

4/07/2014 DATE IN	SUSPENSE	M A M ENGINEER	4/08/2014 LOGGED IN	DHC TYPE	PINAM 1409840311 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:

Record Clean up

[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.

KRISTEN D. BABCOCK
Print or Type Name

Kristen D. Babcock
Signature

REGULATORY ANALYST
Title

4/2/2014
Date

Kristen.Babcock@xtoenergy.com
e-mail Address



382 CR 3100 Aztec, NM 87410
(505) 333-3100 FAX: (505) 333-3280

April 2, 2014

NMOCD
Phillip Goetze
1220 South St. Francis Dr.
Santa Fe, NM 87505

RE: Record Clean Up for Downhole Commingle
Harper Hill Fruitland Sand- Pictured Cliffs (78160) & Basin Fruitland Coal (71629) Pools
Area of T30N, R14W
San Juan County, NM

RECEIVED
2014 APR - 1 P 2:12

Dear Mr. Goetze,

XTO Energy Inc. and the NMOCD Aztec District Office reviewed all of the XTO operated wells within the Harper Hill Fruitland Sand / PC Pool – located predominately within T30N, R14W, San Juan County NM – that had downhole comingling permits filed and approved through the NMOCD Aztec District Office by previous operators. These wells should have been filed and approved through the Santa Fe NMOCD, due to the fact that they are not pre-approved pools. XTO Energy Inc will be submitting these 12 wells to the Santa Fe NMOCD office for the appropriate approval. Allocations will remain as they were before.

WELL NAME	API	DHC #	Year Approved	Operator that Submitted
1. WF Federal 11 #1	30-045-32268	DHC-1923AZ	"2005"	Lance Oil and Gas
2. WF Federal 25 #1	30-045-30681	DHC-2416AZ	"2007"	Lance Oil and Gas
3. WF Federal 25 #2	30-045-30713	DHC-1209AZ	"2003"	Richardson Operating
4. WF Federal 27 #3	30-045-30393	DHC-2138AZ	"2006"	Lance Oil and Gas
5. WF Federal 03 #1	30-045-30202	DHC-3214AZ	"2009"	XTO Energy
6. WF State 2 #3	30-045-30759	DHC-1896AZ	"2005"	Lance Oil and Gas
7. Coolidge #2	30-045-31221	DHC-1076AZ	"2003"	Calpine Operating
8. Coolidge Com #1	30-045-26184	DHC-1005AZ	"2002"	Calpine Operating
9. Morton #2	30-045-25766	DHC-1003AZ	"2002"	Calpine Operating
10. Morton #3	30-045-31215	DHC-1075AZ	"2003"	Calpine Operating
11. Mr Nona 15 #1	30-045-30318	DHC-2573AZ	"2007"	Lance Oil and Gas
12. Roosevelt #2	30-045-31222	DHC-1028AZ	"2003"	Calpine Operating

Sincerely,

Kristen D. Babcock
Regulatory Analyst
xc: Jackson Dean, Ft. Worth Land

District I
1625 N. French Drive, Hobbs, NM 88240

District II
811 S. First St., Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

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

Record Clean up

Form C-107A
Revised August 1, 2011

APPLICATION TYPE
☒ Single Well
☐ Establish Pre-Approved Pools
EXISTING WELLBORE
☐ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

XTO Energy, Inc.

382 CR 3100, Aztec, NM 87410

Operator Address
MORTON #3 UNIT LETTER E, Sec 23, T30N, R14W SAN JUAN

Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 5380 Property Code 304997 API No. 30-045-31215 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	BASIN FRUITLAND COAL		HARPER HILL FRUITLAND SAND PICTURED CLIFFS
Pool Code	(71629)		(78160)
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	1273'-1383'		1406'-1410'
Method of Production (Flowing or Artificial Lift)	ROD/PUMP		ROD/PUMP
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)			
Producing, Shut-In or New Zone	PRODUCING		PRODUCING
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: 1/1/14 Rates: O:0/G:1562MCF/ W:1187	Date: Rates:	Date: 1/1/14 Rates: O:0/G:467MCF/W:355
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil 77 % Gas 77 %	Oil % Gas %	Oil 23 % Gas 23 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ No ☐
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes ☐ No ☐

