

DATE IN 5/3/02	SUSPENSE NA	ENGINEER WJ	LOGGED IN KN	TYPE PLC PC	APP NO. PPRV 0213537966
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5/23/02

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

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

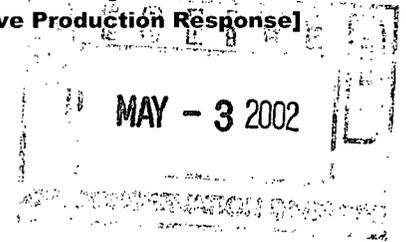


ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET 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

[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] **INFORMATION / DATA SUBMITTED IS COMPLETE** - Certification

I hereby certify that I, or personnel under my supervision, have reviewed the applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common.

I understand that any omission of data (including API numbers, pool codes, etc.), pertinent information and any required notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Loren W. Fothergill _____
 Print or Type Name Signature Title Date

Loren Fothergill@xtoenergy.com
 e-mail Address

May 1, 2001

Mr. David Catanach
New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

RE: Administrative Approval to Surface Commingle
Morris Gas Com B #1 and C.A. Morris A #1
Unit D, Sec 10, T 27N, R 11W
San Juan County, New Mexico

Dear Mr. Catanach,

XTO Energy (XTO) requests administrative approval to surface commingle the gas from the Morris Gas Com B #1 and C.A. Morris A #1 wells.

The C.A. Morris A #1 is a Pictured Cliffs well that is currently producing with the aid of a compressor. The Morris Gas Com B #1 is a Dakota well producing on the adjacent location. It is proposed to utilize the C.A. Morris A #1 compressor to compress the Morris Gas Com B #1 gas. This would allow the Morris Gas Com B #1 to increase its production rate in an economical manner.

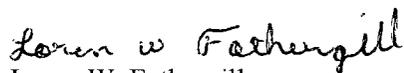
The following are enclosed for your review of the proposed surface commingling:

1. Well information table,
2. Gas production allocation formula,
3. Proposed battery schematic,
4. Well location plat.

On April 10, 2001, XTO sent out certified, return receipt notices to all working, royalty and overriding royalty interest owners detailing the planned surface commingling. At this time the 20 day waiting period has expired and XTO has not been notified of any objections. XTO hereby requests approval to proceed with the planned surface commingling.

If you need additional information or have any questions, please call me at (505) 324 1090.

Sincerely,


Loren W. Fothergill

XC: Gary Markestad
L.W. Fothergill
Well File

320 W/2

NW 160

Morris Gas Com B#1 & CA Morris A#1

Well Information

EXISTING

EXISTING

	Morris Gas Com B #1	C.A. Morris A #1
Location	Unit D, Sec 10, T 27N R 10W	Unit D, Sec 10, T 27 N R 10W
API#	30-045-06712	30-045-06721
Lease Number	SF 079596	SF 079596
Pool Name	Basin Dakota	Flucher Ktuz Pictured Cliffs
Pool Code	77159	77200
Gas Gravity	0.757	0.656
Gas Rate (MCFPD)	60 MCFPD	89 MCFPD

Gas Allocation Formula

The Williams Field Service (WFS) meter and meter run will remain in place. An additional 4" allocation meter run and meter will be utilized to measure the gas from the Morris Gas Com B #1.

Morris Gas Com B #1 gas production will be measured by the allocation meter.

C. A. Morris A #1 gas production will be calculated as follows:

$$\text{Gas Prod.} = (\text{CDP sales meter vol} - \text{Morris Gas Com B \#1 allocation meter vol}) + \text{Allocated fuel gas vol.}$$

7
6

The compressors fuel gas will allocated equally between the two wells. The fuel gas usage is estimated to be 14 MCFPD for the compressor.

No commingle of oil will occur.

