

DATE IN 5-27-10	SUSPENSE	ENGINEER RE	LOGGED IN 5-27-10	TYPE PLC	APP NO. 1015228511
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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



XTO  
5380

OHIO GOVT #273

**ADMINISTRATIVE APPLICATION CHECKLIST**

30-045-07411

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

30-045-23037

**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 Increase Expansion]**
- [SWD-Salt Water Disposal]** **[IPI-Injection]**
- [EOR-Qualified Enhanced Oil Recovery Certification]**

PLC - [unclear]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for

- [A] Location - Spacing Unit - Simultaneous Dedication  
 NSL  NSP  SD

329

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

PLC - 329

[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.

Jennifer Morrow Print or Type Name	<u>Jennifer Morrow</u> Signature	Sr. Regulatory Compliance Technician Title	May 26, 2010 Date
		Jennifer.Morrow@xtoenergy.com e-mail Address	



RECEIVED OCD

2010 MAY 27 A 11: 25

May 26, 2010

Mr. Richard Ezeanyim  
New Mexico Oil Conservation Division  
1220 South Saint Francis Drive  
Santa Fe, NM 87505

Mr. Jim Lovato  
Bureau of Land Management  
1235 La Plata Highway  
Farmington, NM 87401

Subject: Proposed Surface Commingle  
Ohio Government #2 and Ohio Government #3  
San Juan County, NM

Dear Mr. Ezeanyim & Mr. Lovato:

XTO Energy Inc. requests administrative approval for surface commingling of natural gas produced from the following wells: Ohio Government #2 and Ohio Government #3. These wells are located in Section 15P-Township 28N-Range 11W in San Juan County, New Mexico.

XTO plans to produce the commingled gas through a central compressor, thus minimizing the footprint of these locations, as well as helping to keep the emissions and noise levels down. This increases the ultimate recoveries on all leases. The anticipated allocated fuel production and fuel usage for the compressor is noted in the attachments.

Each well will be equipped with allocation meters that will be maintained by XTO Energy in accordance with State and Federal Regulations (Onshore Order No. 5). Produced liquids will not be surface commingled. All interest owners have been notified via certified mail, return receipt, on March 17, 2010.

The following attachments are included with this application:

- Form C107B (application for surface commingle; diverse ownership)
- Map of all wells and their associated leases
- Form C-102 for each well (plats)
- Table of well with lease and agreement information, spacing, permits, gravities/BTU, MCF
- Schematic diagram showing all flowlines, compressors & equipment
- Details of allocation formula
- Letter to WI, NRI & ORRI owners & list of owners
- Administrative Application Checklist

Sincerely,

Jennifer Morrow  
Senior Regulatory Compliance Tech

xc: OCD, Aztec Office

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

Form C-107-B  
Revised June 10, 2003

**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: 382 Road 3100, Aztec, New Mexico 87410  
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	Calculated Value of Commingled Production	Volumes
ARMENTA GALLUP 02290				
FULCHER KUTZ PC 77200				

