

RECEIVED: 9/4/2017	REVIEWER: m Am	TYPE: PLC	APP NO: PMAM1709456740
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NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & 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

Applicant: XTO Energy Inc. **OGRID Number:** 5380
Well Name: State Gas Com BI #1E & State Gas Com BI #3 **API:** 30-045-25252 / 30-045-32288
Pool: Basin Dakota & Basin Fruitland Coal **Pool Code:** 71599 & 71629

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

PLC 461

1) TYPE OF APPLICATION: Check those which apply for [A]

A. Location - Spacing Unit - Simultaneous Dedication

☐ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD

B. Check one only for [I] or [II]

[I] Commingling - Storage - Measurement

☐ DHC ☐ CTB ☒ PLC ☐ PC ☐ OLS ☐ OLM

[II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

2) NOTIFICATION REQUIRED TO: Check those which apply.

- A. ☐ Offset operators or lease holders
 B. ☒ Royalty, overriding royalty owners, revenue owners
 C. ☐ Application requires published notice
 D. ☒ Notification and/or concurrent approval by SLO
 E. ☐ Notification and/or concurrent approval by BLM
 F. ☐ Surface owner
 G. ☒ For all of the above, proof of notification or publication is attached, and/or,
 H. ☐ No notice required

FOR OCD ONLY

☐ Notice Complete
☐ Application Content Complete

- 3) 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.

Cherylene L. Weston, Sr. Permitting Analyst

Print or Type Name

Cherylene L. Weston

Signature

4-3-17
Date

505-333-3190

Phone Number

cherylene_weston@xtoenergy.com
e-mail Address



XTO Energy Inc.
382 Road 3100
Aztec, New Mexico 87410
Office: 505.333.3100
Fax: 505.333.3280

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

RE: **Amended Surface Commingle**
State Gas Com BI #1E & State Gas Com BI #3
NE/4 NE/4 Sec. 16, T30N, R13W
San Juan County, New Mexico

Dear Mr. McMillan:

XTO Energy Inc. (XTO) requests administrative approval for surface commingling of natural gas produced from the above wells located in San Juan County, New Mexico. Please note: Administrative Order PLC-461 was previously approved on February 9, 2017. The approved allocation method was not what XTO's intent was.

XTO plans to produce the commingled gas through a central compressor on the State Gas Com BI #3 well, minimizing the footprint on the location, lowering compression expenses as well as keeping emissions and noise levels down. This increases the ultimate recoveries on all leases. The anticipated allocated production and fuel usage for the compressor is noted in the attachments.

The State Gas Com BI #1E well will be equipped with a meter that will be maintained by XTO Energy in accordance with State and Federal Regulations (Onshore Order No. 5). XTO will meter gas from the State Gas Com BI #1E well prior to entering the compressor on the State Gas Com BI #3 well. The State Gas Com BI #3 gas will be allocated after commingling with the State Gas Com BI #1E gas, using the subtraction method to allocate production for the State Gas Com BI #3 well. Produced liquids will not be surface commingled. All interest owners have been notified via certified mail, return receipt, on April 3, 2017.

The following attachments are included with this application:

- Administrative Application Checklist
- State form C-107-B (application for surface commingle; diverse ownership)
- Map of all wells and their associated leases
- Form C-102 for each well (plats)
- Table of well & lease and agreement information, spacing, permits, gravities/BTU & MCF
- Schematic diagram showing all flowlines, compressors & equipment
- Details of allocation formula
- Copy of amended letter to WI, NRI & ORRI owners & proof of mailing

Sincerely,

Cherylene L. Weston, CPLTA
Senior Permitting Analyst

/clw

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

Form C-107-B
Revised August 1, 2011

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: 382 Road 3100, Aztec, NM 87410
APPLICATION TYPE:

☐ Pool Commingling ☐ Lease Commingling ☒ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingling)

LEASE TYPE: ☐ Fee ☒ State ☐ Federal

Is this an Amendment to existing Order? ☒ Yes ☐ No If "Yes", please include the appropriate Order No. PLC-461
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		Calculated Value of Commingled Production	Volumes
Basin Dakota (71599)					
Basin Fruitland Coal (71629)					

- (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: Cherylene L. Weston TITLE: Sr. Permitting Analyst DATE: 4-3-17

