

6/9/03	6/29/03	ENGINEER WVS	LOGGED IN KN	TYPE PC	PKRV0316136667
--------	---------	--------------	--------------	---------	----------------

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

[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.

____ Darrin Steed ____
 Print or Type Name

Darrin Steed
 Signature

____ Regulatory Supervisor ____
 Title

6-5-03
 Date

____ Darrin_Steed@XTOEnergy.com ____
 e-mail Address

District I
1625 N. French Drive, Hobbs, NM 88240
District II
1301 W. Grand Ave, 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

Form C-107-B
March 31, 2003

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original
application to the Santa Fe
office with one copy to the
appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: XTO Energy Inc
OPERATOR ADDRESS: 2700 Farmington Ave., Bldg K, Ste 1, Farmington, NM 87401
APPLICATION TYPE:

☒ Pool Commingling ☐ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)
LEASE TYPE: ☐ Fee ☐ State ☒ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. _____
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
☒ Yes ☐ No

(A) POOL COMMINGLING
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production	Value of Non- Commingled Production	Calculated Value of Commingled Production	Volumes
Ute Dome Paradox (86760)	0.866	0.74			590
Barker Dome Paradox (71560)	0.65				800

- (2) Are any wells producing at top allowables? ☐ Yes ☒ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No.
(4) Measurement type: ☒ Metering ☐ Other (Specify)
(5) Will commingling decrease the value of production? ☐ Yes ☒ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING
Please attach sheets with the following information

- (1) Pool Name and Code.
(2) Is all production from same source of supply? ☐ Yes ☐ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No
(4) Measurement type: ☐ Metering ☐ Other (Specify)

(C) POOL and LEASE COMMINGLING
Please attach sheets with the following information

- (1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT
Please attached sheets with the following information

- (1) Is all production from same source of supply? ☐ Yes ☐ No
(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)
Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location.
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
(3) Lease Names, Lease and Well Numbers, and API Numbers.

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

SIGNATURE: Darrin Steed TITLE: Regulatory Supervisor DATE: June 5, 2003
TYPE OR PRINT NAME Darrin Steed TELEPHONE NO.: (505) 324-1090



June 2, 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
Ute Indians A #8 and Ute Indians A #36
Section 27 & 34, Township 32N, Range 14W
San Juan County, New Mexico

Dear Mr. Jones:

Enclosed please find an administrative application form (C-107-B) and attachments to surface commingle the existing Ute Indians A #8 well with the Ute Indians A #36, a new drill. The Ute Indians #36 will be a new Paradox well. XTO Energy Inc, plans to produce the commingled gas through a single compressor; the lower operating costs resulting from a shared compressor will extend the economic life of both wells thus increasing their ultimate recoveries

Both wells are located on the same Federal Lease #142060462; however the ownership is not common. By copy of this application by certified mail, return receipt requested, XTO Energy Inc., is notifying all interest owners. The Division Director may approve the proposed surface commingling in the absence of a valid written objection to the Santa Fe office within 20 days after the receipt of the application,

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.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Trenis Sondresen', with a stylized flourish at the end.

Trenis Sondresen
Operations Engineer

Enclosure

cc: GLM
Wellfile

Ute Indians #8 & Ute Indians #36
Surface Commingle

Well Information

	Ute Indians A #8	Ute Indians A #36
Location	Sec. 34G, T-32-N, R-14-W	Sec. 27P, T-32-N, R-14-W
Formation	Paradox	Paradox
API #	30-045-20750	30-045-31604
Pool Name	Ute Dome Paradox	Barker Dome Paradox
Pool Code	86760	71560
Gas Gravity	.866	Est. 0.65
Gas Rate (MCFD)	590	Est. 800
Water Rate (BWD)	4	Est. 4.0

Production volumes are averaged over the last year.

Proposed Allocation Procedure:

The sales meter (#91901114) will remain at the Ute Indians A #8 and an allocation meter will be placed at the Ute Indians A #36.