Are all produced fluids from all commingled zones compatible with each other? Yes ☒ No ☐

Will commingling decrease the value of production? Yes ☐ No ☒

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes ☒ No ☐

NMOCD Reference Case No. applicable to this well: _____

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Kristen D. Babcock TITLE REGULATORY ANALYST DATE 4/2/14

TYPE OR PRINT NAME KRISTEN D. BABCOCK TELEPHONE NO. (505) 333-3206

E-MAIL ADDRESS kristen_babcock@xtoenergy.com

RESPONSE TO 123 REQUEST

Submit 3 Copies To Appropriate District Office

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
Revised March 25, 1999

<p>WELL API NO. 30-045-31215</p>	
<p>5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/></p>	
<p>6. State Oil & Gas Lease No. NM 26357</p>	
<p>7. Lease Name or Unit Agreement Name: MORTON</p>	
<p>8. Well No. #3</p>	
<p>9. Pool name or Wildcat</p>	
<p>10. Elevation (Show whether DR, RKB, RT, GR, etc.) 5736 GR</p>	

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<p>NOTICE OF INTENTION TO:</p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/></p> <p>TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/></p> <p>PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/></p> <p>OTHER: Complete and downhole commingle <input checked="" type="checkbox"/></p>	<p>SUBSEQUENT REPORT OF:</p> <p>REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/></p> <p>COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/></p> <p>CASING TEST AND CEMENT JOB <input type="checkbox"/></p> <p>OTHER: <input type="checkbox"/></p>
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12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

DHC 1075 A2 - Approved 1-30-2003
Calpine is proposing to complete into the Harper Hill-FS/PC and Basin Fruitland Coal Gas formation. The formations will be commingled down hole.

Division Order : 11363

Names of Commingled Pools : Basin Fruitland Coal Gas (71629) and Harper Hill-FS/PC(78160)

Perforated Intervals: Harper Hill 1406-1410 (proposed) Basin Fruitland Coal 1370-1383 and 1273-1283 (proposed).

Allocation Method : We will submit historical averages of of production from Pictured Cliffs wells from surrounding sections and compare that with the historical average production of commingled Pictured Cliffs and Fruitland Coal production and propose an allocation formula based on the average differences.

Commingling of the two formations will not reduce the total value of the total remaining production.

Calpine has sent a sundry notice to the BLM of the proposed action.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE *Hugo Cartaya* TITLE Production Manager DATE 1/17/03

Type or print name Hugo Cartaya Telephone No. (720) 946-1302
(This space for State use)

APPROVED BY *[Signature]* TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE MAR - 8 2003
Conditions of approval, if any:

Recompletion Procedure for
Calpine Natural Gas Company
Morton #3

Location: SWNW Sec 23 T30N R14W
San Juan County, NM

Date: January 17, 2003

Field: Harper Hill and Basin Fruitland Coal
Complete in PC and 2 Fruitland Coals

Elev: GL 5736'

KB 5741'

Surface: BLM

PBTD 4-1/2" @ 1487'

