

|                  |                 |              |                    |          |                    |
|------------------|-----------------|--------------|--------------------|----------|--------------------|
| DATE IN 12.13.11 | SUSPENSE 1/3/12 | ENGINEER WUJ | LOGGED IN 12.13.11 | TYPE DHC | APP NO. 1134741266 |
|------------------|-----------------|--------------|--------------------|----------|--------------------|

ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



PTG-W  
 DHC-4492  
 XTO 5380  
 RECEIVED OCD

**ADMINISTRATIVE APPLICATION CHECKLIST**

2011 DEC 13 A 8:33  
 30-045-30273

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.**

WANETT MCCAULEY  
 Print or Type Name

*Wanett McCauley*  
 Signature

REGULATORY COMPLIANCE TECHNICIAN  
 Title

12/09/2011  
 Date

wanett\_mccauley@xtoenergy.com  
 e-mail Address

State of New Mexico  
Energy, Minerals and Natural Resources

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

Oil Conservation Division

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

APPLICATION TYPE

☒ Single Well

☐ Establish Pre-Approved Pools

EXISTING WELLBORE

☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

XTO Energy Inc.

Operator

382 CR 3100, Aztec, NM 87410

Address

AZTEC COM 4

Lease

#1E

Well No.

M

SEC 16-T 30N-R11W

Unit Letter-Section-Township-Range

SAN JUAN

County

OGRID No. 5380

Property Code 26050

API No. 30-045-30273

Lease Type: ☐ Federal ☒ State ☐ Fee

| DATA ELEMENT   | UPPER ZONE                 | INTERMEDIATE ZONE          | LOWER ZONE  |
|--|----------------------------|----------------------------|---|
| Pool Name  | OTERO CHACRA               | BLANCO-MESAVERDE           | BASIN MANCOS  |
| Pool Code  | 82329                      | 72319                      | 97232   |
| Top and Bottom of Pay Section<br>(Perforated or Open-Hole Interval)  | 3064' - 3102'<br>estimated | 4142' - 4615'<br>estimated | 5721' - 5872'   |
| Method of Production<br>(Flowing or Artificial Life)   | ARTIFICIAL LIFE            | ARTIFICIAL LIFE            | ARTIFICIAL LIFE   |
| Bottomhole Pressure<br>(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)   | 339                        | 1027                       | 1497  |
| Oil Gravity or Gas BTU<br>(Degree API or Gas BTU)  |                            |                            | 1.000   |
| Producing, Shut-In or New Zone   | New Zone                   | New Zone                   | Producing   |
| Date and Oil/Gas/Water Rates of Last Production<br>(Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.) | Date:<br>Rates:            | Date:<br>Rates:            | Date: 11/01/11 - 12/04/11<br>Rates:<br>2 BO/2523 MCF/1 BW |
| Fixed Allocation Percentage<br>(Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)                 | Oil: 10 % Gas: 14 %        | Oil: 48 % Gas: 45 %        | Oil: 1 % Gas: 7 %   |

Are all working, overriding, and royalty interests identical in all commingled zones?

Yes ☐ No ☒

If not, have all working, overriding, and royalty interests 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 communized 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 all offset operators.
- Notification list of working, overriding, and royalty interests for uncommon interest cases.
- Any additional statements, data, or documents required to support commingling.

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

Wanett McCauley

TITLE

REG COMPLIANCE TECHNICIAN

DATE 12/09/2011

TYPE OR PRINT NAME

WANETT MCCAULEY

TELEPHONE NO.

( 505 )

333-3630

E-MAIL

wanett\_mccauley@xtoenergy.com

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, New Mexico 87505

Form C-107A  
Revised June 10, 2003

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

AZTEC COM 4 #1E M SEC 16-T 30N-R11W SAN JUAN  
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 5380 Property Code 26050 API No. 30-045-30273 Lease Type: ☐ Federal ☒ State ☐ Fee

| DATA ELEMENT   | UPPER ZONE      | INTERMEDIATE ZONE | LOWER ZONE                                  |
|--|-----------------|-------------------|---|
| Pool Name  | BASIN DAKOTA    |                   |   |
| Pool Code  | 71599           |                   |   |
| Top and Bottom of Pay Section<br>(Perforated or Open-Hole Interval)  | 6470' - 6741'   |                   |   |
| Method of Production<br>(Flowing or Artificial Life)   | ARTIFICIAL LIFE |                   |   |
| Bottomhole Pressure<br>(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)   | 1427            |                   |   |
| Oil Gravity or Gas BTU<br>(Degree API or Gas BTU)  | 1.028           |                   |   |
| Producing, Shut-In or New Zone   | Shut-In         |                   |   |
| Date and Oil/Gas/Water Rates of Last Production<br>(Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.) | Date:<br>Rates: | Date:<br>Rates:   | Date: 8/01/2011<br>Rates: 0 BO/248 MCF/0 BW |
| Fixed Allocation Percentage<br>(Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)                 | Oil: % Gas: %   | Oil: % Gas: %     | Oil: 41 % Gas: 34 %                         |