TYPE OR PRINT NAME: Cherylene L. Weston TELEPHONE NO.: 505-333-3190

E-MAIL ADDRESS: cherylene.weston@xtoenergy.com

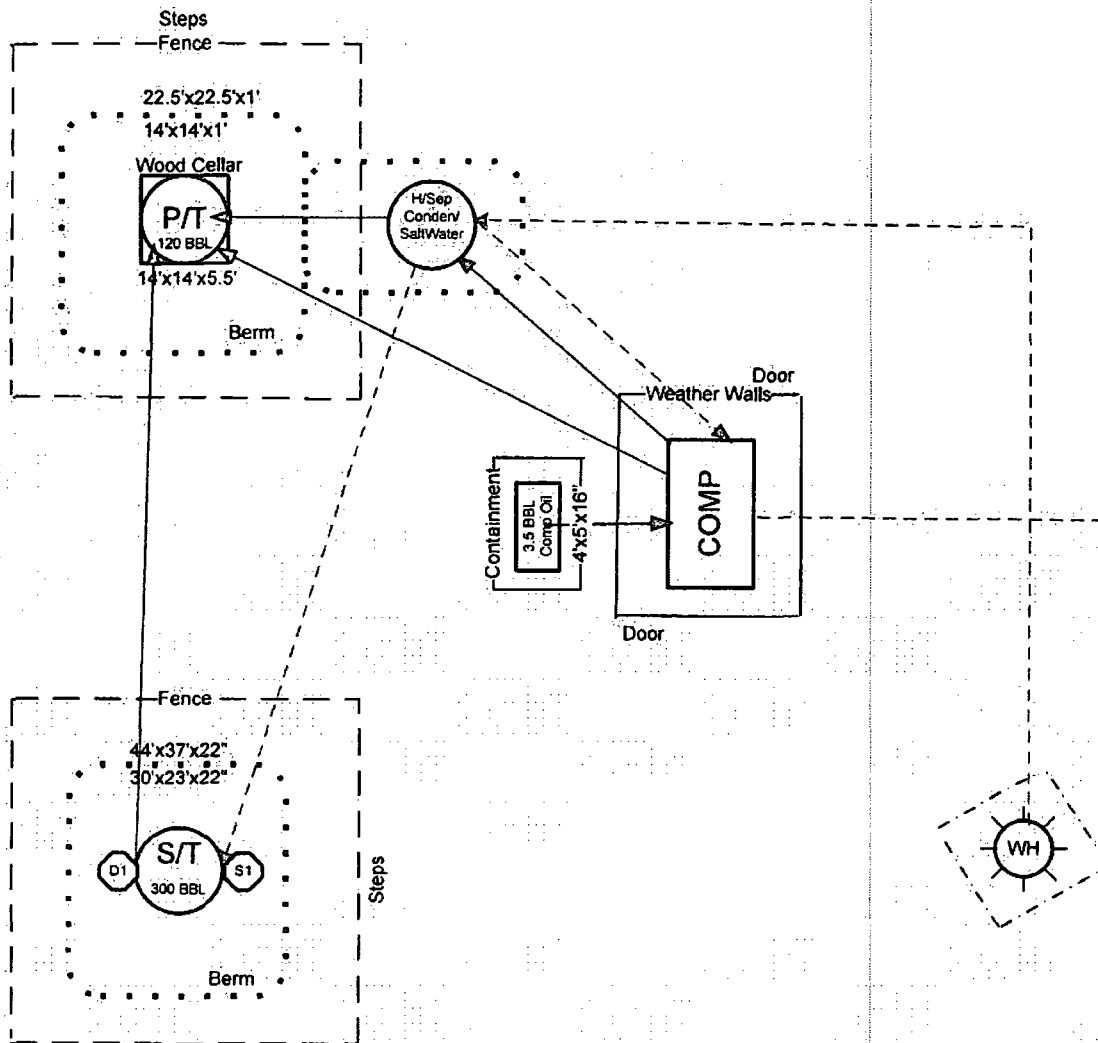
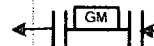
Present

Plot Plan/ Facility Diagram

Well Name: State Gas Com B I # 1 E
Field: San Juan County NM
Serial Number: Lease # E-8279, API # 30-045-25252
Section: NE/NE Sec. 16 (A), T-30N, R-13W
Updated: 5/5/2011