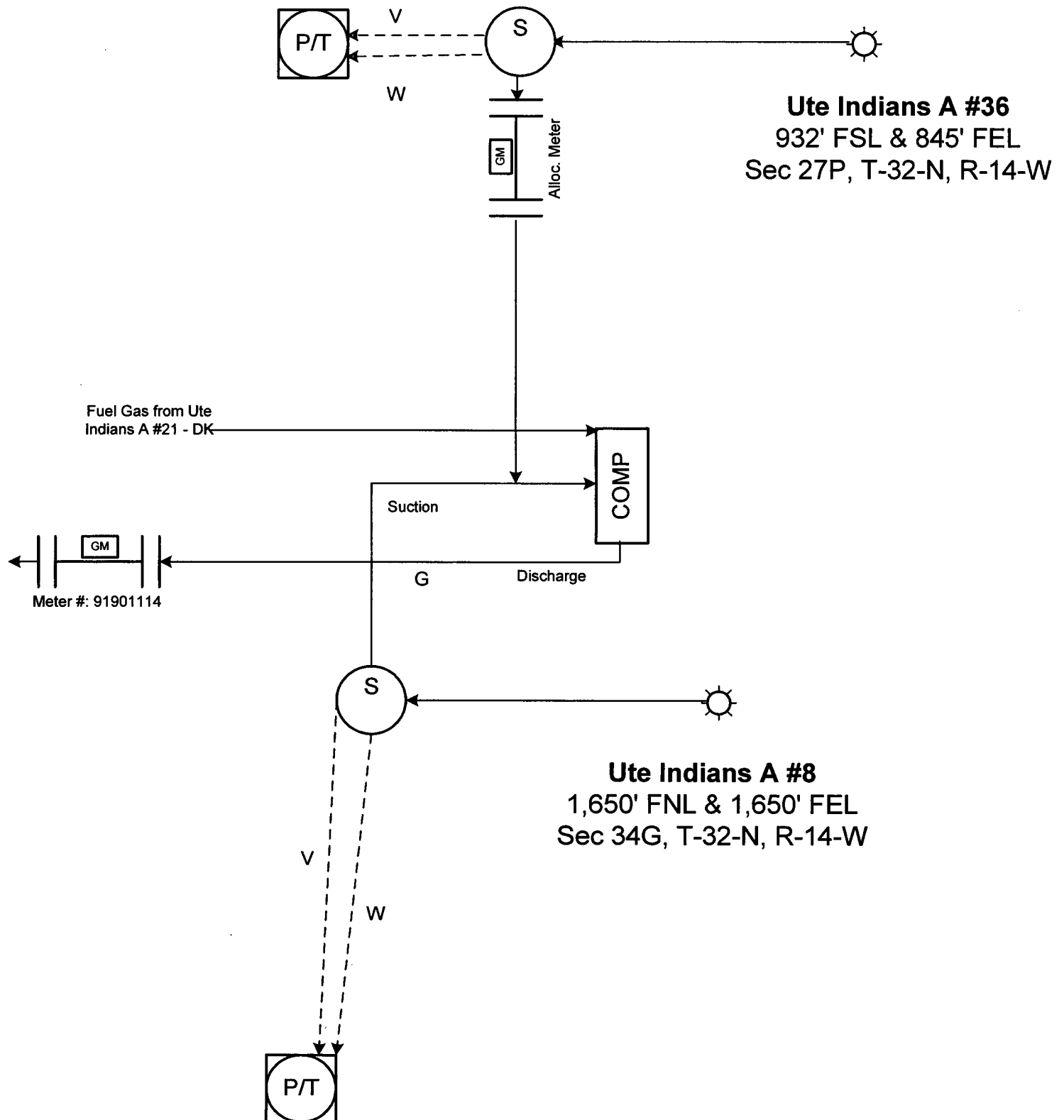
Ute Indians A #36 (Gas Prod) = Volume @ allocation meter + lease usage

