

DISTRICT I  
1625 N. French Dr., Hobbs, NM 88240  
DISTRICT II  
1301 W. Grand Avenue, Artesia, NM 88210  
DISTRICT III  
1000 Rio Brazos Rd. Amec, 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

APPLICATION FOR DOWNHOLE COMMINGLING

Form C-107A  
Revised June 10, 2003

APPLICATION TYPE

☒ Single Well

☐ Establish Pre-Approved Pools

EXISTING WELLBORE

☒ Yes ☐ No

KTO Energy Inc.

2700 Farmington Ave., Bldg. K, Ste 1 Farmington, NM 87401

Operator

Address

JICARILLA APACHE

#8

SBC 27P- T26N-R5W

Lease

Well No

Unit Lease-Section-Township-Range

County

OGRID No 5380

Property Code 30320

API No 30-039-06280

Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	BLANCO MESAVERDE	S. BLANCO PC	BASIN DAKOTA
Pool Code	72319	72439	71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	4928' - 5410'	3070' - 3134'	7258' - 7402'
Method of Production (Flowing or Artificial Life)	ARTIFICIAL LIFT	ARTIFICIAL LIFT	ARTIFICIAL LIFT
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)	550 PSI	25 PSI	25 PSI
Oil Gravity or Gas BTU (Degree API or Gas BTU)	NEW ZONE	1.261	1.261
Producing, Shut-In or New Zone	NEW ZONE	SI	SI
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: 37 % Gas: 52 %	Oil: 0 % Gas: 29 %	Oil: 63 % Gas: 19 %

Are all working, overriding, and royalty interests identical in all commingled zones?  
If not, have all working, overriding, and royalty interests been notified by certified mail?

Yes ☒ No ☐  
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: DHC-2531

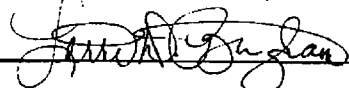
ATTACHMENTS:

- 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



TITLE REG COMPLIANCE TECH

DATE 2/14/07

TYPE OR PRINT NAME

LORRI D. BINGHAM

TELEPHONE NO. ( 505 ) 324-1090

E-MAIL

lorri.bingham@ktoenergy.com



Brock  
Hendrickson/FAR/CTOC  
02/09/2007 07:24 AM

To: Lorri Bingham/FAR/CTOC@CTOC  
cc  
bcc  
Subject: Jicarilla Apache #8

Lorri  
Can we get a DHC started for this well? We have completed the Mesa Verde on today.

Regards,

Brock Hendrickson  
Operations Engineer  
XTO Energy, Farmington, NM  
Work: 505-564-6723  
Cell: 505-330-6870  
E-Mail: Brock\_Hendrickson@xtoenergy.com  
----- Forwarded by Brock Hendrickson/FAR/CTOC on 01/17/2007 09:24 AM -----



Mandi Moncrief/FTW/CTOC  
01/17/2007 09:19 AM

To: Brock Hendrickson/FAR/CTOC@CTOC  
cc  
Subject: Re: Jicarilla Apache #8

We can just get a DHC for this one. It will be a DK/MV/PC well so allocations are as follows:

Gas:  
DK = 18.7%  
MV = 51.8%  
PC = 29.5%

Oil:  
DK = 63.2%  
MV = 36.8%  
PC = 0.0%

Water:  
DK = 60.0%  
MV = 40.0%  
PC = 0.0%

\* Here is how I came up with these numbers:

For gas, the Jicarilla Apache #8 currently produces at about 57 mcf/d from the Pictured Cliffs and 36 mcf/d from the Dakota. I estimate the Mesaverde will produce at a rate at 100 mcf/d since we will be limited to completing and fracturing this zone thru tubing.

For oil, the EUR on the Dakota side is 12 mbo and 0 mbo for the PC. The average EUR for the MV in the area is 7 mbo.

For water, the cumulative water production on the Dakota side is 3 mbw and 0 mbw for the PC. The average cum water production for the MV in the area is 2 mbw.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM 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)

990' FSL & 990' FEL SEC. 27P-T26N-R5W

5. Lease Serial No.

JTC-154

6. If Indian, Allottee or Tribe Name

JICARILLA APACHE TRIBE

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

8. Well Name and No.

JICARILLA APACHE # 8

9. API Well No.

30-039-06280

10. Field and Pool, or Exploratory Area

BASIN DK/S. BLANCO PC/  
BLANCO MV

11. County or Parish, State

RIO ARriba 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

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☒ Other DOWNHOLE

COMINGLING

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 recompleate 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 recompleation 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. recompleated the Blanco Masaverde pool & would like to amend DHC-2531. The allocations are based upon production and have been revised as follows:

Dakota: Gas: 19% Oil: 63% Water: 60%

Pictured Cliffs: Gas: 29% Oil: 0% Water: 0%

Mesaverde: Gas: 52% Oil: 37% Water: 40%

Pools are not included in the NMOC pre-approved combinations for DHC in the San Juan Basin. NMOC was notified by submission of form C-107A on 2/14/07. Ownership is common in all zones; therefore, notification to owners was not necessary. Downhole comingling will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights.

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

LORETT D. BINGHAM

Title

REGULATORY COMPLIANCE TECH

Date 2/14/07

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.

