

RECEIVED: 11/30/2018	REVIEWER: M/Am	TYPE: DHC	APP NO: D/M/Am 18337 3688
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NEW MEXICO OIL CONSERVATION DIVISION
- Geological & 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

Applicant: Hilcorp Energy Company	OGRID Number: 372171
Well Name: Fullerton Federal 14 1	API: 30-045-30855
Pool: West Kutz Pictured Cliffs	Pool Code: 79680

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
 A. Location - Spacing Unit - Simultaneous Dedication
 NSL NSP (PROJECT AREA) NSP (PRORATION UNIT) SD
- B. Check one only for [I] or [II]
 [I] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
 [II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

DHC-4845

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
 A. Offset operators or lease holders
 B. Royalty, overriding royalty owners, revenue owners
 C. Application requires published notice
 D. Notification and/or concurrent approval by SLO
 E. Notification and/or concurrent approval by BLM
 F. Surface owner
 G. For all of the above, proof of notification or publication is attached, and/or,
 H. No notice required

FOR OCD ONLY	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	Application Content Complete

- 3) **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.

Christine Brock

 Print or Type Name

Christine Brock

 Signature

11/30/2018

 Date

505-324-5155

 Phone Number

cbrock@hilcorp.com

 e-mail Address

District I
1625 N. French Drive, Hobbs, NM 88240
District II
811 S. First St., 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 August 1, 2011

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

Hilcorp Energy Company 382 ROAD 3100, Aztec NM 87410
Operator Address
Fullerton Federal 14 1 UL A (NENE) - Sec. 14, T27N, R11W San Juan
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 372171 Property Code 321951 API No. 30-045-30855 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	KUTZ PICUTRED CLIFFS, WEST (GAS)	KUTZ GALLUP, SOUTH (GAS)	BASIN DAKOTA (PRORATED GAS)
Pool Code	79680	96852	71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	1891' - 1989' - Estimated	5788' - 5802'	6360' - 6452'
Method of Production (Flowing or Artificial Lift)	NEW ZONE	Artificial Lift	Artificial Lift
Bottomhole Pressure (Note: Pressure data will not be required if the bonom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	640 psi	900 psi	500 psi
Oil Gravity or Gas BTU (Degree API or Gas BTU)	BTU 1100	BTU 1100	BTU 1100
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: 9/1/2018 Rates: 188 MCF - GAS 0 BBL - Oil 2 BBL - Water	Date: 9/1/2018 Rates: 566 MCF - GAS 0 BBL - Oil 2 BBL - Water
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas Will be supplied upon completion	Oil Gas Will be supplied upon completion	Oil Gas Will be supplied upon completion

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

NMOC 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 Christine Brock TITLE Operation/Regulatory Tech DATE 11/30/2018

TYPE OR PRINT NAME Christine Brock TELEPHONE NO. (505) 324-5155

E-MAIL ADDRESS cbrock@hilcorp.com

PROPERTY I
1000 N. French Dr., Hobbs, N.M. 88240

State of New Mexico
Bureau of Minerals & Natural Resources Department

Form C-102
Revised August 15, 2000

PROPERTY II
601 South First, Lordsburg, N.M. 88050

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

PROPERTY III
1000 N. French Dr., Hobbs, N.M. 88240

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

AMENDED REPORT

PROPERTY IV
2040 South Pacheco, Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

APN Number 30-045-30855	Pool Code 711629	Pool Name South Kutz Gallup
Property Code	Property Name FULLERTON FEDERAL 301 14	Well Number 03-1
County No. 193195	Operator Name MARKWEST RESOURCES, INC.	Elevation 6142'

Surface Location

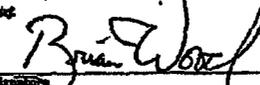
TL or lot no.	Section	Township	Range	Lot No.	Feet from the	North/South line	Feet from the	East/West line	County
A	14	27-N	11-W		1105'	NORTH	1115'	EAST	SAN JUAN

Bottom Hole Location if Different From Surface

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

*Indicated Acres: **80**
 **Subst or Estbl:
 ***Classification 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

15 FD 2 1/2" GLO BC 1913 S 88-33-41 W 2636.4' LAT. 36°34'48" N LONG. 107°58'05" W 207' 217' 14 1105' 1115' 00-03-05 W 3286.7' FD 2 1/2" GLO BC 1913	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature Printed Name BRIAN WOOD Title CONSULTANT Date SEPTEMBER 21, 2001
	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 Certificate Number

