DATE IN 2.7.11	SUSPENSE	ENGINEER WJ	LOGGED IN 2.7.11	TYPE DHC	APP NO. 1103857756

ABOVE THIS LINE FOR DIVISION USE ONLY

pTGW

4955

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505

XTO

Martinez Gas Com D #1

30-045-34063

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 _____

RECEIVED OCD
2011 FEB -7 P 1:43

[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.

WANETT MCCAULEY	Wanett McCauley	REGULATORY COMPLIANCE TECHNICIAN	2/03/2011
Print or Type Name	Signature	Title	Date

wanett_mccauley@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
X Yes __ No

APPLICATION FOR DOWNHOLE COMMINGLING

DHC-4355

XTO ENERGY INC.	382 CR 3100 AZTEC, NM 87410	
Operator	Address	
MARTINEZ GAS COM D	#1R	SEC 24B T29N R10W	SAN JUAN
Lease	Well No.	Unit Letter-Section-Township-Range	County

OGRID No. 5380 Property Code 36139 API No. 30-045-34063 Lease Type: __Federal __State X Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
			UNDES.
Pool Name	AZTEC PICTURED CLIFFS		OTERO CHACRA
Pool Code	71280		82329
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	1942' - 1965'		2950' - 3078'
Method of Production (Flowing or Artificial Life)	ARTIFICIAL LIFE		ARTIFICIAL LIFE
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)	161 psig		329 psig
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1.174		1.000
Producing, Shut-In or New Zone	PRODUCING		SHUT-IN
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: 12/01/2010 Rates: 0 BO/1674 MCF/0 BW	Date: Rates:	Date: 2/01/2010 Rates: 0 BO/2105 MCF/0 BW
	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: 0 % Gas: 47 %	Oil: % Gas: %	Oil: 100 % Gas: 53 %

Are all working, overriding, and royalty interests identical in all commingled zones? Yes X 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 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 ____ No ____

NMOCD Reference Case No. applicable to this well: Order R-13156-A, Case #14331

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 presssure 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 COMPL TECH DATE 2/03/2011

TYPE OR PRINT NAME WANETT MCCAULEY TELEPHONE NO. (505) 333-3630

E-MAIL wanett_mccauley@xtoenergy.com

Martinez Gas Com D #1R Allocations

Formation	Avg gas prod (Mcf/day)	% of Total Gas Prod	Avg oil prod (bopd)	% of Total Oil Prod	Avg H_20 prod (bwpd)	% of Total Water Prod
Chacra	68	53%	0	100%	0	50%
Pictured Cliffs	61	47%	0	0%	0	50%
Sum:	128	100%	0	100%	0	100%

Allocations are based on the performance of each zone.

Martinez Gas Com D #1R Pressures

Commingling will not result in shut in or flowing wellbore pressures in excess of any commingled pool's fracture parting pressure, therefore fracturing will not occur.

Reservoir	Estimated Reservoir Pressure (psig)	Middle Perforation Depth (ft)	Fracture Parting Pressure (psig)
Pictured Cliffs	161	1953.5	1270
Chacra	329	3014	1959

The above shows the estimated average reservoir pressure within each pool and these reservoir pressures show compliance with Division Rule 12.11.A(3).
The fracture parting pressure is assumed to be 0.65 psi/ft.

