

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 _____

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- [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.

LORRI BINGHAM
 Print or Type Name

Lorri Bingham
 Signature

REG. COMPLIANCE TECH 3/20/08
 Title Date

lorri_bingham@xtoenergy.com
 e-mail Address

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
DISTRICT II
1301 W. Grand Avenue, 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

Oil Conservation Division

1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-107A
Revised June 10, 2003

APPLICATION TYPE

Single Well
 Establish Pre-Approved Pools
EXISTING WELLBORE
 Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

XTO Energy Inc. 382 CR 3100 Aztec, NM 87410
Operator Address
AZTEC #8 SEC 8M T30N R11W SAN JUAN
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 5380 Property Code 32289 API No. 30-045-24695 Lease Type: Federal State Fee

| DATA ELEMENT | UPPER ZONE | INTERMEDIATE ZONE | LOWER ZONE |
|--|---|---|--|
| Pool Name | FARMER FRUITLAND SAND Gas | AZTEC PC Gas | BLANCO MESAVERDE Pro Gas |
| Pool Code | 71629 76570 | 71280 | 72319 |
| Top and Bottom of Pay Section (Perforated or Open-Hole Interval) | 1750' - 1755' | 1990' - 2018' | 3997' - 4575' |
| Method of Production (Flowing or Artificial Life) | 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) | 188 | 188 | 420 |
| Oil Gravity or Gas BTU (Degree API or Gas BTU) | 1018 | 1018 | 1193 |
| Producing, Shut-In or New Zone | PRODUCING | 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: MARCH '08 Rates: 0 BOPD/1 MCFD/0 BWPD | Date: MARCH '08 Rates: 0 BOPD/1 MCFD/0 BWPD | Date: MARCH '08 Rates: 0 BOPD/40 MCFD/0 BWPD |
| Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.) | Oil: 0 % Gas: 5.97 % | Oil: 2.22 % Gas: 13.71 % | Oil: 97.78 % Gas: 80.31 % |

Are all working, overriding, and royalty interests identical in all commingled zones? Yes No
If not, have all working, overriding, and royalty interests 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 all offset operators.
Notification list of working, overriding, and royalty interests for uncommon interest cases.
Any additional statements, data, or documents required to support commingling.

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 Lorri D. Bingham TITLE REG COMPLIANCE TECH DATE 3/20/08
TYPE OR PRINT NAME LORRI D. BINGHAM TELEPHONE NO. (505) 333-3204
E-MAIL Lorri_bingham@xtoenergy.com

| Aztec #8 | | | |
|----------------------------------|----------------|----------------|----------------|
| OCT. 2007 CUM. PROD. | | | |
| | OIL | GAS | WATER |
| | (BBLs) | (MCF) | (BBLs) |
| Farmers Fruitland Sand Pool | 0 | 53,006 | 26 |
| Aztec Pictured Cliffs Pool | 53 | 121,676 | 130 |
| Blanco Mesaverde Pool | 2,337 | 712,620 | 14 |
| TOTAL | 2,390 | 887,302 | 170 |
| PROPOSED DHC PROD. ALLOC. | | | |
| | OIL | GAS | WATER |
| Farmers Fruitland Sand Pool | 0.00% | 5.97% | 15.29% |
| Aztec Pictured Cliffs Pool | 2.22% | 13.71% | 76.47% |
| Blanco Mesaverde Pool | 97.78% | 80.31% | 8.24% |
| TOTAL | 100.00% | 100.00% | 100.00% |

XTO Energy Inc.

