DATE IN 4.29.11	SUSPENSE	ENGINEER DKB	LOGGED IN 4.29.11	TYPE DHC 4388	APP NO. 1111957069

PTGW

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

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

XTO 5380

RECEIVED OCD 2011 APR 29

Jack 40 13B

ADMINISTRATIVE APPLICATION CHECKLIST

30-045-31154

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.

WANETT MCCAULEY	Wanett McCauley	REGULATORY COMPLIANCE TECHNICIAN	4/28/2011
Print or Type Name	Signature	Title	Date

wanett_mccauley@xtoenergy.com
e-mail Address

Amended

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

DHC-4388

XTO Energy Inc. (Operator) | 382 CR 3100, Aztec, NM 87410 (Address)

BOLACK C (Lease) | #13B (Well No.) | F SEC 29-T 27N-R08W (Unit Letter-Section-Township-Range) | SAN JUAN (County)

OGRID No. 5380 | Property Code 28096 | API No. 30-045-31154 | Lease Type: X Federal __State __ Fee

DATA ELEMENT	UPPER ZONE ✓	INTERMEDIATE ZONE UNDES	LOWER ZONE ✓
Pool Name	SOUTH BLANCO PC	OTERO CHACRA	BLANCO MESAVERDE
Pool Code	72439	82329	72319
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	2762' - 2808'	3728' - 3861'	5038' - 5349'
Method of Production (Flowing or Artificial Life)	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)	220	350	620
Oil Gravity or Gas BTU (Degree API or Gas BTU)		1.275	1.275
Producing, Shut-In or New Zone	NEW ZONE	PRODUCING	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: 3/01/2011 Rates: 0 BO/518 MCF/0 BW	Date: 3/01/2011 Rates: 3 BO/961 MCF/0 BW
	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: 0 % Gas: 52 %	Oil: 0 % Gas: 17 %	Oil: 100 % Gas: 31 %

Are all working, overriding, and royalty interests identical in all commingled zones? Yes X 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 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: DHC-856AZ

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 presssure 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 4/28/2011

TYPE OR PRINT NAME WANETT MCCAULEY TELEPHONE NO. (505) 333-3630

E-MAIL wanett_mccauley@xtoenergy.com

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Tuesday, May 03, 2011 4:09 PM
To: 'Wanett_McCauley@xtoenergy.com'
Subject: Bolack C #13B; DHC Application

Dear Ms. McCauley

Rule 19.15.12.11.A(3) requires, for DHC applications, that if the depth of the deepest perforation exceeds 150% of the depth of the shallowest perforations, bottom hole pressure data be supplied to demonstrate that pressures from the lower zone will not exceed the formation fracture pressure for any higher zone.

I am accordingly requesting that you supply BHP information for the Chacra and Mesverde for this well.

Thanks

David K. Brooks

Brooks, David K., EMNRD

From: Wanett_McCauley@xtoenergy.com
Sent: Wednesday, May 04, 2011 12:16 PM
To: Brooks, David K., EMNRD
Subject: Bolack C LS #12A & Bolack C #13B BHP data

Mr. Brooks,

Please find below the BHP data required for the Bolack C LS #12A and the Bolack C #13B. Thank you.

For Bolack C LS 12A:
Pictured Cliffs
Mid Perf Depth = 2807'
Current Reservoir Pressure = 220 psi
Fracture Parting Pressure = (2807') * (0.65 psi/ft) = 1825 psi

Chacra
Mid Perf Depth = 3730'
Current Reservoir Pressure = 350 psi
Fracture Parting Pressure = (3730') * (0.65 psi/ft) = 2425 psi

Mesaverde
Mid Perf Depth = 5195'
Current Reservoir Pressure = 620 psi
Fracture Parting Pressure = (5195') * (0.65 psi/ft) = 3377 psi

In the Bolack C LS 12A, pressures from the lower zones will not exceed fracture parting pressure of the higher zones

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For Bolack C 13B:
Pictured Cliffs
Mid Perf Depth = 2786'
Current Reservoir Pressure = 220 psi
Fracture Parting Pressure = (2786') * (0.65 psi/ft) = 1811 psi

Chacra
Mid Perf Depth = 3734'
Current Reservoir Pressure = 350 psi
Fracture Parting Pressure = (3734') * (0.65 psi/ft) = 2427 psi

Mesaverde
Mid Perf Depth = 5194'
Current Reservoir Pressure = 620 psi
Fracture Parting Pressure = (5194') * (0.65 psi/ft) = 3376 psi

In the Bolack C 13B, pressures from the lower zones will not exceed fracture parting pressure of the higher zones

---

Thank you,

Geoffrey Steiner
Operations Engineer
San Juan Division
XTO Energy

Office: (505) 333-3650
Mobile: (505) 787-0857

Wanett McCauley/FAR/CTOC

05/04/2011 07:11 AM

To Geoffrey Steiner/FAR/CTOC@CTOC
cc
Subject Fw: Bolack C LS #12A; DHC Application

Good morning Geoff,

Below is and email from David Brooks requesting BHP info for this well. Could you get that information for him. Thanks.