Are all working, overriding, and royalty interests identical in all commingled zones? Yes ☐ No ☒  
If not, have all working, overriding, and royalty interests 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: \_\_\_\_\_

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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 Wanett McCauley TITLE REG COMPLIANCE TECHNICIAN DATE 12/09/2011

TYPE OR PRINT NAME WANETT MCCAULEY TELEPHONE NO. ( 505 ) 333-3630

E-MAIL wanett.mccauley@xtoenergy.com

| LEASE NAME                   | NO. | RESERVOIR | SEC | FIELD | OPERATOR     | 1st PROD | LAST PROD | 1st MONTH WATER | 1ST MONTH OIL | 1ST MONTH GAS |
|------------------------------|-----|-----------|-----|-------|--------------|----------|-----------|-----------------|---------------|---------------|
| <b>80 ACRE INFILL DAKOTA</b> |     |           |     |       |              |          |           |                 |               |               |
| BRUINGTON GAS COM C          | 4   | DAKOTA    | 21  | BASIN | XTO ENERGY   | 20060901 | 20110401  | 20              | 29            | 7,616         |
| BRUINGTON GAS COM C          | 1F  | DAKOTA    | 21  | BASIN | XTO ENERGY   | 20030228 | 20110401  | 190             | 128           | 18,405        |
| BRUINGTON GAS COM C          | 1R  | DAKOTA    | 21  | BASIN | XTO ENERGY   | 20060831 | 20110401  | 620             | 29            | 5,911         |
| VASALY COM                   | 1F  | DAKOTA    | 22  | BASIN | BURLINGTON F | 20090301 | 20110101  | 360             | 92            | 16,901        |
| AVGERAGE:                    |     |           |     |       |              |          |           | 298             | 70            | 12,208        |

|                                 |    |           |    |        |              |          |          |       |     |        |
|---------------------------------|----|-----------|----|--------|--------------|----------|----------|-------|-----|--------|
| <b>80 ACRE INFILL MESAVERDE</b> |    |           |    |        |              |          |          |       |     |        |
| BRUINGTON GAS COM C             | 1B | MESAVERDE | 21 | BLANCO | XTO ENERGY   | 20040430 | 20110401 | 390   | 149 | 30,045 |
| BRUINGTON GAS COM C             | 1F | MESAVERDE | 21 | BLANCO | XTO ENERGY   | 20030228 | 20110401 | 50    | 34  | 11,767 |
| CARLE                           | 1B | MESAVERDE | 20 | BLANCO | BURLINGTON F | 20010201 | 20020301 | 3,064 | 10  | 4,419  |
| CARLE                           | 2B | MESAVERDE | 20 | BLANCO | BURLINGTON F | 20010101 | 20110101 | 300   | 130 | 10,551 |
| DUMP MESA FEDERAL               | 1M | MESAVERDE | 15 | BLANCO | BURLINGTON F | 20050401 | 20110101 | 0     | 20  | 20,476 |
| ELLIOTT FEDERAL 22              | 1M | MESAVERDE | 22 | BLANCO | BURLINGTON F | 20040801 | 20110101 | 0     | 49  | 11,842 |
| FRAME                           | 1M | MESAVERDE | 21 | BLANCO | BURLINGTON F | 20090501 | 20110101 | 767   | 137 | 14,560 |
| HAMPTON                         | 2  | MESAVERDE | 10 | BLANCO | XTO ENERGY   | 20071031 | 20110401 | 290   | 121 | 28,832 |
| VASALY COM                      | 1M | MESAVERDE | 22 | BLANCO | BURLINGTON F | 20050401 | 20110101 | 0     | 82  | 16,603 |
| AVGERAGE:                       |    |           |    |        |              |          |          | 540   | 81  | 16,566 |

