

DATE IN <u>5.16.11</u>	SUSPENSE	ENGINEER <u>DB</u>	LOGGED IN <u>5.16.11</u>	TYPE <u>DHC</u>	APP NO. <u>1113632876</u>
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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



XTO Energy ⁵³⁸⁰

OHIO A GOUT

ADMINISTRATIVE APPLICATION CHECKLIST 30-045-24358

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 _____

San Juan Fed

[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.

WANETT MCCAULEY
 Print or Type Name

Wanett McCauley
 Signature

REGULATORY COMPLIANCE TECHNICIAN 5/12/2011
 Title Date

wanett_mccauley@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

Form C-107A
Revised June 10, 2003

APPLICATION TYPE
 Single Well
 Establish Pre-Approved Pools
EXISTING WELLBORE

APPLICATION FOR DOWNHOLE COMMINGLING

Yes No

Operator XTO Energy Inc. Address 382 CR 3100, Aztec, NM 87410
Lease OHIO A GOVT Well No. 2E Unit Letter-Section-Township-Range K SEC 23 T-28N R-11W County SAN JUAN
OGRID No. 5380 Property Code 30321 API No. 30-045-24358 Lease Type: Federal State Fee

DHC-1390

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	BASIN MANCOS		BASIN DAKOTA
Pool Code	97232		71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5121' - 5544'		5996' - 6120'
Method of Production (Flowing or Artificial Life)	ARTIFICIAL LIFE		ARTIFICIAL LIFE
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)			1.332
Producing, Shut-In or New Zone	NEW ZONE		PRODUCING
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: 3/01/2011 Rates: 3.4 BO/548 MCF/40 BW
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil: 97 % Gas: 60 %	Oil: % Gas: %	Oil: 3 % Gas: 40 %

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 Wanett McCauley TITLE REG COMPLIANCE TECHNICIAN DATE 5/12/2011
TYPE OR PRINT NAME WANETT MCCAULEY TELEPHONE NO. (505) 333-3630
E-MAIL wanett.mccauley@xtoenergy.com

Allocations were determined by using the Ohio C Govt #2E Gallup add as an offset for the production increase that XTO would expect to see. All other Gallup producers in the 9-section either were commingled with the Dakota from initial production or were never commingled with the Dakota.

Monthly Production Rates

	OIL (Bbl/mo.)	GAS (KCF/mo.)	Water (Bbl/mo.)
Dakota	1	486	74
Gallup	42	737	137
Total	43	1223	211

Average production for last 6 months in Ohio A Govt 2E
6-month average production increase from adding Gallup production in Ohio C Govt 2E

Percent Production	OIL	GAS	Water
Dakota	3%	40%	35%
Gallup	97%	60%	65%
Total	100%	100%	100%

Date	Oil	Gas	Water
9/30/2010	3	483	160
10/31/2010	2	598	120
11/30/2010	0	649	2
12/31/2010	2	867	0
1/31/2011	0	93	40
2/28/2011	0	223	120

**Ohio C Govt 2E
Before Gallup Add**

After Gallup Add

	BO/Mo.	KCF/Mo.	BW/Mo.		BO/Mo.	KCF/Mo.	BW/Mo.	
	Oct-08	2	775	0	Feb-10	30	1534	18
	Nov-08	7	839	0	Mar-10	0	1448	80
Exluded 3 months due to well loading	Dec-08	5	651	80	Apr-10	77	1291	135
	Apr-09	7	923	84	May-10	81	1682	270
	May-09	3	1000	0	Jun-10	55	1854	306
	Jun-09	2	907	3	Jul-10	35	1709	180
	AVERAGE	4	849	28	AVERAGE	46	1586	165
				Increase	42	737	137	

P_DATE	OIL	GAS	WATER	P_DATE	OIL	GAS	WATER
1/31/2007	2	758	0	1/31/2010	0	0	0
2/28/2007	13	406	0	2/28/2010	0	1640	0
3/31/2007	8	1023	35	3/31/2010	138	1787	13
4/30/2007	7	1155	0	4/30/2010	30	1534	18
5/31/2007	8	1144	0	5/31/2010	0	1448	80
6/30/2007	2	818	0	6/30/2010	75	994	115
7/31/2007	5	1139	80	7/31/2010	79	1295	229
8/31/2007	2	852	0	8/31/2010	54	1428	247
9/30/2007	3	1098	0	9/30/2010	34	1316	150
10/31/2007	7	1001	80	10/31/2010	36	979	161
11/30/2007	3	610	0	11/30/2010	0	512	0
12/31/2007	3	1039	30	12/31/2010	0	287	122
1/31/2008	0	740	0	1/31/2011	1	552	149
2/29/2008	15	823	0	2/28/2011	0	830	0
3/31/2008	3	1141	0				
4/30/2008	3	934	80				
5/31/2008	7	467	0				
6/30/2008	5	856	0				
7/31/2008	2	1049	0				
8/31/2008	2	618	2				
9/30/2008	2	728	56				
10/31/2008	2	775	0				
11/30/2008	7	839	0				
12/31/2008	5	651	80				
1/31/2009	3	322	0				
2/28/2009	0	91	0				
3/31/2009	5	390	0				
4/30/2009	7	923	84				
5/31/2009	3	1000	0				
6/30/2009	2	907	3				
7/31/2009	5	573	80				
8/31/2009	0	0	0				
9/30/2009	0	0	0				
10/31/2009	0	0	0				
11/30/2009	0	0	0				
12/31/2009	0	0	3				
1/31/2010	0	0	0				
2/28/2010	98	0	97				
3/31/2010	0	0	0				
4/30/2010	0	0	0				
5/31/2010	0	0	0				
6/30/2010	2	297	20				
7/31/2010	2	387	41				
8/31/2010	1	426	59				
9/30/2010	1	393	30				
10/31/2010	1	292	21				
11/30/2010	0	153	0				
12/31/2010	0	86	38				
1/31/2011	0	165	30				
2/28/2011	0	248	0				