

1/17/06

PWTS 0602034106

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

District II
1301 W. Grand Avenue, Artesia, NM 88210

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

District III
1000 Rio Brazos Road, Aztec, NM 87410

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

APPLICATION FOR DOWNHOLE COMMINGLING

XTO ENERGY INC. 2700 FARMINGTON AVENUE, SUITE K-1 FARMINGTON, NM 87401

Operator Address
Lease FEDERAL F #1G SEC 32 "E"-T28N-R10W SAN JUAN
Well No. Unit Letter-Section-Township-Range County

OGRID No. 167067 Property Code API No. 30-045-33364 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name DAKOTA	WC BASIN MANCOS 6274' 97232		BASIN DAKOTA 6470' 71599
Pool Code MANCOS	4220'		4530'
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)			
Method of Production (Flowing or Artificial Lift)	FLOWING		FLOWING
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	NEW ZONE		NEW ZONE
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: Rates:	Date: Rates:	Date: Rates:
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	MANCOS Oil Gas Water 15% 13% 7%	Oil Gas % %	DAKOTA Oil Gas Water 85% 87% 93%

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 ☐

NMOC 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 Holly C. Perkins TITLE REGULATORY COMPLIANCE TECH DATE 1/13/2006

TYPE OR PRINT NAME HOLLY C. PERKINS TELEPHONE NO. (505) 324-1090
E-MAIL ADDRESS Regulatory@xtoenergy.com



2700 Farmington Ave, K-1 Farmington, NM 87401
Phone: (505) 324-1090 FAX: (505) 564-6700

January 13, 2006

Mr. Will Jones
New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Subject: Application for Exception to Rule 303A
Federal F #1G Downhole Commingle
30-045-33364 E Sec 32-T87N-R10W
Wildcat Basin Mancos and Basin Dakota
NMSF04563; San Juan, NM

RECEIVED

JAN 17 2006

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Dear Mr. Jones:

Enclosed please find an administrative application form (C107A) and attachments for downhole commingling for the captioned well. XTO Energy has notified all offset operators in the formations captioned above as well as all affected interest owners on December 9, 2005. The Division Director may approve the proposed downhole commingling in the absence of any valid objections from any offset operator or any interest owners within 20 days after the receipt of the application if, in his opinion, waste will not result thereby, and correlative rights will not be violated.

Any questions pertaining to this matter, please call me at (505) 324-1090.

Sincerely,

Holly C. Perkins
Regulatory Compliance Tech

xc: Wellfile
OCD, Aztec Office

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 87240
District II
1301 W. Grand Ave., 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

Form C-103
May 27, 2004

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

WELL API NO. 30-045-33364
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. SF-077382
7. Lease Name or Unit Agreement Name: Federal F
8. Well Number #1G
9. OGRID Number 167067
10. Pool name or Wildcat Basin Dakota/Basin Mancos

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6045'

Pit or Below-grade Tank Application ☒ or Closure ☐

Pit type **DRILL** Depth to Groundwater **>100** Distance from nearest fresh water well **>1000** Distance from nearest surface water **>1000**

Pit Liner Thickness: **12** mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other _____
2. Name of Operator XTO Energy Inc.
3. Address of Operator 2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401
4. Well Location Unit Letter J : 1680 feet from the SOUTH line and 1760 feet from the EAST line Section 16 Township 27N Range 10W NMPM NMPM County SAN JUAN
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6045'
Pit or Below-grade Tank Application <input checked="" type="checkbox"/> or Closure <input type="checkbox"/>
Pit type DRILL Depth to Groundwater >100 Distance from nearest fresh water well >1000 Distance from nearest surface water >1000
Pit Liner Thickness: 12 mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐
OTHER: **DOWNHOLE COMMINGLE** ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐
OTHER: ☐

13. 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.

XTO reqsts approval for exemption to Rule 303-C to permit DHC of prod from the Basin DK (71599) & Wildcat Basin MC (07232) upon completion of drlg. The proposed alloc are based on individual pool average prod of wells in a 9-section surrounding area. Based on avg prod, XTO proposes to allocate the comgl prod as:

Basin Dakota Oil: 85% Water: 93% Gas: 87%
Wildcat Basin Mancos Oil: 15% Water: 7% Gas: 13%

Ownership in these pools is not common & notice was given by certified, return receipt mail to WI,ORRI, NRI owners on 12/9/05.No objections were rcvd. DHC will offer an economical method of prod while guarding gainst reservoir damage, waste of reserves & protection of correlative rights. BIM was notified of intent