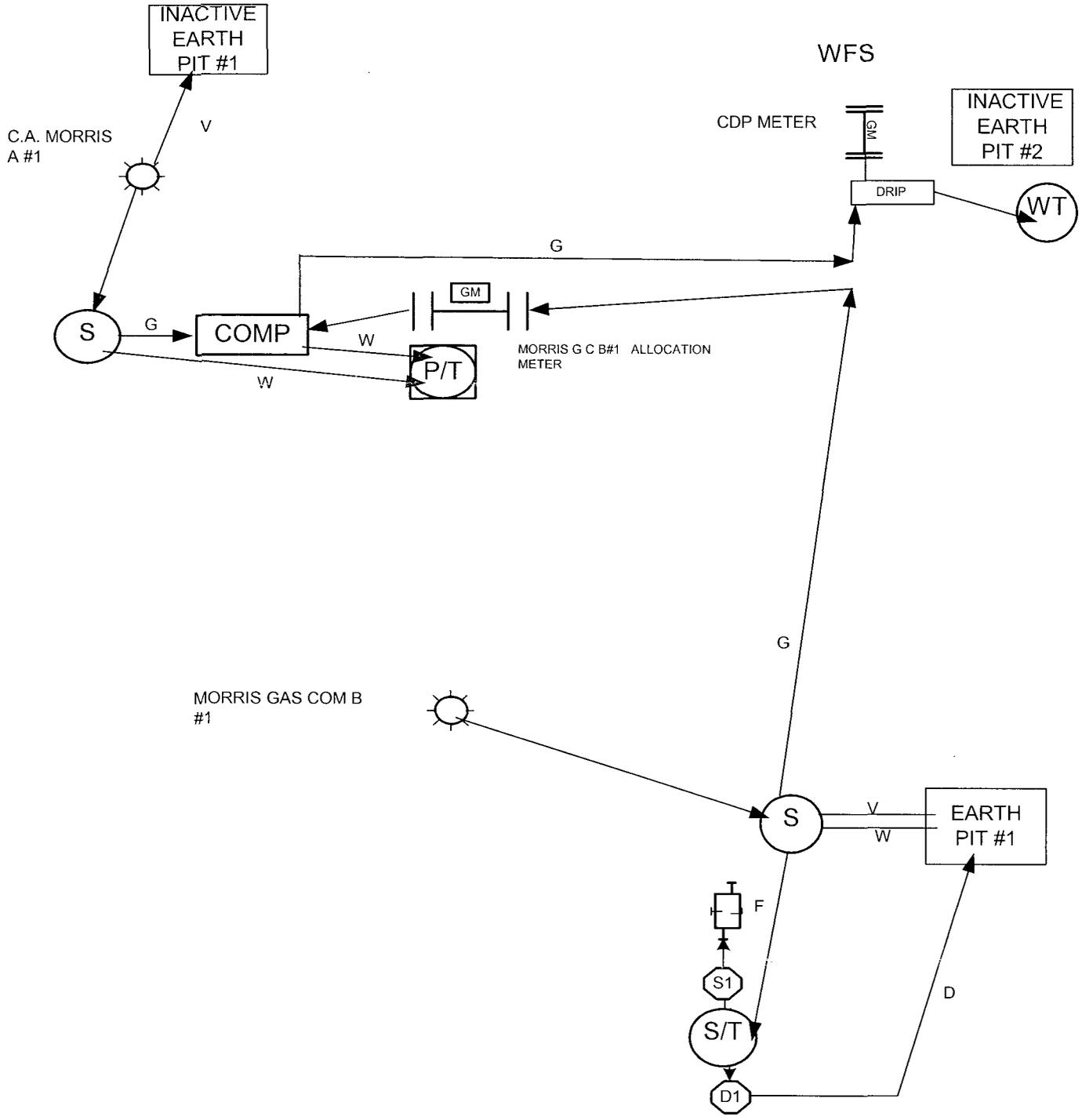
XTO Energy owns 100% working interest in the C.A Morris A #1 well and 50% of the Morris Gas Com, B #1. All working and royalties interest owners have been notified.

