

DATE IN 4/1/02	SUSPENSE NA	ENGINEER WJ	LOGGED IN KW	TYPE PC	APP NO. PKRV 0209238290
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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

APR - 1 2002

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.

DARRIN STEED
 Print or Type Name

Darrin Steed
 Signature

Operations Engineer 3/28/02
 Title Date

Darrin_Steed@XTOEnergy.com
 e-mail Address



March 28, 2002

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

RE: Administrative Approval to Surface Commingle
Dawson Federal #1 & Dawson Federal #1B
Sec 26, T-27-N R-8-W
San Juan County, New Mexico

Dear Mr. Catanach,

XTO Energy, Inc. (XTO) requests administrative approval to surface commingle the Dawson Federal #1 and the Dawson Federal #1B. The Dawson Federal #1B will be new Blanco Mesaverde well.

Both wells are located on the same Federal Lease #NMSF - 078480. Since all working, revenue and royalty interest owners are common interest owner notification was not necessary. The Bureau of Land Management (BLM) has requested that central tank batteries be utilized to minimize land disturbance whenever possible. Production allocation testing is described on the attached document.

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

1. Well information table.
2. Battery schematic of proposed installation.
3. Well location plat.
4. Proposed testing schedule and procedure for allocation purposes.

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

Sincerely,
XTO ENERGY, INC

A handwritten signature in cursive script that reads 'Darrin L. Steed'.

Darrin L. Steed
Operations Engineer

Enclosures

Cc: DLS File
Well File
GLM

C:\Work\Surface Commingles\Dawson Federal #1 & #1B.doc

Proposed Testing Procedure and Schedule

The Dawson Federal #1B will have all oil, water and gas commingled at the Dawson Federal #1 separator. Allocation of oil, water and gas between these two wells will be determined on a semiannual basis. Since the Dawson Federal #1B is a new well and more prone to production rate variance it will be shut in during testing. The Dawson Federal #1 was completed in 1966 as a dual Basin Dakota and Blanco Mesaverde well. In 1999 the well was downhole commingled and put on rod pump. The Dawson Federal #1 is better able to maintain a stable production rate over the proposed six month allocation period.

The Dawson Federal #1B will be shut in until a stabilized production rate is obtained from the Dawson Federal #1. All oil and water production will be measured daily to obtain average volumes for allocation. This daily average volume will be allocated to this well for a six month period following each test. Once testing is completed the production from the Dawson Federal #1B will be determined by the following equation:

$$\text{Gas Production} = \text{Volume @ meter \#75697} + \text{Fuel Usage} - \text{Dawson Federal \#1 allocation.}$$

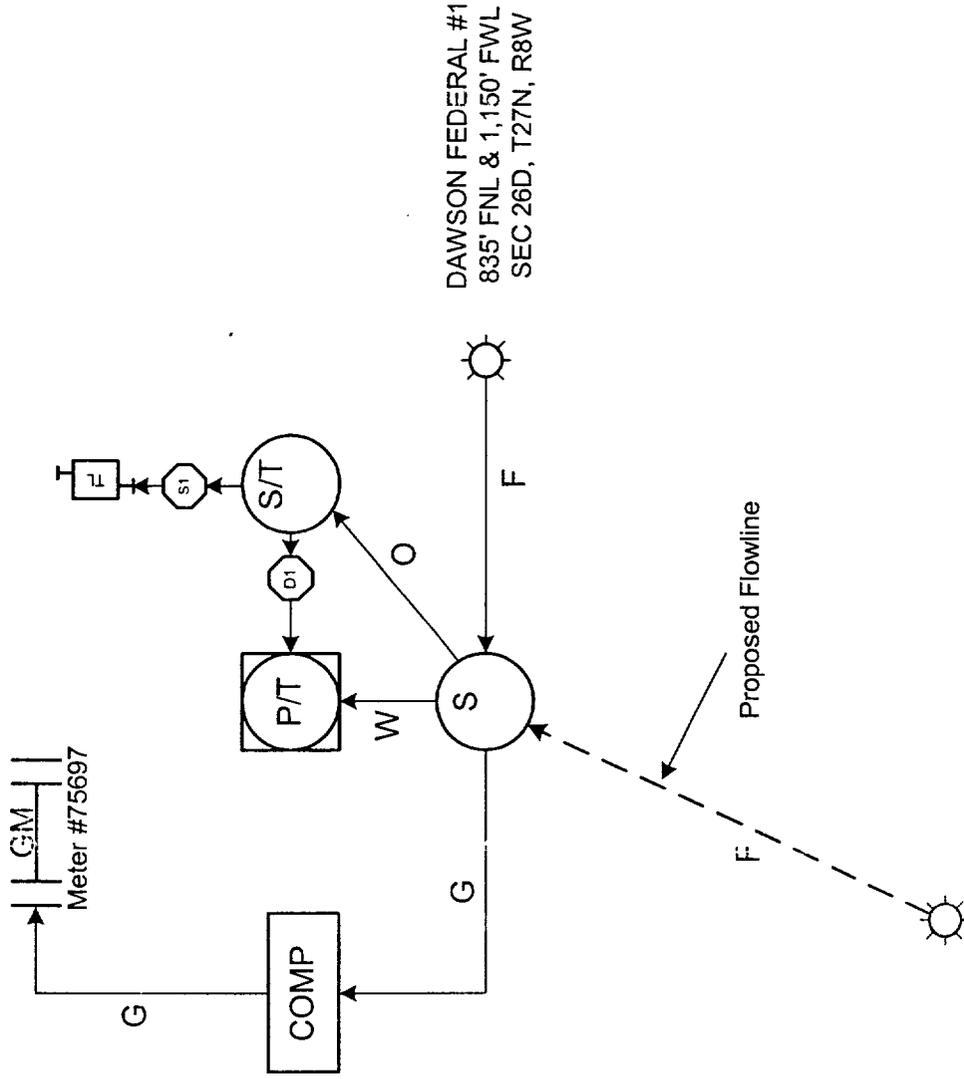
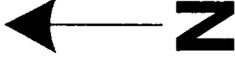
$$\text{Oil and Water Production} = \text{Total volume for each product} - \text{Dawson Federal \#1 allocation.}$$

