

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



237

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.

 Darrin Steed
 Print or Type Name

 Signature

 Regulatory Supervisor
 Title

 9/4/03
 Date

 Darrin_Steed@XTOEnergy.com
 e-mail Address



September 12, 2003

RE: Notice to Working and Royalty Interest Owners
Application to Surface Commingle Gas Production
Adair #1
Black Gas Com #1E
Section 29, T29N, R10W
San Juan County, NM

RECEIVED

SEP 15 2003

Oil Conservation Division

XTO Energy Inc. is applying to the New Mexico Oil Conservation Division (NMOCD) for approval to surface commingle gas production from the Adair #1 and the Black Gas Com #1E. The Adair #1 is a proposed new well to be drilled and completed in the Basin Fruitland Coal pool during November/December 2003. The Black Gas Com #1E is an existing well producing from the Basin Dakota pool. The NMOCD requires all interest owners be notified of plans to surface commingle when ownership is different between wells.

We plan to produce the commingled gas through a shared compressor. Produced liquids will not be surface commingled. A copy of our application to surface commingle is attached for your reference. If you need additional information or have any questions, I may be contacted at (505) 324-1090.

If you have an objection to our application you must file a protest in writing to the NMOCD Santa Fe office at 1220 So. St. Francis Drive, Santa Fe, NM 87505 within 20 days of the from the date the NMOCD received the application. The application was mailed to the NMOCD on the date of this letter.

Sincerely,

A handwritten signature in cursive script that reads 'Ray Martin'.

Ray Martin
Operations Engineer

cc: Well Files w/o attachements
FW Land Dept. w/attachments
RFM w/attachments

S:\RayM\Word Doc\Regulatory\SC notify Adair 1 & Black GC 1E.doc

RECEIVED
SEP 15 2003

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

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: 2700 Farmington Ave., Bldg K, Ste. 1, Farmington, NM 87401

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. _____
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	Value of Non-Commingled Production	Calculated Value of Commingled Production	Volumes
Basin Dakota 71599	.696/1191				
Basin Fruitland Coal 71629	.657/1138				

(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: Darrin Steed

TITLE: Regulatory Supervisor

DATE: September 4, 2003

TYPE OR PRINT NAME Darrin Steed

TELEPHONE NO.: 505-324-1090

Form C-107-B Application to Surface Commingle
9/12/03

XTO Energy Inc. is applying to the New Mexico Oil Conservation Division for approval to surface commingle gas production from the Adair #1 (API #30-045-31805) and the Black Gas Com #1E (API #30-045-23857). The Adair #1 is a proposed new well to be drilled and completed in the Basin Fruitland Coal pool. The Black Gas Com #1E is an existing well producing from the Basin Dakota pool. Both wells are located in Unit G, Section 29, Township 29N, Range 10W, San Juan County, New Mexico. Neither well has Federal or State Lands ownership in their proration units.

Notification of our application to surface commingle has been sent by certified mail return receipt requested to all interest owners. Each interest owner was advised that any objection must be filed in writing with the Santa Fe office of the NMOCD within 20 days from the date the NMOCD received the application. Attached is a certified copy of the legal advertisement for this project that ran in the Farmington Daily Times on 9/4/03.

The sales meter will be installed on the discharge of the shared compressor. Each well will have a gas allocation meter. Each well's gas sales will be calculated by ratio using individual allocation meter volumes and the sales volume. The compressor's fuel usage will be allocated based on each well's gas production. Oil and water production will be kept separate and not surface commingled. XTO Energy Inc. will adhere to the gas meter calibration requirements set forth in the division order.

Surface commingling should not decrease the value of the production because the wells will be sharing a compressor. A shared compressor will lengthen the wells life due to lower operating costs and less fuel usage versus setting two compressors and independently compressing each well. The wells will be depleted to a lower abandonment pressure resulting in a higher ultimate recovery.

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

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 15, 2000

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

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

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

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, NM 87505

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-31805		² Pool Code 71629	³ Pool Name BASIN FRUITLAND COAL
⁴ Property Code 32687	⁵ Property Name ADAIR		⁶ Well Number 1
⁷ OGRID No. 167067	⁸ Operator Name XTO ENERGY INC.		⁹ Elevation 5504'