Drainage



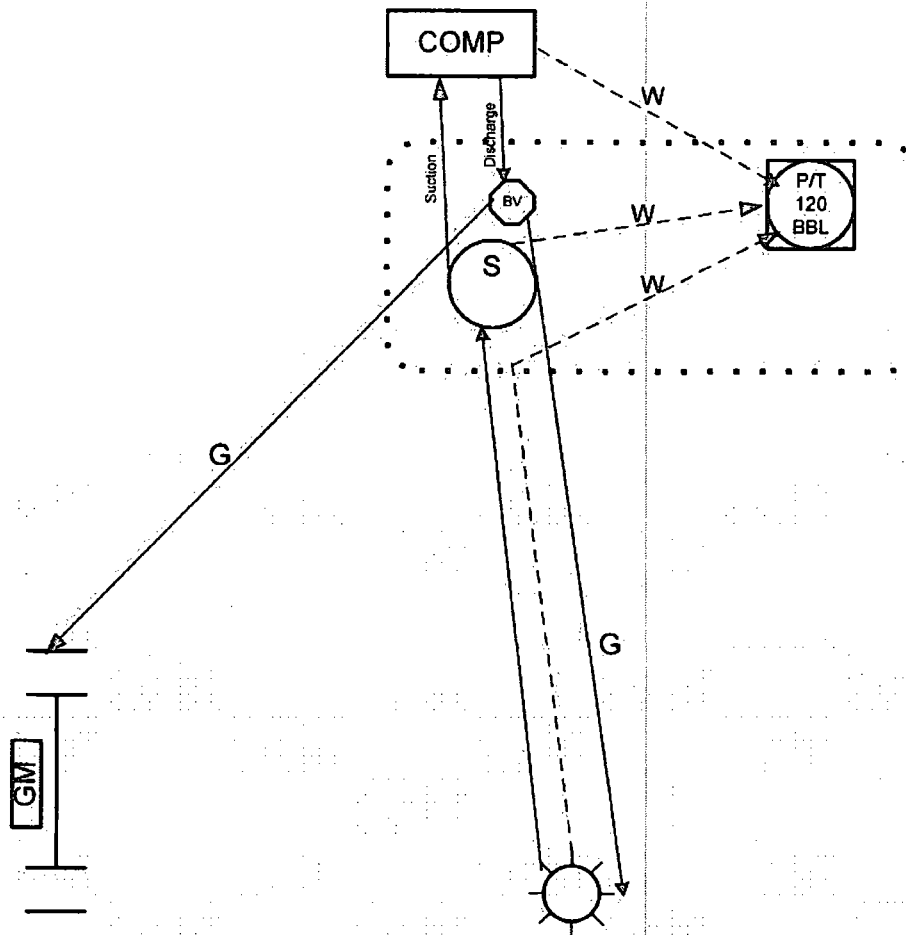
Production
Gas
Oil
Water
Equalizing Line
Catch Basin
Flow Lines
Buried Flow Lines

General sealing of valves, sales by tank gauging
Production phase: Drain valve D1 and sales valve S1 sealed closed.
Sales phase: Drain valve D1 sealed closed, Sales valve S1 open.
Draining phase: Drain valve D1 open, Sales valve S1 closed.

This lease is subject to the site security plan for San Juan Basin Area. The plan is located at:
XTO ENERGY INC.
382 Road 3100
Aztec, NM 87410

