

DATE IN 8/6/02	SUSPENSE NA	ENGINEER WJ	LOGGED IN MV	TYPE PC	APP NO. 221946832
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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:**

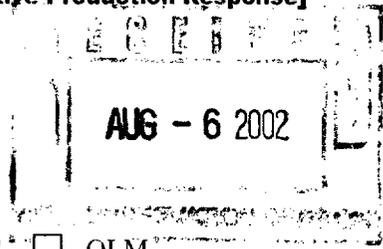
- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]  
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]  
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]  
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance 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

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 July 29, 2002  
 Title Date

Darrin\_Steed@XTOEnergy.com  
 e-mail Address



July 29, 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  
Florance D LS #13 & Florance D #13B  
Sec 20, 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 Florance D LS #13 and the Florance D #13B. The Florance D #13B will be new Blanco Mesaverde/Otero Chacra well. (30-045-06345)

Both wells are located on the same Federal Lease #NMNM - 03380. 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 Steed'.

Darrin L. Steed  
Operations Engineer

Enclosures

Cc: DLS File  
Well File  
GLM

C:\Work\Surface Commingles\Florance D LS #13 & D #13B.doc

**Proposed Testing Procedure and Schedule**

The Florance D #13B will have all oil, water and gas commingled at the Florance D LS #13 separator. Allocation of oil, water and gas between these two wells will be determined on a semiannual basis. Since the Florance D #13B is a new well and more prone to production rate variance it will be shut in during testing. The Florance D LS #13 was completed in 1958 as a dual Blanco Mesaverde and South Blanco Pictured Cliffs well. In 2001 the well was downhole commingled and put on rod pump. Due to its age the Florance D LS #13 is better able to maintain a stable production rate over the proposed six month allocation period.

The Florance D #13B will be shut in until a stabilized production rate is obtained from the Florance D LS #13. 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 Florance D #13B will be determined by the following equation:

$$\text{Gas Production} = \text{Volume @ gas meter} + \text{Fuel Usage} - \text{Florance D LS \#13 allocation.}$$

$$\text{Oil and Water Production} = \text{Total volume for each product} - \text{Florance D LS \#13 allocation.}$$

**Well Information**

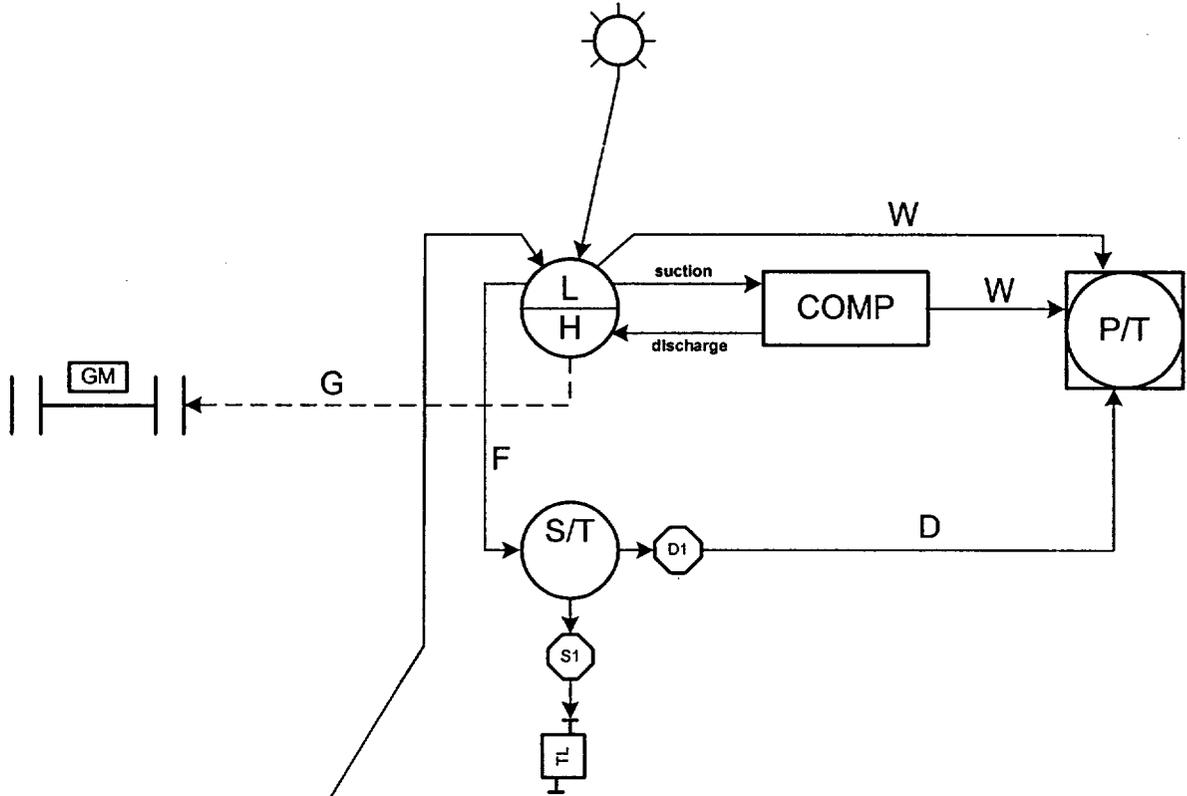
	Florance D LS #13	Florance D #13B <sup>new</sup>
Location	Sec 20K, T27N, R8W	Sec 20M, T27N, R8W
Formation	Mesaverde/Pictured Cliffs	Mesaverde/Chacra
API #	30-045-06345	30-045-31081
Pool Name	Blanco/South Blanco	Blanco/Otero
Pool Code	72319/72439	72319/82329
Gas Gravity	.774	Est. .780
Gas Rate (MCFD)	120	Est. 500
Oil Gravity	NA	Est. 55
Oil Rate (BPD)	0	Est 1.0
Water Rate (BPD)	2	Est. 1.0
WI	100%	100%
NRI	67.5%	67.5%

Production volumes are averaged over the past 8 months.