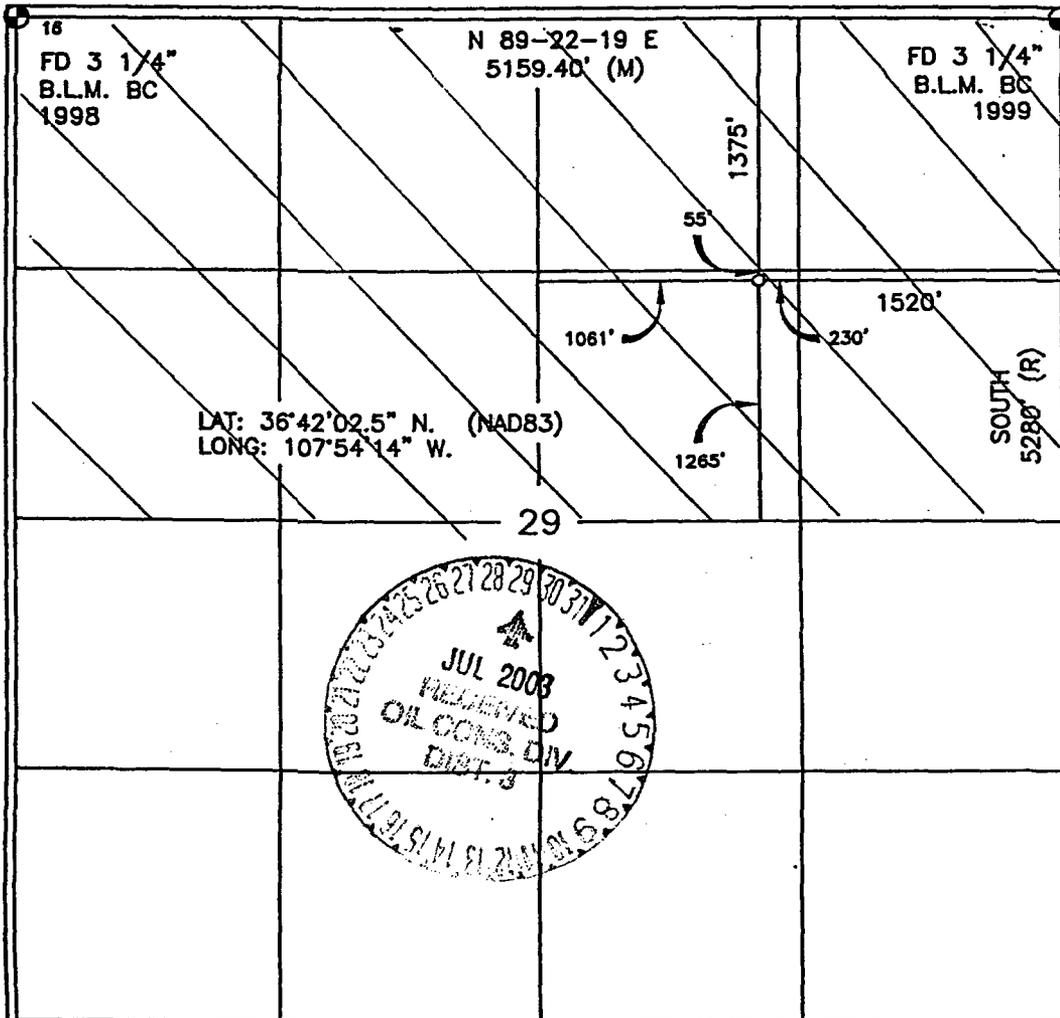
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	29	29-N	10-W		1375'	NORTH	1520'	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
¹² Dedicated Acres 320 $\frac{N}{2}$		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



¹⁷ OPERATOR CERTIFICATION

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

Signature Jeffrey W Patton
Printed Name JEFFREY W PATTON
Title DRILLING ENGINEER
Date 7-25-03

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 2-1-03
Signature and Seal of Professional Surveyor David A. Johnson
Certificate Number 14827

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-102
Revised 10-1-78

All distances must be from the outer boundaries of the Section.

