



August 15, 2002

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

RE: Administrative Approval to Ammend Surface Commingle Order PC-1009  
Florance #63E, Florance D #10B & Florance D LS #2  
Sec 17, T-27-N R-8-W  
San Juan County, New Mexico

Dear Mr. Catanach,

XTO Energy, Inc. (XTO) requests an amendment to include the Florance D #10B. All production from this well will be commingled at the Florance #63E battery.

All three 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 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

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

Darrin L. Steed  
Operations Engineer

Enclosures

Cc: GLM  
DLS  
Well File

C:\Work\Surface Commingles\Florance #63E, D #10B & D LS #2.doc

8/19/02	SUSPENSE NA	ENGINEER WJ	LOGGED IN KV	amand	TYPE PC	APP NO. 223247140
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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  
 Title

8/15/02  
 Date

Darrin-Steed@NTOEnergy.com  
 e-mail Address

# Florance #63E, Florance D #10B & Florance D LS #2

## Proposed Testing Procedure and Schedule

The Florance D LS #2 produces no water or oil. Gas production is measured at the allocation meter #22014 prior to compression.

The Florance D #10B will have all oil, water and gas commingled at the Florance #63E separator. Allocation of oil, water and gas between these two wells will be determined on a semiannual basis. Since the Florance D #10B is a new well and more prone to production rate variance it will be shut in during testing. The Florance #63E was completed in 1981 and will maintain a stable production rate over the six month allocation period.

The Florance D #10B will be shut in until a stabilized flow rate is obtained from the Florance #63E. All oil and water production will be measured daily to obtain average volumes for allocation. Production from the Florance #63E will be determined by the following equation:

$$\text{Gas Production} = \text{Volume @ meter \#93981} - \text{Volume @ meter \#22014} + \text{Fuel Usage.}$$

This daily average volume will be allocated to this well for the six month period following each test. Fuel usage will be allocated based on each well's production. Once testing is completed the production from the Florance D #10B will be determined by the following equation:

$$\text{Gas Production} = \text{Volume @ meter \#93981} - \text{Volume @ meter \#22014} + \text{Fuel Usage} - \text{Florance \#63E allocation.}$$

$$\text{Oil and Water Production} = \text{Total volume for each product} - \text{Florance \#63E allocation.}$$

### Well Information

	Florance #63E	Florance D #10B	Florance D LS #2
Location	Sec 17B, T27N R8W	Sec 17A, T27N R8W	Sec 17B, T27N R8W
Formation	Mesaverde/Dakota	Chacra/Mesaverde	Pictured Cliffs
API #	30-045-24595	30-045-31086	30-045-06548
Pool Name	Blanco/Basin	Otero/Blanco	South Blanco
Pool Code	72319/71599	82329/72319	72439
Gas Gravity	.784	Est .67	.671
Gas Rate (MCFD)	148	Est 600	35
Oil Gravity	55	Est 56	NA
Oil Rate (BPD)	0.3	Est 1.0	0
Water Rate (BPD)	1.1	Est 1.0	0

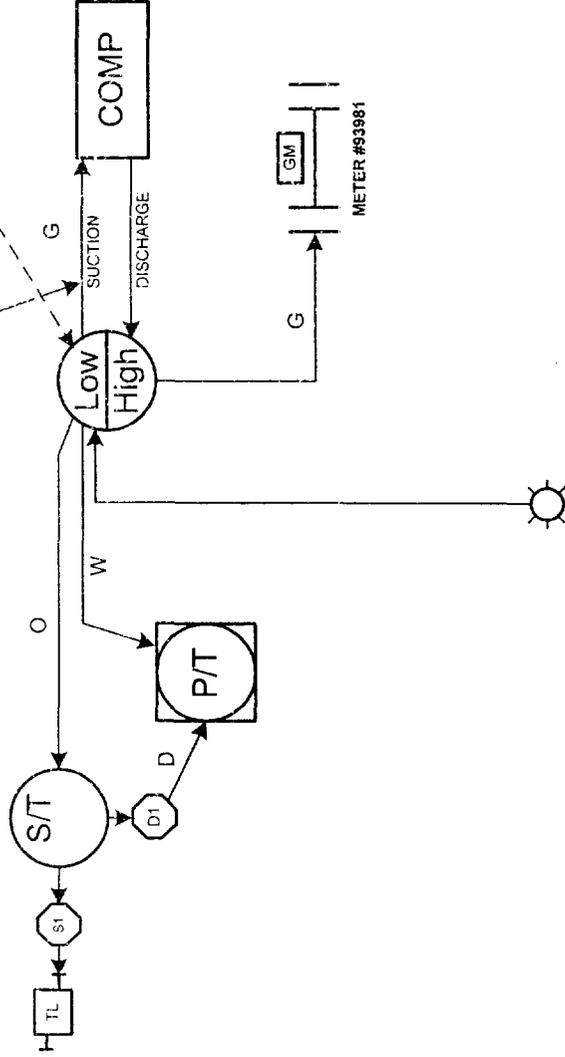
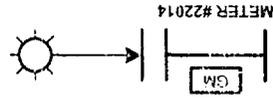
**XTO ENERGY, INC**  
**PROPOSED COMMINGLING SCHEMATIC**  
**FLORANCE #63E, FLORANCE D #10B & FLORANCE D LS #2**  
**NE/4 SEC. 17, T27N, R08W**  
**Fed Lease #: NMMNM - 03380**



