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OIL CONSERVATION
DIVISION

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January 5, 2004

Ms. Lori Wrotenberry
New Mexico Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

RE: Application for Exception to Rule 303-C Downhole Commingle
Florance #72
Unit B, Sec. 19, T 27 N, R 08 W
San Juan County, New Mexico

Dear Ms. Wrotenberry,

XTO Energy Inc. respectfully request approval to downhole commingle production from Otero Chacra, Blanco Mesaverde and the Basin Dakota pools in the Florance #72. The APD to drill the well has been approved. Upon approval of the downhole commingling application, the well will be completed and the pools commingled. The WI, NRI and ORRI ownership are common between all three pools. Downhole commingling will offer an economic method of production, will improve recovery of liquids, eliminating redundant surface equipment and maximize compressor efficiency.

The allocation percentage's for gas and oil were based upon the surrounding average 9 section EUR's for each pool.

XTO Energy Inc. request your approval to downhole commingle the Otero Chacra, Blanco Mesaverde and the Basin Dakota pools. Should you need any additional information please contact me at (505) 324 1090.

Sincerely,

A handwritten signature in cursive script that reads "Loren W. Fothergill".
Loren W. Fothergill
Production Engineer

Enclosures

Cc: TWD

LWF

George Cox - FTW Land

Well File

9-Section Allocation
Florance 72

Zone	Avg Oil EUR (mbo)	Avg Gas EUR (mmcf)	Oil Allocation	Gas Allocation
Dakota	10	933	61.30%	40.95%
Mesaverde	6	1,031	38.44%	45.24%
Chacra	0	315	0.27%	13.81%
Total	16	2,278	100.00%	100.00%

CHACRA	EUR's	Location				Oil Cum	Gas Cum	Oil Cum	Gas Cum	Oil EUR	Gas EUR
Well	No	Sec	Unit	Twn	Rng	(bbl)	(mcf)	(mbo)	(mmcf)	(mbo)	(mmcf)
FLORANCE D LS	9	17	M	27	8		183512	0	184	0	552
FLORANCE D	10B	17	A	27	8		7513	0	8	0	61
FLORANCE D LS	17	17	P	27	8	12	169437	0	169	0	169
FLORANCE	63F	17	F	27	8		7274	0	7	0	62
FLORANCE	66	18	O	27	8		42490	0	42	0	79
FLORANCE	66F	18	A	27	8		14472	0	14	0	100
FLORANCE LS	4A	18		27	8	354	216630	0	217	0	291
FLORANCE	67	19	O	27	8		215140	0	215	0	417
NAVAJO INDIAN B	3	19	N	27	8		121546	0	122	0	146
FLORANCE D	13B	20	M	27	8		27037	0	27	0	169
FLORANCE D	4B	20	I	27	8		24813	0	25	0	179
FLORANCE	62F	20	F	27	8		10910	0	11	0	121
BOLACK C LS	12A	29	J	27	8	242	138054	0	138	0	899
BOLACK C	13B	29	F	27	8		22395	0	22	0	233
NAVAJO INDIAN B	5	30		27	8	13	3746	0	4	0	201
NAVAJO INDIAN B	5M	30		27	8	7	2737	0	3	0	106
BOLACK C LS	14A	30	I	27	8	572	388218	1	388	1	653
JOHN CHARLES	6A	13	I	27	9		144818	0	145	0	376
JOHN CHARLES	8	13	B	27	9		556283	0	556	0	722
JOHN CHARLES	7E	13	D	27	9		465906	0	466	0	796
HUERFANITO UNIT	77	24	K	27	9		120540	0	121	0	121
JERNIGAN	3A	24	I	27	9		191707	0	192	0	440
HUERFANITO UNIT	82M	25	D	27	9		158095	0	158	0	345
Total								1	3,233	1	7,238
Average								0	141	0	315