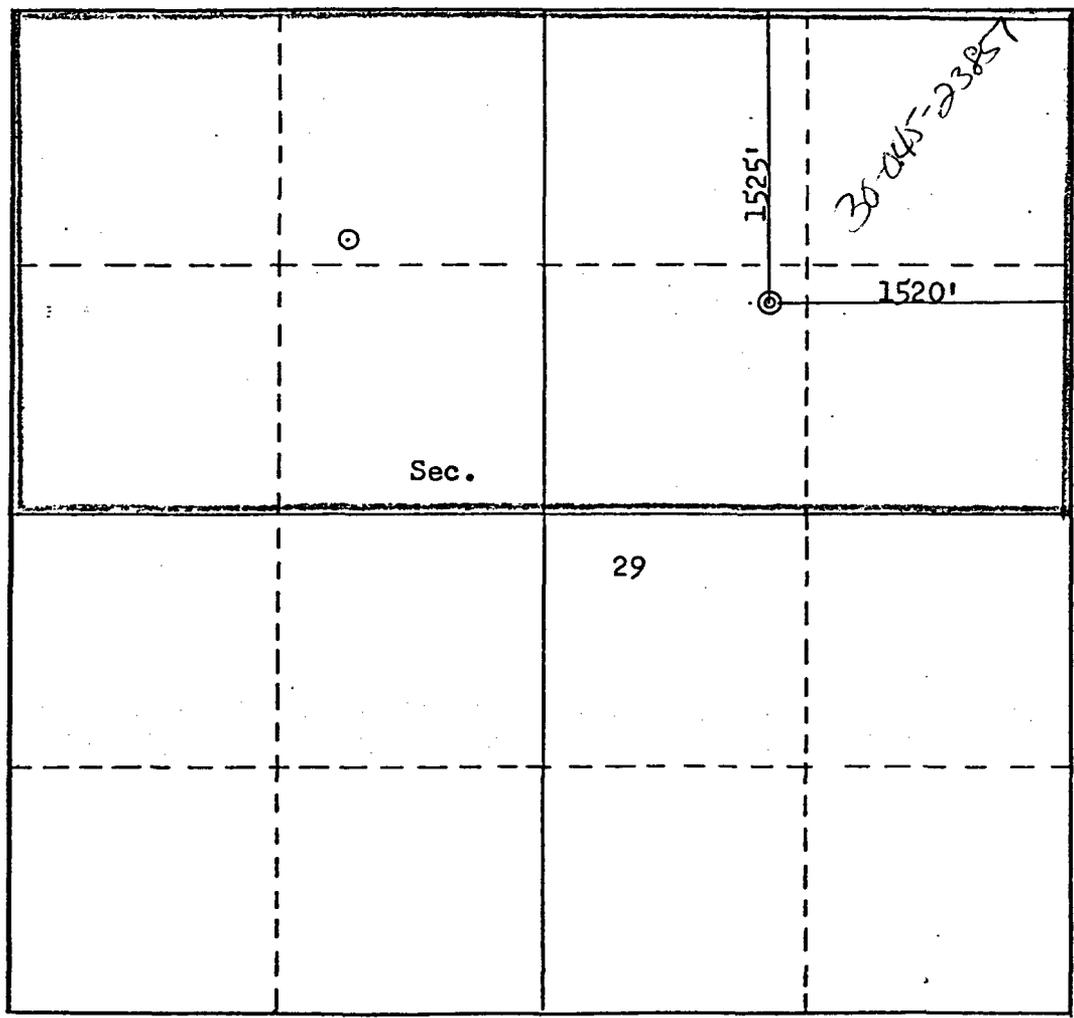
Operator AMOCO PRODUCTION COMPANY		Lease BLACK GAS COM		Well No. 1-E
Unit Letter G	Section 29	Township 29N	Range 10W	County San Juan
Actual Footage Location of Well: 1525 feet from the North line and 1520 feet from the East line				
Ground Level Elev. 5488	Producing Formation Dakota	Pool Basin Dakota	Dedicated Acreage: 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation Communitization

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

B. E. Fackrell

Name
B. E. FACKRELL

Position
DISTRICT ENGINEER

Company
AMOCO PRODUCTION COMPANY

Date
SEPTEMBER 28, 1979

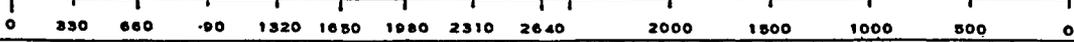
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
September 18, 1979

Registered Professional Engineer and/or Land Surveyor
Fred B. Kerr, Jr.

Certificate No. **3950**

FRED B. KERR, JR.
REGISTERED PROFESSIONAL ENGINEER AND LAND SURVEYOR
STATE OF NEW MEXICO



SEP 8 2003

AFFIDAVIT OF PUBLICATION

Ad No. 48474

STATE OF NEW MEXICO
County of San Juan:

CONNIE PRUITT, being duly sworn says:
That she is the Classified Manager of THE DAILY TIMES, a daily newspaper of general circulation published in English at Farmington, said county and state, and that the hereto attached Legal Notice was published in a regular and entire issue of the said DAILY TIMES, a daily newspaper duly qualified for the purpose within the meeting of Chapter 167 of the 1937 Session Laws of the State of New Mexico for publication on the following day(s):
September 4, 2003.

And the cost of the publication is \$34.27.

Connie Pruitt

ON 9-5-03 CONNIE PRUITT appeared before me, whom I know personally to be the person who signed the above document.

Sunny Beck
My Commission Expires April 2, 2004.

COPY OF PUBLICATION

918	Legals
PUBLIC NOTICE	
<p>XTO Energy Inc (XTO) is applying to the New Mexico Oil Conservation Division (NMOCD) to surface commingle gas from two wells. There will not be any commingling of oil condensate or water. Both wells and the commingling facility are located in Section 29, Township 29N, Range 10W, San Juan County, New Mexico. The producing pools are the Basin Dakota and the Basin Fruitland Coal. Any questions should be directed to Darrin Steed at 505-324-1090 or by mail at 2700 Farmington Ave., Bldg K, Ste. 1, Farmington, NM 87401. Any objection or request for a formal hearing should be filed in writing with the NMOCD's Santa Fe Office within 20 days from date of this publication. In the absence of any objection, XTO has requested that the NMOCD approve its application administratively. The NMOCD's address is 1220 South St. Francis Drive, Santa Fe, NM 87505.</p> <p>Legal No. 48474, published in the Daily Times, Farmington, New Mexico, on Thursday, September 4, 2003.</p>	

