

DATE IN 9/15/03	SUSPENSE 10/5/03	ENGINEER DEC	LOGGED IN LR	TYPE PLC	APP NO. PLR0325856628
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



236

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

Signature

Regulatory Supervisor
 Title

9/4/03
 Date

Darrin_Steed@XTOEnergy.com
 e-mail Address



September 12, 2003

RECEIVED

SEP 15 2003

OIL CONSERVATION
DIVISION

RE: Notice to Working and Royalty Interest Owners
Application to Surface Commingle Gas Production
Adair #2
Black Gas Com #1
Stahly Gas Com A #1
Section 29, T29N, R10W
San Juan County, NM

XTO Energy Inc. is applying to the New Mexico Oil Conservation Division (NMOCD) for approval to surface commingle gas production from the Adair #2, Black Gas Com #1 and Stahly Gas Com A #1. The Adair #2 is a proposed new well to be drilled and completed in the Basin Fruitland Coal pool in November/December 2003. The Black Gas Com #1 is an existing well producing from the Basin Dakota pool. The Stahly Gas Com A #1 is an existing well producing from the Otero Chacra pool. The NMOCD requires all interest owners be notified of plans to surface commingle when ownership is different between wells.

We plan to produce the commingled gas through a shared compressor. Produced liquids will not be surface commingled. A copy of our application to surface commingle is attached for your reference. If you need additional information or have any questions, I may be contacted at (505) 324-1090.

If you have an objection to our application you must file a protest in writing to the NMOCD Santa Fe office at 1220 So. St. Francis Drive, Santa Fe, NM 87505 within 20 days of the from the date the NMOCD received the application. The application was mailed to the NMOCD on the date of this letter.

Sincerely,

A handwritten signature in cursive script that reads 'Ray Martin'.

Ray Martin
Operations Engineer

cc: Well Files w/o attachements
FW Land Dept. w/attachments
RFM w/attachments

S:\RayM\Word Doc\Regulatory\SC notify Adair 2, Black GC 1 & Stahly GC A 1.doc

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

RECEIVED
SEP 15 2003
Oil Conservation Division

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
Basin Dakota 71599	.708/1207				
Basin Fruitland Coal 71629	.657/1118				
Otero Chacra 82329	.669/1183				

(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: September 10, 2003

TYPE OR PRINT NAME Darrin Steed

TELEPHONE NO.: 505-324-1090

Form C-107-B Application to Surface Commingle
9/12/03

XTO Energy Inc. is applying to the New Mexico Oil Conservation Division for approval to surface commingle gas production from the Adair #2 (API #30-045-31804), Stahly Gas Com A #1 (API #30-045-25896) and the Black Gas Com #1 (API #30-045-07899). The Adair #2 is a proposed new well to be drilled and completed in the Basin Fruitland Coal pool. The Black Gas Com #1 is an existing well producing from the Basin Dakota pool. The Stahly Gas Com A #1 is an existing well producing from the Otero Chacra pool. These wells are located in Unit C, Section 29, Township 29N, Range 10W, San Juan County, New Mexico. None of the wells have Federal or State Lands ownership in their proration units.

Notification of our application to surface commingle has been sent by certified mail return receipt requested to all interest owners. Each interest owner was advised that any objection must be filed in writing with the Santa Fe office of the NMOCD within 20 days from the date the NMOCD received the application. Attached is a certified copy of the legal advertisement for this project that ran in the Farmington Daily Times on 9/7/03.

The sales meter will be installed on the discharge of the shared compressor. Each well will have a gas allocation meter. Each well's gas sales will be calculated by ratio using individual allocation meter volumes and the sales volume. The compressor's fuel usage will be allocated based on each well's gas production. Oil and water production will be kept separate and not surface commingled. XTO Energy Inc. will adhere to the gas meter calibration requirements set forth in the division order.

Surface commingling should not decrease the value of the production because the wells will be sharing a compressor. A shared compressor will lengthen the wells life due to lower operating costs and less fuel usage versus setting three compressors and independently compressing each well. The wells will be depleted to a lower abandonment pressure resulting in a higher ultimate recovery.

