

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

November 8, 2005

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

Subject: Downhole Commingle Federal F #1F  
30-045-33365 Sec 16-T78N- R10W  
Basin Dakota & Wildcat Basin Mancos  
SF077382; San Juan, NM

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 in winter, 2005 and downhole commingle at the time of completion. All interest owners were been notified by certified mail, return receipt requested on November 8, 2005. The director may approve the proposed downhole commingling in the absence of any valid objections from any offset operator or any interest owners within 20 days after the receipt of the application if, in his opinion, waste will not result thereby and correlative rights will not be violated.

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

2005 NOV 10 PM 4 42

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>30-045-33365</b>
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. <b>SF-077382</b>
7. Lease Name or Unit Agreement Name: <b>Federal F</b>
8. Well Number <b>#1F</b>
9. OGRID Number <b>167067</b>
10. Pool name or Wildcat <b>Basin Dakota/Basin Mancos</b>

**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 **B**; **680** feet from the **NORTH** line and **1690** feet from the **EAST** line  
 Section **16** Township **27N** Range **10W** NMPM **NMPM** County **SAN JUAN**

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
**6090'**

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 \_\_\_\_\_

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 is requesting approval for to DHC production from the Basin Dakota pool (71599) and the WC Basin Mancos (97232). XTO plans to spud this well in winter, 2005. The proposed allocations are based on an individual pool avg EUR of wells located in a nine-section surrounding area. Attached are supporting documents & plats for this well. Based on the average EUR, XTO proposes allocated production as follows:

Basin Dakota	Gas	87%	Oil	85%	Water	93%
WC Basin Mancos	Gas	13%	Oil	15%	Water	7%

Ownership is not common between pools; notice was made by certified, return receipt mail. DHC will offer an economical method of prod & protect against reservoir damage, waste of reserves & correlative rights.

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/will be constructed or closed according to NMOCD guidelines , a general permit  or an (attached) alternative OCD-approved plan

SIGNATURE Holly C. Perkins TITLE Regulatory Compliance Tech DATE 11/8/05  
 Type or print name **HOLLY C. PERKINS** E-mail address: Regulatory@xtoenergy.com Telephone No. 505-324-1090

For State Use Only

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
 Conditions of Approval, if any:

DISTRICT I  
1023 N. French Dr., Hobbs, N.M. 88240

DISTRICT II  
1301 W. Grand Ave., Artesia, N.M. 88210

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

DISTRICT IV  
1220 South St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised June 10, 2003

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

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

*API Number		*Pool Code 71599	*Pool Name Basin Dakota
*Property Code	*Property Name FEDERAL F		*Well Number 1F
*OCRD No. 167067	*Operator Name XTO ENERGY INC.		*Deviation 6090'

**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
B	16	27-N	10-W		680	NORTH	1690	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
*Deflected Azim E12 320					*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

<p>16</p> <p>FD. 2 1/2" B.C. 1913 U.S.G.L.O.</p> <p>N 89-49-33' W 2643.7' (M)</p> <p>LAT. 36°34'50.2"N (MAD 27) LONG. 107°53'49.4" W (MAD 27)</p>	<p>17</p> <p>FD. 2 1/2" B.C. 1913 U.S.G.L.O.</p> <p>1690'</p> <p>S 0-01-51' W 2646.5' (M)</p>	<p><b>17 OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Kelly L Small</i> Signature Kelly L Small Printed Name Drilling Assistant Title 5/18/05 Date</p>
		<p><b>18 SURVEYOR CERTIFICATION</b></p> <p>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.</p> <p>_____ Signature _____ Printed Name _____ Title _____ Date</p> <p><b>YOUNG A. VILGON</b> NEW MEXICO REGISTERED PROFESSIONAL ENGINEER 14588 A-6-0</p>



November 8, 2005

RE: Application for Downhole Commingling  
Federal F #1F  
Sec 16, T27N, R10W  
San Juan County, NM

To all working interest, royalty interest and overriding royalty interest owners:

XTO Energy Inc. is applying for permission to downhole commingle the Basin Dakota and the Wildcat Basin Mancos in the Federal F #1F. This well is a proposed new drill well. We estimate that it will spud in early 2006. XTO Energy plans to downhole commingle production from both pools on initial completion. NMOCD requires all interest owners be notified of intent to downhole commingle if ownership is different between pools.

Both of these pools are included in the New Mexico Oil Conservation Division pre-approved pool combinations for downhole commingling in the San Juan Basin. Based upon the 9-section EUR's for the Basin Dakota and Wildcat Basin Mancos, XTO Energy Inc. proposes allocations of commingled production as follows:

<u>POOL</u>	<u>Gas</u>	<u>OIL</u>	<u>WATER</u>
WC Basin Mancos	13%	15%	7%
Basin Dakota	87%	85%	93%

If you need additional information or have any questions, I may be contacted at (505) 324-1090. If you are opposed to commingling production from these two pools please respond in writing within 20 days of the date of this letter to:

XTO Energy, Inc.  
Attn: Michael Logan  
2700 Farmington Ave.  
Bldg. K, Suite 1  
Farmington, NM 87401

Sincerely,



Holly C. Perkins  
Regulatory Compliance Tech

cc: Well File  
FW Land Dept.