XTO ENERGY INC.
STATE GAS COM BI #003
Sec 16, T30N, R13W UNIT A
API #: 30-045-32288

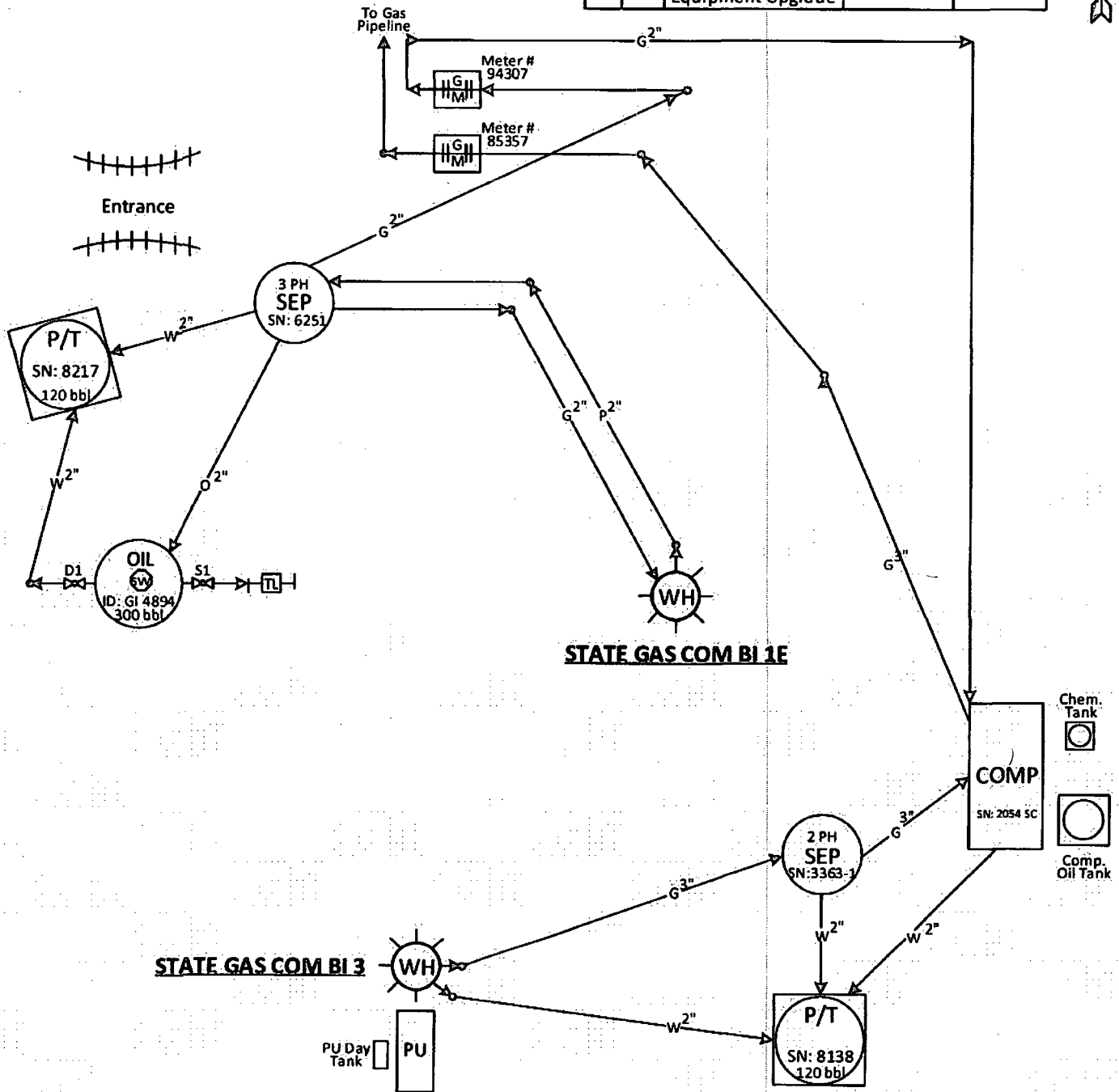
Present



This lease is subject to the site security plan for San Juan Basin Area. The plan is at:
XTO Energy Inc.
2700 Farmington Ave., Bldg. K, Ste. 1
Farmington, NM 87401
01/12/07

Proposed

Rev	By	Description	Date	Approval
2	DG	Site Facility Diagram Equipment Upgrade	1/28/2016	1/29/2016



The plan is located at:
XTO Energy
 9127 S. Jamaica St.
 Englewood, CO 80112

General sealing of valves, sales by tank gauging
 Production phase: Drain valve D1 and sales valve S1 sealed closed.
 Sales phase: Drain valve D1 sealed closed. Sales valve S1 open.
 Draining phase: Drain valve D1 open. Sales valve S1 closed.

STATE GAS COM BI 1E
 NENE SEC 16, T30N, R13W
 970 FNL 880 FEL
 API # 30-045-25252
 LEASE # E8279
 SAN JUAN COUNTY, NEW MEXICO

STATE GAS COM BI 3
 NENE SEC 16, T30N, R13W
 1030 FNL 850 FEL
 API # 30-045-32288
 SAN JUAN COUNTY, NEW MEXICO

DISTRICT I
1825 N. Fench Dr., Hobbs, N.M. 88240

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

DISTRICT III
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 87504-2088

Form C-102

Revised June 10, 2003

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-32288	² Pool Code 711629	³ Pool Name Basin Fruitland Coal
⁴ Property Code 22823	⁵ Property Name STATE GAS COM BI	⁶ Well Number 3
⁷ OGRD No. 1167067	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 5567