MESAVERDE EUR's

Well	No	Location Sec Unit Twn Rng	Oil Cum (bbl)	Gas Cum (mcf)	Oil Cum (mbo)	Gas Cum (mmcf)	Oil EUR (mbo)	Gas EUR (mmcf)
FLORANCE	63M	17 E 27 8	1544	296593	2	297	3	840
FLORANCE	64	17 O 27 8	1562	423013	2	423	3	1,151
FLORANCE D LS	9	17 M 27 8	11614	2376414	12	2,376	13	2,658
FLORANCE D LS	10	17 B 27 8	5701	1265521	6	1,266	6	1,266
FLORANCE	64F	17 P 27 8	529	42542	1	43	3	343
FLORANCE D	10B	17 A 27 8	324	27752	0	28	2	279
FLORANCE	64M	17 K 27 8	115	30264	0	30	1	358
FLORANCE	63F	17 F 27 8	169	26853	0	27	2	351
FLORANCE	63E	17 B 27 8	756	219115	1	219	1	388
FLORANCE LS	4	18 K 27 8	15162	2565145	15	2,565	16	2,979
FLORANCE D LS	11	18 G 27 8	9096	1959092	9	1,959	10	2,261
FLORANCE	66	18 O 27 8	1650	387093	2	387	2	891
FLORANCE	66F	18 A 27 8	316	54554	0	55	1	493
FLORANCE LS	4A	18 27 8	1621	370212	2	370	2	758
FLORANCE	67	19 O 27 8	471	328389	0	328	1	645
NAVAJO INDIAN B	3	19 N 27 8	2948	918843	3	919	3	919
FLORANCE D LS	12	19 B 27 8	16202	2469034	16	2,469	16	2,742
NAVAJO B	6M	19 27 8	4217	613869	4	614	4	614
FLORANCE	62	20 C 27 8	2170	444589	2	445	3	1,020
FLORANCE D	13B	20 M 27 8	122	85629	0	86	1	602
FLORANCE D	4B	20 I 27 8	592	78577	1	79	3	665
FLORANCE D LS	13	20 K 27 8	11349	1785086	11	1,785	12	2,215
FLORANCE D LS	4	20 G 27 8	481	1083523	0	1,084	0	1,084
FLORANCE	62M	20 G 27 8	688	108706	1	109	1	198
FLORANCE	62F	20 F 27 8	342	31444	0	31	2	392
FLORANCE D LS	4A	20 O 27 8	1405	144399	1	144	1	144
BOLACK C LS	13	29 M 27 8	10109	1000136	10	1,000	11	1,194
BOLACK C LS	12	29 A 27 8	9626	1700078	10	1,700	10	2,031
BOLACK C	12B	29 I 27 8	307	30881	0	31	2	398
BOLACK C	13B	29 F 27 8	306	41588	0	42	2	492
BOLACK C LS	13A	29 D 27 8	2006	254619	2	255	3	419
BOLACK C LS	12A	29 J 27 8	4239	254610	4	255	5	370
BOLACK C LS	14	30 B 27 8	6362	860538	6	861	7	973
NAVAJO INDIAN B	5	30 27 8	16923	1472102	17	1,472	17	1,472
BOLACK C LS	14A	30 I 27 8	7433	416597	7	417	9	766
NAVAJO INDIAN B	5M	30 27 8	4177	117908	4	118	5	191
JOHN CHARLES	6	13 A 27 9	16359	2724787	16	2,725	17	2,989
JOHN CHARLES	7	13 N 27 9	13085	2743691	13	2,744	13	2,960
JOHN CHARLES	7B	13 E 27 9	614	136903	1	137	2	501
JOHN CHARLES	6C	13 G 27 9	132	20690	0	21	1	219
JOHN CHARLES	6A	13 I 27 9	5050	768856	5	769	5	769
JOHN CHARLES	7A	13 C 27 9	5231	1029741	5	1,030	5	1,274
JERNIGAN	3	24 H 27 9	9999	583906	10	584	10	584
HUERFANITO UNIT	77	24 K 27 9	2937	383129	3	383	3	383
JERNIGAN	3A	24 I 27 9	3032	224255	3	224	4	271
HUERFANITO UNIT	77A	24 C 27 9	2881	281794	3	282	4	411
HUERFANITO UNIT	82	25 L 27 9	30961	2867788	31	2,868	37	3,674
NAVAJO 1	1	25 G 27 9	14896	846953	15	847	17	867
Total					258	36,898	301	49,464
Average					5	769	6	1,031

