

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

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



NO TYPED EARLIER

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

RECEIVED
 2008 MAR 25 AM 7 36

[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.

| | | | |
|--|--|--|------------------------|
| <u>LORRI BINGHAM</u> Print or Type Name | <u><i>Lozzi Bingham</i></u> Signature | <u>REG. COMPLIANCE TECH</u> Title | <u>3/20/08</u> Date |
| | | <u>lorri_bingham@xtoenergy.com</u> 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

Form C-107A
Revised June 10, 2003

APPLICATION TYPE
 Single Well
 Establish Pre-Approved Pools
EXISTING WELLBORE
 Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

Operator XTO ENERGY INC. Address 382 CR 3100 Aztec, NM 87410

Lease CALDWELL A Well No. 1E Unit Letter-Section-Township-Range M Sec 27 T26N R11W County SAN JUAN

OGRID No. 5380 Property Code 22668 API No. 30-045-34442 Lease Type: Federal State Fee

| DATA ELEMENT | UPPER ZONE | INTERMEDIATE ZONE | LOWER ZONE |
|---|-----------------------------------|-------------------|----------------------------------|
| Pool Name | <u>UC BASIN MANCOS</u> | | <u>BASIN DAKOTA</u> |
| Pool Code | <u>97232</u> | | <u>71599</u> |
| Top and Bottom of Pay Section (Perforated or Open-Hole Interval) | <u>4917'</u> <u>5420'</u> | | <u>5882'</u> <u>5975'</u> |
| Method of Production (Flowing or Artificial Life) | <u>FLOWING</u> | | <u>FLOWING</u> |
| Bottomhole Pressure <small>(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)</small> | | | |
| Oil Gravity or Gas BTU <small>(Degree API or Gas BTU)</small> | | | |
| Producing, Shut-In or New Zone | <u>NEW ZONE</u> | | <u>NEW ZONE</u> |
| Date and Oil/Gas/Water Rates of Last Production <small>(Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)</small> | Date: Rates: | Date: Rates: | Date: Rates: |
| | Date: Rates: | Date: Rates: | Date: Rates: |
| Fixed Allocation Percentage <small>(Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)</small> | Oil: <u>95</u> % Gas: <u>68</u> % | Oil: % Gas: % | Oil: <u>5</u> % Gas: <u>32</u> % |

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

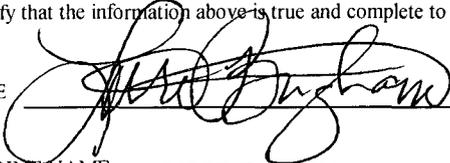
If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes No

NMOCD Reference Case No. applicable to this well: _____

- 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 3/20/08

TYPE OR PRINT NAME LORRI 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 <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. NNMSF-081186A |
| 2. Name of Operator XTO ENERGY INC | | 6. If Indian, Allottee or Tribe Name |
| 3a. Address 382 CR 3100 AZTEC, NM 87410 | 3b. Phone No. (include area code) 505-333-3100 | 7. If Unit or CA/Agreement, Name and/or No. NNM-073688 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 665' FSL & 825' FWL SEC 27M-26N-R11W | | 8. Well Name and No. CALDWELL A #1E |
| | | 9. API Well No. 30-045-34442 |
| | | 10. Field and Pool, or Exploratory Area BASIN DAKOTA/ WILDCAT BASIN MANCOS |
| | | 11. County or Parish, State San Juan NM |

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

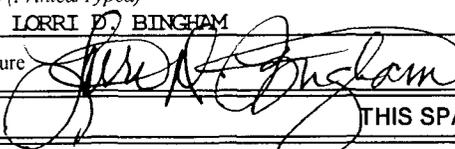
| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|---|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other <u>DOWNHOLE</u> |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | <u>COMMINGLE</u> |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> 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 recomplete 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 recompletion 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 to permit DHC of productin from the Basin Dakota & the Wildcat Basin Mancos in the Caldwell A #1E. XTO Energy proposes to downhole commingle these pools upon completion of this well. Allocations are based upon a 9 section EUR and are calculated as follows:

| | | | |
|---------|----------|------------|----------|
| Dakota: | Gas: 32% | Water: 27% | Oil: 5% |
| Mancos | Gas: 68% | Water: 73% | Oil: 95% |

All interest owners were notified of XTO's intent to commingle via certified, return receipt mail on 2/20/2008. Commingling of these pools will minimize operating costs, add reserves & improve economics of the well. The OGD has been notified of our intent to amend DHC 1308 by submission of a C107A on 3/20/2008.