BASE
510142

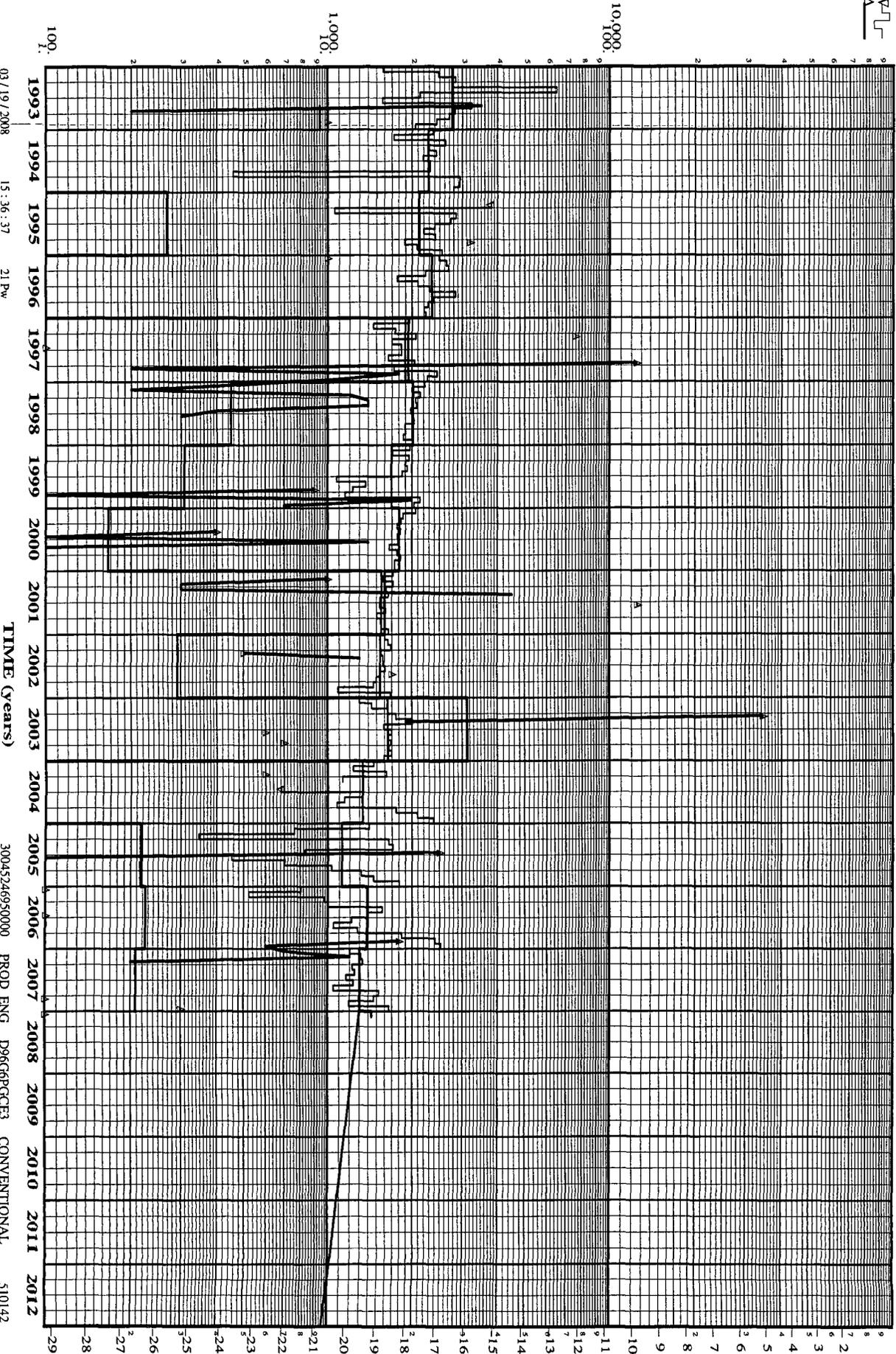
AZTEC 8
XTO ENERGY
BLANCO (MESAVERDE)
SAN JUAN, NEW MEXICO
8M 30N 11W
RWT

SAN JUAN
77752

RFM CIB JLR

Run Date : 02/01/08
Run Time : 16:48:36

GAS (mcfmo)
OIL (bblsmo)



03/19/2008

15:36:37

21 Pw

TIME (Years)

30045246950000

PROD_ENG

D96G6PCE3

CONVENTIONAL

510142

XTO Energy Inc.