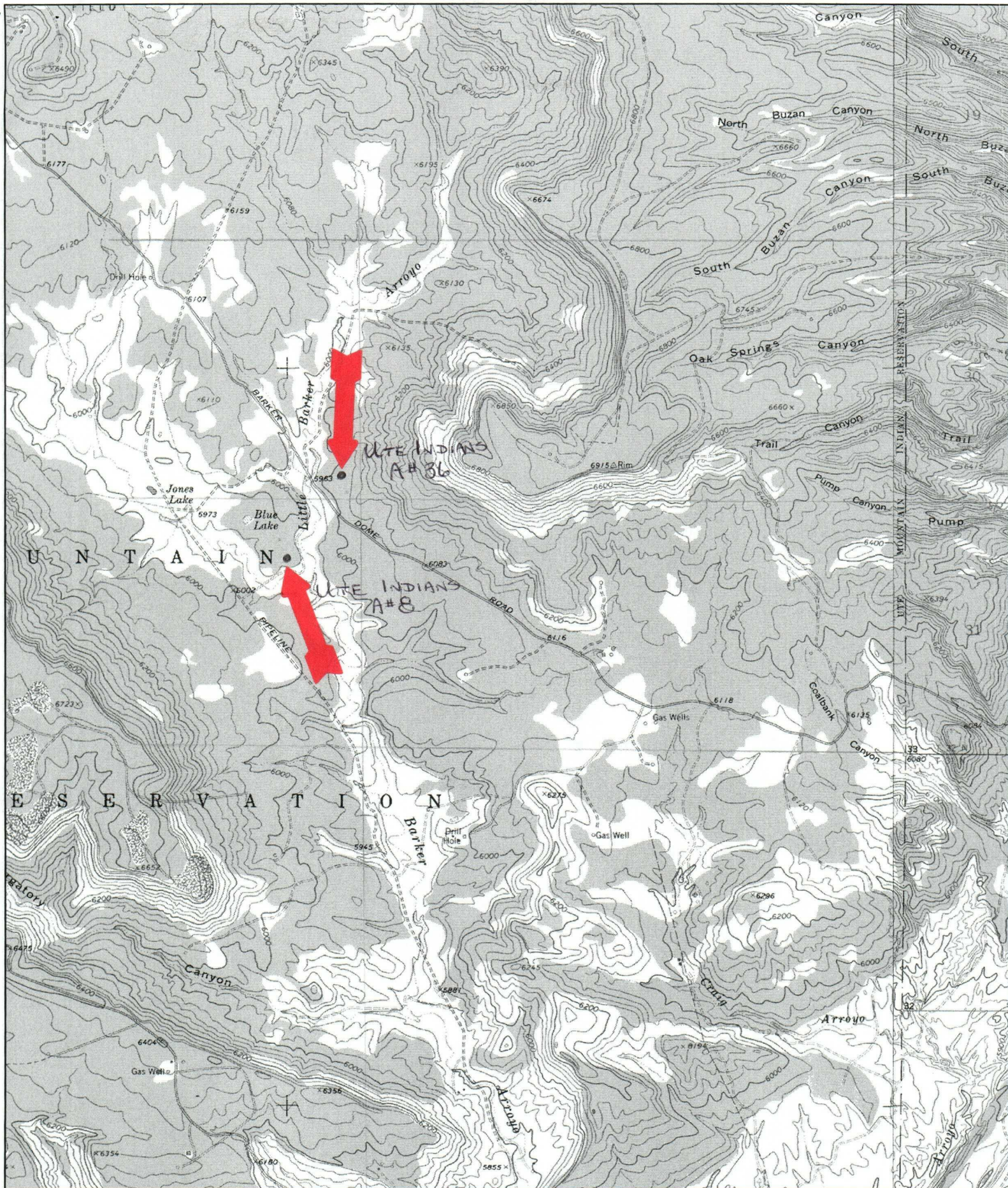
Ute Indians A #8 (Gas Prod) = Volume @ meter #91901114 + lease usage – Ute Indians A #36 allocation.

The compressor fuel is provided by the Ute Indians A#21 - Dakota, as the Paradox formations contain H₂S which makes it inadequate for fuel supply.

No commingling of liquids will occur. Production will be based on actual measured volumes from each well.

XTO ENERGY INC
Proposed Surface Commingling Facilities
Federal Lease #: 142060462



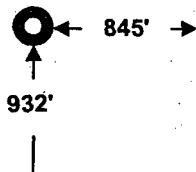


Name: PURGATORY CANYON
Date: 6/3/103
Scale: 1 inch equals 2500 feet

Location: 036° 56' 43.2" N 108° 16' 35.0" W
Caption: Ute Indians A#8 and Ute Indians A#36

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

☒ AMENDED REPORT

16				<p>17 OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p><u>Darrin Steed</u></p> <p>Signature</p> <p>Darrin Steed</p> <p>Printed Name</p> <p>Regulatory Supervisor</p> <p>Title</p> <p>May 19, 2003</p> <p>Date</p>
				<p>18 SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>August 23, 2001</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>Original signed by Roy Rush</p>
			 <p>A diagram showing a well location. A circle with a dot in the center represents the well. To its left is a horizontal arrow pointing left with the text "845'". Below the circle is a vertical arrow pointing down with the text "932'".</p>	<p>8894</p> <p>Certificate Number</p>