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒ , a general permit ☐ or an (attached) alternative OCD-approved plan ☐

SIGNATURE Holly C. Perkins TITLE Regulatory Compliance Tech DATE 1/13/2006
Type or print name **HOLLY C. PERKINS** E-mail address: Regulatory@xtoenergy.com Telephone No. 505-324-1090

For State Use Only

APPROVED BY _____ TITLE _____ DATE _____
Conditions of Approval, if any:

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240

DISTRICT II
1301 W. Grand Ave., Artesia, N.M. 88210

DISTRICT III
1000 W. Groves Rd., Aztec, N.M. 87410

DISTRICT IV
1220 South 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 June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number		*Pool Code	*Pool Name
		71599	Basin Dakota
*Property Code	*Property Name		*Well Number
	FEDERAL F		1G
*OGRD No.	*Operator Name		*Elevation
167067	XTO ENERGY INC.		6045'

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
J	18	27-N	10-W		1680	SOUTH	1780	EAST	SAN JUAN

11 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
*Dedicated Acres			*Joint or Infill		*Consolidation Code		*Order No.		
E 12 320									

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

<p>15</p> <p>LAT. 36°34'21.3"N (NAD 27) LONG. 107°53'50.3" W (NAD 27)</p> <p>FD. 2 1/2" B.C. 1913 U.S.G.L.O.</p> <p>1780'</p> <p>N 0-06-13 E 2638.6' (M)</p> <p>N 89-46-48 W 2638.6' (M)</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Kelly K. Small</i> Kelly K. Small Drilling Assistant Date: 6/18/05</p> <p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual survey made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>JANUARY 16, 2005 Date of Survey Signature and Seal of Surveyor <i>JOHN R. VILKOVICH</i> NEW MEXICO 14828 REGISTERED PROFESSIONAL ENGINEER Certificate Number</p>
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DISTRICT I
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1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
1220 South 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 June 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number	*Pool Code 97232	*Pool Name WC Basin Manios
*Property Code	*Property Name FEDERAL F	*Well Number 1G
*OCRD No. 167067	*Operator Name XTO ENERGY INC.	*Elevation 5045'

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
J	16	27-N	10-W		1680	SOUTH	1760	EAST	SAN JUAN

11 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
*Dedicated Acres SE 1/4 160			*Joint or Infill		*Consolidation Code		*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

<p>16</p> <p>LAT. 36°34'21.3"N (NAD 27) LONG. 107°53'50.3" W (NAD 27)</p> <p>FD. 2 1/2" B.C. 1913 U.S.G.L.O.</p> <p>FD. 2 1/2" B.C. 1913 U.S.G.L.O.</p> <p>N 88-46-48 W 2638.6' (M)</p> <p>1680'</p> <p>1760'</p> <p>N 0-06-13 E 2638.6' (M)</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Kelly K. Small</i> Kelly K. Small Drilling Assistant Date: 5/18/05</p>
	<p>18 SURVEYOR CERTIFICATION</p> <p>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.</p> <p>JAN 11 2005</p> <p>Date of Survey</p> <p>Signature and Seal of Surveyor</p> <p><i>JOHN AS VILKOWICH</i> NEW MEXICO 19828 REGISTERED PROFESSIONAL ENGINEER</p> <p>Certificate Number</p>



2700 Farmington Ave, K-1, Farmington, NM 87401
Phone: (505) 324-1090 FAX: (505) 564-6700

December 9, 2005

RE: Notice of Intent to Apply for Downhole Commingling

Federal F #1G
Sec 16-T27N-R10W; 1680' FSL & 1760' FEL
San Juan County, NM

To: All working interest, royalty interest and overriding royalty interest owners

XTO Energy Inc. is applying for permission to downhole commingle the Basin Dakota and the Wildcat Basin Mancos pools in the Federal F #1G. Drilling of this new well will commence shortly. We propose to downhole commingle production from both pools upon initial completion. NMOCD requires all interest owners be notified of intent to downhole commingle if ownership is different between pools.

The proposed oil, water and gas production for each pool are based upon a 9-section EUR for the Basin Dakota and Wildcat Basin Mancos, and XTO Energy Inc. proposes allocations for commingled production as follows:

Pool	Oil	Water	Gas
Basin Dakota	85%	93%	87%
Wildcat Basin Mancos	15%	7%	13%

If you need additional information or have any questions, please contact me at (505) 324-1090. If you are opposed to commingling production from these two pools, please respond in writing within 20 days of the date of this letter to:

XTO Energy Inc.
Mr. Mike Logan
2700 Farmington Avenue,
Building K, Suite1
Farmington, NM 87401

Sincerely,

A handwritten signature in cursive script that reads 'Holly C. Perkins'.