Dakota EUR's

Well	No	Location				Oil Cum	Gas Cum	Oil Cum	Gas Cum	Oil EUR	Gas EUR
		Sec	Unit	Twn	Rng	(bbl)	(mcf)	(mbo)	(mmcf)	(mbo)	(mmcf)
1 FLORANCE	63M	17	E	27	8	15635	1158101	16	1,158	17	1,317
2 FLORANCE	64	17	O	27	8	7149	540085	7	540	8	587
3 FLORANCE D	10B	17	A	27	8	561	20238	1	20	3	260
4 FLORANCE	64F	17	P	27	8	862	34362	1	34	4	270
5 FLORANCE	64M	17	K	27	8	187	22830	0	23	1	274
6 FLORANCE	63F	17	F	27	8	291	19580	0	20	2	253
7 FLORANCE	63E	17	B	27	8	5555	473137	6	473	6	621
8 FLORANCE	66	18	O	27	8	26078	2143435	26	2,143	26	2,354
9 FLORANCE	66F	18	A	27	8	495	42362	0	42	2	387
10 FLORANCE	65	18		27	8	9184	1383232	9	1,383	10	1,598
11 FLORANCE	66E	18	B	27	8	3126	392414	3	392	4	536
12 FLORANCE	67	19	O	27	8	8546	446611	9	447	9	481
13 NAVAJO B	6	19	N	27	8	9336	632418	9	632	5	705
14 NAVAJO B	6M	19		27	8	1485	271570	1	272	1	272
15 FLORANCE	62	20	C	27	8	23488	1051078	23	1,051	25	1,091
16 FLORANCE	68	20	O	27	8	5480	407457	5	407	4	490
17 FLORANCE	62M	20	G	27	8	2138	250154	2	250	3	581
18 FLORANCE	62F	20	F	27	8	667	21819	1	22	3	288
19 BOLACK B	1	29	I	27	8	4123	70599	4	71	4	71
20 BOLACK B	4	30	O	27	8	13513	304227	14	304	15	417
21 NAVAJO INDIAN B	5	30		27	8	26755	1417515	27	1,418	28	1,596
22 NAVAJO INDIAN B	5M	30		27	8	9723	450951	10	451	10	652
23 RAMENTA ET AL	1	13	J	27	9	6715	773409	7	773	7	863
24 JOHN CHARLES	7	13	N	27	9	5173	465913	5	466	5	552
25 JOHN CHARLES	7E	13	D	27	9	4067	781344	4	781	4	781
26 RAMENTA ET AL	1E	13	A	27	9	1520	395030	2	395	2	489
27 JERNIGAN	3	24	H	27	9	26153	2545005	26	2,545	26	2,545
28 HUERFANITO UNIT	97	24	L	27	9	39579	2919602	40	2,920	43	3,631
29 HUERFANITO UNIT	82	25	L	27	9	10157	1887847	10	1,888	11	1,954
30 NAVAJO 1	1	25	G	27	9	11513	1622227	12	1,622	12	2,069
Total								279	22,945	300	27,985
Average								9	765	10	933

District I
1625 N. French Drive, Hobbs, NM 88240
District II
1301 W. Grand Avenue, 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 June 10, 2003

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

APPLICATION TYPE
X Single Well
Establish Pre-Approved Pools
EXISTING WELLBORE
Yes X No