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(575) 393-6161 Fax:(575) 393-0720
District II
 811 S. First St., Artesia, NM 88210
 Phone:(575) 748-1283 Fax:(575) 748-9720
District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

**State of New Mexico
 Energy, Minerals and Natural
 Resources
 Oil Conservation Division
 1220 S. St Francis Dr.
 Santa Fe, NM 87505**

Form C-102
 August 1, 2011
 Permit 280258

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-30855	2. Pool Code 79680	3. Pool Name KUTZ PICTURED CLIFFS, WEST (GAS)
4. Property Code 321951	5. Property Name FULLERTON FEDERAL 14	6. Well No. 001
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6142

10. Surface Location

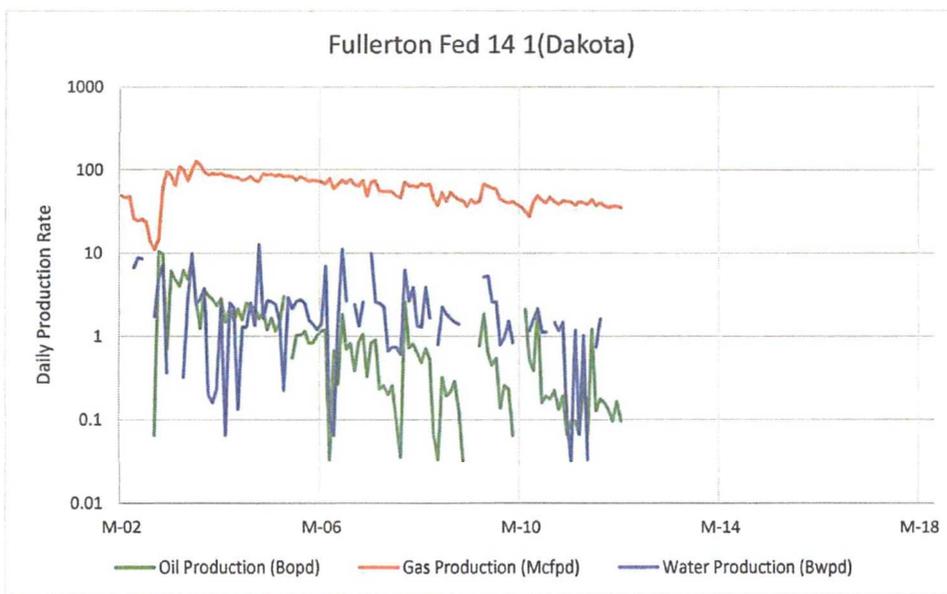
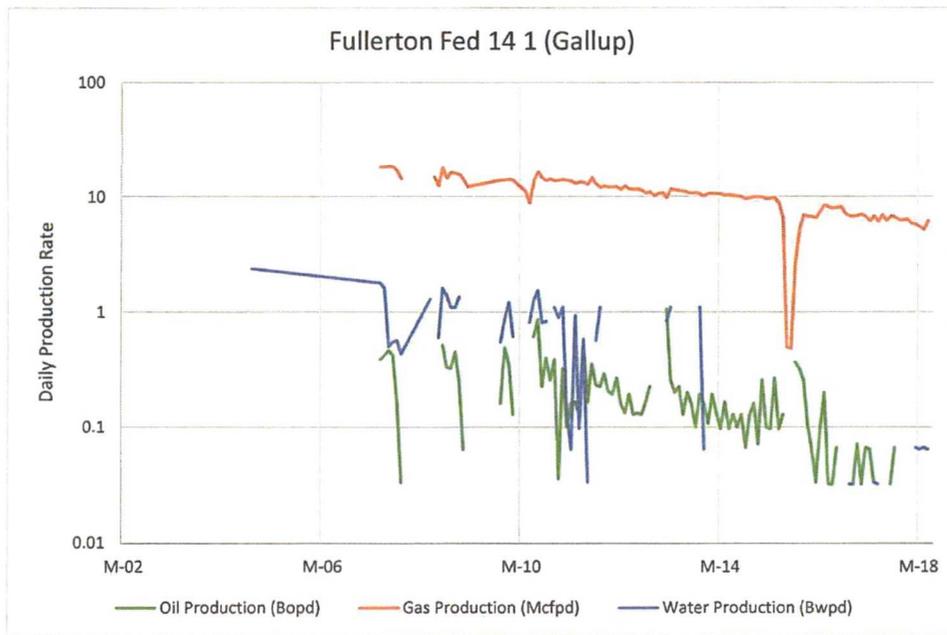
UL - Lot A	Section 14	Township 27N	Range 11W	Lot Idn	Feet From 1105	N/S Line N	Feet From 1115	E/W Line E	County SAN JUAN
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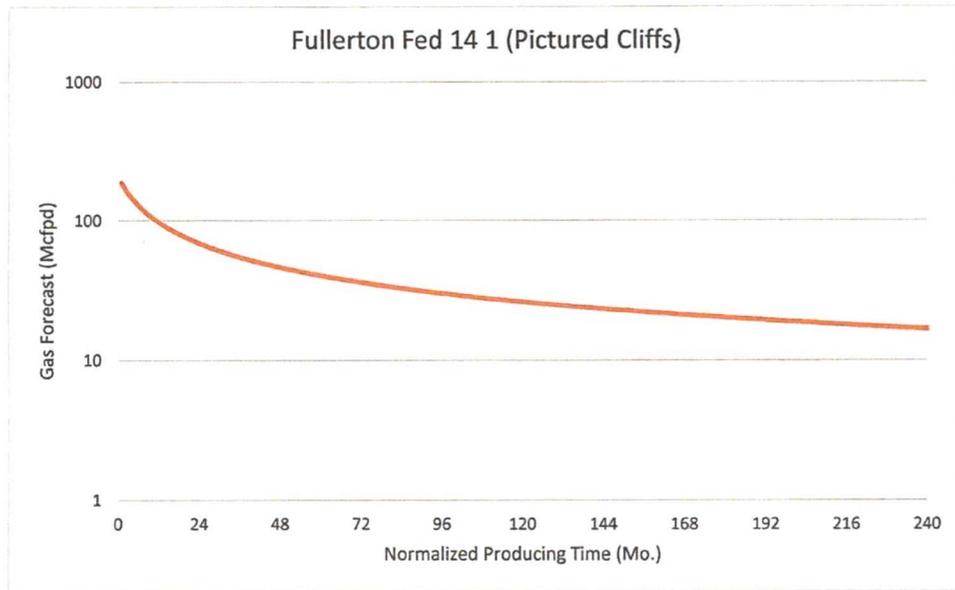
11. Bottom Hole Location if Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 160.00 NE/4	13. Joint or Infill		14. Consolidation Code		15. 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