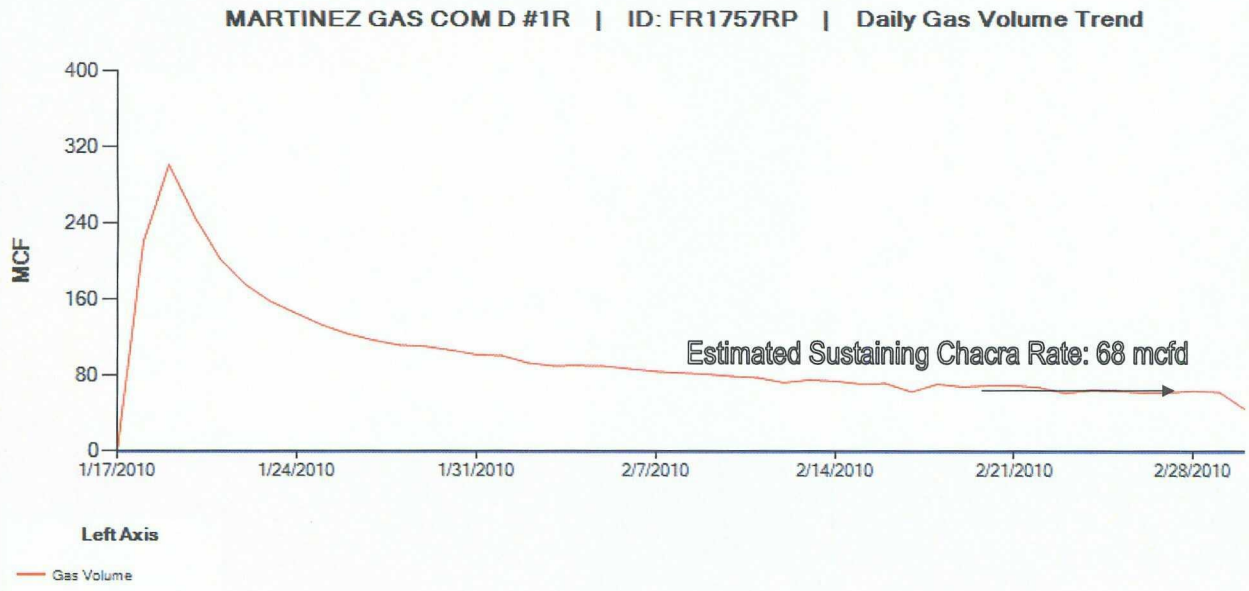
Pictured Cliffs Reservoir Pressure Calculations

Top perf:	1942	ft
Bottom perf:	1965	ft
Mid perf:	1953.5	ft
Build up SICP:	160	psig
Fluid level:	1952	ft
Fluid above mid perf:	1.5	ft
Hydrostatic press of fluid column:	1	psig
Reservoir pressure at mid perf:	161	psig

Chacra Reservoir Pressure Calculations

Top perf:	2950	ft
Bottom perf:	3078	ft
Mid perf:	3014	ft
Build up SICP:	329	psig
Fluid level:	3071	ft
Fluid above mid perf:	0	ft
Hydrostatic press of fluid column:	0	psig
Reservoir pressure at mid perf:	329	psig

