

0133937291

AMEND PC

N/R



DEC - 3 2001

November 26, 2001

Mr. David Catanach
New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

RE: Administrative Approval to Amend Surface Commingling Order PC-1024
Florance D LS #7, Florance #67 & Florance #69R
Sec 19, T-27-N R-8-W
San Juan County, New Mexico

Dear Mr. Catanach,

XTO Energy, Inc. (XTO) requests administrative approval to amend commingling order PC-1024 to also include the Florance #69R. XTO plans to drill and complete this well as a Basin Fruitland Coal. All gas would be surfaced commingled through a single existing wellhead compressor. Each well's oil and water production will be kept separate and not commingled.

Utilizing a single wellhead compressor will help all three wells overcome sales line pressure and thereby maximize each well's productivity. The Florance D LS #7 and the Florance #67 responded very well to individual wellhead compression tests. It has been XTO's experience that the Basin Fruitland Coal's production is maximized utilizing wellhead compression. The lower operating costs resulting from a shared compressor will extend the economic life of all wells thus increasing their ultimate recoveries.

The following are enclosed for your review of the proposed surface commingling amendment.

1. Well information table.
2. Gas production allocation formula sheet.
3. Battery schematic of proposed installation.
4. Well location plat.

If you need additional information or have any questions, please give me a call at (505) 324-1090.

Sincerely,
XTO ENERGY, INC


Darrin L. Steed
Operations Engineer

Enclosures

Cc: Gary Markestad
Well File
DLS File

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Florance D LS #7, Florance #67 & Florance #69R

Well Information

	Florance D LS #7	Florance #67	Florance #69R
Location	Sec 19O, T27N R8W	Sec 19O, T27N R8W	Sec 19O, T27N, R8W
Formation	Pictured Cliffs	Dakota, Mesaverde, Chacra	Fruitland Coal
API #	30-045-06313	30-045-11822	30-045-30629
Pool Name	S Blanco	Basin, Blanco, Otero	Basin
Pool Code	72359	71599, 72319, 82329	71629
Gas Gravity	.627	.760	NA
Gas Rate (MCFD)	0	250	NA
Oil Gravity	NA	55	NA
Oil Rate (BPD)	0	0.1	NA
Water Rate (BPD)	0	0	NA

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Gas Allocation Formula

The El Paso Field Services (EPFS) meter and meter runs will remain in place. Gas volumes for the Florance #67 will be determined by the following formula:

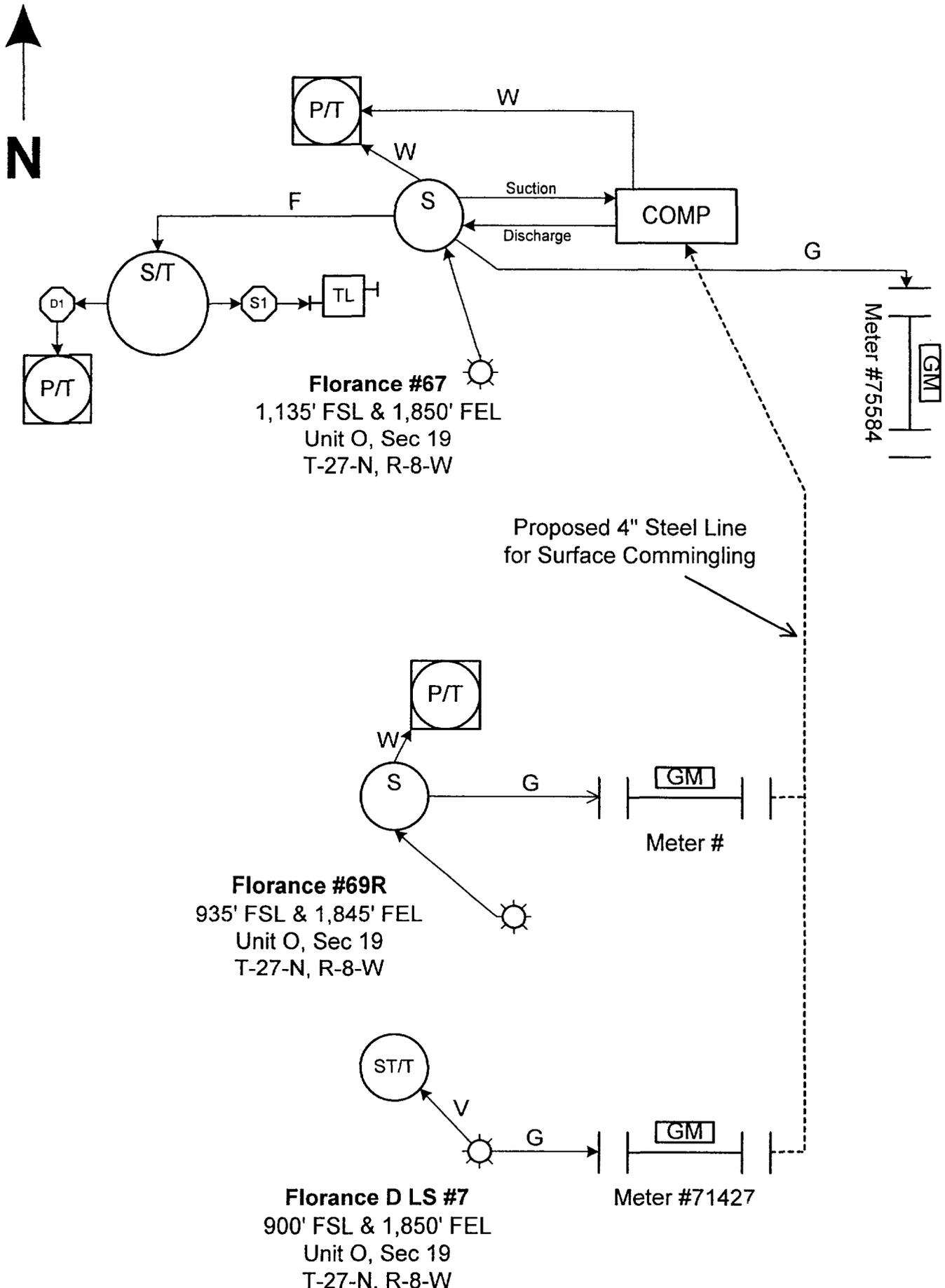
$$\text{Florance \#67 Production} = \text{Meter \#75584} - \text{Meter \#71427} - \text{Florance \#69R Meter} + \text{Allocated compressor fuel gas}$$

The compressor's fuel gas will be allocated equally all three wells. The fuel gas usage is estimated to be 9 MCFD for the compressor.

No commingling of oil or water will occur. Production and sales will be based on actual measured volumes from each well.

XTO ENERGY

Site Diagram for the Florance D LS #7, Florance #67 & Florance #69R Proposed Surface Commingling



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