	OPERATOR CERTIFICATION	
	<p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p>	
	<p>E-Signed By: <i>Christine Buck</i> Title: Operation/Regulatory Tech - Sr. Date: 11/27/2018</p>	
	SURVEYOR CERTIFICATION	
<p><i>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.</i></p>		
<p>Surveyed By: Roy Rush Date of Survey: 8/28/2001 Certificate Number: 8894</p>		





The forecast for Pictured Cliffs production has been generated using a type curve of PC gas production in the surrounding production trend.

Fullerton Federal 14 1 – Production Allocation Method

Production for the downhole trimmingle will be allocated using the subtraction method in agreement with local agencies. The base formations are the Dakota and Gallup and the added formation to be trimmingled is the Pictured Cliffs. The subtraction method applies an average monthly production forecast to the base formations using historic production. All production from this well exceeding the forecast will be allocated to the new formation. After 3 years production will stabilize. A production average will be gathered during the 4th year and will be utilized to create a fixed percentage based allocation. Oil production will be allocated based on average formation yields from offset wells. All documentation will be submitted to the Aztec NMOCD office.



November 28, 2018

New Mexico Oil Conservation Division
Attn: Engineering Bureau
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Fullerton Federal 14 # 1 (30-045-30855)
Common Ownership in All Depths
San Juan County, New Mexico

To Whom It May Concern:

In the subject well, Hilcorp plans to downhole commingle existing pay from the Basin Dakota and Kutz Gallup formations with potential pay from the West Kutz Pictured Cliffs formation. In accordance with Subsection C of 19.15.12.11 New Mexico Administrative Code, we have concluded that ownership is the same between all three aforementioned pools. Therefore, this letter serves as Hilcorp Energy's statement that ownership is common throughout all depths in the subject well.

This letter represents a good faith effort to adhere with applicable notification requirements. Hilcorp appreciates the opportunity to enhance production from the subject well.

Please contact Brad Pearson by email at bpearson@hilcorp.com or by phone at 713-289-2793 with any questions you may have.

Regards,

A handwritten signature in cursive script that reads 'Bradley W. Pearson'.