- (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

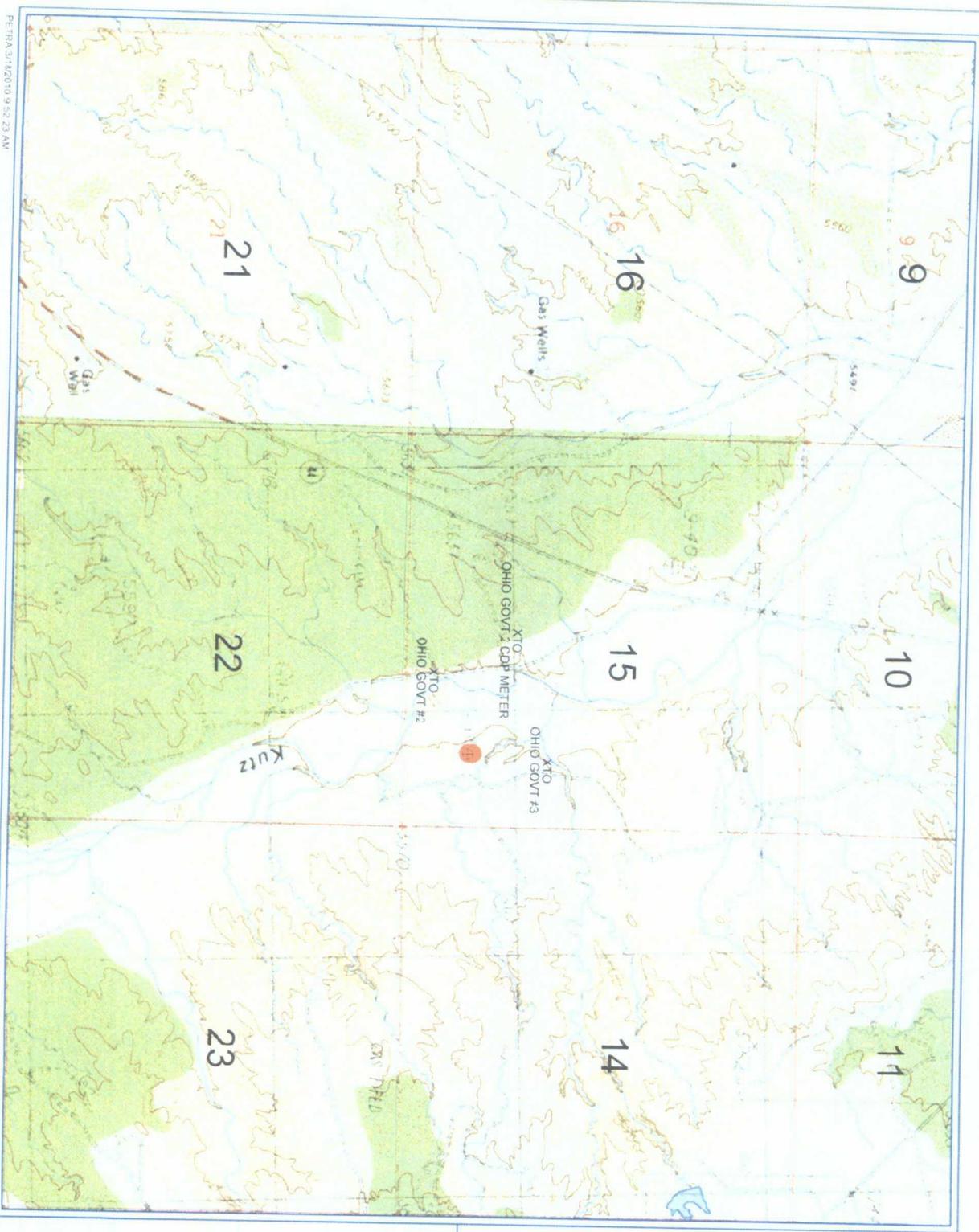
- (1) Is all production from same source of supply?  Yes  No  
(2) Include proof of notice to all interest owners.

**(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: Jennifer Morrow TITLE: Sr. Regulatory Compliance Technician DATE: May 26, 2010  
TYPE OR PRINT NAME JENNIFER MORROW TELEPHONE NO.: (505) 333-3682  
E-MAIL ADDRESS: Jennifer\_Morrow@xtoenergy.com



XTO ENERGY INC.  
 OHIO GOVT #2 CDP  
 SEC. 15 T28N-R11W  
 SAN JUAN COUNTY, NM



POSTED WELL DATA  
 Operator  
 Well Label

WELL SYMBOLS  
 Gas Well  
 Unknown Status

By vi  
 March 18, 2010



## Ohio Government #2

### *Proposed Allocation Procedure*

#### Base Data:

W = Gas volume (MCF) from allocation meters at individual wells during allocation period

X = Gas volume (MCF) from CDP sales meter during allocation period

Allocation period is typically a calendar month and will be the same for all wells.