| | | |
|--|--|--|
| 14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) LORRI D. BINGHAM | | Title REGULATORY COMPLIANCE TECH |
| Signature  | | Date 3/20/08 |

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 | |



382 CR 3100
Aztec, NM 87410

February 20, 2008

Interest Owners

Subject: Notice of Intent to Apply for Downhole Commingling
Caldwell A #1E
Unit M, Sec 27, 26N, R11W

XTO Energy Inc is submitting an application to the New Mexico Oil Conservation Division (NMOCD) to downhole commingle production from the Basin Dakota and the Wildcat Basin Mancos pools in the Caldwell A #1E. Commingling of these pools will minimize operating costs, add reserves and improve economics of the well.

The proposed allocation percentages for each pool are as follows:

| | | | |
|--------------|----------|------------|----------|
| Basin Dakota | Gas: 32% | Water: 27% | Oil: 5% |
| Basin Mancos | Gas: 68% | Water: 73% | Oil: 95% |

NMOCD requires all interest owners be notified of intent to downhole commingle if ownership is different between zones. If you need additional information or have any questions, I may be contacted at (505) 333-3100. If you have any objections to our application, please contact me within twenty (20) days of the date of this letter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lorri D. Bingham', written in a cursive style.

Lorri D. Bingham
Regulatory Compliance Tech

xc: well file

ADELANTE OIL AND GAS LLC
PO BOX 2471
DURANGO, CO 813022471

CALDWELL A 01E MC

ARGYLE RESOURCES, INC
P O BOX 367
ARGYLE, TX 762260000

CALDWELL A 01E MC

BELVA LITTLE
2513 BOYD AVE
FORT WORTH, TX 761091022

CALDWELL A 01E MC

BETSY BRYANT
2201 BROOKHOLLOW
ABILENE, TX 796055507

CALDWELL A 01E MC

DENNIS R AND TERESA M REIMERS JOINT
TENANTS
1594 CACTUS DR
BAYFIELD, CO 811229634

CALDWELL A 01E MC

HARRIET M. BUCHENAU LIVING TRUST DTD
8/30/94 HARRI
PO BOX 867585
PLANO, TX 750867585

CALDWELL A 01E MC

KARIN STENRUD
715 VOYAGER DR
HOUSTON, TX 770620000

CALDWELL A 01E MC

KATHLEEN R LITTLE
6706 WESTOVER DR
GRANBURY, TX 760490000

CALDWELL A 01E MC

KATHLEEN R LITTLE LIFE ESTATE
6706 WESTOVER DR
GRANBURY, TX 760490000

CALDWELL A 01E MC

MARALEX RESOURCES INC
PO BOX 338
IGNACIO, CO 811370338

CALDWELL A 01E MC

MICHAEL LITTLE
3780 COPPERFIELD
BRYAN, TX 778020000

CALDWELL A 01E MC

MITZI EASLEY
1203 ARRONIMIK CIR
AUSTIN, TX 787466301

CALDWELL A 01E MC

MMS XTO FEDERAL
C/O XTO ENERGY INC
810 HOUSTON STREET
FORT WORTH, TX 761026298

CALDWELL A 01E MC

ROBERT LITTLE
., XX 0

CALDWELL A 01E MC

SARAH S MIMS TRUST WILLIAM L MADSEN AND
SARAH S MI
PO BOX 111846
CARROLLTON, TX 750111846

CALDWELL A 01E MC

STOREY-LINCOLN PRTRNSHP
21205 5TH AVE S
DES MOINES, WA 981980000

CALDWELL A 01E MC

SUSAN RITTER
4700 VIA MEDIA
AUSTIN, TX 787460000

CALDWELL A 01E MC

XTO ENERGY INC.
810 HOUSTON STREET
FORT WORTH, TX 761026298

CALDWELL A 01E MC

| 1st PROD | | Monthly Prod | | | %DAK GAS | %DAK OIL | %DAK WAT |
|----------------------------|---------------------|--------------|------|-------|-----------------|-----------------|-----------------|
| | | OIL | GAS | WATER | | | |
| 19810731 | Dakota Only | 8 | 1440 | 0 | 24% | 7% | 0% |
| 20020331 | Stabilized Gallup F | 101 | 4650 | 29 | | | |
| 19591231 | Dakota Only | 11 | 1500 | 40 | 30% | 7% | 56% |
| 20010531 | Stabilized Gallup F | 141 | 3445 | 32 | | | |
| 19941230 | Dakota Only | 5 | 1177 | 50 | 34% | 1% | 33% |
| 20061201 | Stabilized Gallup F | 803 | 2251 | 102 | | | |
| 19620731 | Dakota Only | 12 | 1016 | 16 | 38% | 6% | 21% |
| 20060531 | Commingled | 192 | 2676 | 77 | | | |
| AVERAGE ALLOCATION: | | | | | 32% | 5% | 27% |
| | | | | | %DAK GAS | %DAK OIL | %DAK WAT |