|                     |     |        |    |         |              |          |          |   |    |        |
|---------------------|-----|--------|----|---------|--------------|----------|----------|---|----|--------|
| <b>CHACRA</b>       |     |        |    |         |              |          |          |   |    |        |
| BRUINGTON GAS COM C | 1E  | CHACRA | 21 | OTERO   | BURLINGTON F | 20050801 | 20110101 | 0 | 6  | 1,295  |
| CARLE               | 2   | CHACRA | 20 | OTERO   | BURLINGTON F | 20011101 | 20110101 | 2 | 8  | 2,307  |
| ELLIOTT FEDERAL 22  | 1M  | CHACRA | 22 | OTERO   | BURLINGTON F | 20040801 | 20110101 | 0 | 49 | 11,494 |
| FIFIELD             | 4A  | CHACRA | 21 | OTERO   | BURLINGTON F | 20001201 | 20110101 | 2 | 2  | 1,823  |
| MORRIS A            | 13  | CHACRA | 15 | WILDCAT | BURLINGTON F | 19990901 | 20110101 | 0 | 3  | 6,263  |
| MORRIS A            | 13A | CHACRA | 15 | OTERO   | BURLINGTON F | 20010101 | 20110101 | 0 | 7  | 5,404  |
| VASALY COM          | 1M  | CHACRA | 22 | OTERO   | BURLINGTON F | 20050401 | 20110101 | 0 | 38 | 7,879  |
| AVGERAGE:           |     |        |    |         |              |          |          | 1 | 16 | 5,209  |

AZTEC COM 4 1E MANCOS 1ST MONTH TEST: 1 2 2,523

|           | WATER | OIL | GAS |
|-----------|-------|-----|-----|
| DAKOTA    | 36%   | 41% | 34% |
| MESAVERDE | 64%   | 48% | 45% |
| CHACRA    | 0%    | 10% | 14% |
| MANCOS    | 0%    | 1%  | 7%  |