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
A	16	30-N	13-W		1030	NORTH	850	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

¹² Dedicated Acres 320 ml2	¹³ Joint or Infill I	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

<div><p>QTR. CORNER FD 3 1/2" BLM 1952 BC</p><p>S 88-48-38 E 2632.7' (M)</p><p>SEC. CORNER FD 3 1/4" BLM 1952 BC</p><p>1030'</p><p>850'</p><p>N 00-09-42 W 2813.2' (M)</p><p>LAT: 36°49'03" N (NAD 27) LONG: 108°12'14" W (NAD 27)</p><p>APR 2004</p><p>16</p><p>17</p></div>	<p>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>Signature: <u>Holly K Small</u></p> <p>Printed Name: <u>Holly K Small</u></p> <p>Title: <u>Drilling Assistant</u></p> <p>417104</p>
	<p>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>Date of Survey: <u>APR 2004</u></p> <p>Signature and Seal: <u>[Signature]</u></p> <p>14831</p> <p>Certification Number: <u>1750</u></p>

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-192
Supersedes C-124
Effective 1-1-65

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

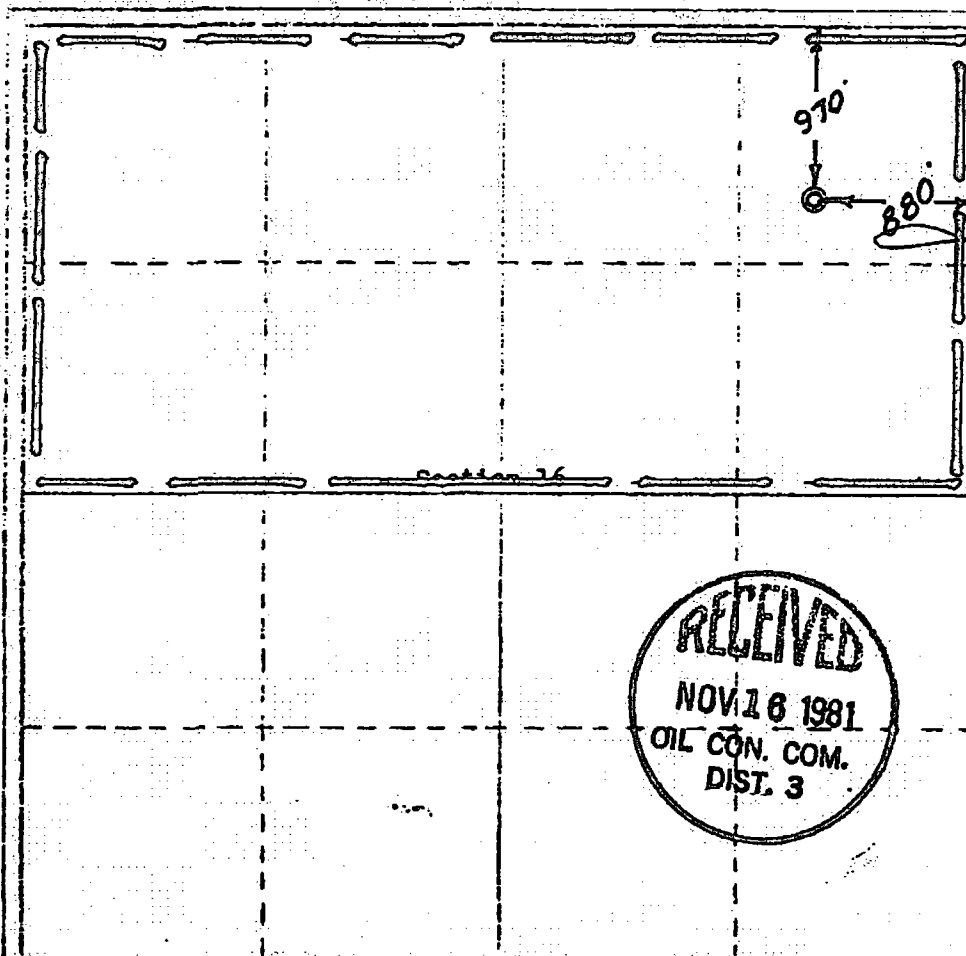
Operator M. R. Schalk		Lessee State Gas Com BI		Acres 1E	
Unit Letter A	Section 16	Township 30 North	Range 13 West	County San Juan	
Actual Footage Location of Well: 970 feet from the North line and 880 feet from the East line					
Ground Level Elev. 5562	Producing Formation Dakota	Pool Basin	Dedicated Acreage: 320 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 Communitization.

