

3/22/06  
DATE IN

SUSPENSE

WILL JONES  
ENGINEER

LOGGED IN

3/22/06

TYPE

DHC

APP NO.

PTDS0608159203

ABOVE THIS LINE FOR DIVISION USE ONLY

3674

**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.

Print or Type Name

Signature

Title

Date

e-mail Address



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

March 14, 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  
C.A. McAdams C #1F Downhole Commingle  
30-045-33406 Unit H Sec 05-T27N- R10W  
Basin Mancos and Basin Dakota  
SF-077941; San Juan, NM

Dear Mr. Jones:

Enclosed please find an administrative application form (C107A) and attachments for downhole commingling for the captioned well. By copy of this application by certified mail, return receipt requested, XTO has notified all offset operators in the formations captioned above as well as all affected interest owners. 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,

A handwritten signature in black ink, appearing to read 'Lorri D. Bingham', is written over the typed name.

Lorri D. Bingham  
Regulatory Compliance Tech

xc: Wellfile  
OCD, Aztec Office

2006 MAR 22 PM 2 35

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. 30-045-33406	
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>	
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name: CA McADAMS C	
8. Well Number 1F	
9. OGRID Number	
10. Pool name or Wildcat Basin Dakota / WC Basin Mancos	

**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  Gas Well  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 H : 1725 feet from the NORTH line and 1310 feet from the EAST line  
 Section 5 Township 27N Range 10W NMPM County San Juan

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
 5997' GR

Pit or Below-grade Tank Application  or Closure   
 Pit type \_\_\_\_\_ Depth to Groundwater \_\_\_\_\_ Distance from nearest fresh water well \_\_\_\_\_ Distance from nearest surface water \_\_\_\_\_  
 Pit Liner Thickness: \_\_\_\_\_ 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 Energy Inc. is requesting approval to downhole commingle product fr/the Basin Dakota & the Wildcat Basin Mancos in the CA McAdams C #1F. XTO Energy will DHC upon completion of the well. Allocations are based on a 9-section EUR & calculated as follows:

Gas: DK 93% EM 7% Water: DK 98% EM 2% Oil: DK 75% EM 25%

All interest owners were notified by certified, return receipt mail on March 14, 2006. DHC will offer an economical method for production while protecting against reservoir damage, waste of reserves & violation of correlative rights.

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 Lois D. Bingham TITLE REGULATORY COMPLIANCE TECH DATE 3/15/06  
 E-mail address: Regulatory@xtoenergy.com  
 Type or print name LOIS D. BINGHAM Telephone No. (505) 324-1090

For State Use Only

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
 Conditions of Approval, if any:

DISTRICT I  
1825 W. French Dr., Hobbs, N.M. 88240

DISTRICT II  
1304 W. Grand Ave., Artesia, N.M. 88210

DISTRICT III  
1000 Rio Brazos Rd., Artesia, N.M. 87410

DISTRICT IV  
1220 South St. Francis Dr., Santa Fe, NM 87506

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87506

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 Basin Manos
*Property Code	*Property Name C A McADAMS C	*Well Number 1F
*OCROB No. 107067	*Operator Name XTO ENERGY INC.	*Elevation 5997'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot No.	Feet from the	North/South line	Feet from the	East/West line	County
H	5	27-N	10-W		1725	NORTH	1310	EAST	SAN JUAN

11 Bottom Hole Location If Different from Surface

UL or lot no.	Section	Township	Range	Lot No.	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres					Jacket or Infill		Consolidation Code		Order No.
0.2814 10104									

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>FD. 2 1/2" B.C. 1913 U.S.G.L.O.</p> <p>LOT 4</p> <p>LOT 3</p> <p>LOT 2</p> <p>LOT 1</p> <p>1725'</p> <p>1310'</p> <p>S 10-00-32 E 2854.4' (N)</p>	<p>N 89-52-57 W 2639.6' (M)</p>	<p>FD. 2 1/2" B.C. 1913 U.S.G.L.O.</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 A. Small</i> Signature</p> <p><i>Lilly K. Small</i> Printed Name</p> <p>Regulatory Compliance Tech Title</p> <p>9/29/09 Date</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>Date of Survey: 2005</p> <p>Signature: <i>[Signature]</i></p> <p><b>NEW MEXICO</b> REGISTERED PROFESSIONAL SURVEYOR 14831 13-0</p> <p>Certificate Number</p>
<p>5</p> <p>LAT. 36°36'24.5"N (NAD 27) LONG. 107°54'49.8" W (NAD 27)</p>			

DISTRICT I  
1686 N. French Dr., Hobbs, N.M. 88240

DISTRICT II  
1301 W. Grand Ave., 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 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
	C A McADAMS C	1F
*OCRD No	*Operator Name	*Elevation
167067	XTO ENERGY INC.	5997'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	5	27-N	10-W		1725	NORTH	1310	EAST	SAN JUAN

<sup>11</sup> 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
<sup>12</sup> Dedicated Acres: 2/2 321.04 <sup>13</sup> Total or 2nd/3rd <sup>14</sup> Consolidation Code <sup>15</sup> 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

16	FD. 2 1/2" B.C. 1913 U.S.G.L.O.	N 89-52-57 W 2639.6' (M)	FD. 2 1/2" B.C. 1913 U.S.G.L.O.	17	<b>OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
LOT 4	LOT 3	LOT 2	LOT 1	1725'	<i>Deepest Small</i> Signature Deepest Small Printed Name Regulatory Compliance Tech Title Date: 9/29/09	
				1310'		
				5	18	<b>SURVEYOR CERTIFICATION</b> 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.
	LAT. 36°36'24.5"N (NAD 27) LONG. 107°54'49.6" W (NAD 27)		FD. 2 1/2" B.C. 1913 U.S.G.L.O.		Date of Survey: 2005 Signature: [Signature]  Certificate Number:	

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

**District II**  
1301 W. Grand Avenue, 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-107A  
Revised June 10, 2003

**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**

Operator XTO ENERGY INC. Address 2700 FARMINGTON AVE, SUITE K-1 FARMINGTON, NM 87401

Lease CA McADAMS C Well No. #1F Unit Letter-Section-Township-Range SEC 5-T27N-R10W ULH County SAN JUAN COUNTY

OGRID No 167067 Property Code \_\_\_\_\_ API No. 30-045-33406 Lease Type:  Federal  State  Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	MANCOS		<i>Boon</i> DAKOTA <i>Pro Gas</i>
Pool Code	97232		71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	6239' - 6296'		6327' - 6562'
Method of Production (Flowing or Artificial Lift)	DRILLING		DRILLING
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			
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.)	Oil Gas Wtr 25% 7% 2%	Oil Gas Wtr % %	Oil Gas Wtr 75% 93% 98%

**ADDITIONAL DATA**

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

Are all produced fluids from all commingled zones compatible with each other? Yes X No \_\_\_\_\_

Will commingling decrease the value of production? Yes \_\_\_\_\_ No X

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 X No \_\_\_\_\_

NMOCD Reference Case No. applicable to this well: \_\_\_\_\_

**Attachments:**

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

**PRE-APPROVED POOLS**

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

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

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

SIGNATURE Holly C. Perkins TITLE: REGULATORY COMPLIANCE TECH DATE: 3/17/06  
TYPE OR PRINT NAME HOLLY C. PERKINS TELEPHONE NO 505-324-1090  
E-MAIL ADDRESS Regulatory@xtoenergy.com