Federal F#1F  
DHC

BUREAU OF LAND MANAGEMENT  
1235 LA PLATA HWY  
FARMINGTON, NM 87401

RICHARD PAUL HARGRAVE TRUST  
FROST NATIONAL BANK, AGENT  
A/C G03200  
U.S. NATIONAL BANK, TRUST OIL & GAS  
P.O. BOX 1600  
SAN ANTONIO, TX 78296

MATHIAS FAMILY TRUST 9/9/81  
BARBARA J. MATHIAS & CAROL J.  
HOPPER CO-TRUSTEES  
3233 SPRING LANE  
FALLS CHURCH, VA 22041-2607

DR. BERNARD HYDE LIVING TRUST  
DATED 4-6-88  
DR. BERNARD HYDE, TRUSTEE  
28242 YANEZ  
MISSION VIEJO, CA 92692-1836

RICHARD P. SHOOSHAN  
686 E. UNION STREET  
PASADENA, CA 91101-1820

VIRGINIA L. MULLIN  
OLSEN HOWARD AND ASSOCIATES PC  
1776 S. JACKSON STREET, STE 901  
DENVER, CO 80210

LEON M. DUCHARME MARITAL TRUST  
RITA MAE DUCHARME AND  
JOYCE J. NEVILLE, CO-TRUSTEES  
2617 SO. WADSWORTH CIRCLE  
LAKEWOOD, CO 80227-3220

B.B.L., LTD.  
P.O. BOX 911  
BRECKENRIDGE, TX 76424-0911

CHATEAU ENERGY INC.  
10440 N. CENTRAL EXPRESSWAY  
SUITE 1475  
DALLAS, TX 75231-2221

WILLIAM L. FLOYD, JR  
16 EAST 77TH ST APT 5A  
NEW YORK, NY 10021

RITA TREASA FLOYD  
C/O COMERICA BANK -TX TRUSTEE  
ATTN: JOHN W LOWRIE  
P.O. BOX 4167 (MAIL CODE 6605)  
HOUSTON, TX 77210-4167

RITA MAE DUCHARME  
2617 S. WADSWORTH CIRCLE  
LAKEWOOD, CO 80227-3220

COMSTOCK OIL & GAS, INC.  
5300 TOWN & COUNTRY BLVD. #500  
FRISCO, TX 75034

TCW DR II ROYALTY PARTNERSHIP  
865 SOUTH FIGUEROA STREET #1800  
LOS ANGELES, CA 90017

District I  
1623 N. French Drive, Hobbs, NM 88240

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

District III  
1000 Rio Brazos Road, Artesia, 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

**APPLICATION FOR DOWNHOLE COMMINGLING**

Yes  No   
**DAC-3496**

*Review 12/4/05*

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

Operator FEDERAL F #1F Address Sec 16-T27N-R10W 680' FNL & 1690' FEL SAN JUAN, NM

Lease Unit Letter-Section-Township-Range County

OGRID No 167067 Property Code \_\_\_\_\_ API No. 30-045-33365 Lease Type:  Federal  State  Fee

DATA ELEMENT	<input checked="" type="checkbox"/> UPPER ZONE	INTERMEDIATE ZONE	<input checked="" type="checkbox"/> LOWER ZONE
Pool Name	WILDCAT BASIN MANCOS		BASIN DAKOTA
Pool Code	97232		71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5437' - 6240'		6329' - 6597'
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 DRILL		NEW DRILL
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 15% Gas 13% Water 7%	Oil % Gas %	Oil 85% Gas 87% Water 93%

**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 11/8/2005

TYPE OR PRINT NAME HOLLY C. PERKINS TELEPHONE NO. ( 505 ) 324-1090

E-MAIL ADDRESS Regulatory@xtoenergy.com

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0137  
Expires March 31, 2007

**SUNDRY NOTICES AND REPORTS ON WELLS**

*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. <b>SF077382</b>
2. Name of Operator <b>XTO Energy Inc.</b>		6. If Indian, Allottee or Tribe Name
3a. Address <b>2700 Farmington Ave., Bldg. K, Ste 1 Farmington,</b>	3b. Phone No. (include area code) <b>505-324-1090</b>	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) <b>680' FNL &amp; 1690' FEL SEC 16-T27N-R10W</b>		8. Well Name and No. <b>FEDERAL F #1F</b>
		9. API Well No. <b>30-045-33365</b>
		10. Field and Pool, or Exploratory Area <b>WILDCAT BASIN MANCOS</b>
		11. County or Parish, State <b>SAN JUAN NM</b>

**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

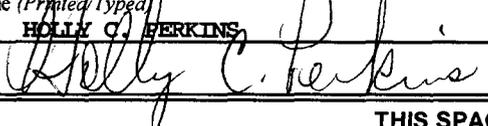
TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>DOWNHOLE</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>COMMINGLE</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

XTO Energy Inc. requests approval for exception to Rule 303-C to permit downhole commingling of production from the Basin Dakota (71599) and the Wildcat Basin Mancos (97232) upon completion. This well is scheduled to be spudded in winter, 2005. Allocations are based upon a 9-section EUR and are as follows:

Basin Dakota	Gas 87%	Oil 85%	Wtr 93%
Wildcat Basin Mancos	Gas 13%	Oil 15%	Wtr 7%

Pools are not included in the NMOCD pre-approved pool combinations for DHC in the San Juan Basin. Ownership is not common in both zones; therefore, interest owners were notified by certified mail, return receipt on 11/9/2005. Downhole commingling will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights.

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) <b>HOLLY C. FERKINS</b>	Title <b>REGULATORY COMPLIANCE TECH</b>
	Date <b>11/8/2005</b>

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	