

DATE IN 10/11/07	SUSPENSE 11/1/07	ENGINEER W. Jones	LOGGED IN 10/11/07	TYPE PLC	APP NO. P TD50728452578
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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



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



October 8, 2007

Mr. Mark Fesmire, P.E.
NM Oil and Gas Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Re: Application for Surface Commingling
Rosetta Resources Operating LP
Tsah Tah Field Wells
Basin Fruitland Coal

OGRIID = 239235

2007 OCT 11 PM 12:14

RECEIVED

Dear Mr. Fesmire:

Rosetta Resources is submitting an application for surface commingling for our Tsah Tah Field wells, utilizing a common gathering system and metering stations. Wells are on various Federal, State, and Fee Lands, but all are producing from the Basin Fruitland Coal pool.

1. **System:** The wells will be commingled upstream from 2 CDP meters, utilizing a common flow line. The Enterprise meter located in Section 34, T25N, R10W is south of the Tsah Tah #34 #3 well pad. The Enterprise meter in Section 1, T24N, R10W is SW from the Tsah Tah 1 #3 well pad. Allocation meters are installed on all wells. The gas flows into Enterprise's gathering system and they will maintain the CDP meter. The Fruitland Coal wells do not produce liquid hydrocarbons but if they ever did, the liquids will not be commingled.

The working and royalty interests in the wells vary. The interest owners of all wells have been notified of this application by certified mail. A sample copy of this letter is attached (Exhibit #1).

The actual commercial value of the commingled production will not be less than the sum of the values of the production from each well.

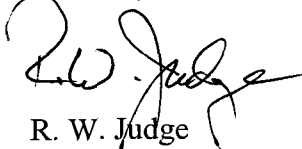
2. **Wells, Locations, and Lease numbers:** Exhibit #2A is a diagram showing the locations of the wells, the flow lines, and the lease numbers. Lease names, well numbers, API #s, and locations for each well are included on Exhibit #2B.
3. **Flow Diagram:** Exhibit #3 is a diagram representing typical flow of the wells and facilities.

NM Oil and Gas Conservation Division

Page 2 of 2 (Cont'd)

4. **Fuel Gas:** The compressors located in sections 34 and 1 use fuel gas. Fuel gas is allocated back to the producing wells.
5. **Mechanical Integrity:** The flow lines from each well are 3" (250#) and flow into a 6" SDR #7 polyethylene line (250#), which then flows to the CDPs. Water lines are 3" Hydril with a 750# rating. Water flows directly from each wellhead to the water disposal wells. Water extracted at each separator flows to an on-site water tank.
6. **Gravity/BTU:** The BTU content of the Fruitland Coal wells is similar. Enterprise will take semi-annual gas samples and calculate the BTU values. No liquid hydrocarbons are produced or will be commingled.
7. **Allocation Formula:** Since all wells have allocation meters, the production assigned to each well will be the integrated volume from the allocation meter adjusted to match the sum of the Enterprise CDP Meters. Volumes allocated back to each well factor in compressor fuel usage.
8. **Line Purging:** We do not anticipate purging the line very often, but when we do the lost gas will be allocated amongst the wells.
9. **Purged Fluids:** We do not anticipate having to purge the system, however any fluids purged will be natural gas, condensate, and produced water. Any line purging will be done to a tank.
10. **Meter Calibration:** The allocation and CDP meters will be calibrated semi-annually. Enterprise Field Service will maintain and calibrate the CDP meters.
11. **Gas Analysis Schedule:** Enterprise Field Service will analyze the gas from the CDP meters twice a year.

Sincerely,



R. W. Judge
Production Manager

Cc: NM Oil and Gas Conservation Division
District III Office
1000 Rio Brazos Road
Aztec, NM 87410

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
Revised June 10, 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: **Rosetta Resources Operating LP**

OPERATOR ADDRESS: **1200 17th Street, Suite #770; Denver, CO 80202**

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		Calculated Value of Commingled Production	Volumes

(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. **Basin Fruitland Coal Code #71629**

(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:  TITLE: **Production Manager** DATE: **10/8/2007**

