

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0135  
Expires: November 30, 2000

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*

5. Lease Serial No.  
NMNM14921

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.  
30-039-2112 & 30-039-26923

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
XTO ENERGY INC  
Contact: HOLLY PERKINS  
E-Mail: Regulatory@xtoenergy.com

3a. Address  
2700 FARMINGTON AVE., BLDG K, SUITE 1  
FARMINGTON, NM 87401

3b. Phone No. (include area code)  
Ph: 505.324.1090 Ext: 4020  
Fx: 505.564.6700

8. Well Name and No.  
Multiple--See Attached

9. API Well No.  
Multiple--See Attached

10. Field and Pool, or Exploratory  
BLANCO MESAVERDE  
CHOSA MESA

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Multiple--See Attached

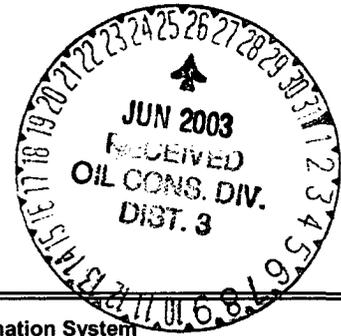
11. County or Parish, and State  
RIO ARRIBA COUNTY, NM

**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Surface Commingling
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

XTO Energy Inc. proposes to surface commingle these wells per the attached documents.



14. I hereby certify that the foregoing is true and correct.

**Electronic Submission #22298 verified by the BLM Well Information System  
For XTO ENERGY INC, sent to the Farmington  
Committed to AFMSS for processing by Jim Lovato on 06/16/2003 (03JXL0085SE)**

Name (Printed/Typed) DARRIN STEED Title REGULATORY SUPERVISOR

Signature (Electronic Submission) Date 05/27/2003

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By /s/ Jim Lovato Title \_\_\_\_\_ JUN 23 2003

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Office \_\_\_\_\_

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

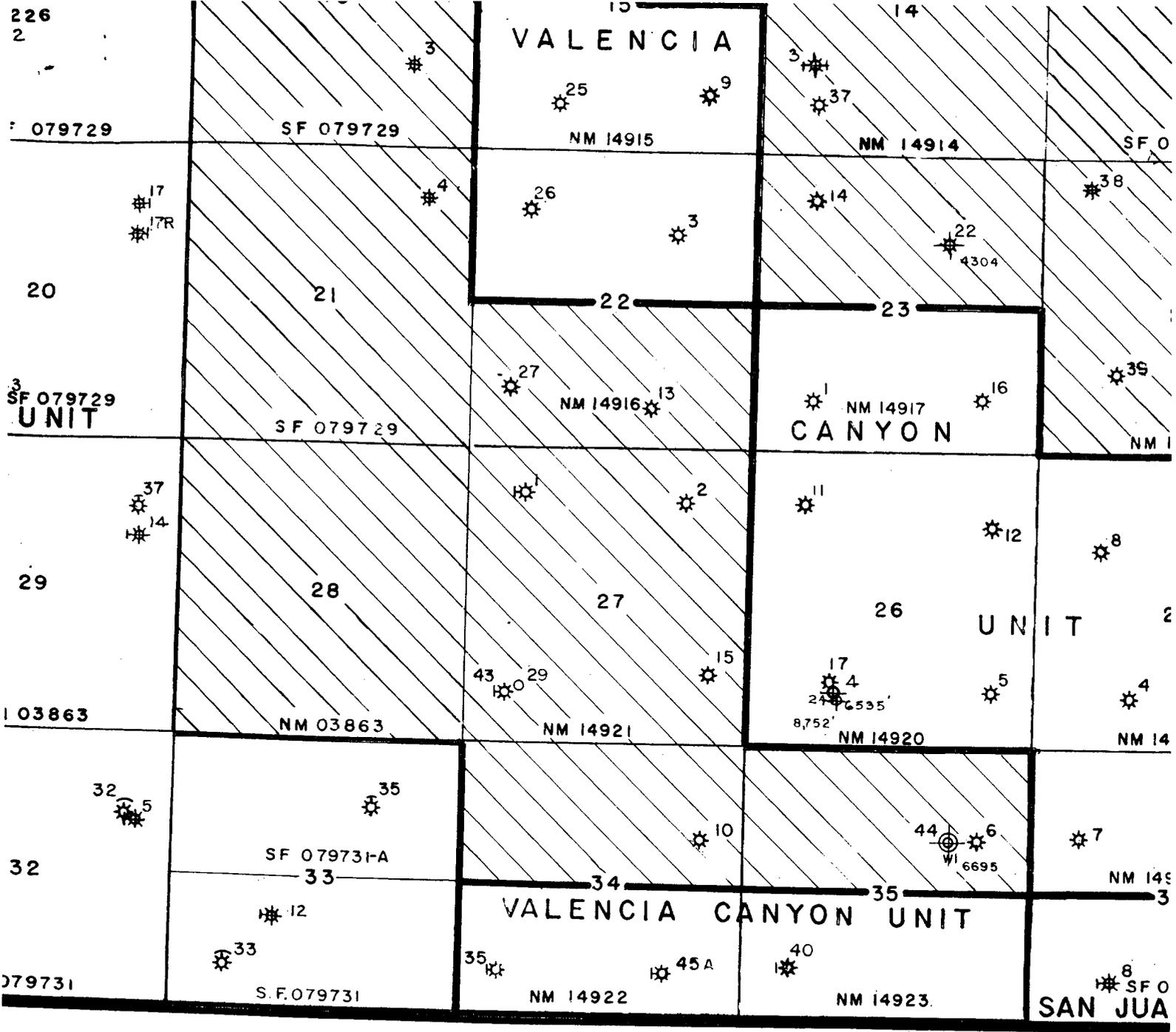
**\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\***