Minerals: BLM NM-26357

1. Set and fill 4 frac tanks with city water and heat to 80 degrees. Check anchors. MOL and RU completion rig. Hold safety meeting.
2. NU 2-3/8" relief line. RU wireline. Check PBTD.
3. Perforate 2 SPF (0.38" holes) from 1406' to 1410'. Total of 8 holes. Perforate 2 SPF (0.38" holes) from 1370' to 1383'. Total of 26 holes. Depths refer to the open-hole logs.
4. Rig up frac equipment and pressure test surface lines. Fracture with 75,000# of 20/40 Brady sand in a 25#/1000 gal cross-linked gel fluid.
5. RU wireline. RIH with perforating gun and flow through composite bridge plug run in tandem.
6. Set flow through composite bridge plug at 1320'. Perforate 4 SPF (0.38" holes) from 1273' to 1283'. Total of 40 holes. Depths refer to the open-hole logs.
7. Fracture with 35,000# of 20/40 Brady sand in a 25#/1000 gal cross-linked gel fluid.
8. Close BOPs. RD frac company and install flowline with 1/4" ceramic choke. Flow well back to pit overnight.
9. When well dies, TIH with bit on 2-3/8" EUE tubing and clean out and drill out bridge plug at 1225 with foam unit. Clean out to PBTD. POOH with tubing and lay down bit.
10. TIH with 1 tail joint, 1-4' perforated sub, Seating Nipple and 2 3/8" tubing. Land tubing. RIH with rods and pump. Put well on production. RD and release rig.

District I

1625 N. French Dr., Hobbs, NM 88240

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1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102

Revised August 15, 2000

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT**WELL LOCATION AND ACREAGE DEDICATION PLAT**

¹ API Number 30-045-31215	² Pool Code 78160	³ Pool Name HARPER HILL-FS/PC
⁴ Property Code	⁵ Property Name MORTON	⁶ Well Number #3
⁷ OGRID No. 214274	⁸ Operator Name CALPINE NATURAL GAS COMPANY, L.P.	⁹ Elevation 5736' GL

¹⁰ Surface Location

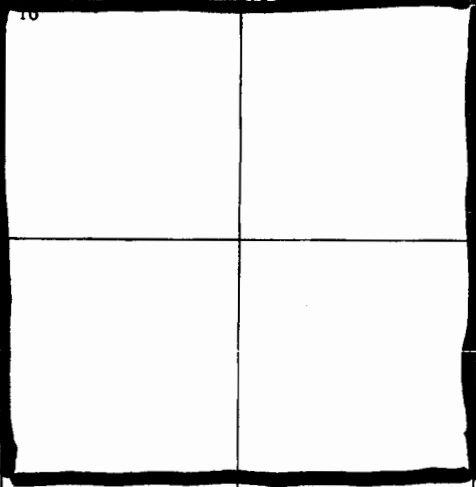
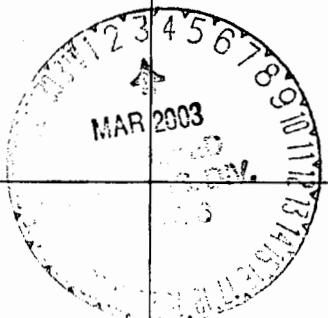
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	23	30N	14W		1810'	NORTH	925'	WEST	San Juan

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

		¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.
		<i>Hugo Cartaya</i> Signature
		Hugo Cartaya Printed Name
		Production Manager
		Title
		1/17/03 Date
		¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.
		Date of Survey
		Signature and Seal of Professional Surveyor:
		Certificate Number

District I
1625 N. French Dr., Hobbs, NM 88240
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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 15, 2000
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-31215	² Pool Code 71629	³ Pool Name BASIN FRUITLAND COAL
⁴ Property Code	⁵ Property Name MORTON	⁶ Well Number #3
⁷ OGRID No. 214274	⁸ Operator Name CALPINE NATURAL GAS COMPANY, L.P.	⁹ Elevation 5736' GL

