

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau 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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

XT0 Energy Inc.

3a. Address

2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401505-324-1090

3b. PhoneNo. (include area code)

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

665' FSL & 1540' FEL, UNIT 0, SEC 21, T27N, R08W

5. Lease Serial No.

NMNM 03380

6. If Indian, Allottee or Tribe Name

7. If Unit or CA / Agreement, Name and /or No

8. Well Name and No.

FLORANCE D #14B

9. API Well No.

30-045-30819

10. Field and Pool, or Exploratory Area

BLANCO MESAVERDE

11. County or Parish, State

SAN JUAN NM

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

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- | | | | |
|---|---|--|--|
| <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other <u>SURFACE</u> |
| <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | <u>COMMINGLE</u> |
| <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 approximated duration thereof. If the proposal is to deepen directionally or recomplete 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 recompletion 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 final site is ready for final inspection.)

XT0 Energy Inc. proposes to surface commingle this well per the attached documents.

CONDITIONS OF APPROVAL

- All new pipeline work must be limited to previously disturbed land.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

DARRIN STEED

Title

OPERATIONS ENGINEER

Date 4/1/02

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ Jim Lovelace

Title

Per Eng

Date

4/3/02

Office

BLM-FFO

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.

Title 18 U.S.C. Section 1001, makes 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.

(Instructions on reverse)

NMOCD



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Betty Rivera
Cabinet Secretary

REC'D / SAN JUAN

MAR 28 2002

Lori Wrotenbery
Director
Oil Conservation Division

COMMINGLING ORDER PC-1025-A

XTO Energy Inc.
2700 Farmington Avenue
Building K, Suite 1
Farmington, New Mexico 87401

Attention: Mr. Darrin L. Steed

The above named company is hereby authorized to include one (1) additional well to the existing surface commingling order PC-1025. After this addition, the resulting commingled pools and wells are as specified below:

<u>Pool</u>	<u>Pool Code</u>
South Blanco – Pictured Cliffs	72439
Blanco – Mesa Verde	72319

New Well: Florance D No. 014B (API No. 30-045-30819)
Blanco – Mesa Verde Pool
SW/4 SE/4 of Section 21, Township 27N, Range 8W NMPM

Existing Well: Florance D LS No. 014A (API No. 30-045-29246)
Blanco – Mesa Verde Pool
NE/4 SE/4 of Section 21, Township 27N, Range 8W NMPM

Existing Well: Florance D LS No. 001 (API No. 30-045-06342)
South Blanco – Pictured Cliffs Pool
NE/4 SE/4 of Section 21, Township 27N, Range 8W NMPM

All three (3) wells are located in San Juan County, New Mexico. These wells all have common ownership and are located on the same Federal lease No. NMNM – 03380.

The two (2) Mesa Verde wells shall be production tested whenever operating conditions change as denoted by changing wellhead flowing pressures. The Pictured Cliffs well shall be equipped with an individual allocation meter. Oil, water, and gas production and compressor fuel gas usage will be allocated based on these production and pressure tests.

NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Division Rules and Regulations and the Division "Manual for the

Administrative Order PC-1025-A
XTO Energy, Inc.
March 22, 2002
Page 2

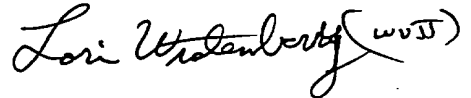
Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

REMARKS: The commingled natural gas production shall be delivered to a gas sales meter located in the NE/4 SE/4 of Section 21, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico.

FURTHER: The operator shall notify the supervisor of the Aztec district office prior to implementation of this commingling operation.

PROVIDING: Like approval is also required from the U.S. Bureau of Land Management.

DONE at Santa Fe, New Mexico, on this 22nd day of March 2002.



LORI WROTENBERY,
Division Director

LW/WVJ

cc: Oil Conservation Division- Aztec
Bureau of Land Management – Farmington



March 7, 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 #1, Florance D LS #14A & Florance D #14B
Sec 21, 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 #14B with the Florance D LS #1 & Florance D LS #14A. The Florance D #14B will be new Blanco Mesaverde well. The Florance D LS #1 and Florance D LS #14A are already surface commingled per NMOCD order PC-1025.

All three wells are located on the same Federal Lease #NMNM - 03380 and working, revenue and royalty interest owners are common. Mr. Frank Chavez at the NMOCD Aztec office said that since this is a single lease and all interests are common that 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. 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, appearing to read 'Darrin L. Steed'.

Darrin L. Steed
Operations Engineer

Enclosures

Cc: DLS File
Well File
GLM

C:\Work\Surface Commingles\Florance D LS #1, #14A & #14B.doc

Proposed Testing Procedure and Schedule

The Florance D LS #1 produces no water or oil. Gas production is measured at the allocation meter #22024 prior to compression.

The Florance D #14B will have all oil, water and gas commingled at the Florance D LS #14A separator. Allocation of oil, water and gas between these two wells will be determined on a semiannual basis. Since the Florance D #14B is a new well and more prone to production rate variance it will be shut in during testing. The Florance D LS #14A was completed in 1995 and will maintain a stable production rate over the six month allocation period.

The Florance D #14B will be shut in until a stabilized flow rate is obtained from the Florance D LS #14A. All oil and water production will be measured daily to obtain average volumes for allocation. Production from the Florance D LS #14A will be determined by the following equation:

$$\text{Gas Production} = \text{Volume @ meter \#97929} - \text{Volume @ meter \#22024} + \text{Fuel Usage.}$$

This daily average volume will be allocated to this well for the six month period following each test. Once testing is completed the production from the Florance D #14B will be determined by the following equation:

$$\text{Gas Production} = \text{Volume @ meter \#97929} - \text{Volume @ meter \#22024} \\ + \text{Fuel Usage} - \text{Florance D LS \#14A allocation.}$$

$$\text{Oil and Water Production} = \text{Total volume for each product} - \text{Florance D LS \#14A allocation.}$$

Well Information

	Florance D LS #1	Florance D LS #14A	Florance D #14B
Location	Sec 21I, T27N, R8W	Sec 21I, T27N, R8W	Sec 21O, T27N, R8W
Formation	Pictured Cliffs	Mesaverde	Mesaverde
API #	30-045-06342	30-045-29246	30-045-30819
Pool Name	South Blanco	Blanco	Blanco
Pool Code	72439	72319	72319
Gas Gravity	.672	.793	Est .79
Gas Rate (MCFD)	34	128	Est. 250
Oil Gravity	NA	64	Est. 64
Oil Rate (BPD)	0	0.3	Est 2.0
Water Rate (BPD)	0	0.5	Est. 1.0
WI	100%	100%	100%
NRI	67.5%	67.5%	67.5%

Production volumes are averaged over the past 11 months.

XTO ENERGY, INC
PROPOSED COMMINGLING SCHEMATIC
FLORANCE D LS #1, FLORANCE D LS #14A & FLORANCE D #14B
SE/4 SEC. 21, T27N, R8W
Fed Lease #: NMNM - 03380