Martinez Gas Com D #1R
Chacra Only Production

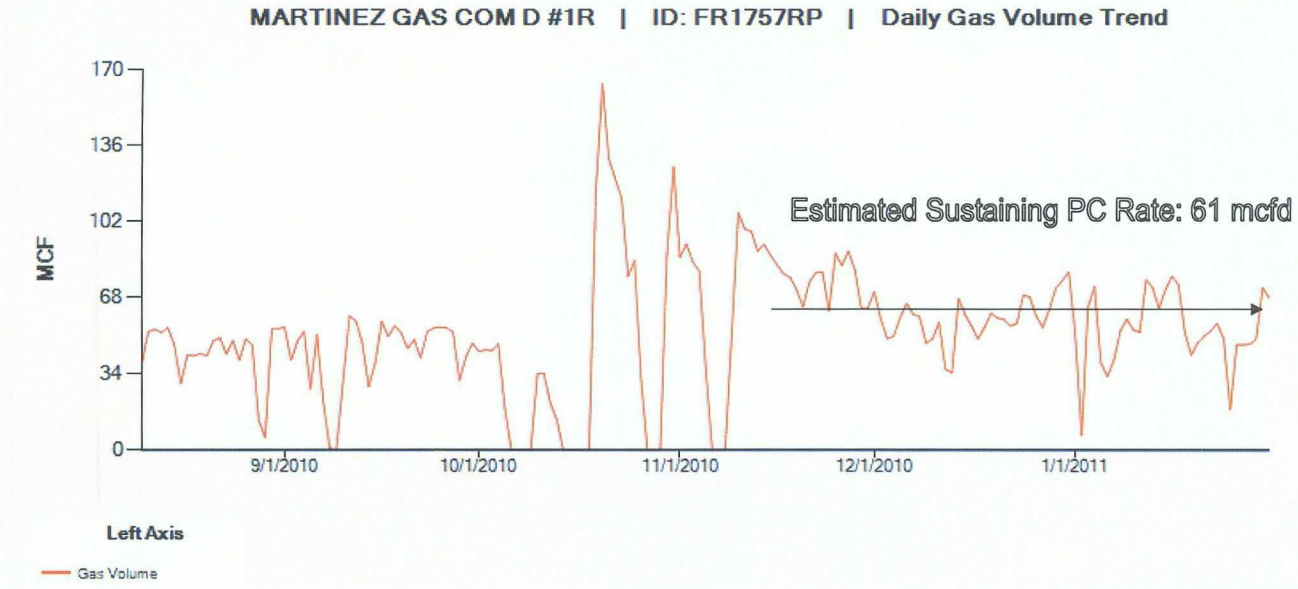


ProdDate	MeasGas MCF	Prod Oil BBLS	Prod Water BBLS
01/19/2010	221	0	0
01/20/2010	301	0	0
01/21/2010	246	0	0
01/22/2010	202	0	0
01/23/2010	175	0	0
01/24/2010	158	0	0
01/25/2010	145	0	0
01/26/2010	133	0	0
01/27/2010	124	0	0
01/28/2010	117	0	0
01/29/2010	112	0	0
01/30/2010	111	0	0
01/31/2010	107	0	0
02/01/2010	102	0	0
02/02/2010	101	0	0
02/03/2010	94	0	0
02/04/2010	91	0	0
02/05/2010	91	0	2
02/06/2010	90	0	0
02/07/2010	87	0	0
02/08/2010	85	0	0
02/09/2010	83	0	0
02/10/2010	82	0	0
02/11/2010	80	0	0
02/12/2010	78	0	0
02/13/2010	73	0	0
02/14/2010	76	0	0
02/15/2010	75	0	0
02/16/2010	71	0	0
02/17/2010	72	0	0
02/18/2010	63	0	0
02/19/2010	71	0	0

02/20/2010	68	0	0
02/21/2010	70	0	0
02/22/2010	70	0	0
02/23/2010	68	0	0
02/24/2010	62	0	0
02/25/2010	65	0	0
02/26/2010	64	0	0
02/27/2010	62	0	0
02/28/2010	62	0	0

Average 68 mcfd sustaining rate

Martinez Gas Com D #1R
Pictured Cliffs Only Production



ProdDate	MeasGas MCF	Prod Oil BBLS	Prod Water BBLS
11/15/2010	92	0	0
11/16/2010	87	0	0
11/17/2010	83	0	0
11/18/2010	79	0	0
11/19/2010	77	0	0
11/20/2010	71	0	0
11/21/2010	64	0	0
11/22/2010	75	0	0
11/23/2010	79	0	0
11/24/2010	79	0	0
11/25/2010	62	0	0
11/26/2010	88	0	0
11/27/2010	82	0	0
11/28/2010	89	0	0
11/29/2010	80	0	0
11/30/2010	63	0	0
12/01/2010	63	0	0
12/02/2010	71	0	0
12/03/2010	59	0	0
12/04/2010	50	0	0
12/05/2010	51	0	0
12/06/2010	59	0	0
12/07/2010	65	0	0
12/08/2010	60	0	0
12/09/2010	59	0	0
12/10/2010	48	0	0
12/11/2010	50	0	0
12/12/2010	57	0	0
12/13/2010	36	0	0
12/14/2010	35	0	0
12/15/2010	67	0	0
12/16/2010	60	0	0
12/17/2010	55	0	0
12/18/2010	49	0	0
12/19/2010	55	0	0
12/20/2010	61	0	0
12/21/2010	59	0	0

12/22/2010	58	0	0
12/23/2010	55	0	0
12/24/2010	56	0	0
12/25/2010	69	0	0
12/26/2010	68	0	0
12/27/2010	60	0	0
12/28/2010	55	0	0
12/29/2010	62	0	0
12/30/2010	72	0	0
12/31/2010	75	0	0
01/01/2011	80	0	0
01/02/2011	53	0	0
01/03/2011	7	0	0
01/04/2011	64	0	0
01/05/2011	73	0	0
01/06/2011	39	0	0
01/07/2011	33	0	0
01/08/2011	40	0	0
01/09/2011	53	0	0
01/10/2011	58	0	0
01/11/2011	54	0	0
01/12/2011	52	0	0
01/13/2011	76	0	0
01/14/2011	72	0	0
01/15/2011	63	0	0
01/16/2011	72	0	0
01/17/2011	78	0	0
01/18/2011	74	0	0
01/19/2011	52	0	0
01/20/2011	42	0	0
01/21/2011	48	0	0
01/22/2011	51	0	0
01/23/2011	53	0	0
01/24/2011	56	0	0
01/25/2011	49	0	0
01/26/2011	18	0	0
01/27/2011	47	0	0
01/28/2011	47	0	0
01/29/2011	47	0	0
01/30/2011	50	0	0
01/31/2011	72	0	0

Average: 61 mcfd sustaining rate