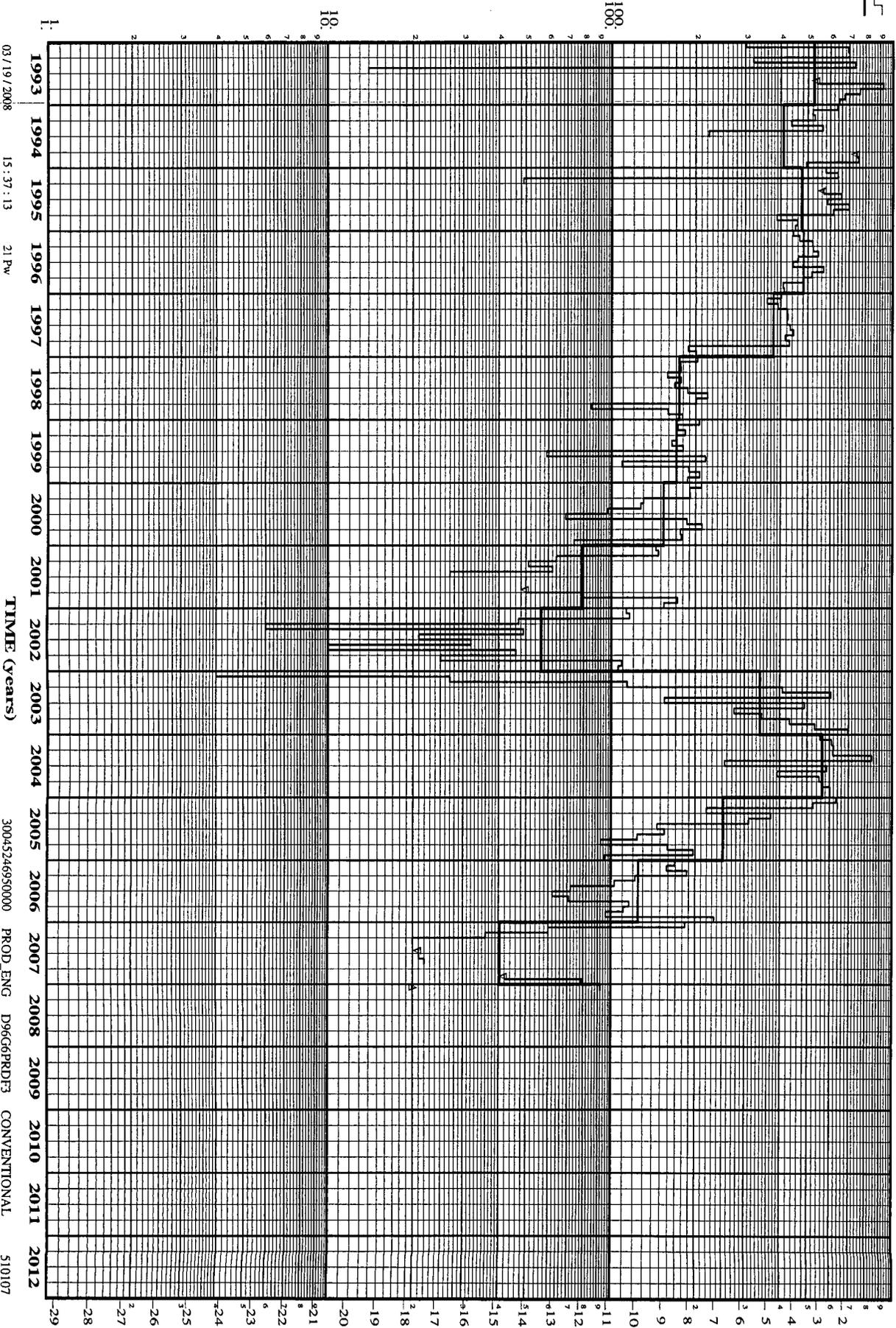
AZTEC 8
 XTO ENERGY
 AZTEC (PICTURED CLIFFS)
 SAN JUAN, NEW MEXICO
 8M 30N 11W
 RWT

SAN JUAN
 77751

RFM CJB JLR

Run Date: 02/01/08
 Run Time: 16:48:36

GAS (mcf/mo)
 OIL (bbl/mo)



03/19/2008

15:37:13

21 Pw

TIME (Years)

30045246950000

PROD_ENG

D96G6PRD13

CONVENTIONAL

510107

XTO Energy Inc.