APPLICATION FOR DOWNHOLE COMMINGLING

XTO Energy Inc 2700 Farmington Ave., Bldg K, Ste. 1, Farmington, NM 87401

Operator Address
Florance 72 Unit B, Sec 19, T27N, R8W San Juan

Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 167067 Property Code API No. 30-045-31896 Lease Type: X Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Otero Chacra	Blanco Mesaverde	Basin Dakota
Pool Code	82329	72319	71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	3,106' – 3,773' Perforated	3,773' – 4,887' Perforated	6,653' – 6,959' Perforated
Method of Production (Flowing or Artificial Lift)	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)	Est 300 psig	Est 340 psig	Est 300 psig
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1311	1399	1414
Producing, Shut-In or New Zone	New Zone	New Zone	New Zone
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 Gas Water 0 % 14 % 0 %	Oil Gas Water 39 % 45 % 39 %	Oil Gas Water 61 % 41 % 61 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes X 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 X No
Will commingling decrease the value of production? Yes No X
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 X 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 Darrin Steed TITLE Regulatory Supervisor DATE January 7, 2004
TYPE OR PRINT NAME Darrin Steed TELEPHONE NO. (505) 324-1090
E-MAIL ADDRESS Darrin_Steed@XTOEnergy.com

DISTRICT 1
P.O. Box 1980, Hobbs, N.M. 88241-1980

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102

Revised February 21, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, N.M. 88211-0719

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

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, NM 87504-2088

DISTRICT IV
PO Box 2088, Santa Fe, NM 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 3004521896	² Pool Code 71599	³ Pool Name Basin Dakota
⁴ Property Code	⁵ Property Name FLORANCE	⁶ Well Number 72
⁷ OGRID No. 1107067	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 6095

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	19	27-N	8-W		775	NORTH	1555	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
H	19	27-N	8-W		2125	NORTH	825	EAST	SAN JUAN

¹² Dedicated Acres 320 E/2	¹³ Joint or Infill I	¹⁴ Consolidation Code	¹⁵ Order No.
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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

16

QTR. CORNER
FD 3 1/4" BC
1955 BLM

SEC. CORNER
FD 3 1/4" BC
1955 BLM

775'

263'

1555'

1036'

557'

19

5328.9'

01-53-18 W

LOT 1

LOT 2

LOT 3

LOT 4

LAT. 36°33'55" N. (NAD 83)
LONG. 107°43'08" W. (NAD 83)

BOTTOM
HOLE
LOCATION

WITNESS CORNER
FD 3 1/4" BC
1955 BLM

N 01-53 E
26.4' (0.40 CH)
CALC'D CORNER

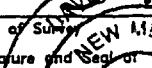
17 OPERATOR CERTIFICATION

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

Kelly K Small
 Signature
 Kelly K Small
 Printed Name
 Drilling Assistant
 Title
 815103
 Date

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: NOV 4 1971
 Signature and Seal of Professional Surveyor:

 Certificate Number 14827

DISTRICT I
P.O. Box 1980, Hobbs, N.M. 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, N.M. 88211-0719

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

DISTRICT IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, NM 87504-2088

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Revised February 21, 1994
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 3004531896	² Pool Code 22329	³ Pool Name OTERO CHAURA
⁴ Property Code	⁵ Property Name FLORANCE	⁶ Well Number 72
⁷ GRID No. 167067	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 6095

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	19	27-N	8-W		775	NORTH	1555	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
H	19	27-N	8-W		2125	NORTH	825	EAST	SAN JUAN

¹² Dedicated Acres 160 NE / 4	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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

16

LOT 1	QTR. CORNER FD 3 1/4" BC 1955 BLM	N 87-38-39° W 2584.5' (M)	SEC. CORNER FD 3 1/4" BC 1955 BLM
LOT 2	LAT. 36°33'55" N. (NAD 83) LONG. 107°43'08" W (NAD 83)	775' 263' 557'	1555'
LOT 3	19	1030'	5328.9' (M)
LOT 4	WITNESS CORNER FD 3 1/4" BC 1955 BLM	N 01-53° E 26.4' (0.40 CH) CALC'D CORNER	

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 10-31-03

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 10-31-03

Signature and Seal of Professional Surveyor: [Signature]

REGISTERED PROFESSIONAL SURVEYOR
NEW MEXICO
14827

Certificate Number 14827

DISTRICT I
P.O. Box 1980, Hobbs, N.M. 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, N.M. 88211-0719

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

DISTRICT IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, NM 87504-2088

Form C-102

Revised February 21, 1994

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 3004531896	² Pool Code 72319	³ Pool Name Blanco Mesaverde
⁴ Property Code	⁵ Property Name FLORANCE	⁶ Well Number 72
⁷ OGRID No. 167067	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 6095