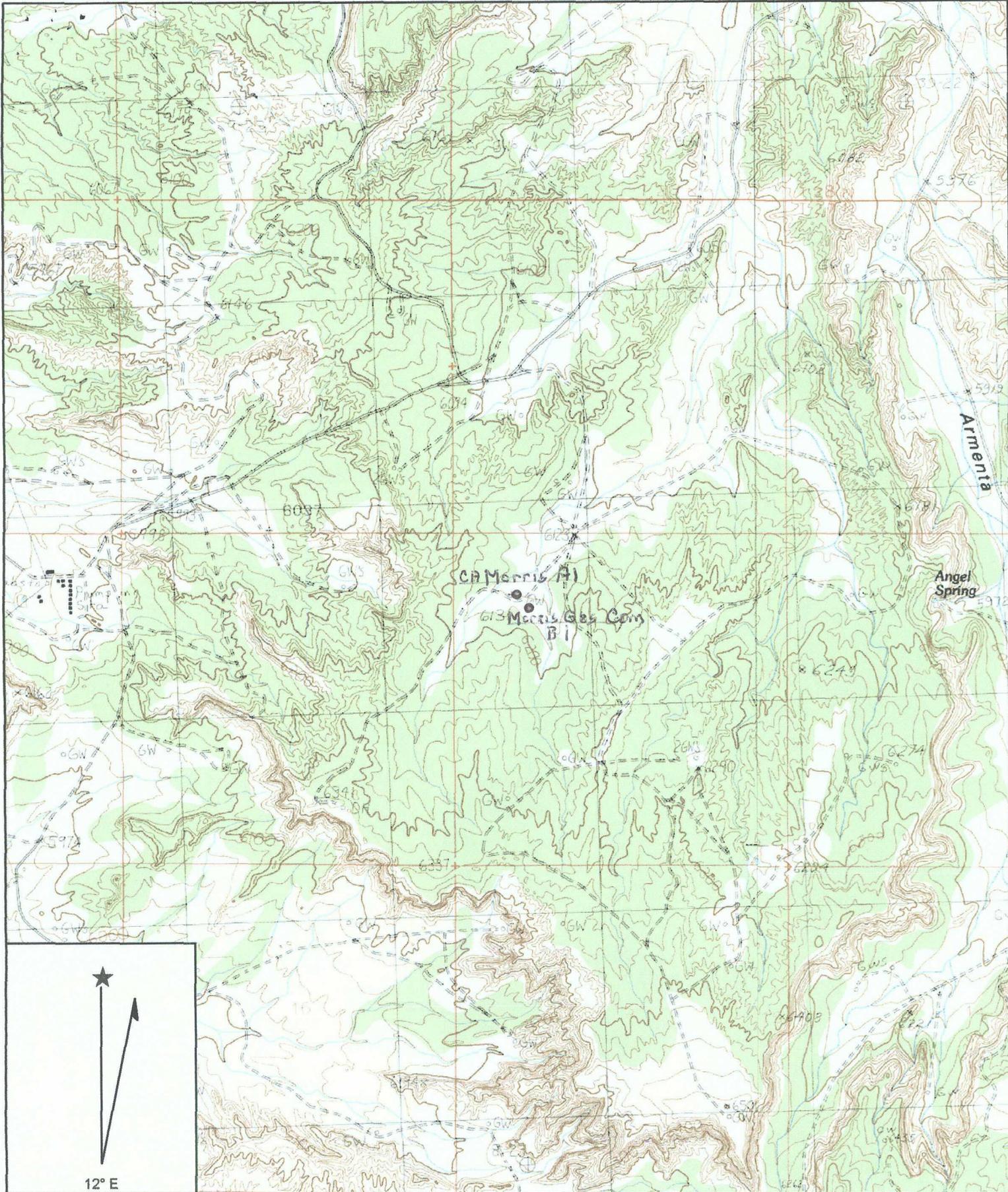
BLM 1/8th in each well

XTO ENERGY INC
SURFACE COMMINGLED

Lease: MORRIS GAS COM B #1 & C.A. MORRIS A #1

Location: NW/4 NW/4 SEC.10, T 27N, R10W





Name: EAST FORK KUTZ CANYON
Date: 4/10/102
Scale: 1 inch equals 2000 feet

Location: 036° 35' 38.7" N 107° 53' 18.4" W
Caption: Morris Gas Com B #1
CA Morris A #1
Surface Commingle