Holly C. Perkins
Regulatory Compliance Tech

xc: Well File
FW Land Dept.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0137
Expires March 31, 2007

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

XTO Energy Inc.

3a. Address

2700 Farmington Ave., Bldg. K, Ste 1 Farmington,

3b. Phone No. (include area code)

505-324-1090

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

1680' FSL & 1760' FEL

5. Lease Serial No.

NMSF077382

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

FEDERAL F #1G

9. API Well No.

30-045-33364

10. Field and Pool, or Exploratory Area

BASIN DAKOTA**BASIN MANCOS**

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

☐ Acidize☐ Deepen☐ Production (Start/Resume)☐ Water Shut-Off☐ Alter Casing☐ Fracture Treat☐ Reclamation☐ Well Integrity☐ Casing Repair☐ New Construction☐ Recomplete☒ Other **DOWNHOLE**☐ Change Plans☐ Plug and Abandon☐ Temporarily Abandon**COMMINGLE**☐ Convert to Injection☐ Plug Back☐ 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 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.)

XTO Energy Inc. is requesting an administrative approval for an exemption to Rule 303-C to permit downhole commingling of production from the Basin Dakota pool (71599) and the wildcat Basin Mancos pool (97232). XTO proposes to downhole commingle these pools upon completion of the well. The proposed allocations are based on an individual pool average production of wells located in a nine-section surrounding area. Based upon the average production, XTO proposes to allocate the commingled production as follows:

Basin Dakota	Oil: 85%	Water: 93%	Gas: 87%
Wildcat Basin Mancos	Oil: 15%	Water: 7%	Gas: 13%

Ownership in this well's pools is not common and notification by certified, return receipt mail to WI, ORRI, NRI owners was completed on 12/9/05. There have been no objections of our intention to DHC this well. Downhole commingling will offer an economical method of production while protecting against reservoir damage, waste of reserves and protection of correlative rights. The NMOC has been notified of our intent to DHC this well.

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

HOLLY C. PERKINS

Title

REGULATORY COMPLIANCE TECHDate **1/13/2006****THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Title

Date

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, 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.

BUREAU OF LAND MANAGEMENT
1235 LA PLATA HWY
FARMINGTON, NM 87401

RICHARD PAUL HARGRAVE TRUST
FROST NATIONAL BANK, AGENT
A/C G03200
U.S. NATIONAL BANK, TRUST OIL & GAS
P.O. BOX 1600
SAN ANTONIO, TX 78296

MATHIAS FAMILY TRUST 9/9/81
BARBARA J. MATHIAS & CAROL J.
HOPPER CO-TRUSTEES
3233 SPRING LANE
FALLS CHURCH, VA 22041-2607

DR. BERNARD HYDE LIVING TRUST
DATED 4-6-88
DR. BERNARD HYDE, TRUSTEE
28242 YANEZ
MISSION VIEJO, CA 92692-1836

RICHARD P. SHOOSHAN
686 E. UNION STREET
PASADENA, CA 91101-1820

VIRGINIA L. MULLIN
OLSEN HOWARD AND ASSOCIATES PC
1776 S. JACKSON STREET, STE 901
DENVER, CO 80210

LEON M. DUCHARME MARITAL TRUST
RITA MAE DUCHARME AND
JOYCE J. NEVILLE, CO-TRUSTEES
2617 SO. WADSWORTH CIRCLE
LAKEWOOD, CO 80227-3220

B.B.L., LTD.
P.O. BOX 911
BRECKENRIDGE, TX 76424-0911

CHATEAU ENERGY INC.
10440 N. CENTRAL EXPRESSWAY
SUITE 1475
DALLAS, TX 75231-2221

WILLIAM L. FLOYD, JR
16 EAST 77TH ST APT 5A
NEW YORK, NY 10021

RITA TREASA FLOYD
C/O COMERICA BANK -TX TRUSTEE
ATTN: JOHN W LOWRIE
P.O. BOX 4167 (MAIL CODE 6605)
HOUSTON, TX 77210-4167

RITA MAE DUCHARME
2617 S. WADSWORTH CIRCLE
LAKEWOOD, CO 80227-3220

COMSTOCK OIL & GAS, INC.
5300 TOWN & COUNTRY BLVD. #500
FRISCO, TX 75034

TCW DR II ROYALTY PARTNERSHIP
865 SOUTH FIGUEROA STREET #1800
LOS ANGELES, CA 90017