# Daily Production Report

12/05/2011

Division Farmington  
11/01/2011 - 12/04/2011

Dates  
Type  
Type Value  
Route Stop  
AZTEC COM 4 001E  
WellName

| ProdDate            | APINumber  | Down<br>Hours | GasFlow | MeasGas<br>MCF | Fuel<br>MCF | VentFlare<br>GasMCF | TotalGas<br>MCF | InjGas<br>MCF | NetGas<br>MCF | Prod Oil<br>BBLs | Oil Disp<br>BBLs | Prod Water<br>BBLs | Water Disp<br>BBLs | Static<br>Press | Diff<br>Press |
|---------------------|------------|---------------|---------|----------------|-------------|---------------------|-----------------|---------------|---------------|------------------|------------------|--------------------|--------------------|-----------------|---------------|
| 11/01/2011          | 3004530273 | 24            | 0       | 0              | 0           | 0                   | 0               | 0             | 0             | 0                | 0                | 0                  | 0                  | 12.03           | -0.22         |
| AZTEC COM 04 01E MC |            |               |         |                |             |                     |                 |               |               |                  |                  |                    |                    |                 |               |
| 11/02/2011          | 3004530273 | 24            | 0       | 0              | 0           | 0                   | 0               | 0             | 0             | 0                | 0                | 0                  | 0                  | 11.94           | -0.22         |
| AZTEC COM 04 01E MC |            |               |         |                |             |                     |                 |               |               |                  |                  |                    |                    |                 |               |
| 11/03/2011          | 3004530273 | 24            | 0       | 0              | 0           | 0                   | 0               | 0             | 0             | 0                | 0                | 0                  | 0                  | 12.05           | -0.21         |
| AZTEC COM 04 01E MC |            |               |         |                |             |                     |                 |               |               |                  |                  |                    |                    |                 |               |
| 11/04/2011          | 3004530273 | 24            | 0       | 0              | 0           | 0                   | 0               | 0             | 0             | 0                | 0                | 0                  | 0                  | 12.04           | -0.22         |
| AZTEC COM 04 01E MC |            |               |         |                |             |                     |                 |               |               |                  |                  |                    |                    |                 |               |
| 11/05/2011          | 3004530273 | 24            | 9       | 181            | 0           | 0                   | 181             | 0             | 181           | 0                | 0                | 0                  | 0                  | 95.87           | 16.00         |
| AZTEC COM 04 01E MC |            |               |         |                |             |                     |                 |               |               |                  |                  |                    |                    |                 |               |
| 11/06/2011          | 3004530273 | 24            | 24      | 184            | 0           | 0                   | 184             | 0             | 184           | 0                | 0                | 0                  | 0                  | 170.49          | 8.56          |
| AZTEC COM 04 01E MC |            |               |         |                |             |                     |                 |               |               |                  |                  |                    |                    |                 |               |
| 11/07/2011          | 3004530273 | 24            | 24      | 128            | 0           | 0                   | 128             | 0             | 128           | 0                | 0                | 0                  | 0                  | 170.46          | 3.87          |
| AZTEC COM 04 01E MC |            |               |         |                |             |                     |                 |               |               |                  |                  |                    |                    |                 |               |
| 11/08/2011          | 3004530273 | 24            | 24      | 106            | 0           | 0                   | 106             | 0             | 106           | 0                | 0                | 0                  | 0                  | 176.24          | 2.71          |
| AZTEC COM 04 01E MC |            |               |         |                |             |                     |                 |               |               |                  |                  |                    |                    |                 |               |
| 11/09/2011          | 3004530273 | 24            | 24      | 128            | 0           | 0                   | 128             | 0             | 128           | 0                | 0                | 0                  | 0                  | 178.67          | 4.06          |
| AZTEC COM 04 01E MC |            |               |         |                |             |                     |                 |               |               |                  |                  |                    |                    |                 |               |
| 11/10/2011          | 3004530273 | 24            | 24      | 128            | 0           | 0                   | 128             | 0             | 128           | 0                | 0                | 0                  | 0                  | 180.94          | 3.77          |
| AZTEC COM 04 01E MC |            |               |         |                |             |                     |                 |               |               |                  |                  |                    |                    |                 |               |
| 11/11/2011          | 3004530273 | 24            | 24      | 113            | 0           | 0                   | 113             | 0             | 113           | 0                | 0                | 0                  | 0                  | 180.06          | 3.07          |
| AZTEC COM 04 01E MC |            |               |         |                |             |                     |                 |               |               |                  |                  |                    |                    |                 |               |
| 11/12/2011          | 3004530273 | 24            | 24      | 104            | 0           | 0                   | 104             | 0             | 104           | 0                | 0                | 0                  | 0                  | 186.50          | 2.28          |
| AZTEC COM 04 01E MC |            |               |         |                |             |                     |                 |               |               |                  |                  |                    |                    |                 |               |
| 11/13/2011          | 3004530273 | 24            | 24      | 96             | 0           | 0                   | 96              | 0             | 96            | 0                | 0                | 0                  | 0                  | 188.91          | 2.07          |
| AZTEC COM 04 01E MC |            |               |         |                |             |                     |                 |               |               |                  |                  |                    |                    |                 |               |
| 11/14/2011          | 3004530273 | 24            | 24      | 91             | 0           | 0                   | 91              | 0             | 91            | 0                | 0                | 0                  | 0                  | 186.94          | 1.80          |
| AZTEC COM 04 01E MC |            |               |         |                |             |                     |                 |               |               |                  |                  |                    |                    |                 |               |
| 11/15/2011          | 3004530273 | 24            | 24      | 89             | 0           | 0                   | 89              | 0             | 89            | 0                | 0                | 0                  | 0                  | 177.66          | 1.74          |
| AZTEC COM 04 01E MC |            |               |         |                |             |                     |                 |               |               |                  |                  |                    |                    |                 |               |
| 11/16/2011          | 3004530273 | 24            | 23      | 86             | 0           | 0                   | 86              | 0             | 86            | 0                | 0                | 0                  | 0                  | 172.54          | 1.66          |
| AZTEC COM 04 01E MC |            |               |         |                |             |                     |                 |               |               |                  |                  |                    |                    |                 |               |
| 11/17/2011          | 3004530273 | 24            | 23      | 82             | 0           | 0                   | 82              | 0             | 82            | 0                | 0                | 0                  | 0                  | 167.22          | 1.80          |