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

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 15, 2000

DISTRICT II
811 South First, Artesia, N.M. 88210

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, NM 87505

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

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

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-31804	² Pool Code 71629	³ Pool Name BASIN FRUITLAND COAL
⁴ Property Code 32687	⁵ Property Name ADAIR	⁶ Well Number 2
⁷ OGRID No. 167067	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 5506'

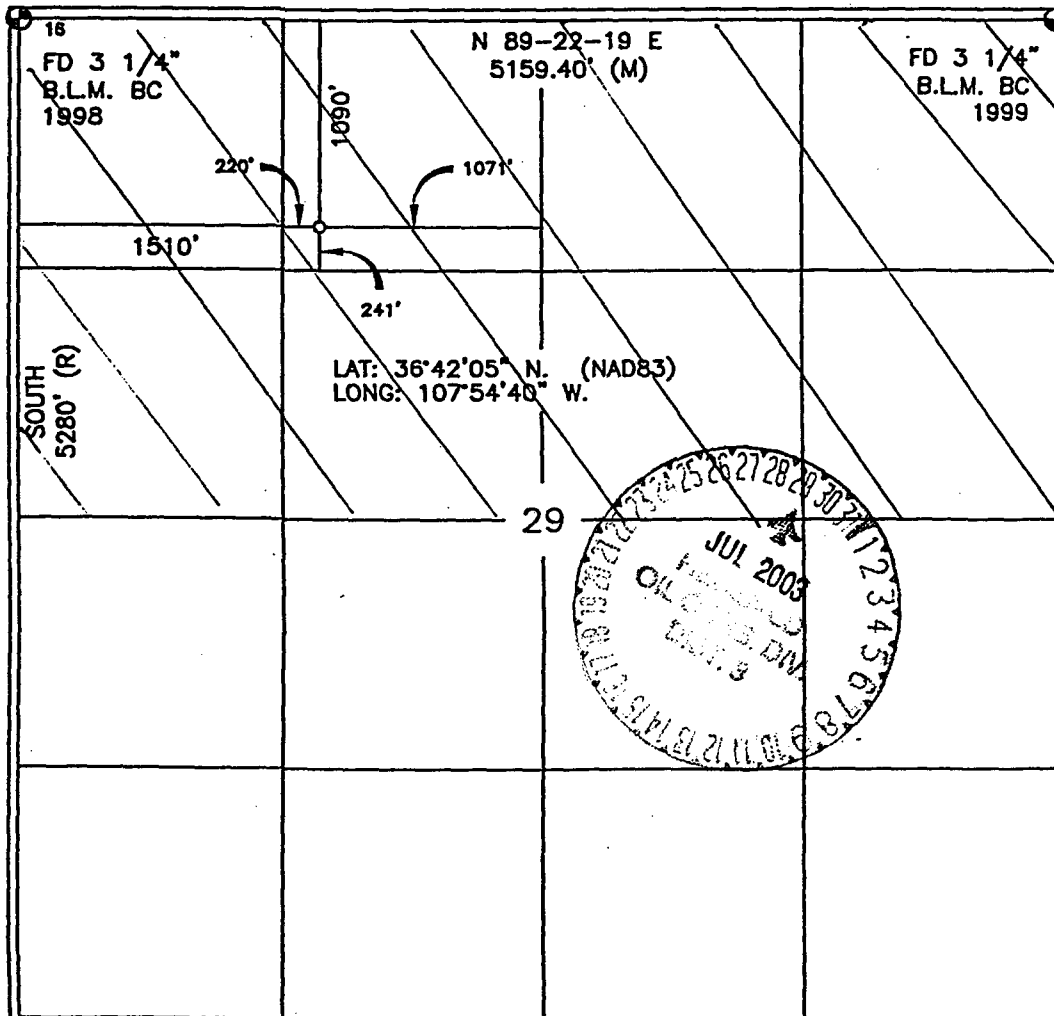
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	29	29-N	10-W		1090'	NORTH	1510'	WEST	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 $\frac{N}{Z}$			¹³ Joint or Infill I		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



17 OPERATOR CERTIFICATION

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

Signature Jeffrey W. Patton
Printed Name JEFFREY W. PATTON
Title DRIILLING ENGINEER
Date 7-25-03

18 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.