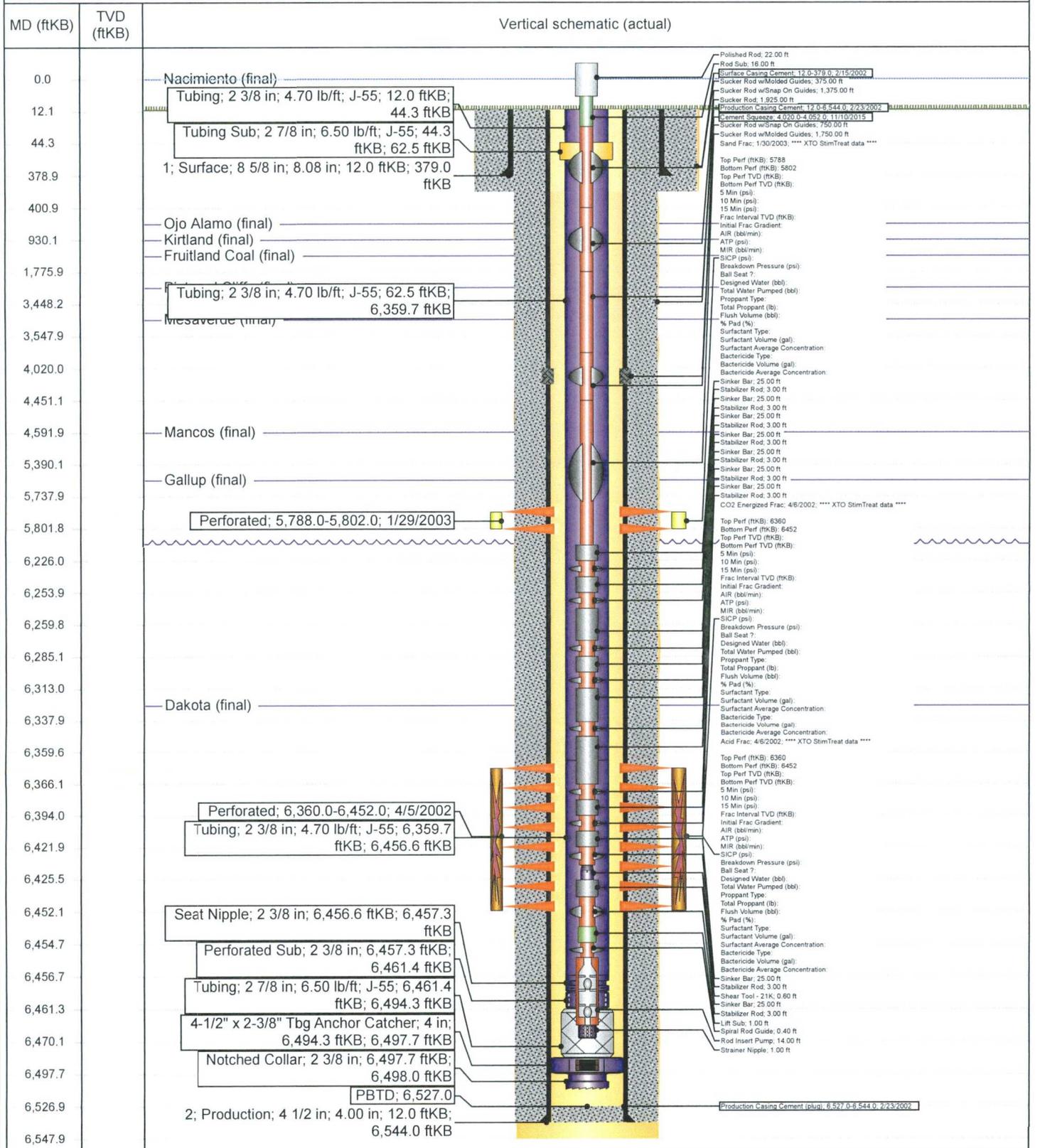
Landman
Hilcorp Energy Company
713-289-2793

Encl.

Well Name: FULLERTON FEDERAL 14 #1

API / UWI 3004530855	Surface Legal Location T27N-R11W-S14	Field Name Basin Dakota	Route 0602	State/Province New Mexico	Well Configuration Type Vertical
Ground Elevation (ft) 6,142.00	Original KB/RT Elevation (ft) 6,154.00	KB-Ground Distance (ft) 12.00	KB-Casing Flange Distance (ft)	KB-Tubing Hanger Distance (ft)	