Production and fuel use will be based on the following formula:

$$\text{Allocated sales volume (MCF)} = (W/\text{Sum } W) \times X$$

NOTE: Production liquids will not be surface commingled.

#### *Compressor information:*

Location:	Ohio Gov't #2	
Lat/Long:	36.65732/-107.985	
Manufacturer:	CATERPILLAR	
Engine:	G3306NA	
Horse Power:	90	
Fuel usage:		
100%	21.6	mcf/d
75%	18.3	mcf/d
50%	15.1	mcf/d

Appropriate  
Office  
Lease - 4 copies  
Lease - 3 copies

Energy, Minerals and Natural Resources Department

Form C-102  
Revised 1-1-89

# OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

*ok*  
*(Signature)*

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

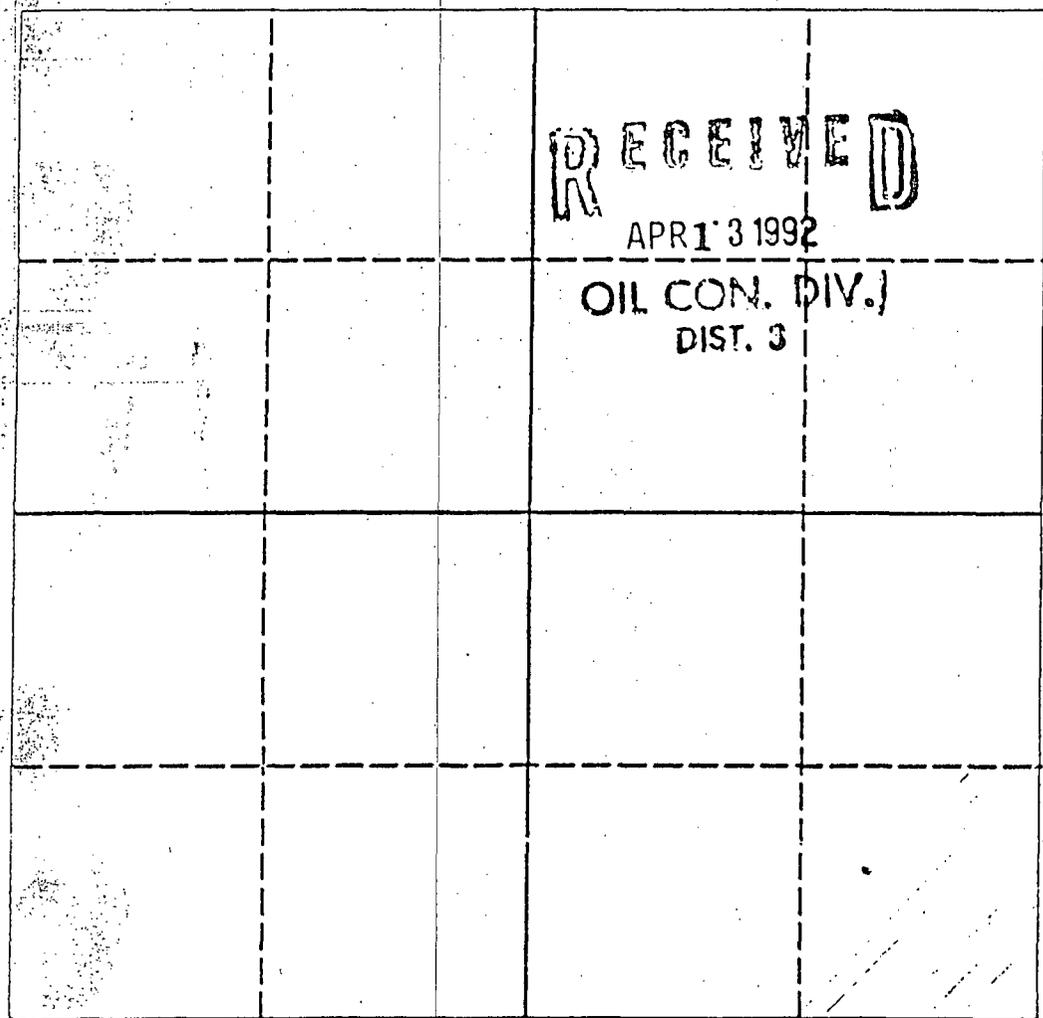
DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

## WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Marathon Oil Co.		Lease Ohio Government		Well No. 2
Unit Letter P	Section 15	Township 28-N	Range 11-W	County San Juan
Actual Footage Location of Well: 890 feet from the South line and 990 feet from the East line				
Ground level Elev. 5517'	Producing Formation Gallup	Pool Armenta Gallup	Dedicated Acreage: 40 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
  - Yes       No      If answer is "yes" type of consolidation \_\_\_\_\_
 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 interest, has been approved by the Division.

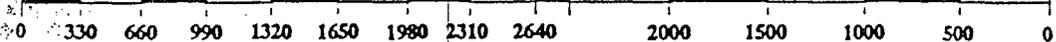


**OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *Thomas M. Price*  
Printed Name: Thomas M. Price  
Position: Adv. Eng. Tech.  
Company: Marathon Oil Co.  
Date: 4-10-92

**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 knowledge and belief.

Date Surveyed: \_\_\_\_\_  
Signature & Seal of Professional Surveyor: \_\_\_\_\_  
Certificate No.: \_\_\_\_\_



NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedes C-128  
Effective 1-1-65

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

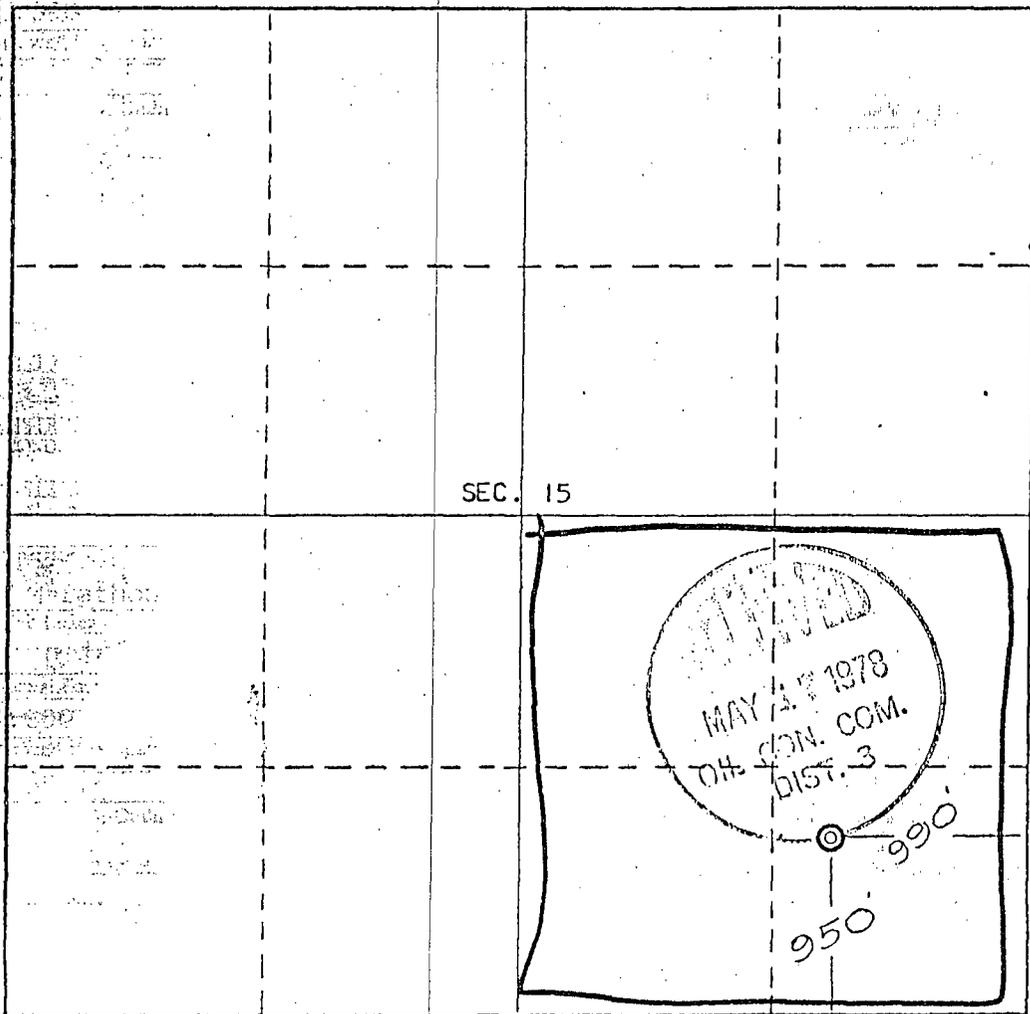
Operator <b>Marathon Oil Company</b>		Lease <b>Ohio Government</b>		Well No. <b>DA 3</b>
Unit Letter <b>P</b>	Section <b>15</b>	Township <b>28 North</b>	Range <b>11 West</b>	County <b>San Juan</b>
Actual Footage Location of Well: <b>950</b> feet from the <b>South</b> line and <b>990</b> feet from the <b>East</b> line				
Ground Level Elev. <b>5516</b>	Producing Formation <b>Pictured Cliffs</b>	Pool <b>Fulcher Kutz Pictured Cliffs</b>	Dedicated Acreage <b>160</b> <del>320</del> Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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 NA