2 - DAVID A. JOHNSON
Date of Survey 7-25-03
Signature and Seal of Professional Surveyor

Certificate Number 14827

NEW MEXICO OIL CONSERVATION COMMISSION

Well Location and Acreage Dedication Plat

SECTION A.

Date June 3, 1964

Operator PAN AMERICAN PETROLEUM CORPORATION Lease BLACK GAS UNIT
 Well No. 1 Unit Letter C Section 29 Township 29 NORTH Range 10 WEST NMPM
 Located 1190 Feet From NORTH Line, 1650 Feet From WEST Line
 County SAN JUAN G. L. Elevation Report Later Dedicated Acreage 320 Acres
 Name of Producing Formation Dakota Pool Basin Dakota

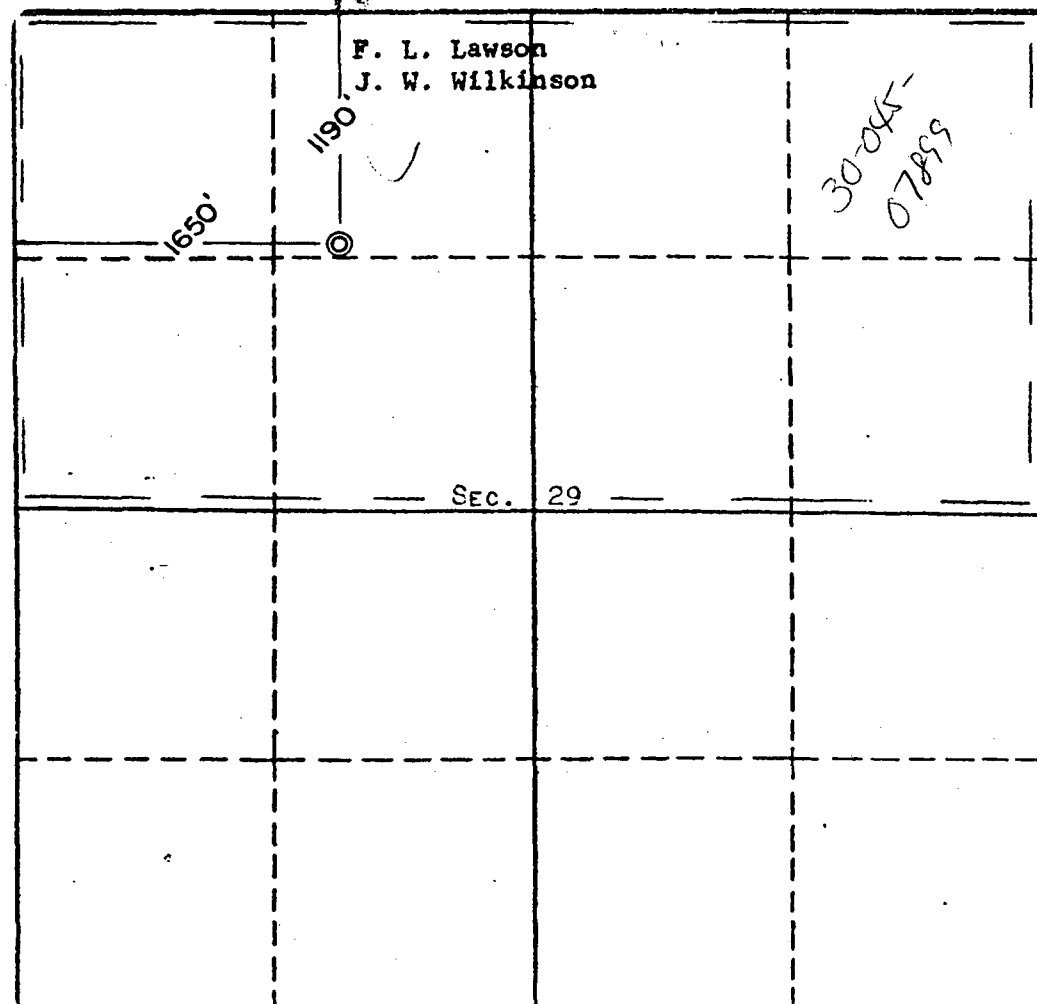
1. Is the Operator the only owner* in the dedicated acreage outlined on the plat below? Yes _____ No X
2. If the answer to question One is "No," have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes X No _____ If answer is "Yes," Type of Consolidation _____
Declaration of Unit dated May 6, 1964.