TYPE OR PRINT NAME: **R. W. Judge** TELEPHONE NO.: **720-946-1317**

E-MAIL ADDRESS: **Randy.Judge@rosettaresources.com**

Tsah Tah Facility Diagram

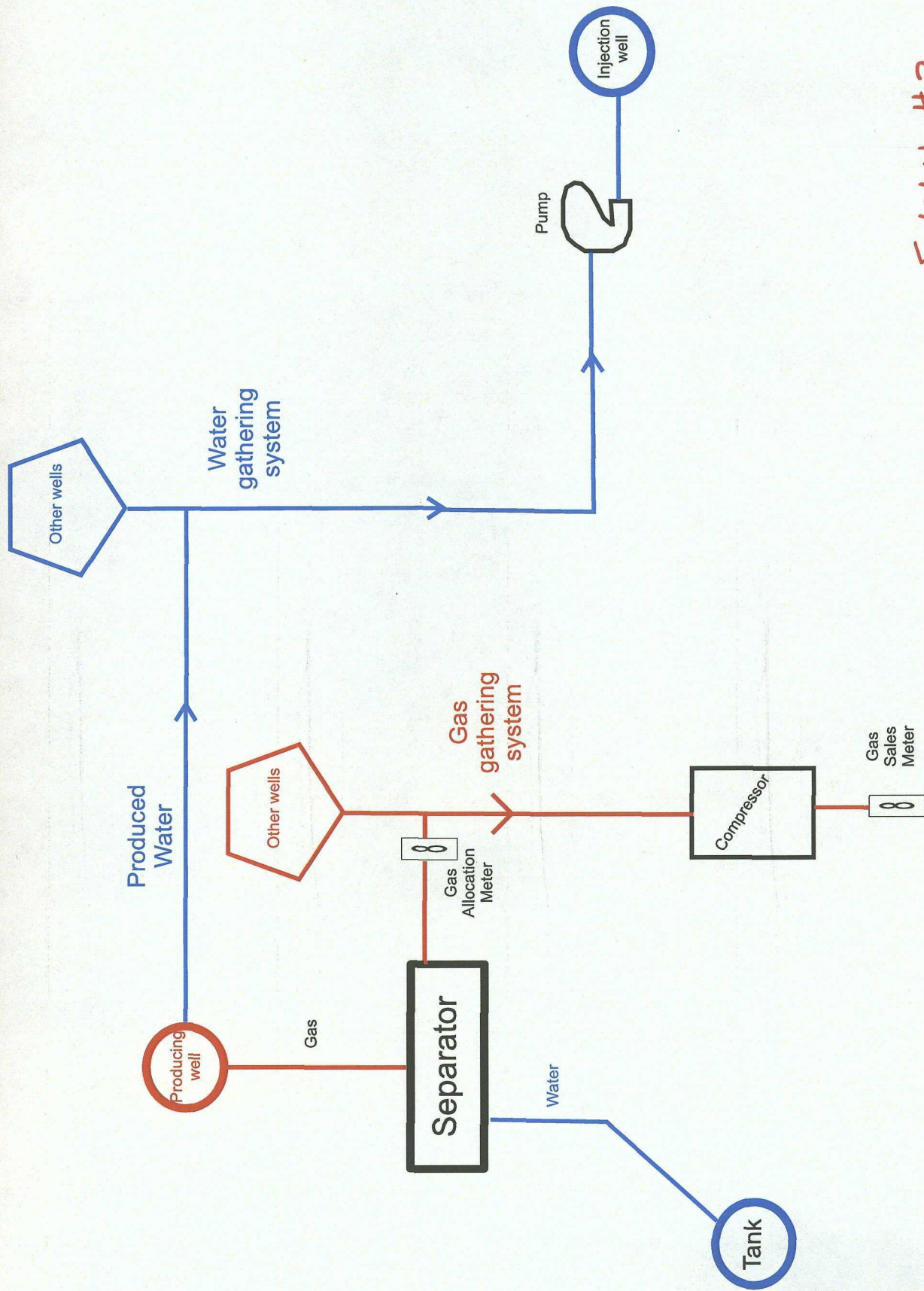
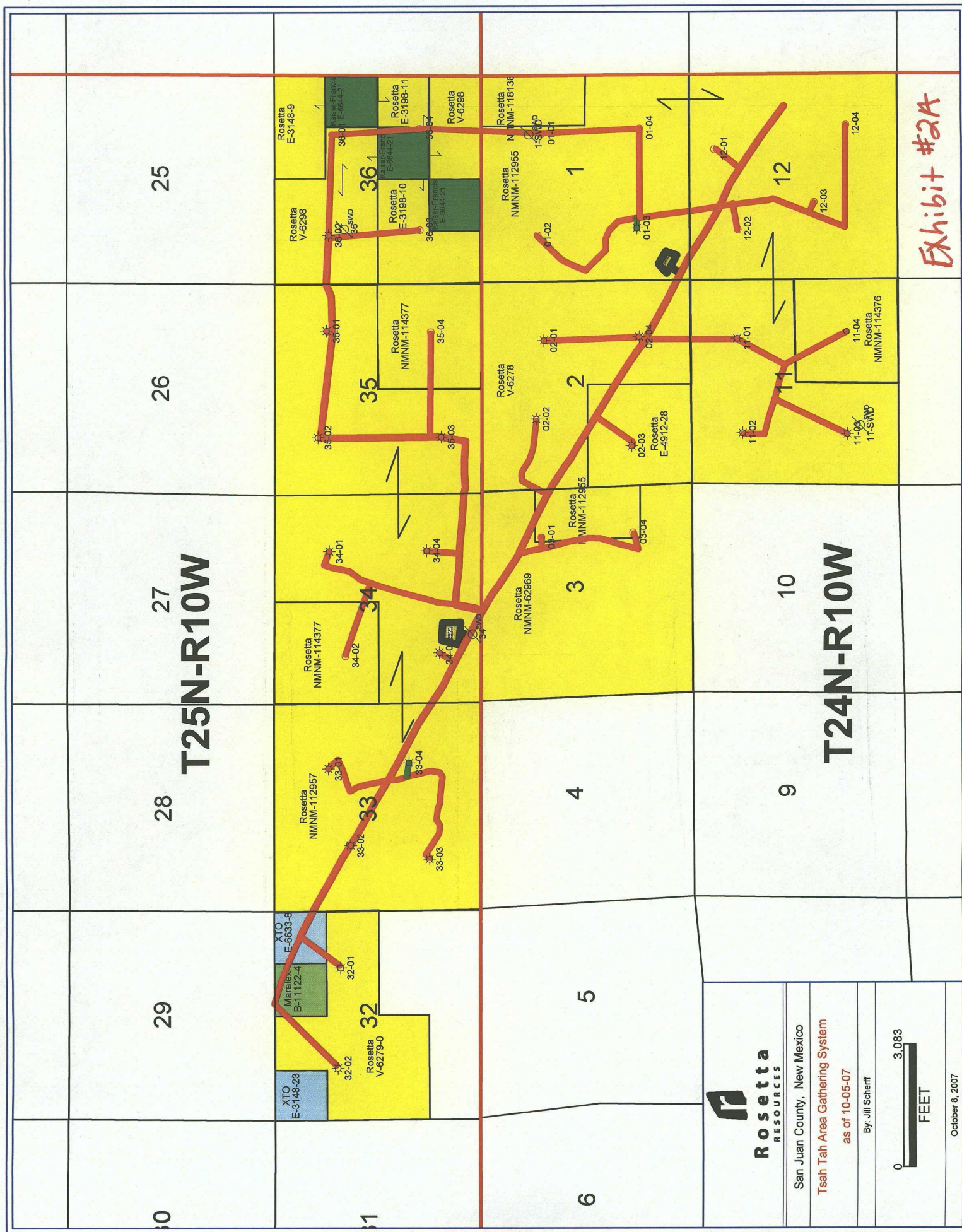