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 well be assigned to the well until all interests have been consolidated (by communitization, unitization, force-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 correct to the best of my knowledge and belief.

Steve Schalk

Production
Agent

Company
M. R. Schalk

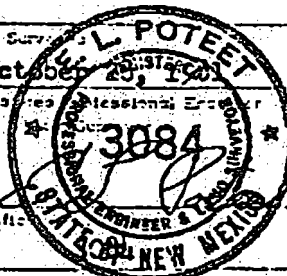
Date
Nov. 12, 1981

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
October 29, 1981

Registered Professional Engineer
and
3084

Certified



370 650 930 1210 1490 1770 2050 2330 2610 2890 3170 3450 3730 4010 4290 4570 4850 5130 5410 5690 5970 6250 6530 6810 7090 7370 7650 7930 8210 8490 8770 9050 9330 9610 9890 10170 10450 10730 11010 11290 11570 11850 12130 12410 12690 12970 13250 13530 13810 14090 14370 14650 14930 15210 15490 15770 16050 16330 16610 16890 17170 17450 17730 18010 18290 18570 18850 19130 19410 19690 19970 20250 20530 20810 21090 21370 21650 21930 22210 22490 22770 23050 23330 23610 23890 24170 24450 24730 25010 25290 25570 25850 26130 26410 26690 26970 27250 27530 27810 28090 28370 28650 28930 29210 29490 29770 30050 30330 30610 30890 31170 31450 31730 32010 32290 32570 32850 33130 33410 33690 33970 34250 34530 34810 35090 35370 35650 35930 36210 36490 36770 37050 37330 37610 37890 38170 38450 38730 39010 39290 39570 39850 40130 40410 40690 40970 41250 41530 41810 42090 42370 42650 42930 43210 43490 43770 44050 44330 44610 44890 45170 45450 45730 46010 46290 46570 46850 47130 47410 47690 47970 48250 48530 48810 49090 49370 49650 49930 50210 50490 50770 51050 51330 51610 51890 52170 52450 52730 53010 53290 53570 53850 54130 54410 54690 54970 55250 55530 55810 56090 56370 56650 56930 57210 57490 57770 58050 58330 58610 58890 59170 59450 59730 60010 60290 60570 60850 61130 61410 61690 61970 62250 62530 62810 63090 63370 63650 63930 64210 64490 64770 65050 65330 65610 65890 66170 66450 66730 67010 67290 67570 67850 68130 68410 68690 68970 69250 69530 69810 70090 70370 70650 70930 71210 71490 71770 72050 72330 72610 72890 73170 73450 73730 74010 74290 74570 74850 75130 75410 75690 75970 76250 76530 76810 77090 77370 77650 77930 78210 78490 78770 79050 79330 79610 79890 80170 80450 80730 81010 81290 81570 81850 82130 82410 82690 82970 83250 83530 83810 84090 84370 84650 84930 85210 85490 85770 86050 86330 86610 86890 87170 87450 87730 88010 88290 88570 88850 89130 89410 89690 89970 90250 90530 90810 91090 91370 91650 91930 92210 92490 92770 93050 93330 93610 93890 94170 94450 94730 95010 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256010 256290 256570 256850 257130 257410 257690 257970 258250 258530 258810 259090 259370 259650 259930 260210 260490 260770 261050 261330 261610 261890 262170 262450 262730 263010 263290 263570 263850 264130 264410 264690 264970 265250 265530 265810 266090 266370 266650 266930 267210 267490 267770 268050 268330 268610 268890 269170 269450 269730 270010 270290 270570 270850 271130 271410 271690 271970 272250 272530 272810 273090 273370 273650 273930 274210 274490 274770 275050 275330 275610 275890 276170 276450 276730 277010 277290 277570 277850 278130 278410 278690 278970 279250 279530 279810 280090 280370 280650 280930 281210 281490 281770 282050 282330 282610 282890 283170 283450 283730 284010 284290 284570 284850 285130 285410 285690 285970 286250 286530 286810 287090 287370 287650 287930 288210 288490 288770 289050 289330 289610 289890 290170 290450 290730 291010 291290 291570 291850 292130 292410 292690 292970 293250 293530 293810 294090 294370 294650 294930 295210 295490 295770 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WELL INFORMATION