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.

*J. F. Wirth*  
Name

J. F. Wirth

Position

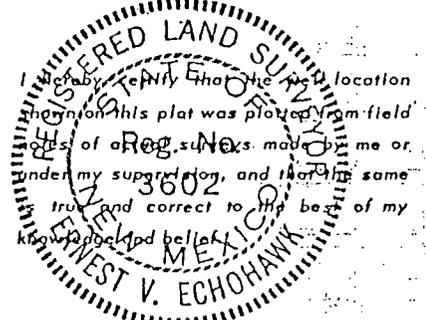
Drilling Superintendent

Company

Marathon Oil Company

Date

May 5, 1978



Date Surveyed

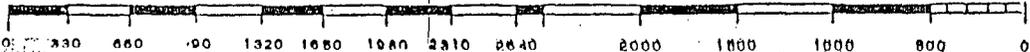
April 27, 1978

Registered Professional Engineer and/or Land Surveyor

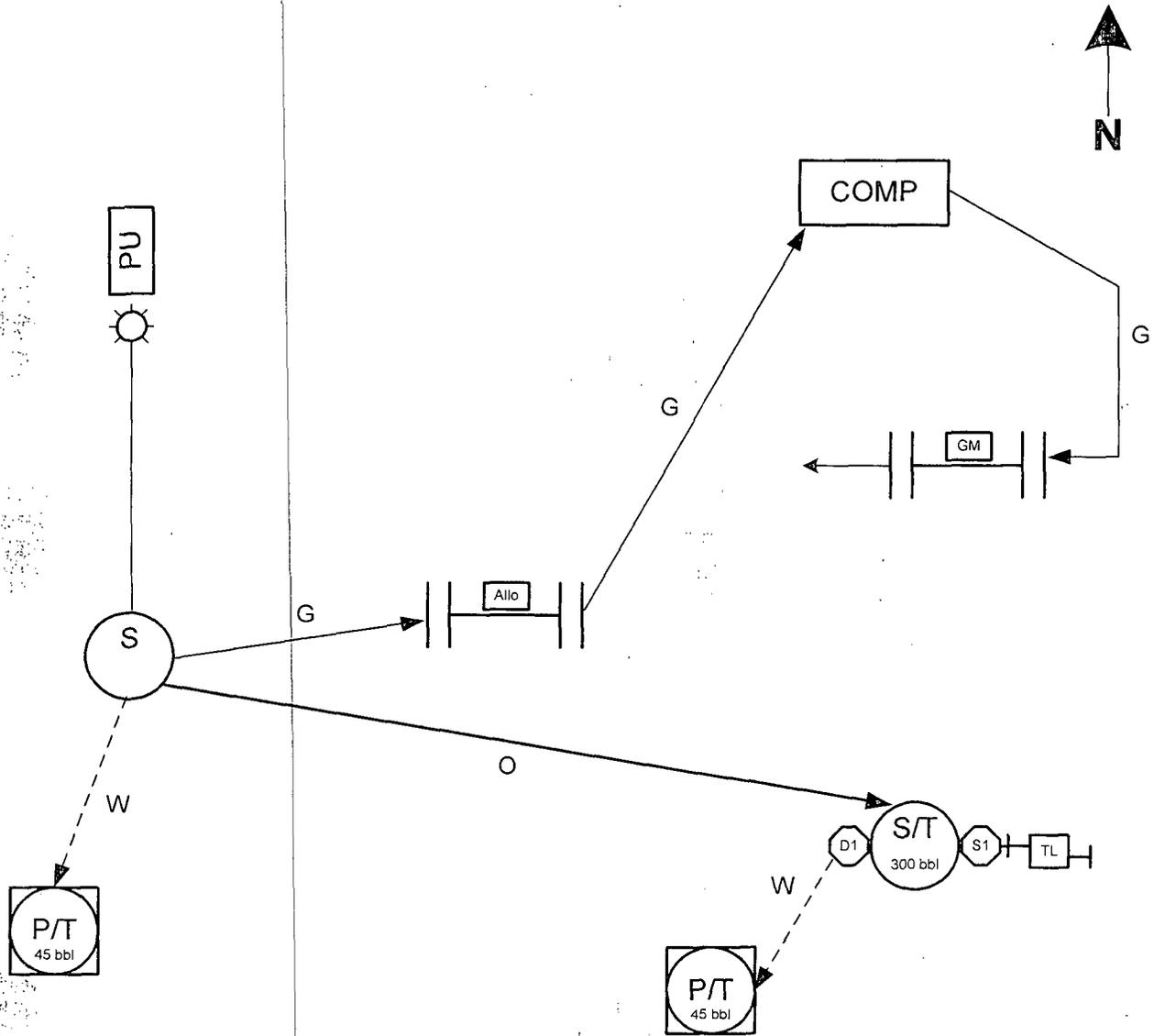
*E. V. Echohawk*

Certificate No. 3602

E. V. Echohawk LS



**XTO ENERGY INC.**  
**Lease: OHIO GOVT CDP #002**  
**Location: SEC. 15, T28N, R11W, UNIT P**  
**Federal Agreement #: NMNM020498**



General sealing of valves, sales by tank gauging.

Production phase: Drain valve D1 and sales valve S1 sealed closed.

Sales phase: Drain valve D1 sealed closed. Sales valve S1 sealed open.

Draining phase: Drain valve D1 sealed open. Sales valve S1 sealed closed.

