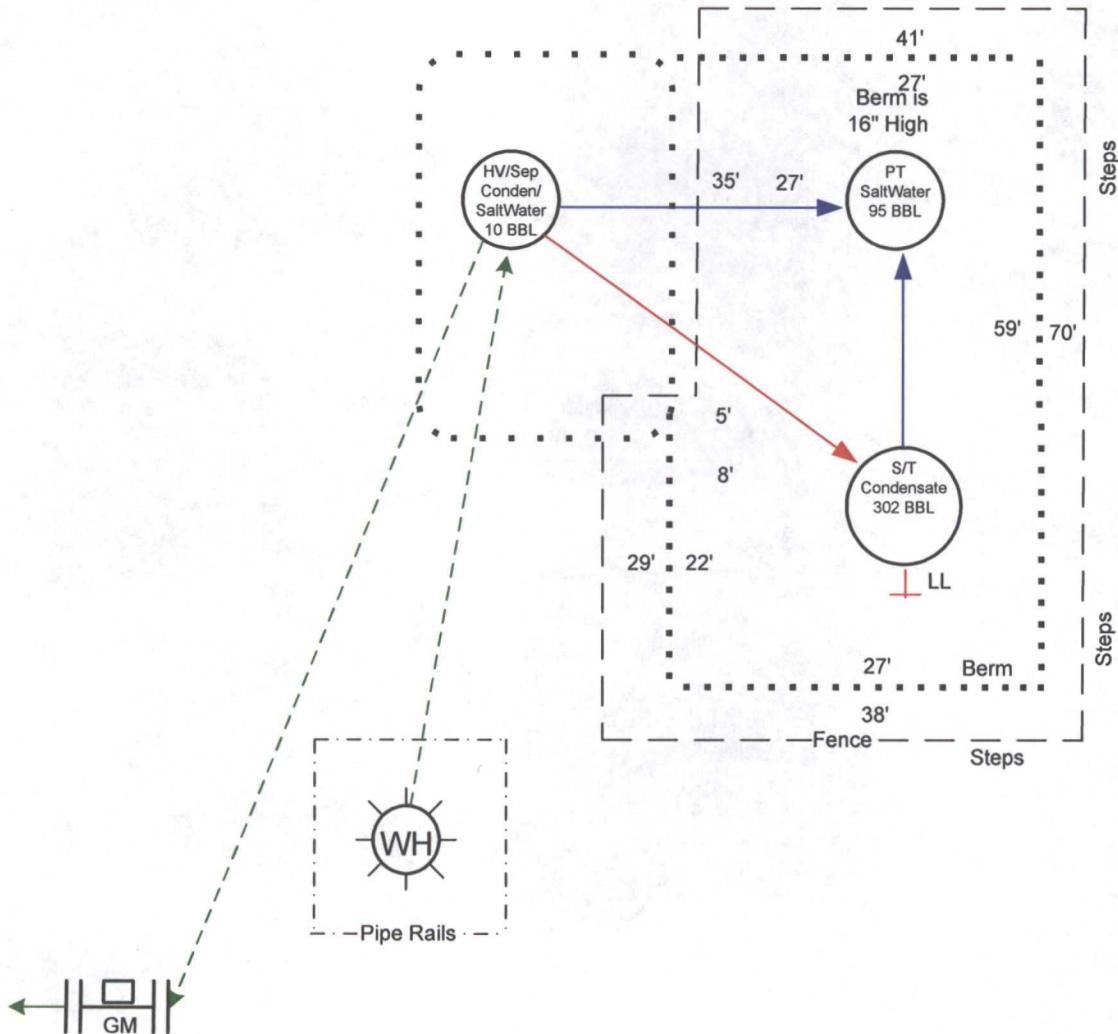


General sealing of valves, sales by tank gauging
 Production phase: Drain valve D1 and sales valve S1 sealed closed.
 Sales phase: Drain valve D1 sealed closed. Sales valve S1 open.
 Draining phase: Drain valve D1 open. Sales valve S1 closed.

This lease is subject to the site security plan for San Juan Basin Area
 The plan is located at:
 XTO ENERGY INC.
 382 Road 3100
 Aztec, NM 87410

Plot Plan/Facility Diagram

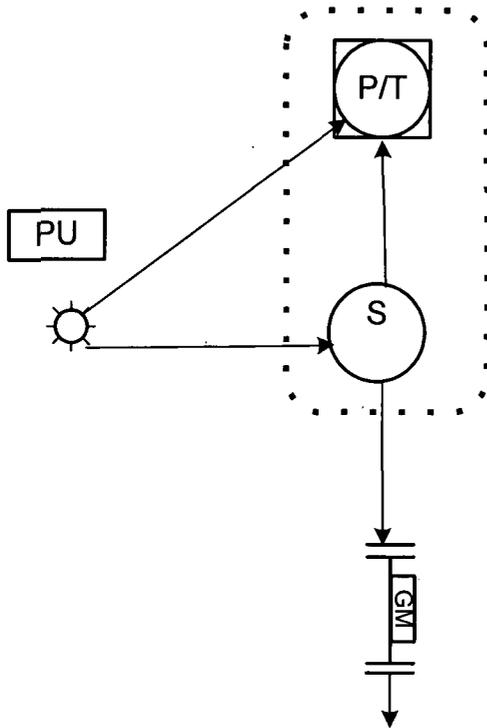
Well Name: Owens # 1 A
 Field: San Juan County NM
 Serial Number: API # 30-045-30130
 Section: NE/SW Sec. 7 (K), T-31N, R-12W
 Updated: 4/6/2011



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

This lease is subject to the site security plan for San Juan Basin Area. The plan is located at:
 XTO ENERGY INC.
 382 Road 3100
 Aztec, NM 87410

**XTO ENERGY INC.
STAGECOACH #002
Sec. 07, T31N, R12W, Unit J
API #: 30-045-31624**



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 open.

