

DATE 9/23/09	SUSPENSE 10/14/09	ENGINEER <i>[Signature]</i>	LOGGED 9/23	TYPE DHC	APP NO. PUNK012655598
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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

*DIVERSE ownership
(MUST WAIT 20 DAYS)*

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

RECEIVED

2009 SEP 23 PM 1:42

APPLICATION FOR DOWNHOLE COMMINGLING

XTO Energy Inc.

Operator

382 CR 3100

Address

Aztec, NM 87410

HUBBELL GAS COM B

Lease

#1F

Well No.

SEC 30I T28N

Unit Letter-Section-Township-Range

R10W

SAN JUAN

County

OGRID No. 5380

Property Code 22745

API No. 30-045-34490

Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	BASIN MANCOS		BASIN DAKOTA
Pool Code	97232		71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5,616' - 5,899'		6,332' - 6,546'
Method of Production (Flowing or Artificial Life)	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)	1.000		1.000
Producing, Shut-In or 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: 7/01/2009 Rates: 189 BO/1805 MCF/30 BW	Date: Rates:	Date: 3/01/2009 Rates: 91 BO/969 MCF/40 BW
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil: 75 % Gas: 48 %	Oil: % Gas: %	Oil: 25 % Gas: 32 %

Are all working, overriding, and royalty interests identical in all commingled zones?
If not, have all working, overriding, and royalty interests been notified by certified mail?

Yes ☐ No ☒
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 Wanett McCauley TITLE REGULATORY CLERK DATE 9/22/2009

TYPE OR PRINT NAME WANETT MCCAULEY TELEPHONE NO. (505) 333-3360

E-MAIL wanett_mccauley@xtoenergy.com

VA JOHNSTON, LTD
PO BOX 825
RALLS, TX 793570000

HUBBELL GAS COM B 01F DHC

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XTO ENERGY ESTIMATED PAYMENTS
810 HOUSTON STREET
FORT WORTH, TX 761026298