This lease is subject to the site security plan for San Juan Basin Area.  
 The plan is located at: XTO Energy Inc.  
 2700 Farmington Ave., Bldg. K, Ste. 1  
 Farmington, NM 87401

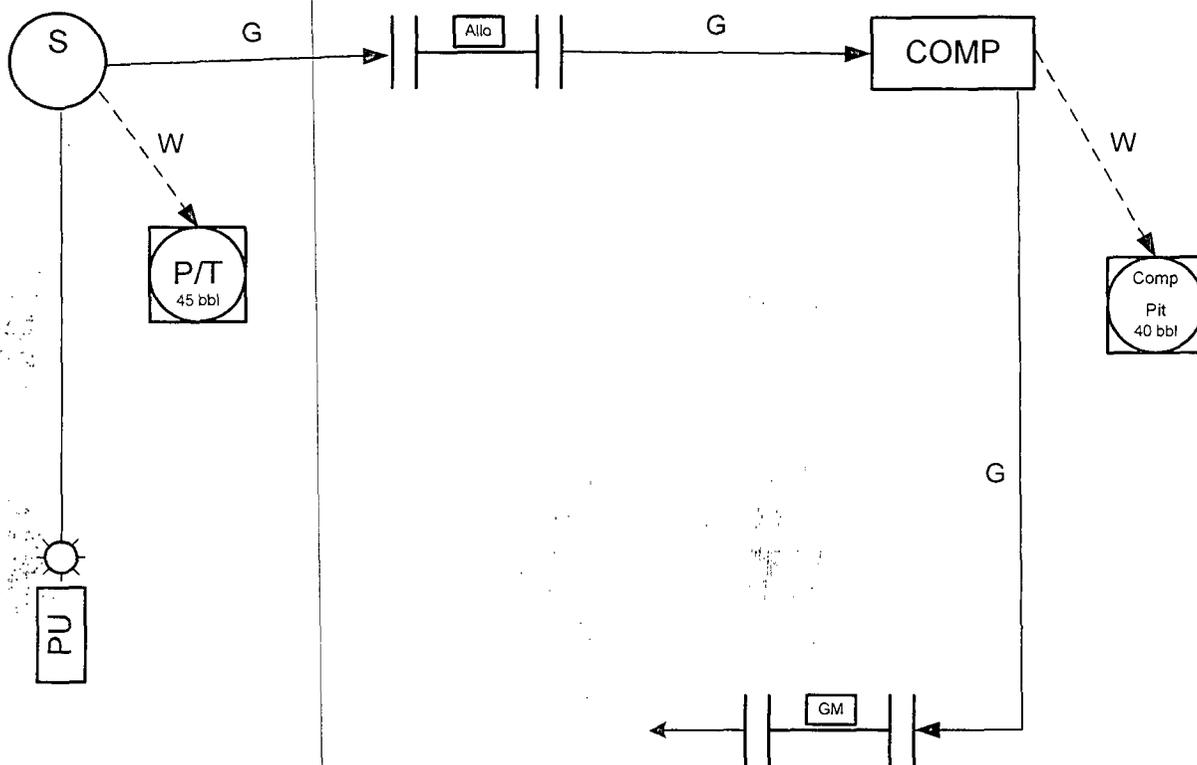
XTO ENERGY INC.

Lease: OHIO GOVT #003

Location: SEC. 15, T28N, R11W, UNIT P

Federal Agreement #: SRM1285

API # 30-045-23037



General sealing of valves, sales by tank gauging.

Production phase: Drain valve D1 and sales valve S1 sealed closed.

Sales phase: Drain valve D1 sealed closed. Sales valve S1 sealed open.

Draining phase: Drain valve D1 sealed open. Sales valve S1 sealed closed.

This lease is subject to the site security plan for San Juan Basin Area.  
The plan is located at: XTO Energy Inc.  
2700 Farmington Ave., Bldg. K, Ste. 1  
Farmington, NM 87401



March 17, 2010

RE: Notice to Working and Royalty Interest Owners  
Application to Surface Commingle Gas Production  
San Juan County, New Mexico

XTO Energy Inc. is applying to the New Mexico Oil Conservation Division (NMOCD) and Bureau of Land Management (BLM) for approval to surface commingle gas production from the Ohio Government #2 and Ohio Government #3. NMOCD requires that all interest owners be notified of plans to surface commingle when ownership is different between wells.