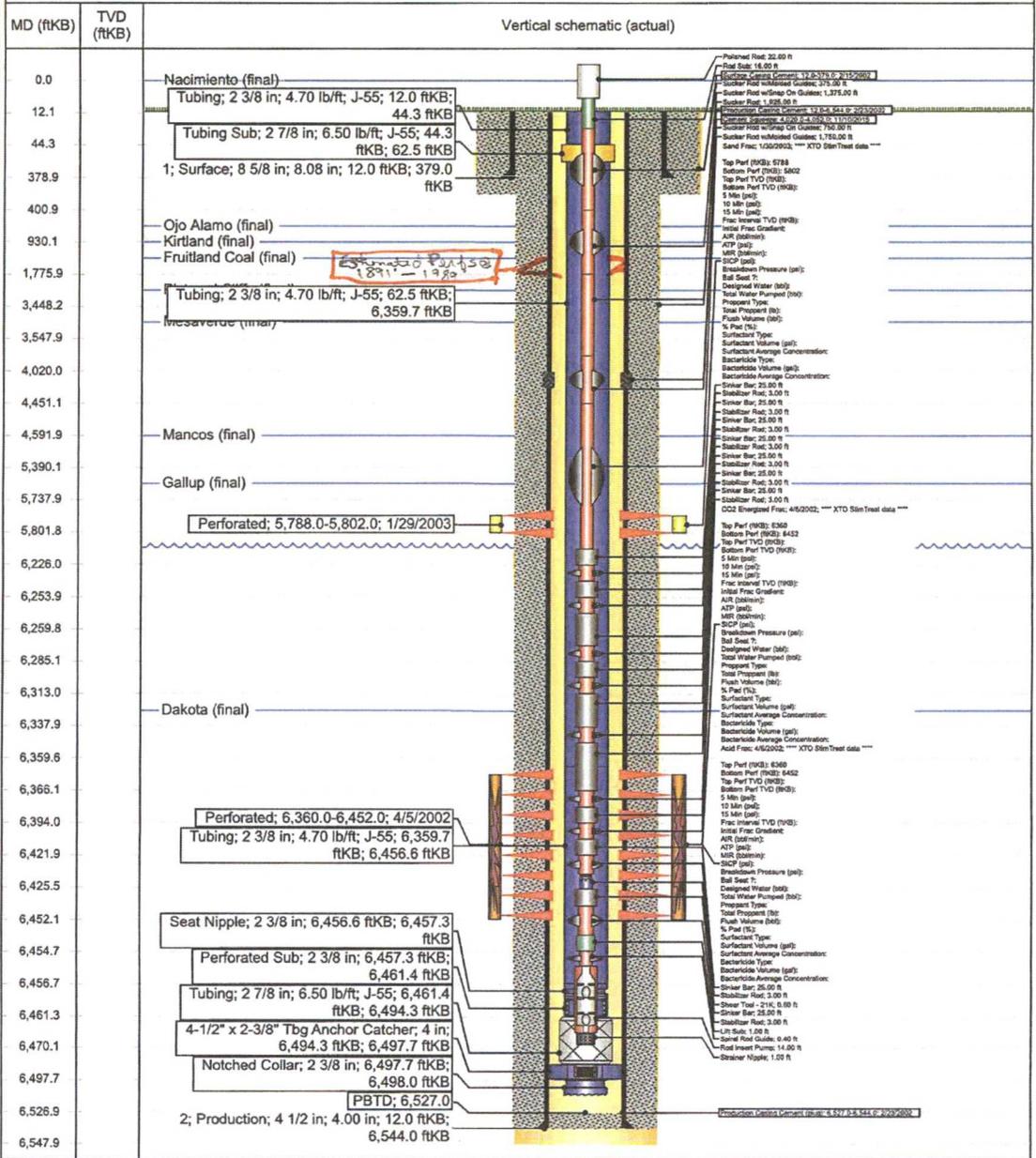
Vertical, Original Hole, 11/30/2018 2:37:30 PM



Well Name: FULLERTON FEDERAL 14 #1

API / UWI 3004530855	Surface Legal Location T27N-R11W-S14	Field Name Basin Dakota	Route 0602	State/Province New Mexico	Well Configuration Type Vertical
Ground Elevation (ft) 6,142.00	Original KB/RT Elevation (ft) 6,154.00	KB-Ground Distance (ft) 12.00	KB-Casing Flange Distance (ft)	KB-Tubing Hanger Distance (ft)	

Vertical, Original Hole, 11/30/2018 2:37:30 PM





NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

ADMINISTRATIVE ORDER DHC-3096

Markwest Resources, Inc.
155 Inverness Drive West, #200
Englewood, Colorado 80112

Attention: Ms. Cindy Bush

Fullerton Federal 14 Well No. 1
API No. 30-045-30855
Unit A, Section 14, Township 27 North, Range 11 West, NMPM,
San Juan County, New Mexico
Basin-Dakota (Prorated Gas 71599), and
South Kutz-Gallup (Oil 96852) Pools

Dear Ms. Bush:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the zones is hereby placed in abeyance.