NMOC D

**Additional data for EC transaction #22298 that would not fit on the form**

**Wells/Facilities, continued**

<b>Agreement</b>	<b>Lease</b>	<b>Well/Fac Name, Number</b>	<b>API Number</b>	<b>Location</b>
NMNM14921	NMNM14921	VALENCIA CANYON 2	30-039-21112-00-S1	Sec 27 T28N R4W NENE 1050FNL 1140FEL 36.63548 N Lat, 107.23305 W Lon
NMNM14921	NMNM14921	GREGORY FEDERAL A 1A	30-039-26923-00-X1	Sec 27 T28N R4W NENE 1585FNL 1965FEL



R. 4 W.

DEPARTMENT OF THE INTERIOR  
 BUREAU OF LAND MANAGEMENT  
 ALBUQUERQUE DISTRICT

MAP OF  
 PORTION OF RIO ARRIBA COUNTY

DRAWN BY F.C. BIGELOW

ROSWELL, NEW MEXICO

JUNE 1953

MAP NO. ROSWELL 62

Rev. 4-1986 E.F.M.	Rev. 1-1990 A.Y.	Rev. 6-1989 A.Y.	Rev. 8
Rev. 9-1985 E.F.M.	Rev. 1-1989 A.Y.	Rev. 1-1989 A.Y.	Rev. 1
Rev. 4-1985 E.F.M.	Rev. 9-1984 E.F.M.	Rev. 4-1988 A.Y.	Rev. 1
Rev. 4-1984 E.F.M.	Rev. 4-1984 E.F.M.	Rev. 10-1987 A.Y.	Rev. 6
Revised 11-82 E.F.M.	Rev. 4-1987 A.Y.	Rev. 10-1986 A.Y.	Rev. 6



May 1, 2003

Mr. William Jones  
New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Re: Administrative Approval to Surface Commingle  
Valencia Canyon Unit #2 & Gregory Federal "A" #1A  
Unit Letter "A", Section 27, Township 28-N, Range 4-W  
Rio Arriba County, New Mexico

Dear Mr. Jones:

XTO Energy Inc. requests administrative approval to surface commingle the Valencia Canyon Unit #2 & a new drill, the Gregory Federal "A" #1A. The Gregory Federal "A" #1A will be a new Mesaverde well.

Both wells are located on the same Federal Lease #NMNM-14921. Since all working, revenue and royalty interest ownership are common, interest owner notification was not required. The Bureau of Land Management has requested that production facilities be consolidated whenever possible, to minimize land disturbance.

