

DATE: 4/8/08	SUSPENSE	ENGINEER: [Signature]	LOGGED: 4/8/08	TYPE: DHC	APP NO: 10030809950424
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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 ~~X~~ 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.

LORRI D. BINGHAM

Print or Type Name

[Signature]
Signature

REG COMPLIANCE TECH

Title

4/7/08

Date

Lorri-bingham@xtoenergy.com
e-mail Address

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
DISTRICT II
1301 W. Grand Avenue, 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

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

XTO Energy Inc. 382 CR 3100 Aztec, NM 87410
Operator Address
JC GORDON D #4E SEC 23J- T27N-R10 W SAN JUAN, NM
Lease Well No Unit Letter-Section-Township-Range County
OGRID No. 5380 Property Code 22614 API No. 30-045-34398 Lease Type: X_Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE-ZONE	LOWER-ZONE
Pool Name	WILDCAT BASIN MANCOS	DHC-4020 BASIN DAKOTA	
Pool Code	97232	71599	
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	4799' - 5654'	6561' - 6830'	
Method of Production (Flowing or Artificial Life)	FLOWING	FLOWING	
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	NEW ZONE	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: 87 % Gas: 53 %	Oil: % Gas: %	Oil: 13 % Gas: 47 %

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 X No
Yes No X

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 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 Lorri D. Bingham TITLE REG COMPLIANCE TECH DATE 4/7/08
TYPE OR PRINT NAME LORRI D. BINGHAM TELEPHONE NO. (505) 333-3204
E-MAIL Lorri.bingham@xtoenergy.com

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires July 31, 2010

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 page 2

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

XTO Energy Inc.

3a. Address

382 CR 3100 Aztec, NM 87410

3b. Phone No. (include area code)

505-333-3100

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1365' FSL & 1790' FEL Sec 23J-T27N-10W

5. Lease Serial No.

NMSE 077952

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

JC GORDON D #4F

9. API Well No.

30-045-34398

10. Field and Pool, or Exploratory Area

BASIN DK/WC BASIN MC

11. County or Parish, State

SAN JUAN 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

☐ Deepen

☐ Production (Start/Resume)

☐ Water Shut-Off

☐ Alter Casing

☐ Fracture Treat

☐ Reclamation

☐ Well Integrity

☐ Casing Repair

☐ New Construction

☐ Recomplete

☒ Other DOWNHOLE

☐ Change Plans

☐ Plug and Abandon

☐ Temporarily Abandon

COMMINGLE

☐ Convert to Injection

☐ Plug Back

☐ Water Disposal

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 recompleat 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 recompleat 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. requests approval for an exception to NMCD Rule 303-C permit DHC of production from the Basin Dakota & Wildcat Basin Mancos in the JC Gordon D #4F. XTO proposes to downhole commingle these pools upon completion of this well.

Allocations are based upon a 9-section EUR and are calculated as follows:

Basin Dakota	Gas: 47%	Water: 43%	Oil: 13%
Basin Mancos	Gas: 53%	Water: 57%	Oil: 87%

Pools are not included in the NMCD pre-approved pool combinations for DHC in the San Juan Basin & a C107-A was sent on 4/7/08. Ownership is common in both zones; therefore, notification to interest owners was not necessary. Downhole commingling 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)

LORRI D BINGHAM

Title REGULATORY COMPLIANCE TECH

Signature

Date 4/7/08

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.



Matthew Phillips/FAR/CTOC
03/04/2008 03:35 PM

To Lorri Bingham/FAR/CTOC@CTOC
cc
bcc
Subject Fw: Allocations (JC Gordon D # 4F)

Thanks,

Matthew Phillips
Operations Engineer
XTO Energy, Inc.
San Juan Division
(505) 330 - 0775 cell
(505) 333 - 3190 office

----- Forwarded by Matthew Phillips/FAR/CTOC on 03/04/2008 03:35 PM -----



Matthew Phillips/FAR/CTOC
02/25/2008 11:05 AM

To Lorri Bingham/FAR/CTOC
cc
Subject Allocations (JC Gordon D # 4F)

Allocations were determined from the JC Gordon D # 3F which are the same producing intervals in the same section.