The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's San Juan Basin Gas Proration Schedule.

The applicant shall consult with the supervisor of the Aztec District Office of the Division upon completion and testing of the well in order to determine a fixed allocation of production from each of the commingled zones. Allocation shall be based on expected ultimate recovery from each zone. Upon approval by the Division's Aztec District Office, **the applicant shall submit the allocation formula to the Santa Fe Office of the Division.**

REMARKS: The operator shall notify the Aztec District Office of the Division upon implementation of commingling operations.

Administrative Order DHC-3096

Markwest Resources, Inc.

January 21, 2003

Page 2

Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on the 21st day of January 2003.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Lori Wrotenbery (LWJ)
LORI WROTENBERY
Director

LW/wvjj

cc: Oil Conservation Division – Aztec
Bureau of Land Management - Farmington

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.

2007 MAY 11

5. Lease Serial No.

NMSF-078094

6. If Indian, Allottee or Tribe Name

AM 11:26

SUBMIT IN TRIPLICATE - Other instructions on reverse side

RECEIVED Unit or CA/Agreement, Name and/or No.

1. Type of Well

Oil Well Gas Well Other

210 FARMINGTON NM

2. Name of Operator

KTO Energy Inc.

8. Well Name and No.

FULLERTON FEDERAL 14 #1

3a. Address

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

3b. Phone No. (include area code)

505-324-1090

9. API Well No.

30-045-30855

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1105' FNL & 1115' FEL SEC 14A-T27N-R11W

10. Field and Pool, or Exploratory Area

BASIN DAKOTA/S. KUTZ GALLUP

11. County or Parish, State

SAN JUAN NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> After 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 ALLOC</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 recomplete 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 recompletion 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.)

KTO Energy Inc. previously requested approval to DHC production from the Basin Dakota (71599) and the S. Kutz Gallup (26980). The proposed gas & oil allocations are based on estimated average ultimate recovery per well of the eight Dakota wells & nine Gallup wells in T27N-R11W. Water allocation is based on EUR water production per well. Attached is supporting documentation for allocations & a copy of the C-103 filed with NMOCD. Proposed allocations are as follows:

Basin Dakota:	Gas: 75%	Water: 58%	Oil: 38%
S. Kutz Gallup:	Gas: 62%	Water: 42%	Oil: 25%

RCUD MAY 16 '07
OIL CONS. DIV.

The NMOCD has been notified of our changes by submission of a C-103.

DIST. 3

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

ROBERT D. BINGHAM

Title

REGULATORY COMPLIANCE TECH

Date 5/10/07

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Joe Hewitt

Title

Geo

Date

5-14-07

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

F00

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

NMOCD

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

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.)		WELL API NO. 30-045-30855
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator XTO Energy Inc.		6. State Oil & Gas Lease No.
3. Address of Operator 2700 Farmington Ave., Bldg. K, Ste 1 Farmington, NM 87401		7. Lease Name or Unit Agreement Name: FULLERTON FEDERAL 14
4. Well Location Unit Letter A 1105 feet from the NORTH line and 1115 feet from the EAST line Section 14 Township 27N Range 11W NMPM County SAN JUAN		8. Well Number #1
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		9. OGRID Number 5380
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/> 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 _____		10. Pool name or Wildcat BASIN DAKOTA/GALLEGOS GALLUP

12. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/> OTHER: <input type="checkbox"/>		SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> CASING TEST AND CEMENT JOB <input type="checkbox"/> OTHER: DRC Allocations <input checked="" type="checkbox"/>	
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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 previously requested exception to OCD rule 303A to permit DRC of prod from the DK (71599) and the GP (36550) pools. Proposed oil & gas alloc are based on est ave ultimate recovery/well of 8 DK & 9 GP wells in T27N-R11W. Wtr alloc are based on EUR wtr prod/well & recommended as follows:

Basin Dakota:	Gas: 75%	Water: 58%	Oil: 38%
Gallegos Gallup:	Gas: 25%	Water: 42%	Oil: 62%

Please see attached supporting documents. ELM has been notified by form 3160-5.