Well Information

	Dawson Federal #1	Dawson Federal #1B
Location	Sec 26D, T27N, R8W	Sec 26E, T27N, R8W
Formation	Mesaverde/Dakota	Mesaverde
API #	30-045-11873	30-045-30886
Pool Name	Blanco/Basin	Blanco
Pool Code	72319/71599	72319
Gas Gravity	.758	Est .79
Gas Rate (MCFD)	69	Est. 250
Oil Gravity	NA	Est. 64
Oil Rate (BPD)	0	Est 2.0
Water Rate (BPD)	0.4	Est. 1.0
WI	100%	100%
NRI	70%	70%

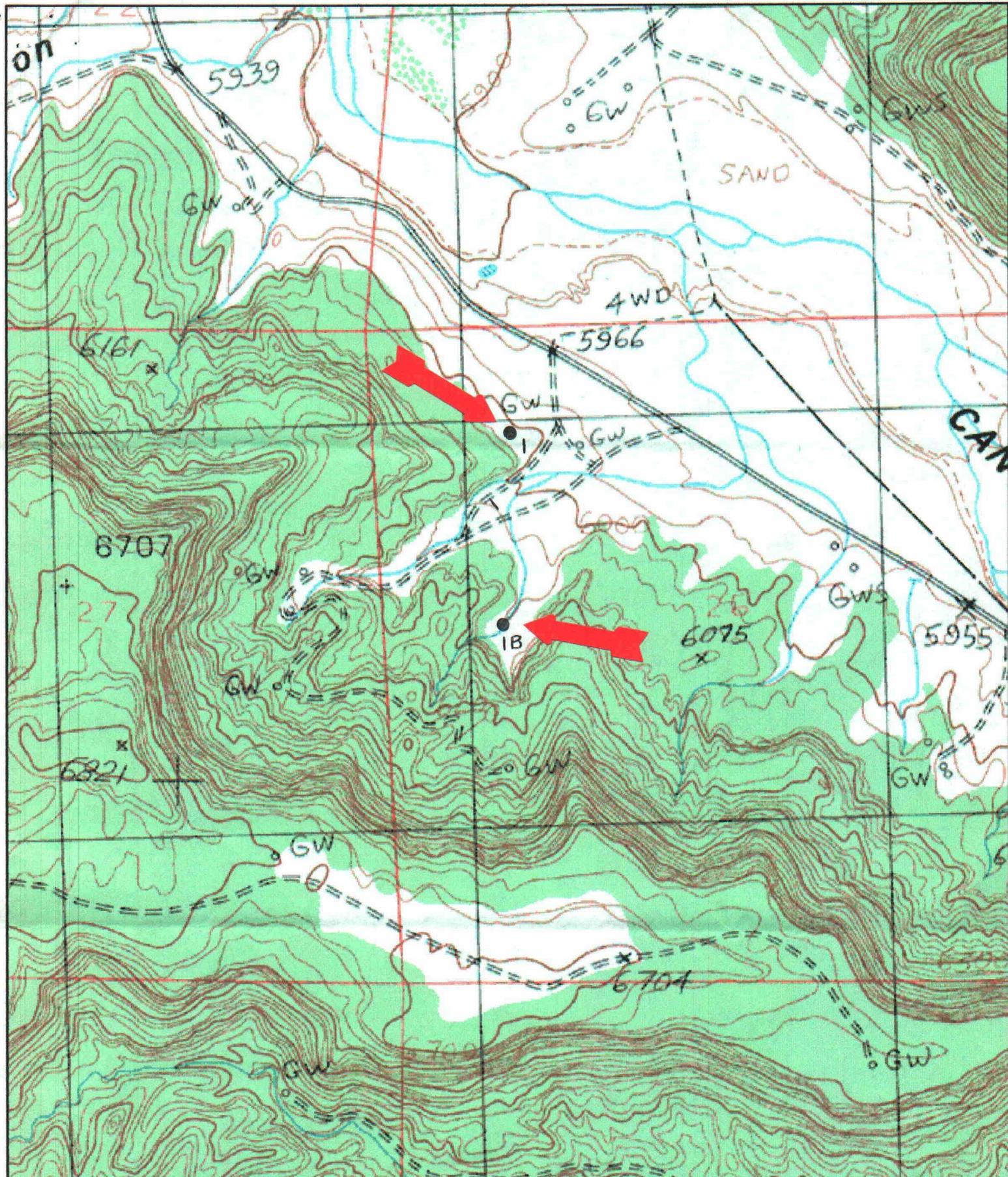
Production volumes are averaged over the past 13 months.

XTO ENERGY, INC
PROPOSED COMMINGLING SCHEMATIC
DAWSON FEDERAL #1 & DAWSON FEDERAL #1B
NW/4 SEC. 26, T-27-N, R-8-W
Fed Lease #: NMSF - 078480



DAWSON FEDERAL #1
 835' FNL & 1,150' FWL
 SEC 26D, T27N, R8W

DAWSON FEDERAL #1B
 2,420' FNL & 950' FWL
 SEC 26E, T27N, R8W



Name: FRESNO CANYON
 Date: 3/28/102
 Scale: 1 inch equals 1000 feet

Location: 036° 32' 44.7" N 107° 39' 27.9" W
 Caption: Dawson Federal #1 #1B
 Surface Commingle