Exhibit #3



NEW MEXICO WELL INFORMATION

Well Name	Rosetta WI %	API Number	FED or STATE	Location Qtr/Qtr - Spacing	Sec.	Twp	Rge
TSAH TAH 1-1	100% Rosetta	30-045-34133	BLM	SWNE / E/2	1	24N	10W
TSAH TAH 1-2	100% Rosetta	30-045-34134	State	SWNW / W/2	1	24N	10W
TSAH TAH 1-3	100% Rosetta	30-045-34079	BLM	SESW / W/2	1	24N	10W
TSAH TAH 1-4	100% Rosetta	30-045-34135	BLM	SWSE / E/2	1	24N	10W
TSAH TAH 2-1	100% Rosetta	30-045-33738	State	SWNE / E/2	2	24N	10W
TSAH TAH 2-2	100% Rosetta	30-045-34048	State	SENW / W/2	2	24N	10W
TSAH TAH 2-3	100% Rosetta	30-045-33930	State	NWSW / W/2	2	24N	10W
TSAH TAH 2-4	100% Rosetta	30-045-33730	State	SWSE / E/2	2	24N	10W
TSAH TAH 3-1	100% Rosetta	30-045-34026	BLM	SENE / N/2	3	24n	10W
TSAH TAH 3-4	100% Rosetta	30-045-34028	BLM	NESE / S/2	3	24N	10W
TSAH TAH 11-1	100% Rosetta	30-045-33928	BLM	NWNE / E/2	11	24N	10W
TSAH TAH 11-2	100% Rosetta	30-045-34027	BLM	NENW / W/2	11	24N	10W
TSAH TAH 11-3	100% Rosetta	30-045-34047	BLM	SWSW / W/2	11	24N	10W
TSAH TAH 11-4	100% Rosetta	pending BIA approv	BLM	NESE / E/2	11	24N	10W
TSAH TAH 12-1	100% Rosetta	30-045-34370	BLM	NWNE / E/2	12	24N	10W
TSAH TAH 12-2	100% Rosetta	30-045-34368	BLM	NWNW / W/2	12	24N	10W
TSAH TAH 12-3	100% Rosetta	30-045-34369	BLM	NESW / W/2	12	24N	10W
TSAH TAH 12-4	100% Rosetta	pending BLM approv	BLM	NWSE / E/2	12	24N	10W
TSAH TAH 32-1	62.5% Rosetta 12.5% Maralex etal 25% XTO	30-045- 34029 33754	State	SWNE / N/2	32	25N	10W
TSAH TAH 32-2	62.5% Rosetta 12.5% Maralex etal 25% XTO	30-045-33853	State	SWNW / N/2	32	25N	10W
TSAH TAH 33-1	100% Rosetta	30-045-33608	BLM	SWNE / E/2	33	25N	10W
TSAH TAH 33-2	100% Rosetta	30-045-33672	BLM	SENW / W/2	33	25N	10W
TSAH TAH 33-3	100% Rosetta	30-045-33673	BLM	SE SW / W/2	33	25N	10W
TSAH TAH 33-4	100% Rosetta	30-045-33578	BLM	NWSE / E/2	33	25N	10W
TSAH TAH 34-1	100% Rosetta	30-045-33708	BLM	SWNE / E/2	34	25N	10W
TSAH TAH 34-2	100% Rosetta	30-045-33998	BLM	SWNW / W/2	34	25N	10W
TSAH TAH 34-3	100% Rosetta	30-045-33618	BLM	SWSW / W/2	34	25N	10W
TSAH TAH 34-4	100% Rosetta	30-045-33711	BLM	NWSE / E/2	34	25N	10W
TSAH TAH 35-1	100% Rosetta	30-045-33766	BLM	SENE / E/2	35	25N	10W
TSAH TAH 35-2	100% Rosetta	30-045-33756	BLM	NENW / W/2	35	25N	10W
TSAH TAH 35-3	100% Rosetta	30-045-33755	BLM	SESW / W/2	35	25N	10W
TSAH TAH 35-4	100% Rosetta	30-045-34118	BLM	SESE / E/2	35	25N	10W
TSAH TAH 36-1	75% Rosetta 25% Kaiser Francis	30-045-34240	State	SWNE / E/2	36	25N	10W
TSAH TAH 36-2	87.5% Rosetta 12.5% Kaiser-Francis	30-045-33753	State	SWNW / W/2	36	25N	10W
TSAH TAH 36-3	87.5% Rosetta 12.5% Kaiser-Francis	30-045-34239	State	NESW / W/2	36	25N	10W
TSAH TAH 36-4	75% Rosetta 25% Kaiser Francis	30-045-34238	State	NWSE / E/2	36	25N	10W

Exhibit #2B

NEW MEXICO WELL INFORMATION

Well Name	Rosetta WI %	API Number	FED or STATE	Location Qtr/Qtr - Spacing	Sec.	Twp	Rge
Tsah Tah SWD-11	Rosetta Operated	30-045-34082	State	SESW	11	24N	10W
Tsah Tah SWD 36-1	Rosetta Operated	30-045-33942	State	SENW	36	25N	10W

Exhibit # 2B (cont'd)