**XTO ENERGY INC**  
**PROPOSED COMMINGLING SCHEMATIC**  
**FLORANCE D LS #13 & FLORANCE D #13B**  
**SW/4 SEC. 20, T-27-N, R-8-W**  
**Federal Lease #: NMNM-03380**

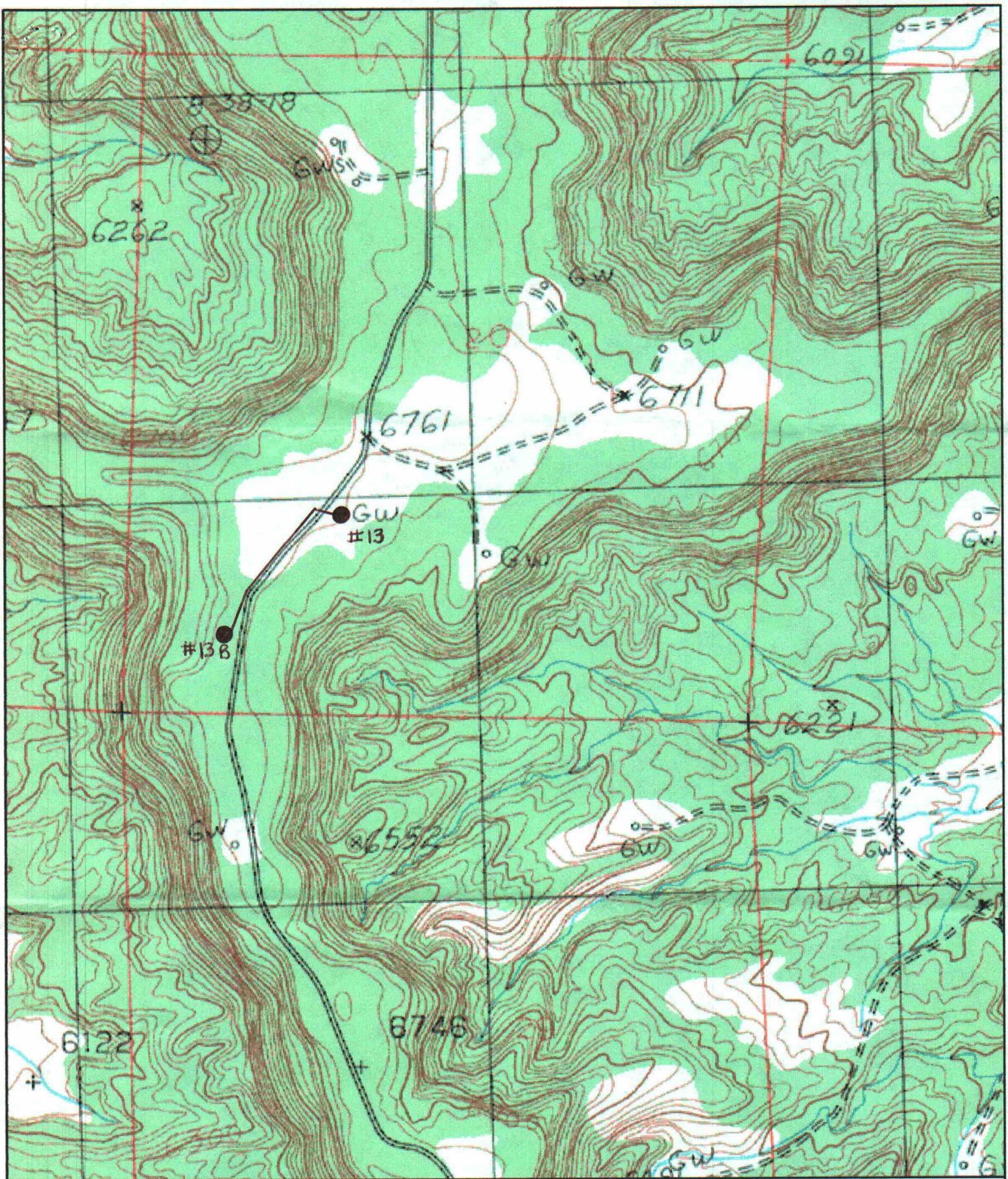


FLORANCE D LS #13  
 1,650' FSL & 1,700' FWL  
 SEC 20K, T27N, R8W



Proposed Flowline  
 3" x 1,400'

FLORANCE D #13B  
 660' FSL & 800' FWL  
 SEC 20M, T27N, R8W



Name: FRESNO CANYON  
Date: 4/8/102  
Scale: 1 inch equals 1000 feet

Location: 036° 33' 19.1" N 107° 42' 11.1" W  
Caption: Surface Commingling  
Florance D #13B, #13  
XTO Energy Inc