	Gas	Oil	Water
Basin Dakota	47	13	43
Wildcat Basin Mancos	53	87	57

Thanks,

Matthew Phillips
Operations Engineer
XTO Energy, Inc.
San Juan Division
(505) 330 - 0775 cell
(505) 333 - 3190 office

DISTRICT I
1625 N. Finch Dr., Hobbs, N.M. 88240

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

DISTRICT III
1000 Rio Bravo 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 87504-2068

Form C-102

Revised October 12, 2005

Instructions on back
Submit to Appropriate District Office
State Leases - 4 Copies
Fee Lease - 3 Copies

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 71599	³ Pool Name Basin Danota
⁴ Property Code	⁵ Property Name JC GORDON D	⁶ Well Number 4F
⁷ OGND No. 5380	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 6308

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
J	23	27-N	10-W		1365	SOUTH	1790	EAST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 2 1/2 320		¹³ Acre or 1/4		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

<div><p>16</p><p>23</p><p>LAT: 36.55721° N. (NAD 83) LONG: 107.86207° W. (NAD 83) LAT: 36.33259° N. (NAD 27) LONG: 107.51412° W. (NAD 27)</p><p>N 89-55-06 W 2634.7</p><p>FD 2 1/2 BC 1913 GLO</p><p>1365'</p><p>CALC. CORNER WITNESS COR. FD 2 1/2 BC GLO 1913 846 WEST</p></div>	<div><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, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p><p><u>Debra Small</u> 3/20/07 Signature Date <u>Debra Small</u> Printed Name</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>OCTOBER 27, 2006 Date of Survey <u>ROY A. RUSSELL</u> Signature and Stamp of Registered Professional Land Surveyor 8894 Certificate Number</p></div>
--	---

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

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

DISTRICT III
1000 Rte. Brazos Rd., Artesia, 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 October 12, 2005

Instructions on back

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State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
	97232	WC BASIN MANCOS
⁴ Property Code	⁵ Property Name	⁶ Well Number
	JC GORDON D	4F
⁷ OGRO No.	⁸ Operator Name	⁹ Deviation
5380	XTO ENERGY INC.	6309

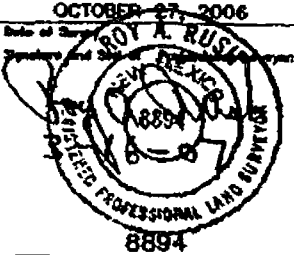
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot 1st	Feet from the	North/South line	Feet from the	East/West line	County
J	23	27-N	10-W		1365	SOUTH	1790	EAST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 1st	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres		¹³ Acres or In/ft		¹⁴ Consolidation Code		¹⁵ Order No.			
SE 4 160									

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" BC 1913 GLO</p>	<p>17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or retained mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature: <u>Kyle Vaughan</u> Date: <u>8/16/07</u> Printed Name: <u>Kyle Vaughan</u></p>
<p>23</p>	<p>LAT: 36.55721° N. (NAD 83) LONG: 107.86207° W. (NAD 83) LAT: 36°33'25.8" N. (NAD 27) LONG: 107°51'41.2" W. (NAD 27)</p>	<p>18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of recent surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. OCTOBER 27, 2006 Date of Survey Signature and Title of Surveyor: <u>ROY A. RUSSELL</u>  Certificate Number: <u>8894</u></p>
<p>N 89-55-06 W 2634.7'</p>	<p>FD 2 1/2" BC 1913 GLO</p>	<p>1790' N 00-03-20 E 5261.2' CALC. CORNER WITNESS COR. FD 2 1/2" BC GLO 1913 6.8' WEST</p>