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 *Loxri Bingham* TITLE REGULATORY COMPLIANCE TECH DATE 5/10/07
 E-mail address: loxri_bingham@xtoenergy.com
 Type or print name LOXRI D. BINGHAM Telephone No. 505-324-1090

For State Use Only
 APPROVED BY _____ TITLE _____ DATE _____
 Conditions of Approval, if any:

**Fullerton Federal 14 #1
Allocation Percentages**

The proposed gas and oil production allocation percentages are based on estimated average ultimate recovery per well of the 8 Dakota wells and 9 Gallup wells in T27N R11W. Water allocation is based on E.U.R. water production per well. Please see attached Dakota and Gallup E.U.R. analysis.

Proposed Allocation Percentages:

Pool	Oil	Water	Gas
Gallup	62%	42%	25%
Dakota	38%	58%	75%

Basin Dakota Pool (Per well avg. est. ultimate gas, oil and water recovery prod.)

BO	BW	MCF
5,173	7,077	916,085

South Kutz Gallup Pool (Per well avg. est. ultimate gas, oil and water recovery prod.)

BO	BW	MCF
8,551	5,221	310,815

Offset Analysis: All wells completed in Dakota and Gallup in T27N R11W

API	LEASE NAME	NO.	RESERVOIR	SEC	LOCATION	1st PROD	LAST PROD	CUM OIL	REM OIL	CUM GAS	REM GAS	EUR-OIL	EUR OIL	EUR-GAS	EUR GAS, mcf	EUR WATER, BBL
30045067500000	FRONTIER B	2	DAKOTA		9 27 N 11 W	19590701	20060101	5,283	0	2,883,266	79,685	5,283	5,283	2,883,266	2,762,951	413
30045068380000	FRONTIER C	2	DAKOTA		6 27 N 11 W	19590701	19770101	1,110	0	1,520,428		1,110	1,110	1,520,428	1,520,428	0
30045130450000	FRONTIER E	1	DAKOTA		4 27 N 11 W	19601101	19970201	4,358	0	1,244,846		4,358	4,358	1,244,846	1,244,846	351
30045067700000	SCHLOSSER WN FEDERAL	2	DAKOTA		3 27 N 11 W	19601201	19801201	10,894	0	2,874,969		10,894	10,894	2,874,969	2,874,969	0
30045069140000	BOLACK A	1	DAKOTA		2 27 N 11 W	19610131	19960201	37,507	0	3,363,848		37,507	37,507	3,363,848	3,363,848	24
30045067430000	SCHLOSSER WN FEDERAL	1	DAKOTA		10 27 N 11 W	19610801	19831001	7,824	0	1,548,765		7,824	7,824	1,548,765	1,548,765	8
30045130490000	FULLERTON FEDERAL	11	DAKOTA		14 27 N 11 W	19621130	20060501	12,358	96	1,633,297	121,169	12,454	12,454	1,754,466	1,754,466	15,646
30045206950000	HILLSIDE	1	DAKOTA		9 27 N 11 W	19701201	20060101	9,284	46	2,031,931	482,649	9,284	9,330	2,031,931	2,514,580	3,791
30045237810000	PIPKIN, EH	10E	DAKOTA		1 27 N 11 W	19800430	20021001	3,122	0	298,684		3,122	3,122	298,684	298,684	2,009
30045241020000	FRONTIER E	1E	DAKOTA		4 27 N 11 W	19811201	20060101	8,034	76	1,510,931	711,114	8,034	8,110	1,510,931	2,222,045	3,230
30045246390000	FULLERTON FEDERAL	6E	DAKOTA		11 27 N 11 W	19640131	20060501	7,989	175	1,293,384	381,865	8,164	8,164	1,675,249	1,675,249	13,038
30045130470000	FULLERTON FEDERAL	9	DAKOTA		13 27 N 11 W	19990131	20060501	2,104	1,592	108,711	163,611	3,696	3,696	272,222	272,222	13,038
30045297410000	FULLERTON FEDERAL GD	41	DAKOTA		16 27 N 11 W	19990930	20060501	1,314	1,197	284,056	420,739	2,511	2,511	704,795	704,795	10,273
30045297400000	FULLERTON FEDERAL GD	23	DAKOTA		11 27 N 11 W	20000630	20060301	773	0	14,327		580	773	14,327	14,327	403
30045311480000	PIPKIN, EH	8R	DAKOTA		1 27 N 11 W	20030331	20060501	4,444	6,306	240,271	789,969	10,750	10,750	1,010,240	1,010,240	7,504
30045312830000	BOLACK A	1R	DAKOTA		2 27 N 11 W	20040430	20060501	1,920	2,342	174,632	956,486	4,262	4,262	1,131,118	1,131,118	7,120
						Pre 1980 Average Dakota		11,077	18	2,112,869	227,834	11,089	11,089	2,127,815	2,188,107	2,517
						Post 1980 Dakota Well		3,713	1,670	499,625	425,460	5,140	5,173	830,226	818,085	7,977