3. If the answer to question Two is "No," list all the owners and their respective interests below:

OWNER

LAND DESCRIPTION

SECTION B.



This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

PAN AMERICAN PETROLEUM CORP.

(OPERATOR)

F. H. Hollingsworth

F. H. Hollingsworth

(REPRESENTATIVE)

P. O. Box 480

Farmington, New Mexico

(ADDRESS)

This is to certify that the well location shown on the plat in Section B 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 APRIL 16, 1964

Four States Engineering Co.

FARMINGTON, NEW MEXICO

*Edward V. Edwards*REGISTERED ENGINEER OR
LAND SURVEYORCertificate No. 3602

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

Operator AMOCO PRODUCTION COMPANY			Lease STANLEY GAS COM "A"		Well No. 1
Unit Letter C	Section 29	Township 29N	Range 10W	County San Juan	
Actual Footage Location of Well: 1070 feet from the North line and 1550 feet from the West line					
Ground Level Elev: 5511	Producing Formation Chacra		Pool Otero		Dedicated Acreage: 160 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 Communitized

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.

1550'		<p>RECEIVED FEB 16 1984 OH CON. DIV. DIST. 3 30-045-2586</p>
1070'		
Sec.		29

Scale: 1"=1000'

CERTIFICATION

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

Original Signed By
D.D. Lawson

Name
Darrell D. Lawson
Position
Dist. Admin. Supervisor
Company
Amoco Production Co.
Date
02-15-84

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
February 9, 1984
Registered Professional Engineer and Land Surveyor
Fred B. Kerr Jr.
Certificate No. **3950**

AFFIDAVIT OF PUBLICATION

Ad No. 48493

STATE OF NEW MEXICO County of San Juan:

CONNIE PRUITT, being duly sworn says:
That she is the Classified Manager of THE DAILY TIMES, a daily newspaper of general circulation published in English at Farmington, said county and state, and that the hereto attached Legal Notice was published in a regular and entire issue of the said DAILY TIMES, a daily newspaper duly qualified for the purpose within the meeting of Chapter 167 of the 1937 Session Laws of the State of New Mexico for publication on the following day(s):
September 7, 2003.

And the cost of the publication is \$34.27.

Connie Pruitt

ON 9-9-03 CONNIE PRUITT appeared before me, whom I know personally to be the person who signed the above document.

Ginny Beck
My Commission Expires April 2, 2004.

COPY OF PUBLICATION

918 Legals
PUBLIC NOTICE

XTO Energy Inc (XTO) is applying to the New Mexico Oil Conservation Division (NMOCD) to surface commingle gas from three wells. There will not be any commingling of oil, condensate or water. All three wells and the commingling facility are located in Section 29, Township 29N, Range 10W, San Juan County, New Mexico. The producing pools are the Basin Dakota, Otero Chacra and Basin Fruitland Coal. Any questions should be directed to Darrin Steed at 505-324-1090, or by mail at 2700 Farmington Ave., Bldg K, Ste. 1, Farmington, NM 87401. Any objection or request for a formal hearing should be filed in writing with the NMOCD's Santa Fe Office within 20 days from date of this publication. In the absence of any objection, XTO has requested that the NMOCD approve its application administratively. The NMOCD's address is 1220 South St. Francis Drive, Santa Fe, NM 87505.

Legal No. 48493 published in the Daily Times, Farmington, New Mexico, on September 7, 2003.