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

- 1) Well information table
- 2) Proposed testing schedule and procedure for allocation purposes.
- 3) Proposed production facilities diagram.
- 4) Well location map.
- 5) Working, revenue & royalty interest ownership records

If additional information is required, please contact me at (505)324-1090.

Sincerely,

A handwritten signature in black ink, appearing to read 'Trenis Sondresen', written over a horizontal line.

Trenis Sondresen  
Operations Engineer

Enclosure

cc: GLM  
Wellfile

**Valencia Canyon Unit #2 & Gregory Federal A #1A  
Surface Commingle**

**Well Information**

	<b>Valencia Canyon Unit #2</b>	<b>Gregory Federal A #1A</b>
<b>Location</b>	<b>Sec. 27A, T-28-N, R-4-W</b>	<b>Sec. 27G, T-28-N, R-4-W</b>
<b>Formation</b>	<b>Pictured Cliffs</b>	<b>Mesaverde</b>
<b>API #</b>	<b>30-039-21112</b>	<b>30-039-26923</b>
<b>Pool Name</b>	<b>Choza Mesa Pictured Cliffs</b>	<b>Blanco Mesaverde</b>
<b>Pool Code</b>	<b>74960</b>	<b>72319</b>
<b>Gas Gravity</b>	<b>0.722</b>	<b>Est. 0.65</b>
<b>Gas Rate (MCFD)</b>	<b>21</b>	<b>Est. 400</b>
<b>Oil Gravity</b>	<b>n/a</b>	<b>Est. 58</b>
<b>Oil Rate (BOD)</b>	<b>0</b>	<b>Est. 1.0</b>
<b>Water Rate (BWD)</b>	<b>0.4</b>	<b>Est. 1.0</b>
<b>WI</b>	<b>100%</b>	<b>100%</b>
<b>NRI</b>	<b>87.5%</b>	<b>87.5%</b>

Production volumes are averaged over the last year.

**Proposed Testing Procedure & Schedule:**

The Gregory Federal A #1A will have all oil, water and gas surface commingled at the Valencia Canyon Unit #2 production facilities. Since the Gregory Federal A #1A is a new well and prone to production rate variances, it will be shut-in while testing the Valencia Canyon Unit #2. The Valencia Canyon Unit #2 was drilled and completed in 1975 as a Pictured Cliffs well. Due to its age, the Valencia Canyon Unit #2 is expected to maintain a stable production rate over the proposed six month allocation period.