[illegible]

Well	Pumping Unit		Separator(s)		Vented Gas (mcfpd)
	Engine	Fuel Usage (mcfpd)	Burners (y/n)	Fuel Usage (mcfpd)	
State Gas Com BI 1E	None - Plunger Lift	0	Y	5.7	0.0
State Gas Com BI 3	Arrow C-46	2.6	Y	2.3	0.0

Compressor Information		
Location:	State Gas Com B 3 CDP	
Property #	68798	
XTO Compressor #	2054SC	
Lat/Long:	36.81741	-108.20409
Manufacturer:	CATERPILLAR	
Engine:	G3306NA	
Horse Power:	145	
Fuel Usage:	21.6	mcf/d
DK	40	mcf/d
FC	150	mcf/d

Well	State Gas Com BI 1E	State Gas Com BI 3
Formation	Basin Dakota	Basin Fruitland Coal
Average 2016 Production (mcf)		
June	43	139
July	42	103
August	42	143
September	43	156
October	44	144
November	42	152

State Gas Com B#3 CDP

Proposed Allocation Procedure

Base Data:

W = Gas Volume (Mcf) from allocation meters at individual wells during allocation period

X = Gas Volume (Mcf) from CDP Sales Meter during allocation period

Y = BTU's from CDP Sales Meter during allocation period

Allocation Period is typically a calendar month and will be the same for all wells.

1. Individual Well Gas Production = A + B + C + D + E

A = Allocated Sales Volume, Mcf = $(W / \text{SUM } W) \times X$

(individual well volume divided by the sum of the well volumes; multiplied by total from CDP)

B = On lease fuel usage, Mcf. Determined from equipment specifications and operating conditions.

C = Purged and/or vented gas from well and/or lease equipment, Mcf. Calculated using equipment specifications and pressures.

D = Allocated fuel from gathering system equipment. The total fuel required to operate gathering system equipment will be allocated to the individual wells benefiting from the equipment using allocation factors determined by $W / \text{SUM } W$ for the wells involved.

E = Allocated volume of gas lost and/or vented from the gathering system and/or gathering system equipment, Mcf. The total volume will be determined using industry accepted procedures for the conditions existing at the time of the loss. All volumes corresponding to liquid condensation within the gathering system will also be determined. The total volume lost and/or vented will be allocated to the individual wells affected using factors determined by $W / \text{SUM } W$.

2. Allocated Individual Well BTU's = $((W \times \text{Individual well BTW} / \text{SUM } (@ \times \text{individual well BTU})) \times Y$. Individual well gas heating values to be determined in accordance with BLM regulations (currently Onshore Order #5).



XTO Energy Inc.
382 Road 3100
Aztec, New Mexico 87410
Office: 505.333.3100
Fax: 505.333.3280

VIA CERTIFIED MAIL – RETURN RECEIPT REQUESTED

April 3, 2017

RE: **Amended Notice to Working and Royalty Interest Owners**
Application to Surface Commingle Gas Production
NE/4 NE/4 Section 16, T30N, R13W
San Juan County, New Mexico

Dear Interest Owner:

XTO Energy Inc. (XTO) is re-applying to the New Mexico Oil Conservation Division (NMOCD) for approval to surface commingle gas production from the State Gas Com BI #1E (Basin Dakota) and State Gas Com BI #3 wells (Basin Fruitland Coal). NMOCD requires all interest owners be notified of plans to surface commingle when ownership is different between wells. XTO previously notified you by letter dated January 18, 2017. Subsequently, administrative order PLC-461 was approved on February 9, 2017. It was recently discovered that the language pertaining to the allocation methodology was incorrect and not what our intention was.

This letter serves as notification of our intent to modify the allocation method as follows: XTO will meter gas from the State Gas Com BI #1E well prior to entering the compressor on State Gas Com BI #3 well. The State Gas Com BI #3 gas will be allocated after commingling with the State Gas Com BI #1E gas, and we will use the subtraction method to allocate volumes for the State Gas Com BI #3 well. There will be one CDP on the State Gas Com BI #3 well. By surface commingling the wells, we will reduce air emissions, lower compression costs, and reduce the footprint on the location.