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	19	27-N	8-W		775	NORTH	1555	EAST	SAN JUAN

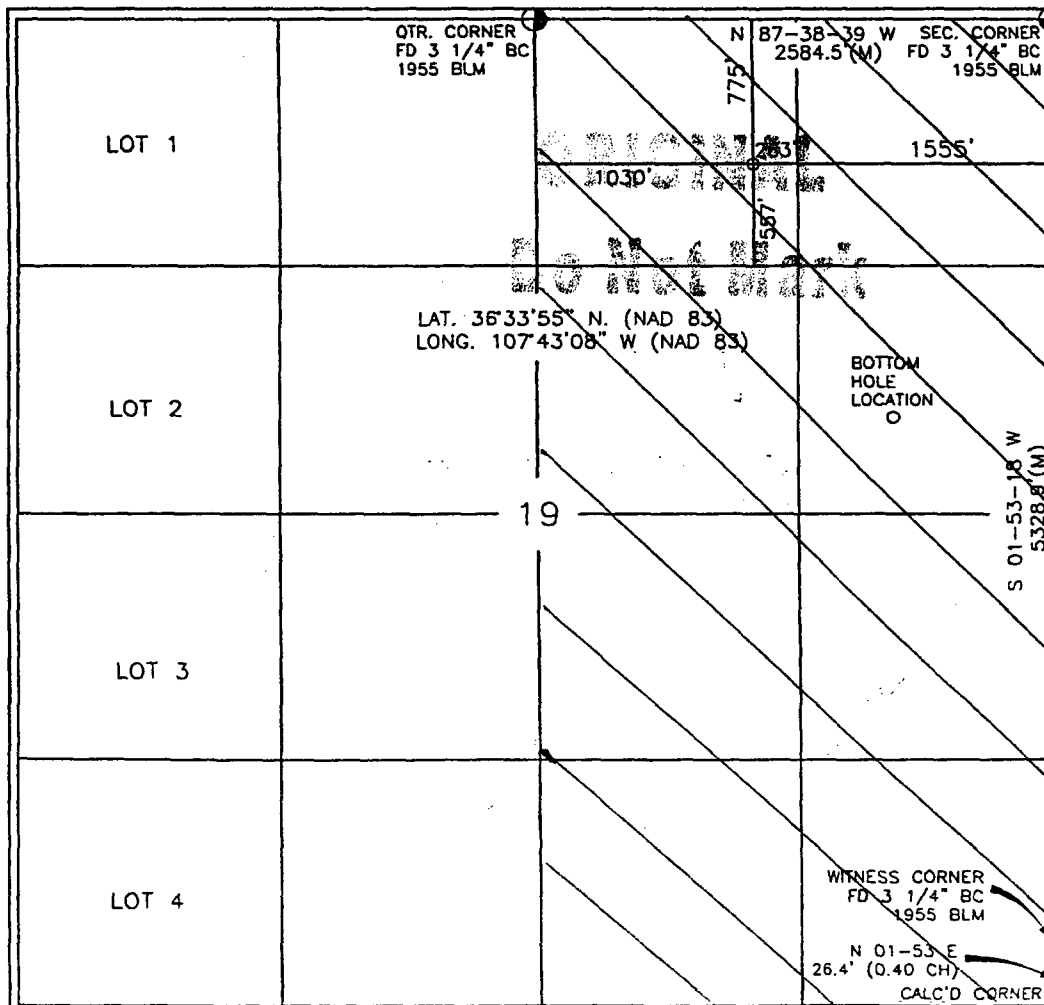
¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	19	27-N	8-W		2125	NORTH	825	EAST	SAN JUAN

¹² Dedicated Acres 320 E12	¹³ Joint or Infill I	¹⁴ Consolidation Code	¹⁵ Order No.
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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

16



17 OPERATOR CERTIFICATION

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

Signature: Heely B Small
Printed Name: Heely B Small
Title: Drilling Assistant
Date: 8/5/03

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: 8/5/03
Signature and Seal of Professional Surveyor: [Signature]
Certificate Number: 14827