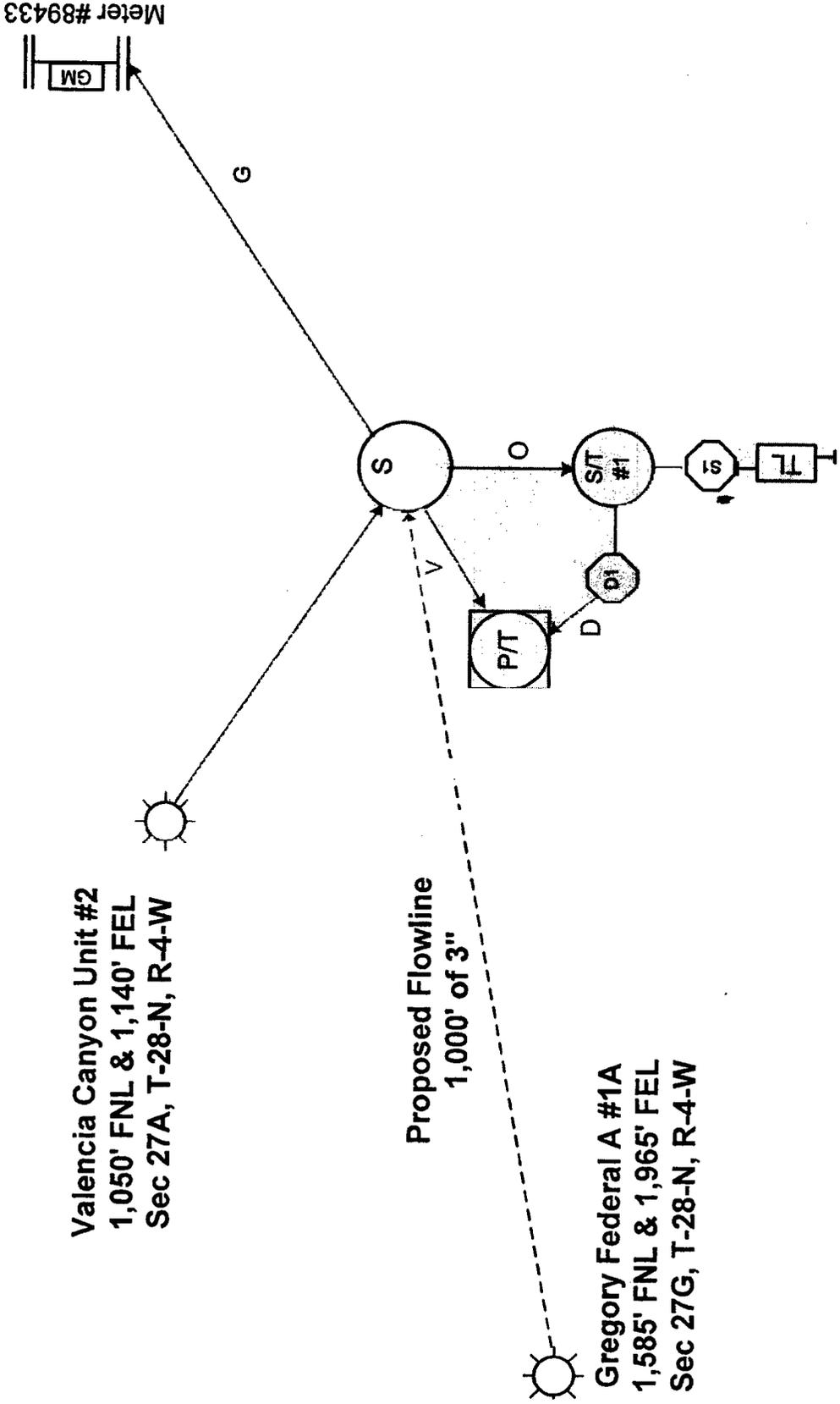
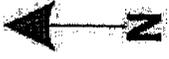
*A stabilized well test will be conducted every six months.*

The Gregory Federal A #1A will be shut-in while a stabilized production rate is established for the Valencia Canyon Unit #2. All oil and water production will be measured daily to obtain average volumes for allocation. This daily average volume will be allocated to the Valencia Canyon Unit #2 for a six month period following each test. Once testing is completed the production from the Gregory Federal A #1A will be determined by the following equation:

Gas Production = Volume @ meter #89433 + Fuel usage – Valencia Canyon Unit #2 allocation.

Oil & Water Production = Total Volume for each product – Valencia Canyon Unit #2 allocation.