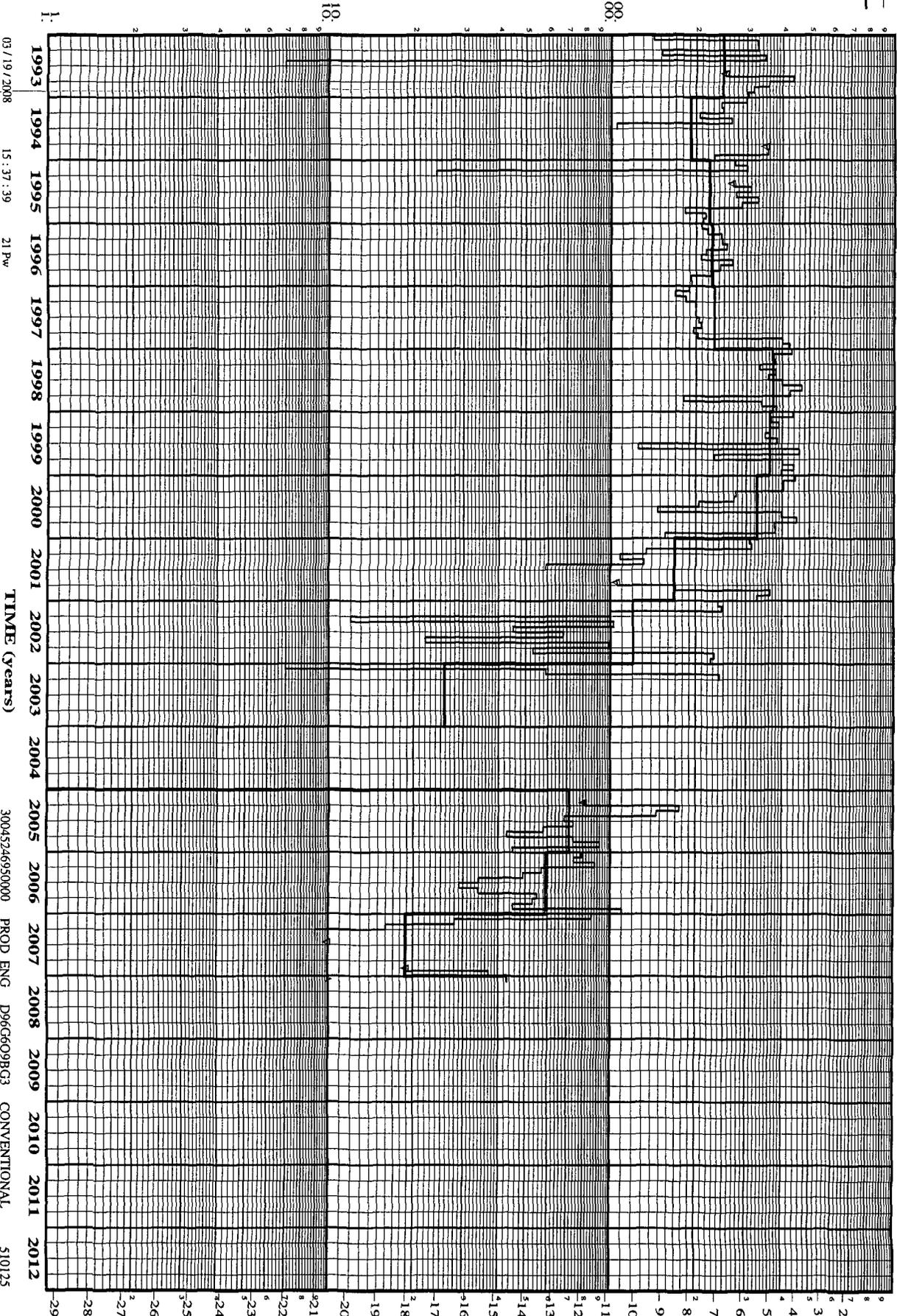
AZTEC 8
 XTO ENERGY
 FARMER (FRUITLAND SAND)
 SAN JUAN, NEW MEXICO
 8M 30N 11W
 RW7

SAN JUAN
 77751

RFM CJB JLR

Run Date : 02/01/08
 Run Time : 16:48:36

GAS (mcf/mo)
 OIL (bbls/mo)



03/19/2008 15:37:39 21 PM TIME (years) 30045246950000 PROD_ENG D96G609BG3 CONVENTIONAL 510125