| AZTEC COM 04 01E MC |            |               |         |                |             |                     |                 |               |               |                  |                  |                    |                    |                 |               |
| 11/18/2011          | 3004530273 | 24            | 23      | 79             | 0           | 0                   | 79              | 0             | 79            | 0                | 0                | 0                  | 0                  | 159.30          | 1.55          |
| AZTEC COM 04 01E MC |            |               |         |                |             |                     |                 |               |               |                  |                  |                    |                    |                 |               |
| 11/19/2011          | 3004530273 | 24            | 23      | 76             | 0           | 0                   | 76              | 0             | 76            | 0                | 0                | 0                  | 0                  | 157.98          | 1.55          |
| AZTEC COM 04 01E MC |            |               |         |                |             |                     |                 |               |               |                  |                  |                    |                    |                 |               |
| 11/20/2011          | 3004530273 | 24            | 23      | 73             | 0           | 0                   | 73              | 0             | 73            | 0                | 0                | 0                  | 0                  | 158.60          | 1.91          |
| AZTEC COM 04 01E MC |            |               |         |                |             |                     |                 |               |               |                  |                  |                    |                    |                 |               |
| 11/21/2011          | 3004530273 | 24            | 23      | 70             | 0           | 0                   | 70              | 0             | 70            | 2                | 0                | 1                  | 0                  | 158.33          | 1.67          |
| AZTEC COM 04 01E MC |            |               |         |                |             |                     |                 |               |               |                  |                  |                    |                    |                 |               |
| 11/22/2011          | 3004530273 | 24            | 22      | 67             | 0           | 0                   | 67              | 0             | 67            | 0                | 0                | 0                  | 0                  | 157.36          | 1.56          |
| AZTEC COM 04 01E MC |            |               |         |                |             |                     |                 |               |               |                  |                  |                    |                    |                 |               |
| 11/23/2011          | 3004530273 | 24            | 21      | 63             | 0           | 0                   | 63              | 0             | 63            | 0                | 0                | 0                  | 0                  | 160.40          | 1.52          |
| AZTEC COM 04 01E MC |            |               |         |                |             |                     |                 |               |               |                  |                  |                    |                    |                 |               |
| 11/24/2011          | 3004530273 | 24            | 22      | 62             | 0           | 0                   | 62              | 0             | 62            | 0                | 0                | 0                  | 0                  | 160.32          | 0.99          |
| AZTEC COM 04 01E MC |            |               |         |                |             |                     |                 |               |               |                  |                  |                    |                    |                 |               |
| 11/25/2011          | 3004530273 | 24            | 21      | 60             | 0           | 0                   | 60              | 0             | 60            | 0                | 0                | 0                  | 0                  | 158.39          | 1.16          |
| AZTEC COM 04 01E MC |            |               |         |                |             |                     |                 |               |               |                  |                  |                    |                    |                 |               |
| 11/26/2011          | 3004530273 | 24            | 21      | 57             | 0           | 0                   | 57              | 0             | 57            | 0                | 0                | 0                  | 0                  | 158.13          | 1.17          |
| AZTEC COM 04 01E MC |            |               |         |                |             |                     |                 |               |               |                  |                  |                    |                    |                 |               |
| 11/27/2011          | 3004530273 | 24            | 20      | 54             | 0           | 0                   | 54              | 0             | 54            | 0                | 0                | 0                  | 0                  | 157.71          | 1.15          |
| AZTEC COM 04 01E MC |            |               |         |                |             |                     |                 |               |               |                  |                  |                    |                    |                 |               |
| 11/28/2011          | 3004530273 | 24            | 20      | 56             | 0           | 0                   | 56              | 0             | 56            | 0                | 0                | 0                  | 0                  | 151.65          | 0.99          |
| AZTEC COM 04 01E MC |            |               |         |                |             |                     |                 |               |               |                  |                  |                    |                    |                 |               |
| 11/29/2011          | 3004530273 | 24            | 19      | 52             | 0           | 0                   | 52              | 0             | 52            | 0                | 0                | 0                  | 0                  | 156.93          | 0.86          |
| AZTEC COM 04 01E MC |            |               |         |                |             |                     |                 |               |               |                  |                  |                    |                    |                 |               |
| 11/30/2011          | 3004530273 | 24            | 19      | 51             | 0           | 0                   | 51              | 0             | 51            | 0                | 0                | 0                  | 0                  | 158.83          | 1.10          |
| AZTEC COM 04 01E MC |            |               |         |                |             |                     |                 |               |               |                  |                  |                    |                    |                 |               |
| 12/01/2011          | 3004530273 | 24            | 19      | 51             | 0           | 0                   | 51              | 0             | 51            | 0                | 0                | 0                  | 0                  | 156.40          | 0.86          |
| AZTEC COM 04 01E MC |            |               |         |                |             |                     |                 |               |               |                  |                  |                    |                    |                 |               |
| 12/02/2011          | 3004530273 | 24            | 18      | 48             | 0           | 0                   | 48              | 0             | 48            | 0                | 0                | 0                  | 0                  | 155.07          | 0.80          |
| AZTEC COM 04 01E MC |            |               |         |                |             |                     |                 |               |               |                  |                  |                    |                    |                 |               |
| 12/03/2011          | 3004530273 | 24            | 17      | 43             | 1           | 0                   | 44              | 0             | 44            | 0                | 0                | 0                  | 0                  | 156.84          | 0.75          |
| AZTEC COM 04 01E MC |            |               |         |                |             |                     |                 |               |               |                  |                  |                    |                    |                 |               |
| 12/04/2011          | 3004530273 | 24            | 17      | 43             | 1           | 0                   | 44              | 0             | 44            | 0                | 0                | 0                  | 0                  | 153.32          | 0.75          |
| AZTEC COM 04 01E MC |            |               |         |                |             |                     |                 |               |               |                  |                  |                    |                    |                 |               |
| Totals              |            |               |         | 2521           | 2           | 0                   | 2523            | 0             | 2523          | 2                | 0                | 1                  | 0                  |                 |               |