Draining phase: Drain valve D1 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

Updated: 09/30/11

Owens #1 CDP

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

Y = BTU's from CDP Sales Meter during allocation period

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

1. Individual Well Gas Production = A + B + C + D + E

A = Allocated Sales Volume, Mcf = $(W/\text{SUM } W) \times X$
(individual well volume divided by the sum of the well volumes; multiplied by total from CDP)

B = On lease fuel usage, Mcf. Determined from equipment specifications and operating conditions.

C = Purged and/or vented gas from well and/or lease equipment, Mcf. Calculated using equipment specifications and pressures.

D = Allocated fuel from gathering system equipment. The total fuel required to operate gathering system equipment will be allocated to the individual wells benefiting from the equipment using allocation factors determined by $W/\text{SUM } W$ for the wells involved.

E = Allocated volume of gas lost and/or vented from the gathering system and/or gathering system equipment, Mcf. The total volume will be determined using industry accepted procedures for the conditions existing at the time of the loss. All volumes corresponding to liquid condensation within the gathering system will also be determined. The total volume lost and/or vented will be allocated to the individual wells affected using factors determined by $W/\text{SUM } W$.

2. Allocated Individual Well BTU's = $((W \times \text{Individual well BTW}/\text{SUM } (@ \times \text{individual well BTU})) \times Y$. Individual well gas heating values to be determined in accordance with BLM regulations (currently Onshore Order #5).



August 26, 2011

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) for approval to add the Stagecoach #2 to the existing and previously approved surface commingling of gas production from Owens #1 and Owens #2. 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 which will increase the ultimate recoveries of the leases. 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

Arthur Alsberg
3816 Longridge Avenue
Sherman Oak, California 91422-4936
Owens #1 CDP JMorrow Reg Dept

Arthur Alsberg
3816 Longridge Avenue
Sherman Oak, California 91422-4936
Owens #1 CDP JMorrow Reg Dept

Arthur Alsberg
3816 Longridge Avenue
Sherman Oak, California 91422-4936
Owens #1 CDP JMorrow Reg Dept

James G. Bachman
2501 Greenbrier Drive
Springfield, Illinois 92704-3166
Owens #1 CDP JMorrow Reg Dept

James G. Bachman
2501 Greenbrier Drive
Springfield, Illinois 92704-3166
Owens #1 CDP JMorrow Reg Dept

James G. Bachman
2501 Greenbrier Drive
Springfield, Illinois 92704-3166
Owens #1 CDP JMorrow Reg Dept

John V. Gutttag
273 Emerson Road
Lexington, Massachusetts 02420-1936
Owens #1 CDP JMorrow Reg Dept

John V. Gutttag
273 Emerson Road
Lexington, Massachusetts 02420-1936
Owens #1 CDP JMorrow Reg Dept

John V. Gutttag
273 Emerson Road
Lexington, Massachusetts 02420-1936
Owens #1 CDP JMorrow Reg Dept

Noble Energy, Inc.
P.O. Box 909
Ardmore, Oklahoma 73402-0909
Owens #1 CDP JMorrow Reg Dept

Noble Energy, Inc.
P.O. Box 909
Ardmore, Oklahoma 73402-0909
Owens #1 CDP JMorrow Reg Dept

Noble Energy, Inc.
P.O. Box 909
Ardmore, Oklahoma 73402-0909
Owens #1 CDP JMorrow Reg Dept

Patina San Juan, Inc.
1625 Broadway, Suite 2000
Denver, Colorado 80202
Owens #1 CDP JMorrow Reg Dept

Patina San Juan, Inc.
1625 Broadway, Suite 2000
Denver, Colorado 80202
Owens #1 CDP JMorrow Reg Dept

Patina San Juan, Inc.
1625 Broadway, Suite 2000
Denver, Colorado 80202
Owens #1 CDP JMorrow Reg Dept

Richard A. Bachman
260 Nelson Road
Scarsdale, New York 10583
Owens #1 CDP JMorrow Reg Dept

Richard A. Bachman
260 Nelson Road
Scarsdale, New York 10583
Owens #1 CDP JMorrow Reg Dept

Richard A. Bachman
260 Nelson Road
Scarsdale, New York 10583
Owens #1 CDP JMorrow Reg Dept

Thomas Stephens Joyner
P.O. Box 1178
Mount Pleasant, Texas 75456-1178
Owens #1 CDP JMorrow Reg Dept

Thomas Stephens Joyner
P.O. Box 1178
Mount Pleasant, Texas 75456-1178
Owens #1 CDP JMorrow Reg Dept

Thomas Stephens Joyner
P.O. Box 1178
Mount Pleasant, Texas 75456-1178
Owens #1 CDP JMorrow Reg Dept