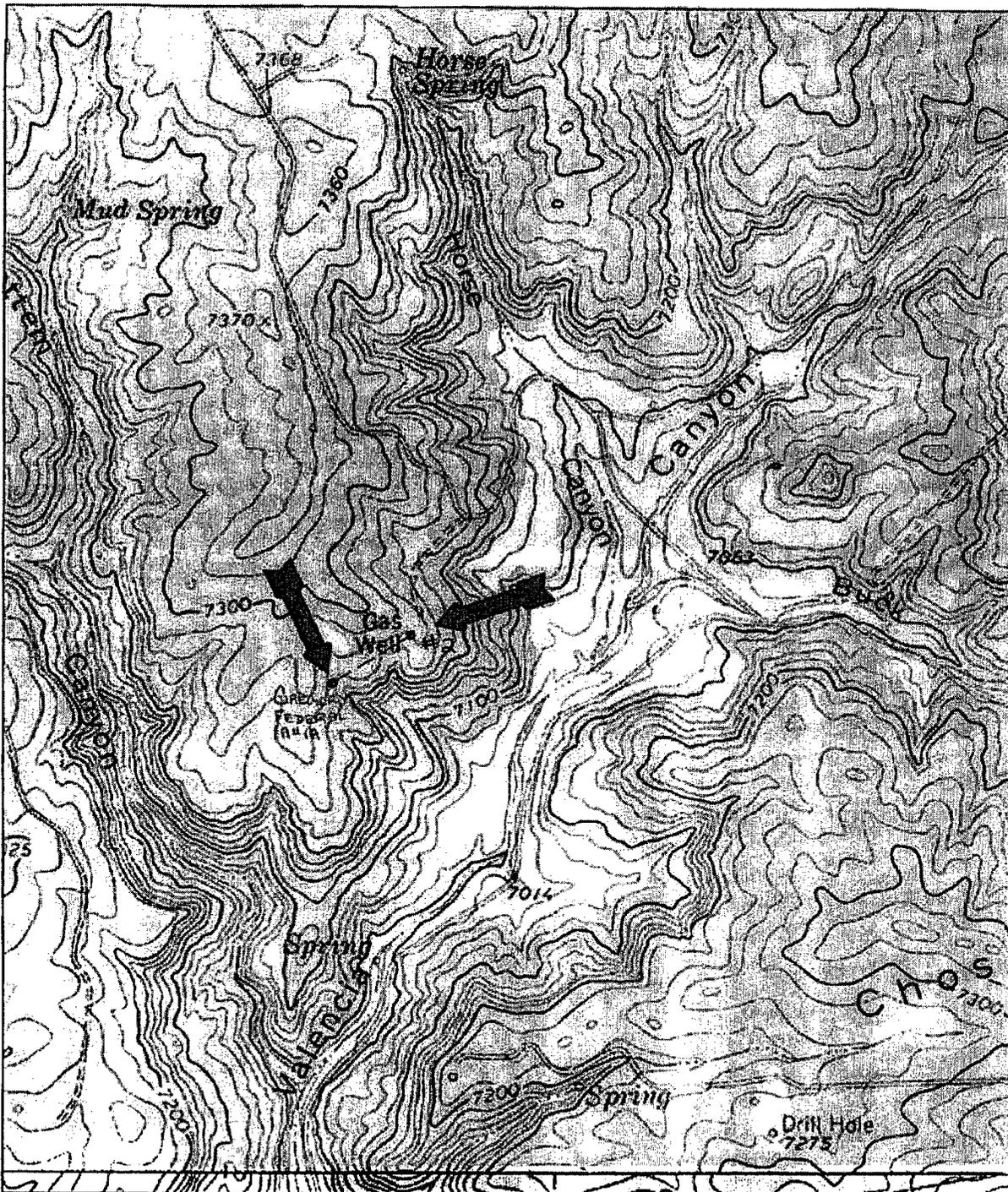
**XTO Energy Inc.**  
**Proposed Surface Commingling Facilities Diagram**  
**Location: NE/4 SEC. 27, T-28-N, R-4-W**  
**NMNM-14921**



**Valencia Canyon Unit #2**  
**1,050' FNL & 1,140' FEL**  
**Sec 27A, T-28-N, R-4-W**

**Proposed Flowline**  
**1,000' of 3"**

**Gregory Federal A #1A**  
**1,585' FNL & 1,965' FEL**  
**Sec 27G, T-28-N, R-4-W**



Name: LEANDRO CANYON  
 Date: 5/1/103  
 Scale: 1 inch equals 1000 feet

Location: 036° 38' 16.5" N 107° 13' 50.0" W  
 Caption: Gregory Federal A#1A .VCU #2

Copyright (C) 1997, Maptech, Inc.

Sincerely,  
 XTO ENERGY INC.

*George A. Cox*  
 George A. Cox, CPL  
 Landman

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
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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

- Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
 WFX  PMX  SWD  IPI  EOR  PPR

Other: Specify \_\_\_\_\_

[2] **NOTIFICATION REQUIRED TO: - Check Those Which Apply, or  Does Not Apply**

- [A]  Working, Royalty or Overriding Royalty Interest Owners  
 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      *Darrin Steed*      Regulatory Supervisor      5/27/03  
 Print or Type Name      Signature      Title      Date

Darrin\_Steed@XTOEnergy.com  
 e-mail Address