382 CR 3100  
Aztec, NM 87410

December 8, 2011

Interest Owners

Subject: Notice of Intent to Apply for Downhole Commingling  
Aztec Com 4 #1E  
Unit M, Sec 16-T30N-R11W

XTO Energy Inc. is submitting an application to the New Mexico Oil Conservation Division (NMOCD) to downhole commingle production from the Basin Dakota, Blanco Mesaverde, Otero Chacra and the Basin Mancos pools in the Aztec Com 4 #1E. Commingling of these pools will minimize operating costs, add reserves and improve economics of the well.

The proposed allocation percentages for each pool are as follows:

|                   |            |          |          |
|-------------------|------------|----------|----------|
| Basin Dakota:     | Water: 36% | Oil: 41% | Gas: 34% |
| Blanco Mesaverde: | Water: 64% | Oil: 48% | Gas: 45% |
| Otero Chacra:     | Water: 0%  | Oil: 10% | Gas: 14% |
| Basin Mancos:     | Water: 0%  | Oil: 1%  | Gas: 7%  |

NMOCD requires all interest owners be notified of intent to downhole commingle if ownership is different between zones. If you have questions specifically pertaining to this letter, I may be contacted at (505) 333-3630. If you have any objections to our application, please contact me within twenty (20) days of the date of this letter. For any other inquiries, please call the toll free automated number (866-886-2613) with your owner number in hand or you may contact Deanna Garcia with XTO Energy's Land Department at (817) 885-3521.

Sincerely,

A handwritten signature in cursive script that reads 'Wanett McCauley'. The signature is written in black ink and is positioned above the printed name and title.

Wanett McCauley  
Regulatory Compliance Technician

xc: well file

**CONOCOPHILLIPS COMPANY ATTN  
OUTSIDE OPERATED JV BL  
1060 PLAZA OFFICE BLDG  
BARTLESVILLE, OK 740040000**  
AZTEC COM 4 #1E DHC REG DEPT wm

**CONOCOPHILLIPS COMPANY ATTN  
OUTSIDE OPERATED JV BL  
1060 PLAZA OFFICE BLDG  
BARTLESVILLE, OK 740040000**  
AZTEC COM 4 #1E DHC REG DEPT wm

**CONOCOPHILLIPS COMPANY ATTN  
OUTSIDE OPERATED JV BL  
1060 PLAZA OFFICE BLDG  
BARTLESVILLE, OK 740040000**  
AZTEC COM 4 #1E DHC REG DEPT wm

**GLACIER PARK COMPANY %  
BURLINGTON RESOURCES OIL &  
OUTSIDE OPERATED ACCT.  
1080 PLAZA OFFICE BUILDING  
BARTLESVILLE, OK 740040000**  
AZTEC COM 4 #1E DHC REG DEPT wm

**GLACIER PARK COMPANY %  
BURLINGTON RESOURCES OIL &  
OUTSIDE OPERATED ACCT.  
1080 PLAZA OFFICE BUILDING  
BARTLESVILLE, OK 740040000**  
AZTEC COM 4 #1E DHC REG DEPT wm