District I  
PO Box 1980, Hobbs, NM 88241-1980  
District II  
511 S. 1st Street, Artesia, NM 88210-2834  
District III  
1000 Rio Brazos Rd., Aztec, NM 87418  
District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

Form C-102  
Revised October 18, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

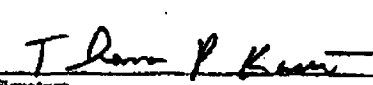
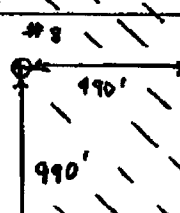
WELL LOCATION AND ACREAGE DEDICATION PLAT

1 APE Number 30-039-06280		2 Pool Code 72439		3 Pool Name Blanco Picture Cliff	
4 Property Code 6414		5 Property Name Jicarilla Apache			6 Well Number 8
7 GRID No. 014021		8 Operator Name Marathon Oil Company			9 Elevation 6660' GL

10 Surface Location									
UL or lot no. P	Section 27	Township 26N	Range 5W	Lot. Ida	Feet from the 990	North/South Line South	Feet from the 990	East/West line East	County Rio Arriba

11 Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot. Ida	Feet from the	North/South Line	Feet from the	East/West line	County
12 Dedicated Acres 160		13 Joint or Infill		14 Consolidation Code		15 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.

				27		<b>17 OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.   Signature Thomas P. Kacir Printed Name Production Engineer Title 9-22-99 Date
Dedicated Acreage →						<b>18 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.  Date of Survey Signature and Seal of Professional Surveyor:  Certificate Number

District I  
PO Box 1980, Hobbs, NM 88241-1980  
District II  
811 S. 1st Street, Artesia, NM 88210-2834  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

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2040 South Pacheco  
Santa Fe, NM 87505

Form C-102  
Revised October 18, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-039-06280		<sup>2</sup> Pool Code 71599		<sup>3</sup> Pool Name Basin Dakota	
<sup>4</sup> Property Code 6414		<sup>5</sup> Property Name Jicarilla Apache			<sup>6</sup> Well Number 8
<sup>7</sup> OGRID No. 014021		<sup>8</sup> Operator Name Marathon Oil Company			<sup>9</sup> Elevation 6660' GL

<sup>10</sup> Surface Location									
UL or lot no. P	Section 27	Township 26N	Range 5W	Lot. Idn	Feet from the 990	North/South Line South	Feet from the 990	East/West line East	County Rio Arriba

<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 160		<sup>13</sup> Joint or Infill		<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

				<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Thomas P. Kacir Signature Thomas P. Kacir Printed Name Production Engineer Title 11-12-99 Date	
				<sup>18</sup> SURVEYOR CERTIFICATION 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.  Date of Survey Signature and Seal of Professional Surveyor:  Certificate Number	

District I  
1625 N. French Dr., Hobbs, NM 88240  
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841 South First, Artesia, NM 88210  
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District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised August 15, 2000

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

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED  
REPORT

AP# Number 30-039-06280	Pool Code 72319	Pool Name BLANCO MESAVERDE
Property Code 30320	Property Name JICARILLA APACHE	Well Number 8
OGRID No. 5380	Operator Name XTO Energy, Inc.	Elevation 6660' GL

10 Surface Location

U/L or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	27	26N	5W		990	SOUTH	990	EAST	RIO ARriba

11 Bottom Hole Location If Different From Surface

U/L or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres S/2 320	Joint or Infill I	Consolidation Code	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

	27		
	BLANCO MESAVERDE		

OPERATOR CERTIFICATION

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

*[Signature]*  
Signature

LORRI BINGHAM

Printed Name

REGULATORY COMPLIANCE TECH

Title

12/1/06

Date

SURVEYOR CERTIFICATION

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.

10/25/1960

Date of Survey

Original Survey Signed By:

Ernest V. Echhawk

Certificate Number

1545

Mandi Moncrief  
Reservoir Engineer  
San Juan Basin  
XTO Energy  
(817) 885 - 3045  
Brock Hendrickson/FAR/CTOC



Brock  
Hendrickson/FAR/CTOC  
01/17/2007 09:49 AM

To: Mandi Moncrief/FTW/CTOC@CTOC  
cc  
Subject: Jicarilla Apache #8

Mandi

I'm fracing this well on Friday/Monday to add Mesa Verde. Can we get a DHC for the zones in this well, with MV, or do we have to produce it?

Regards,

Brock Hendrickson  
Operations Engineer  
XTO Energy, Farmington, NM  
Work: 505-564-6723  
Cell: 505-330-6870  
E-Mail: Brock\_Hendrickson@xtoenergy.com

**Jones, William V., EMNRD**

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**From:** Lorri\_Bingham@xtoenergy.com  
**Sent:** Wednesday, March 07, 2007 9:23 AM  
**To:** Jones, William V., EMNRD  
**Subject:** Jicarilla Apache #8

**Attachments:** Jicarilla Apache #8 Prelim NOI DHC (BLM).pdf; Jicarilla Apache #8 DHC Alloc Explanation.pdf; Jicarilla Apache #8 Prelim C-107A (NOI DHC OCD).pdf



Jicarilla Apache #8 Prelim NOI...      Jicarilla Apache #8 DHC Alloc ...      Jicarilla Apache #8 Prelim C-1...

Good morning, Will!

I spoke to Karen Sharp yesterday (Aztec OCD) and according to her, it does not appear that you have the DHC application for this well (API #039-06280). This well has been completed & we would like to get it turned on as soon as possible. Please find the attachments and let me know if you need anything further.

(See attached file: Jicarilla Apache #8 Prelim NOI DHC (BLM).pdf) (See attached file: Jicarilla Apache #8 DHC Alloc Explanation.pdf) (See attached file: Jicarilla Apache #8 Prelim C-107A (NOI DHC OCD).pdf)

Thanks,  
Lorri Bingham  
Regulatory Compliance Technician  
XTO Energy, Inc./Farmington  
(505) 566-7951

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This inbound email has been scanned by the MessageLabs Email Security System.

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