ROSETTA RESOURCES OPERATING LP						
San Juan County, New Mexico						
Gas Wells in Basin-Fruitland Coal Gas Pool (71629)						
API WELL #	Well Name	Well #	UL	Sec	Tsp	Rge
30-045-33578	TSAH TAH 33	004	J	33	T25N	R10W
30-045-33608	TSAH TAH 33	001	G	33	T25N	R10W
30-045-33618	TSAH TAH 34	003	M	34	T25N	R10W
30-045-33672	TSAH TAH 33	002	F	33	T25N	R10W
30-045-33673	TSAH TAH 33	003	N	33	T25N	R10W
30-045-33708	TSAH TAH 34	001	G	34	T25N	R10W
30-045-33711	TSAH TAH 34	004	J	34	T25N	R10W
30-045-33730	TSAH TAH 2	004	O	2	T24N	R10W
30-045-33738	TSAH TAH 2	001	G	2	T24N	R10W
30-045-33753	TSAH TAH 36	002	E	36	T25N	R10W
30-045-33754	TSAH TAH 32	001	G	32	T25N	R10W
30-045-33755	TSAH TAH 35	003	N	35	T25N	R10W
30-045-33756	TSAH TAH 35	002	C	35	T25N	R10W
30-045-33766	TSAH TAH 35	001	H	35	T25N	R10W
30-045-33853	TSAH TAH 32	002	E	32	T25N	R10W
30-045-33928	TSAH TAH 11	001	B	11	T24N	R10W
30-045-33930	TSAH TAH 2	003	L	2	T24N	R10W
30-045-33998	TSAH TAH 34	002	E	34	T25N	R10W
30-045-34026	TSAH TAH 3	001	H	3	T24N	R10W
30-045-34027	TSAH TAH 11	002	C	11	T24N	R10W
30-045-34028	TSAH TAH 3	004	I	3	T24N	R10W
30-045-34047	TSAH TAH 11	003	M	11	T24N	R10W
30-045-34048	TSAH TAH 2	002	F	2	T24N	R10W
30-045-34079	TSAH TAH 1	003	N	1	T24N	R10W
30-045-34118	TSAH TAH 35	004	P	35	T25N	R10W
30-045-34133	TSAH TAH 1	001	G	1	T24N	R10W
30-045-34134	TSAH TAH 1	002	E	1	T24N	R10W
30-045-34135	TSAH TAH 1	004	O	1	T24N	R10W
30-045-34238	TSAH TAH 36	004	J	36	T25N	R10W
30-045-34239	TSAH TAH 36	003	K	36	T25N	R10W
30-045-34240	TSAH TAH 36	001	G	36	T25N	R10W
30-045-34368	TSAH TAH 12	002	D	12	T24N	R10W
30-045-34369	TSAH TAH 12	003	K	12	T24N	R10W
30-045-34370	TSAH TAH 12	001	B	12	T24N	R10W
30-045-NA	TSAH TAH 11	004	I	11	T24N	R10W
30-045-NA	TSAH TAH 12	004	J	12	T24N	R10W

DIVISION GENERATED



COPY

September 28, 2007

Mr. Jeff Albers
New Mexico State Land Office
310 Old Santa Fe Trail
Santa Fe, NM 87501

CERTIFIED - RETURN RECEIPT

Re: Surface Commingling Application
Rosetta Resources Juniper Fruitland CBM Field - Tsah Tah Wells
T24N-R10W, Sections 1 and 2
T25N-R10W, Sections 32, 33, 34, 35 and 36
San Juan County, NM

To Whom It May Concern:

Rosetta Resources Operating LP has applied to the New Mexico Oil Conservation Division ("NMOCD") for administrative approval to surface commingle the gas production from its combined Basin Fruitland Coal Bed Methane field operations. Commingling will allow the use of a common flow line and a single Enterprise sales meter. As an interest owner in one or more of these wells, you are being notified of this application pursuant to NMOCD rules.

If you desire to submit remarks concerning the application, please send them to the NMOCD at 1220 South St. Francis Drive, Santa Fe, NM 87505 within twenty (20) days from the receipt of this notice. If you have no comment to this proposal, no action is required on your part.

Thank you for your consideration in this matter and if you have any questions, please do not hesitate to call upon me.

Sincerely,

ROSETTA RESOURCES OPERATING LP

R. W. Judge
Production Manager

Exhibit #1