**GLACIER PARK COMPANY %  
BURLINGTON RESOURCES OIL &  
OUTSIDE OPERATED ACCT.  
1080 PLAZA OFFICE BUILDING  
BARTLESVILLE, OK 740040000**  
AZTEC COM 4 #1E DHC REG DEPT wm

**NEW MEXICO COMMISSIONER OF  
PUBLIC LANDS  
NEW MEXICO STATE LAND OFFICE  
810 HOUSTON ST STE 2000  
FORT WORTH, TX 761026223**  
AZTEC COM 4 #1E DHC REG DEPT wm

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FORT WORTH, TX 761026223**  
AZTEC COM 4 #1E DHC REG DEPT wm

382 CR 3100  
Aztec, NM 87410



December 9, 2011

New Mexico State Land Office  
Pete Martinez  
P.O. Box 1148  
Santa Fe, NM 87504-1148

RE: Request to Downhole Commingle  
Aztec Com 4 #1E  
Sec 16-T30N-R11W  
San Juan County, NM

Dear Mr. Martinez:

XTO Energy, Inc. requests approval to downhole commingle the Basin Dakota, Blanco Mesaverde, Otero Chacra and the Basin Mancos pools in the Aztec Com 4 #1E upon completion. Attached is XTO Energy, Inc.'s \$30.00 check for the application fee.

Ownership is diverse and attached is a list of owners along with the letter notifying them of the downhole commingle application. Please also find attached Form C-107A (Application for Downhole Commingling) that was filed with the NMOCD requesting approval to downhole commingle along with production allocation information.

If you need additional information or have any questions, I may be contacted at (505) 333-3630.

Sincerely,

A handwritten signature in cursive script that reads "Wanett McCauley".

Wanett McCauley  
Regulatory Compliance Technician

xc: Tim Welch, Ft. Worth Land

**Jones, William V., EMNRD**

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**From:** Jones, William V., EMNRD  
**Sent:** Wednesday, December 21, 2011 3:11 PM  
**To:** 'Wanett\_McCauley@xtoenergy.com'  
**Subject:** Downhole Commingle Application from XTO Energy, Inc.: Aztec Com 4 Well No. 1E API 30-045-30273

Hello Wanett – hope all is well in Aztec and you are ready for the holidays.

Please ask your engineers to estimate and send to me the static reservoir pressure in the following formations in or around this wellbore:

Chacra  
Mesaverde  
Mancos  
Dakota

The 150% rule on form C-107A asks for these pressures in this situation.

Take Care,

William V Jones, P.E.  
Engineering, Oil Conservation Division  
1220 South St. Francis Drive, Santa Fe, NM 87505  
Tel 505.476.3448 ~ Fax 505.476.3462



## Jones, William V., EMNRD

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**From:** Steven\_Cervantes@xtoenergy.com  
**Sent:** Thursday, December 22, 2011 1:30 PM  
**To:** Jones, William V., EMNRD  
**Subject:** Re: Fw: Downhole Commingle Application from XTO Energy, Inc.: Aztec Com 4 Well No. 1E API 30-045-30273

Aztec Com 4 #1E Estimated Initial Static Reservoir Pressures

|           |       |
|-----------|-------|
| Dakota    | 1,427 |
| Mesaverde | 1,027 |
| Mancos    | 1,497 |
| Chacra    | 337   |

Steven Cervantes  
Reservoir Engineer  
San Juan Basin, NM  
XTO Energy  
(817) 885-3592

Wanett McCauley/FAR/CTOC

12/22/2011 12:41 PM

To Steven Cervantes/FTW/CTOC@CTOC  
cc Michael Logan/FAR/CTOC@CTOC

Subject Fw: Downhole Commingle Application from XTO Energy, Inc.: Aztec Com 4 Well No. 1E API 30-045-30273

Steven,

Could you estimate and send to Will Jones the static reservoir pressures for the Aztec Com 4 #1E. Please see his email below. Thanks so much for your help!

Will's email is [William.V.Jones@state.nm.us](mailto:William.V.Jones@state.nm.us).

Wanett McCauley  
Regulatory Compliance Technician  
XTO Energy, Inc. a subsidiary of ExxonMobil  
Office: 505.333.3630  
[wanett\\_mccauley@xtoenergy.com](mailto:wanett_mccauley@xtoenergy.com)

----- Forwarded by Wanett McCauley/FAR/CTOC on 12/22/2011 11:34 AM -----