| Gallegos 4E | Date | Oil | Gas | Water |
|-------------|---------------|----------|-------------|-----------|
| | 6/30/2006 | 10 | 1501.97 | 0 |
| | 7/31/2006 | 0 | 1213.74 | 180 |
| | 8/31/2006 | 12 | 1516.68 | 40 |
| | 9/30/2006 | 2 | 1383 | 0 |
| | 10/31/2006 | 3 | 1329 | 80 |
| | 11/30/2006 | 0 | 120 | 0 |
| | Dakota | 5 | 1177 | 50 |

| Date | Oil | Gas | Water |
|--------------------------|-------------|-------------|------------|
| 1/31/2007 | 1436 | 3174 | 180 |
| 2/28/2006 | 1239 | 4329 | 160 |
| Initial Gallup | 1338 | 3752 | 170 |
| Stabilized Gallup | 803 | 2251 | 102 |

(Assume initial 40% decline)

| Berger 2E | Date | Oil | Gas | Water |
|-----------|---------------|--------------|---------------|-----------|
| | 10/31/2001 | 10 | 1707 | 0 |
| | 11/30/2001 | 15 | 1747 | 0 |
| | 12/31/2001 | 11 | 1691 | 0 |
| | 1/31/2002 | 4 | 1358 | 0 |
| | 2/28/2002 | 0 | 696 | 0 |
| | Dakota | 8 | 1439.8 | 0 |
| | 10/31/2003 | 141 | 4489 | 0 |
| | 11/30/2003 | 85 | 4667 | 70 |
| | 12/31/2003 | 77 | 4863 | 0 |
| | 1/31/2004 | 102 | 4832 | 75 |
| | 2/29/2004 | 102 | 4397 | 0 |
| | Gallup | 101.4 | 4649.6 | 29 |

| Berger 3 | Date | Oil | Gas | Water |
|----------|------------|-----|------|-------|
| | 12/31/2000 | 17 | 1936 | 0 |
| | 1/31/2001 | 23 | 1914 | 0 |

| | | | |
|-----------|----|------|---|
| 2/28/2001 | 10 | 1261 | 0 |
| 3/31/2001 | 0 | 1476 | 0 |
| 4/30/2001 | 7 | 1249 | 0 |
| Dakota | 11 | 1567 | 0 |

| | | | |
|-----------|-----|------|----|
| 1/31/2003 | 155 | 3712 | 0 |
| 2/28/2003 | 117 | 3231 | 0 |
| 3/31/2003 | 178 | 3649 | 80 |
| 4/30/2003 | 127 | 3325 | 0 |
| 5/31/2003 | 129 | 3308 | 80 |
| Gallup | 141 | 3445 | 32 |

| Caldwell A1 | Date | Oil | Gas | Water |
|-------------|------------|-----|------|-------|
| | 12/31/2005 | 11 | 505 | 0 |
| | 1/31/2006 | 8 | 571 | 0 |
| | 2/28/2006 | 18 | 1643 | 0 |
| | 3/31/2006 | 19 | 1585 | 80 |
| | 4/30/2006 | 4 | 774 | 0 |
| Dakota | | 12 | 1016 | 16 |

| | | | |
|-----------------|-----|------|-----|
| 8/31/2006 | 195 | 2766 | 80 |
| 9/30/2006 | 221 | 2613 | 0 |
| 10/31/2006 | 174 | 2547 | 0 |
| 11/30/2006 | 192 | 2503 | 305 |
| 12/31/2006 | 177 | 2949 | 0 |
| Commingled Prod | 192 | 2676 | 77 |

| %GAL GAS | %GAL OIL | %GAL WAT |
|-----------------|-----------------|-----------------|
| | | |
| 76% | 93% | 100% |
| | | |
| 70% | 93% | 44% |
| | | |
| 66% | 99% | 67% |
| | | |
| 62% | 94% | 79% |
| | | |
| 68% | 95% | 73% |
| %GAL GAS | %GAL OIL | %GAL WAT |