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

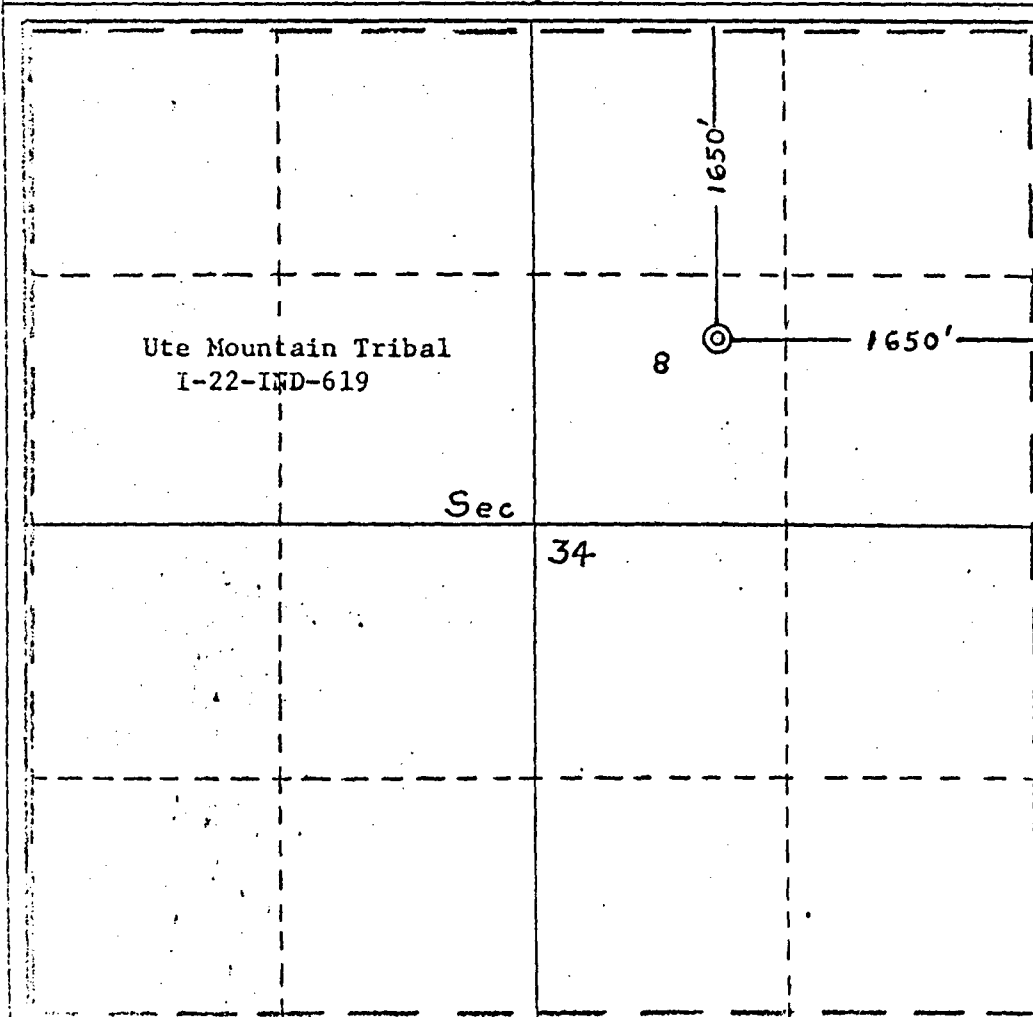
Operator Amoco Production Company			Lease Ute Indians "A"		Well No. 8
Unit Letter C	Section 34	Township 32N	Range 14W	County San Juan	
Actual Footage Location of Well: 1650 feet from the North line and 1650 feet from the East line					
Ground Level Elev. Report Later	Producing Formation Paradox		Pool Ute Dome Paradox		Dedicated Acreage: 640 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

L. R. Chisr

Name

L. R. Chisr

Position

Petroleum Engineer

Company

AMOCO PRODUCTION COMPANY

Date

March 11, 1971

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 knowledge and belief.

Date Surveyed

March 3, 1971

Registered Professional Engineer and/or Land Surveyor

Fred B. Kerr Jr.

Fred B. Kerr Jr.

Certificate No.

3950

MMS-Bureau of Indian Affairs
Ute Tribe

Mark Andrew Gordon
125 Grand View Circle
Evanston, WY 82930-5601

Christine Harrison Oien
P.O. Box 3025
Clackamas, OR 97015-8817

Ed N. Harrison
435 S. Curson Ave. #3H
Los Angeles, CA 90036

Thomas S. Harrison, IV
15011 S. Forsythe Road
Oregon City, OR 97045-9463

Helen K. & Arthur E. Johnson
Foundation
1700 Broadway, Ste 1100
Denver, CO 80290-1718

Elisa Wiley Harrison
Bruna R. Finnie Attorney In Fact
1582 Lewiston Dr.
Sunnyvale, CA 94087-4148

Johnny Ruth Harrison Family Trust
Dated 8/21/1992
P.O. Box 17258
Encino, CA 91416-7258

Leslie Harrison Montecucco
6948 44th Ave. NE
Olympia, WA 98516

Dorothy Osborne Muller
P.O. Box 422
Kingsland, TX 78639

Max Houck Matthes LLC
2703 Bay Blvd.
Indian Rocks Beach, FL 33785

Harrison Wiley LLC
7 Fairway Drive
Boynton Beach, FL 33436

Harrison, Matthes & Eagan LLC
16359 Lauder Lane
Dallas, TX 75248-2348

Burlington Resources Oil & Gas
Company LP
P.O. Box 4289
Farmington, NM 87499-4289