Produced gas from each well will be measured separately prior to being commingled. We plan to produce the commingled gas through a shared compressor. Produced liquids will not be surface commingled. In the future, additional wells, pools, and acreage may be added to this surface commingle or this gathering system.

If you need additional information, or have any questions, please contact me at (505) 333-3682. If you have an objection to our application, you must file a protest in writing to the NMOCD Santa Fe office at 1220 South Saint Francis Drive, Santa Fe, NM 87505 within 20 days from the date of this letter. If there are no objections raised, an application will be submitted to NMOCD at that time.

Sincerely,

A handwritten signature in cursive script that reads 'Jennifer Morrow'.

Jennifer Morrow  
Senior Regulatory Compliance Technician

Xc: Well Files  
FW Land Department  
NMOCD, Aztec

Easy Peel® Labels  
Use Avery® Template 5160®

▲  
Feed Paper

Bend along line to  
expose Pop-Up Edge™

 **AVERY® 5160®**

CHRISTMANN MINERAL COMPANY A  
TEXAS CORPORATION  
PO BOX 66  
PINEDALE, WY 829410066  
OHIO GOVT #2 CDP REG DEPT JENNIFER

CHRISTMANN MINERAL COMPANY A  
TEXAS CORPORATION  
PO BOX 66  
PINEDALE, WY 829410066  
OHIO GOVT #2 CDP REG DEPT JENNIFER

CHRISTMANN MINERAL COMPANY A  
TEXAS CORPORATION  
PO BOX 66  
PINEDALE, WY 829410066  
OHIO GOVT #2 CDP REG DEPT JENNIFER

HERD PARTNERS, LTD.  
PO BOX 130  
MIDLAND, TX 797020130  
OHIO GOVT #2 CDP REG DEPT JENNIFER

HERD PARTNERS, LTD.  
PO BOX 130  
MIDLAND, TX 797020130  
OHIO GOVT #2 CDP REG DEPT JENNIFER

HERD PARTNERS, LTD.  
PO BOX 130  
MIDLAND, TX 797020130  
OHIO GOVT #2 CDP REG DEPT JENNIFER

JACK MARKHAM  
1500 BROADWAY SUITE 1212  
LUBBOCK, TX 794010000  
OHIO GOVT #2 CDP REG DEPT JENNIFER

JACK MARKHAM  
1500 BROADWAY SUITE 1212  
LUBBOCK, TX 794010000  
OHIO GOVT #2 CDP REG DEPT JENNIFER

JACK MARKHAM  
1500 BROADWAY SUITE 1212  
LUBBOCK, TX 794010000  
OHIO GOVT #2 CDP REG DEPT JENNIFER

~~MMS XTO FEDERAL  
C/O XTO ENERGY INC  
810 HOUSTON STREET  
FORT WORTH, TX 761026298  
OHIO GOVT #2 CDP REG DEPT JENNIFER~~

~~MMS XTO FEDERAL  
C/O XTO ENERGY INC  
810 HOUSTON STREET  
FORT WORTH, TX 761026298  
OHIO GOVT #2 CDP REG DEPT JENNIFER~~

~~MMS XTO FEDERAL  
C/O XTO ENERGY INC  
810 HOUSTON STREET  
FORT WORTH, TX 761026298  
OHIO GOVT #2 CDP REG DEPT JENNIFER~~

PROVIDENCE MINERALS, LLC  
14860 MONTFORT DR, STE 209  
DALLAS, TX 752540000  
OHIO GOVT #2 CDP REG DEPT JENNIFER

PROVIDENCE MINERALS, LLC  
14860 MONTFORT DR, STE 209  
DALLAS, TX 752540000  
OHIO GOVT #2 CDP REG DEPT JENNIFER

PROVIDENCE MINERALS, LLC  
14860 MONTFORT DR, STE 209  
DALLAS, TX 752540000  
OHIO GOVT #2 CDP REG DEPT JENNIFER

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