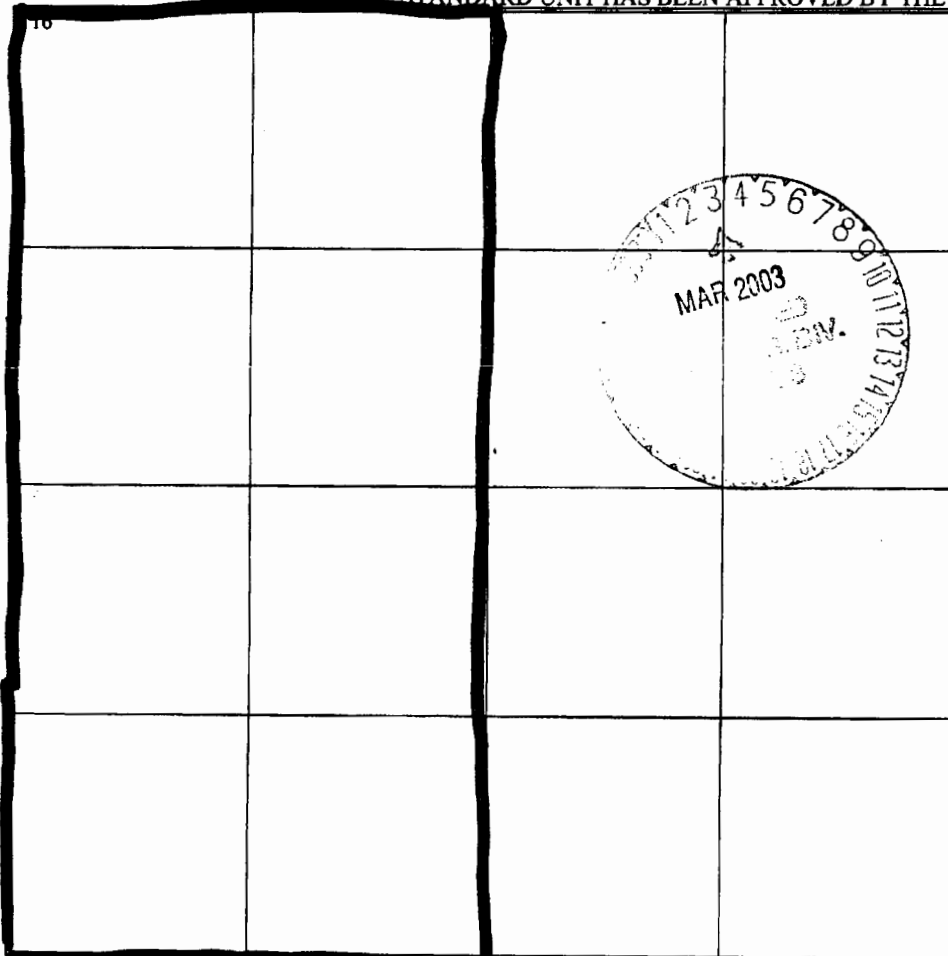
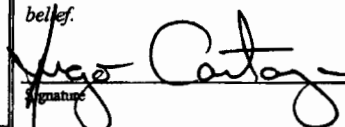
¹⁰ Surface Location

UL or lot no. E	Section 23	Township 30N	Range 14W	Lot Idn	Feet from the 1810'	North/South line NORTH	Feet from the 925'	East/West line WEST	County San Juan
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Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature Hugo Cartaya Printed Name Production Manager Title 1/17/03 Date
	¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Date of Survey Signature and Seal of Professional Surveyor: Certificate Number



Morton #3 Sec
23, Township 30N, Range 14W

1810' FNL. & 925' FWL Sec 23 T30N R14W
Same as Surface

Surface Location
Btm Hole Loc.
Field
County
State
API No.
Lease No.
G.L. Elevation

San Juan
New Mexico
30-045-31215
NM 26357
5736'

Surface Casing 130'
Cement 59 cu ft
7", 20#, in 8 3/4" hole
Class B w/ 2% CaCl. Circulate to surface

Prod. Casing 0-1508
Cement 268 cu ft 59 cu ft
37 lbs 4-1/2" 10.5# in 6 1/4" hole
Class B with 2% merasilicate
Class B

SPF	Size	Shots
1273-1283	4	.38"
4		40
SPF	Size	Shots
1370-1383	2	.38"
2		26
SPF	Size	Shots
1406-1410	2	.38"
2		8

PBTD 1,487'
TD 1,508'