Wanett McCauley
Regulatory Compliance Technician
XTO Energy, Inc. a subsidiary of ExxonMobil
Office: 505.333.3630
wanett_mccauley@xtoenergy.com

----- Forwarded by Wanett McCauley/FAR/CTOC on 05/04/2011 07:07 AM -----

"Brooks, David K., EMNRD" <david.brooks@state.nm.us>

05/03/2011 04:21 PM

To "Wanett_McCauley@xtoenergy.com" <Wanett_McCauley@xtoenergy.com>
cc
Subject Bolack C LS #12A; DHC Application

Dear Ms. McCauley

Rule 19.15.12.11.A(3) requires, for DHC applications, that if the depth of the deepest perforation exceeds 150% of the depth of the shallowest perforations, bottom hole pressure data be supplied to demonstrate that pressures from the lower zone will not exceed the formation fracture pressure for any higher zone.

I am accordingly requesting that you supply BHP information for the Chacra and Mesverde for this well.

Thanks

David K. Brooks

Bolack C 13B - Allocations

Wells Only Producing from the Pictured Cliffs Reservoir within the 9 Section surrounding the Bolack C 13B Drilled after 2000

LEASE	NO.	RESERVOIR	Section	Township		Range		FIELD	OPERATOR	1st PROD	LAST PROD	DAYS ON	CUMUL OIL (BBL)	CUMUL GAS (MCF)	CUMUL WATER (BBL)	AVERAGE OIL (BBL/D)	AVERAGE GAS (MCF/D)	AVERAGE WATER (BBL/D)
BOLACK C	26	PICTURED CLIFFS	33	27	N	8	W	BLANCO	XTO ENERGY	20050930	20101001	1690	0	74926	155	0.00	44.33	0.09
BOLACK C	2R	PICTURED CLIFFS	28	27	N	8	W	BASIN	XTO ENERGY	20070531	20101001	1227	10	58260	0	0.01	47.48	0.00
FLORANCE D	19	PICTURED CLIFFS	20	27	N	8	W	BLANCO	XTO ENERGY	20050228	20101001	2078	0	154431	680	0.00	74.32	0.33
															Average	[redacted]00	55.38	[redacted]14

Bolack C LS 13B Current Production

LEASE	NO.	RESERVOIR	Section	Township		Range		FIELD	OPERATOR	12 MONTH AVERAGE OF LATEST PROD OIL (BBL/D)	GAS (MCF/D)	WATER (BBL/D)
BOLACK C	13B	CHACRA	29	27	N	8	W	OTERO	XTO ENERGY	0.00	17.56	0.00
BOLACK C	13B	MESAVERDE	29	27	N	8	W	BLANCO	XTO ENERGY	0.07	32.62	0.73

Allocations

	Oil	Gas	Water
Pictured Cliffs	0%	52%	16%
Chacra	0%	17%	0%
Mesaverde	100%	31%	84%

Last 12 Months Production For the Bolack C 13B

Chacra Production

	Oil Prod (BBL)	Gas Prod (MCF)	Water Prod (BBL)	Days On	Oil (BBL/D)	Gas (MCF/D)	Water (BBL/D)
11/30/2009	0	517	0	30	0.00	17.23	0.00
12/31/2009	0	437	0	31	0.00	14.10	0.00
1/31/2010	0	315	0	31	0.00	10.16	0.00
2/28/2010	0	261	0	28	0.00	9.32	0.00
3/31/2010	0	486	0	31	0.00	15.68	0.00
4/30/2010	0	454	0	30	0.00	15.13	0.00
5/31/2010	0	450	0	31	0.00	14.52	0.00
6/30/2010	0	682	0	30	0.00	22.73	0.00
7/31/2010	0	666	0	31	0.00	21.48	0.00
8/31/2010	0	645	0	23	0.00	28.04	0.00
9/30/2010	0	643	0	30	0.00	21.43	0.00
10/31/2010	0	648	0	31	0.00	20.90	0.00
AVERAGE					0.00	17.56	0.00

Mesaverde Production

	Oil Prod (BBL)	Gas Prod (MCF)	Water Prod (BBL)	Days On	Oil (BBL/D)	Gas (MCF/D)	Water (BBL/D)
11/30/2009	3	960	0	30	0.10	32.00	0.00
12/31/2009	3	812	0	31	0.10	26.19	0.00
1/31/2010	12	585	5	31	0.39	18.87	0.16
2/28/2010	3	485	0	28	0.11	17.32	0.00
3/31/2010	3	903	0	31	0.10	29.13	0.00
4/30/2010	3	843	0	30	0.10	28.10	0.00
5/31/2010	0	836	0	31	0.00	26.97	0.00
6/30/2010	0	1267	40	30	0.00	42.23	1.33
7/31/2010	0	1237	0	31	0.00	39.90	0.00
8/31/2010	0	1198	80	23	0.00	52.09	3.48
9/30/2010	0	1195	60	30	0.00	39.83	2.00
10/31/2010	0	1203	55	31	0.00	38.81	1.77
AVERAGE					0.07	32.62	0.73