If you need additional information, or have any questions, please contact me at (505) 333-3190. If you object to our application, you must file a protest in writing to the NMOCD, Santa Fe office at 1220 South Saint Francis Drive, Santa Fe, NM 87505 within 20 days from the date of this letter. If there are no objections raised, an application will be re-submitted to NMOCD at that time.

Sincerely,

A handwritten signature in cursive script that reads 'Cherylene L. Weston'.

Cherylene L. Weston, CPLTA
Sr. Permitting Analyst

/clw

xc: Well Files
FTW Land Department
NMOCD, Aztec
NM State Land Office

**State Gas Com BI #3 (Basin Fruitland Coal)
State Gas Com BI #1E (Basin Dakota)
Amended Notice to Working, Royalty and ORRI Owners**

Interest Owners:

**Chevron North America & Exploration & Prod Company
c/o Four Star Oil & Gas Company**

M R Schalk LLC

New Mexico Commissioner of Public Lands

XTO Energy Inc.

7011 1150 0000 5129 5956

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage	\$

Sent To: Chevron North America Exploration & Prod Co.
 c/o Four Star Oil & Gas Company
 Street, Apt or PO: 1400 Smith Street, Room 45120
 City, State: Houston, TX 77002

State GC BI #1E & #3

PS Form 3800, August 2005

7011 1150 0000 5129 5932

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Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage	\$

Sent To: M R Schalk LLC
 PO Box 25825
 Street, Apt or PO Box: Albuquerque, NM 87125-0825
 City, State: Albuquerque, NM 87125-0825

State GC BI #1E & #3

PS Form 3800, August 2005

7011 1150 0000 5129 5949

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Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage	\$

Sent To: NM COMMISSIONER OF PUBLIC LANDS
 New Mexico State Land Office
 Street, Apt or PO Box: 310 Old Santa Fe Trail
 City, State: Santa Fe, NM 87504

State GC BI #1E & #3

PS Form 3800, August 2005

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



February 9, 2017

ADMINISTRATIVE POOL/LEASE COMMINGLING ORDER

Administrative Order PLC-461
Administrative Application Reference No. pMAM1634829865

XTO Energy, Inc.
Attention: Ms. Cherylene Weston

Pursuant to your application received on January 18, 2017, XTO Energy, Inc. (OGRID 5380) is hereby authorized to surface commingle gas production from the following pools located in Section 16, Township 30 North, Range 13 West, NMPM, San Juan County, New Mexico;

BASIN FRUITLAND COAL (GAS)	(71629)
BASIN DAKOTA (PRORATED GAS)	(71599)

and from the following diversely owned state lease in said Section, Township, and Range in San Juan County, New Mexico.

Lease:	State lease E-8279	
Description:	N/2 of Section 16	
Well:	State Gas Com BI Well No. 3	30-045-32288
Pool:	Basin Fruitland Coal (Gas)	

Lease:	State lease E-8279	
Description:	N/2 of Section 16	
Well:	State Gas Com BI Well No. 1E	30-045-25252
Pool:	Basin Dakota (Prorated Gas)	

The combined spacing units for these wells include the N/2 of Section 16, Township 30 North, Range 13 West, NMPM, San Juan County, New Mexico.

The commingled gas production from the wells detailed above shall be measured and sold at the State Gas Com BI Well No. 1E and State Gas Com BI Well No. 3 shared Central Tank Battery

(CTB) located in Unit A of Section 16, Township 30 North, Range 13 West, NMPM, San Juan County, New Mexico.

Production from the subject wells shall be determined as follows:

Each well will be individually metered using allocation meters. Total gas production will then be metered using a CDP sales meter. Production shall then be allocated to each well using the CDP sales meter volume, allocation meter volumes on a lease fuel usage, purged or vented gas volumes, BTU and other data, in accordance with the allocation formula contained within the application.

No commingling of liquids shall occur.

The allocation meters shall be calibrated quarterly in accordance with Rule 19.15.12.10.C (2).


Subsequently drilled wells that produce from the subject pool within the project areas approved by this order may be added to this commingling authority by submittal of a Sundry Notice to the Engineering Bureau in Santa Fe.

The operator shall notify the transporter of this commingling authority.

Subject to like approval from the New Mexico State Land Office.

The operator shall notify the Aztec District office of the Division upon commencement of commingling operations.

DONE at Santa Fe, New Mexico, February 9, 2017.


DAVID R. CATANACH
Director

DRC/mam

cc: Oil Conservation Division District Office – Aztec
New Mexico State Land Office – Oil, Gas, and Minerals