HUBBELL GAS COM B 01F DHC

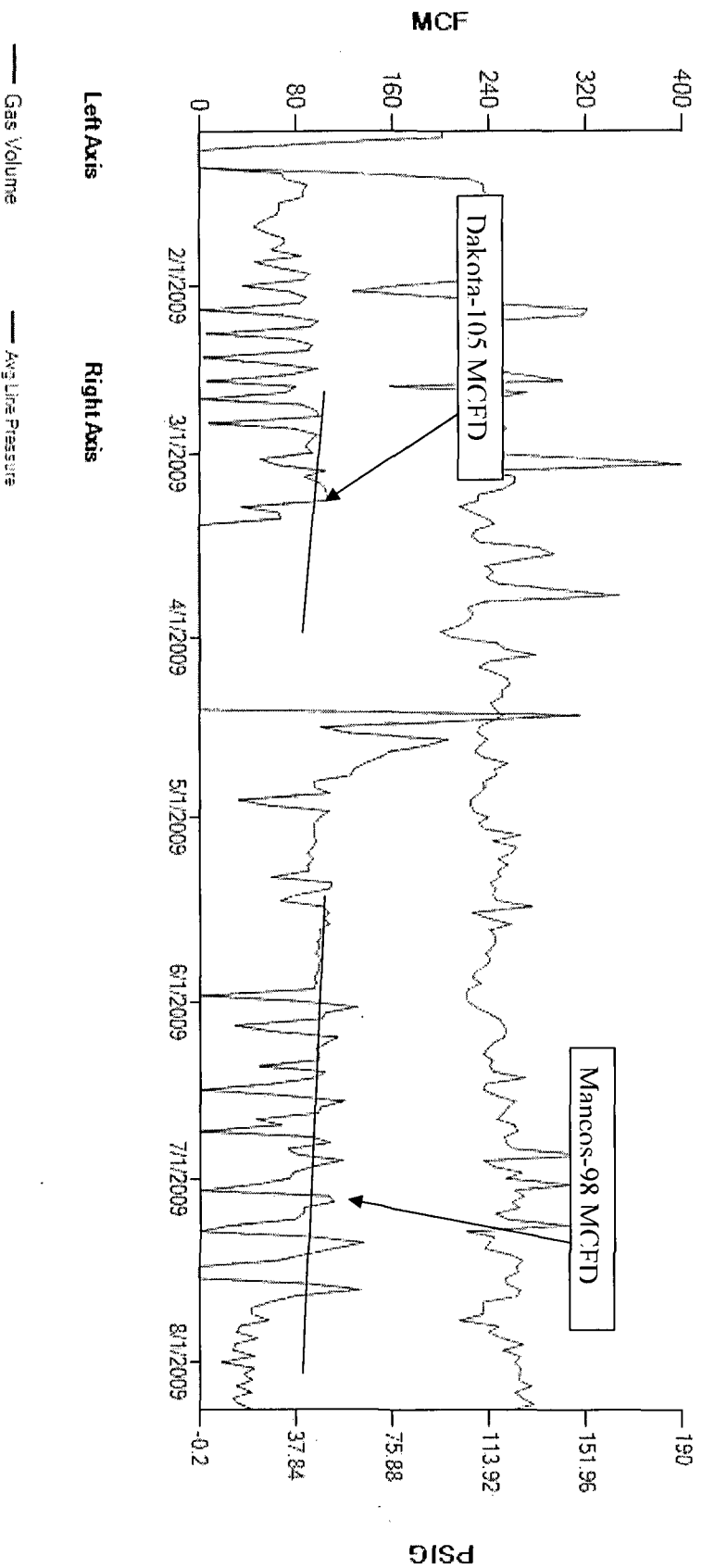
XTO ENERGY ESTIMATED PAYMENTS
810 HOUSTON STREET
FORT WORTH, TX 761026298

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FORT WORTH, TX 761026298

HUBBELL GAS COM B 01F DHC

HUBBELL GAS COM B #1F | ID: 7698 | Daily Gas Volume Trend



Allocations	Gas	Oil	Water
Dakota	52%	25%	50%
Mancos	48%	75%	50%



382 CR 3100
Aztec, NM 87410

September 2, 2009

Interest Owners

Subject: Notice of Intent to Apply for Downhole Commingling
Hubbell Gas Com B #1F
Unit I, Sec 30, T28N, R10W

XTO Energy Inc is submitting an application to the New Mexico Oil Conservation Division (NMOCD) to downhole commingle production from the Basin Dakota and the Basin Mancos pools in the Hubbell Gas Com B #1F. Commingling of these pools will minimize operating costs, add reserves and improve economics of the well.

The proposed allocation percentages for each pool are as follows:

Basin Dakota:	Gas: 52%	Oil: 25%	Water: 50%
Basin Mancos:	Gas: 48%	Oil: 75%	Water: 50%

NMOCD requires all interest owners be notified of intent to downhole commingle if ownership is different between zones. If you need additional information or have any questions, I may be contacted at (505) 333-3100. If you have any objections to our application, please contact me within twenty (20) days of the date of this letter.

Sincerely,


Wanett McCauley
Regulatory Clerk

xc: well file

BETTY T JOHNSTON MARITAL TRUST
BETTY JOHNSTON, LYL
245 COMMERCE GREEN BLVD # 280
SUGAR LAND, TX 774783676
HUBBELL GAS COM B 01F DHC

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CLARKSVILLE, AR 728300587
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CHEVRON MIDCONTINENT LP ATTN
NOJV GROUP
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DUFF LEACH FAMILY TRUST JUDITH
DUFF LEACH TRUSTEE
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ALBUQUERQUE, NM 871900396
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DUFF LEACH TRUSTEE
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GEMOCO LTD TEXAS LTD PRTRNSHP
5407 CREEK ARBOR CT
DALLAS, TX 752877504
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GRAYFORE PARTNERS, LP
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CHRISTINE IRISH SESTAK
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M SEAN SMITH C/O ENCAP
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ROGERS GIBBARD TRUST ORVILLE
C ROGERS, SUSAN EVE
3630 RIVER OAKS COURT
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SAN JUAN BASIN POOL LIMITED
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