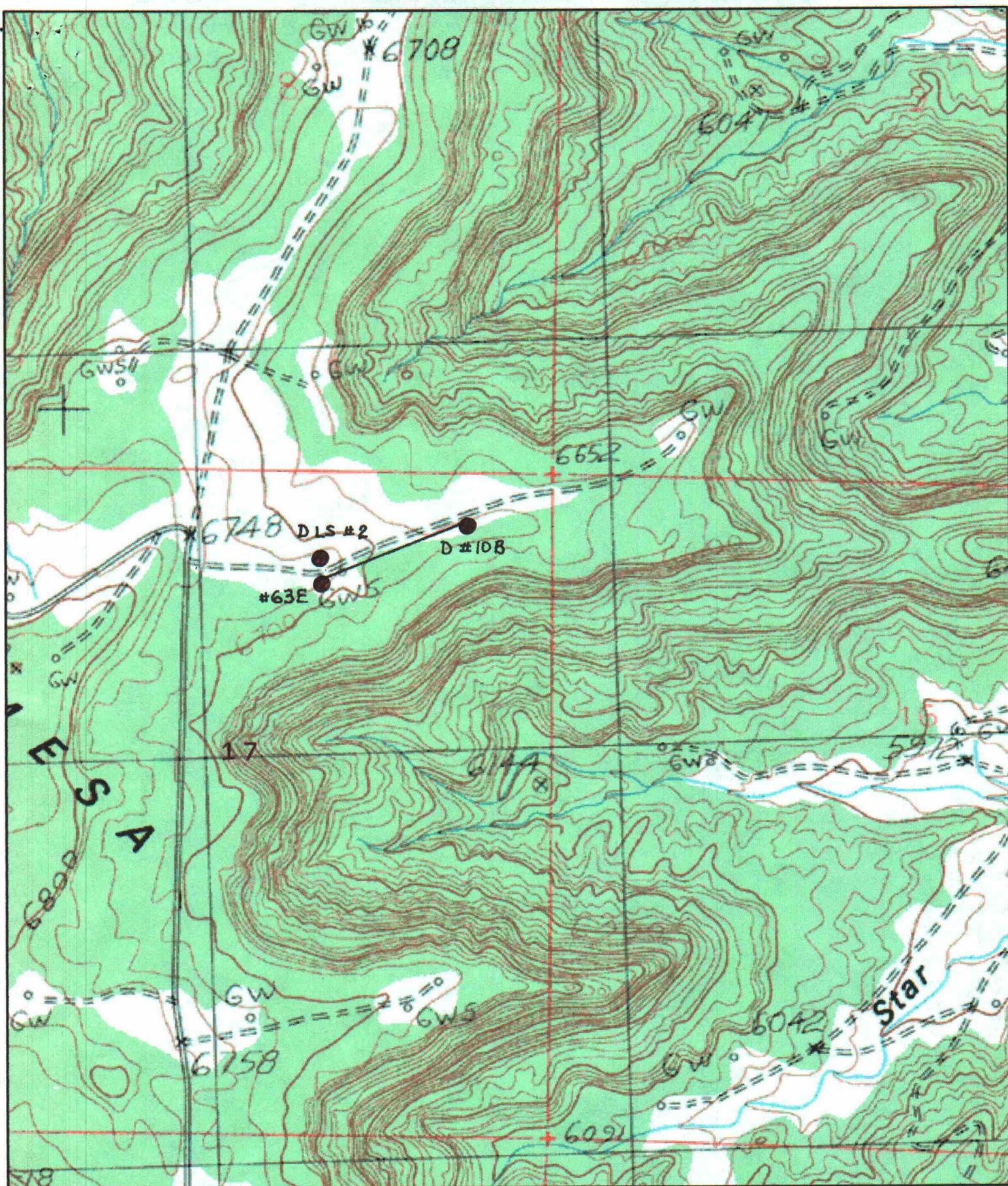
FLORANCE D #10B  
 415' FNL & 670' FEL  
 SEC 17A, T27N, R8W

Proposed Flowline  
 3" x 1,200'

FLORANCE D LS #2  
 800' FNL & 1,800' FEL  
 SEC 17B, T27N, R8W



FLORANCE #63E  
 980' FNL & 1,770' FEL  
 SEC 17B, T27N, R8W



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

Location: 036° 34' 44.5" N 107° 41' 46.9" W  
 Caption: Surface Commingling  
 Florance D #10B, D #2, #63E  
 XTO Energy Inc