API	LEASE NAME	NO.	RESERVOIR	SEC	LOCATION	1st PROD	LAST PROD	CUM OIL	REM OIL	CUM GAS	REM GAS	EUR-OIL	EUR OIL	EUR-GAS	EUR GAS, mcf	EUR WATER, BBL
30045067500000	FRONTIER B	2	GALLUP		9 27 N 11 W	19590401	19710701	188	0	233,160		188	188	233,160	233,160	17
30045068380000	FRONTIER C	2	GALLUP		6 27 N 11 W	19590701	19720101	73,261	0	278,699		73,261	73,261	278,699	278,699	106
30045067430000	SCHLOSSER WN FEDERAL	1	GALLUP		10 27 N 11 W	19600101	19770801	66,965	0	63,613		66,965	66,965	63,613	63,613	713
30045130450000	FRONTIER E	1	GALLUP		4 27 N 11 W	19600801	19791001	50,789	0	9,566		50,789	50,789	9,566	9,566	69
30045067700000	SCHLOSSER WN FEDERAL	2	GALLUP		3 27 N 11 W	19601201	19720701	20,349	0	2,082		20,349	20,349	2,082	2,082	398
30045067860000	BOLACK A	1	GALLUP		2 27 N 11 W	19700101	19701001	18,143	0	133,855		18,143	18,143	133,855	133,855	0
30045206950000	HILLSIDE	1	GALLUP		9 27 N 11 W	19701101	20060101	6,779	106	384,635	86,033	6,779	6,885	384,635	470,668	7,272
30045241020000	FRONTIER E	1E	GALLUP		4 27 N 11 W	19820201	20060101	17,944	182	231,131	92,618	17,944	18,126	231,131	323,749	116
30045130490000	FULLERTON FEDERAL	11	GALLUP		14 27 N 11 W	19970228	20060501	2,967	1,660	649,083	748,791	4,627	4,627	1,397,874	1,397,874	3,648
30045130470000	FULLERTON FEDERAL	9	GALLUP		13 27 N 11 W	19990131	20060501	3,080	2,733	126,181	165,838	5,813	5,813	282,019	282,019	11,055
30045297410000	FULLERTON FEDERAL GD	41	GALLUP		15 27 N 11 W	19990930	20060501	2,456	1,133	48,058	35,008	3,589	3,589	83,066	83,066	1,490
30045297400000	FULLERTON FEDERAL GD	23	GALLUP		11 27 N 11 W	19991130	20060301	1,801	0	81,781		1,602	1,801	81,781	81,781	871
30045246390000	FULLERTON FEDERAL	6E	GALLUP		11 27 N 11 W	20011031	20060501	2,343	1,984	100,439	284,330	4,327	4,327	384,765	384,769	4,088
30045311480000	PIPKIN, EH	8R	GALLUP		1 27 N 11 W	20030331	20060501	2,611	3,524	26,699	73,607	6,135	6,135	100,306	100,306	4,317
30045237810000	PIPKIN, EH	10E	GALLUP		1 27 N 11 W	20030731	20060501	1,570	3,963	40,471	104,015	5,533	5,533	144,486	144,486	16,264
30045312830000	BOLACK A	1R	GALLUP		2 27 N 11 W	20040430	20060501	1,769		23,748	108,131	824	1,769	129,879	129,879	6,150
						Pre 1980 Gallup Well		33,779	15	157,829	68,033	33,778	33,794	157,828	170,219	1,223
						Post 1980 Gallup Well		7,032	1,898	148,552	169,637	8,417	8,551	300,324	310,815	5,221

Based on EUR		
% Gallup	% Gallup Gas	% Gallup Water
3%	8%	4%
99%	15%	100%
90%	4%	99%
92%	1%	16%
65%	0%	100%
70%	8%	0%
42%	16%	66%
69%	13%	3%
27%	44%	19%
61%	12%	77%
59%	11%	13%
70%	85%	68%
35%	19%	24%
36%	9%	37%
64%	33%	81%
29%	10%	46%
Pre 1980 Gallup Well	75%	7%
Post 1980 Gallup Well	62%	25%