

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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 reverse side

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

XTO Energy Inc.

3a. Address

2700 Farmington Ave., Bldg. K, Ste 1 Farmington, NM 87401

3b. Phone No. (include area code)

505-324-1090

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

1135'FSL & 1850'FEL, UNIT 0, SEC 19, T27N, R8W

FORM APPROVED
Budget Bureau No. 1004-0135
Expires November 30, 2000

5. Lease Serial No.

NMNM03380

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

FLORANCE

#67

9. API Well No.

30-045-11822

10. Field and Pool, or Exploratory Area

BASIN DAKOTA, BLANCO
MESAVERDE, OTERO CHACRA

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 SURFACE

☐ 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 approximated duration thereof. If the proposal is to deepen directionally or recompleate 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 recompleation 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. proposes to surface commingle this well per the attached documents.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

DARRIN STEED

Title

OPERATIONS ENGINEER

Date 12/14/01

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ Jim Lovato

Title

Date JAN - 2 2002

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, 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.

(Instructions on reverse)

NMCCO



November 26, 2001

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

RE: Administrative Approval to Amend Surface Commingling Order PC-1024
Florance D LS #7, Florance #67 & Florance #69R
Sec 19, T-27-N R-8-W
San Juan County, New Mexico

Dear Mr. Catanach,

XTO Energy, Inc. (XTO) requests administrative approval to amend commingling order PC-1024 to also include the Florance #69R. XTO plans to drill and complete this well as a Basin Fruitland Coal. All gas would be surfaced commingled through a single existing wellhead compressor. Each well's oil and water production will be kept separate and not commingled.

Utilizing a single wellhead compressor will help all three wells overcome sales line pressure and thereby maximize each well's productivity. The Florance D LS #7 and the Florance #67 responded very well to individual wellhead compression tests. It has been XTO's experience that the Basin Fruitland Coal's production is maximized utilizing wellhead compression. The lower operating costs resulting from a shared compressor will extend the economic life of all wells thus increasing their ultimate recoveries.

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

1. Well information table.
2. Gas production allocation formula sheet.
3. Battery schematic of proposed installation.
4. Well location plat.

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

Sincerely,
XTO ENERGY, INC

A handwritten signature in black ink, appearing to read "Darrin Steed", written over a horizontal line.

Darrin L. Steed
Operations Engineer

Enclosures

Cc: Gary Markestad
Well File
DLS File

C:\Work\Surface Commingles\Florance D LS #7 #67 & #69R.doc

Florance D LS #7, Florance #67 & Florance #69R

Well Information

	Florance D LS #7	Florance #67	Florance #69R
Location	Sec 19O, T27N R8W	Sec 19O, T27N R8W	Sec 19O, T27N, R8W
Formation	Pictured Cliffs	Dakota, Mesaverde, Chacra	Fruitland Coal
API #	30-045-06313	30-045-11822	30-045-30629
Pool Name	Blanco	Basin, Blanco, Otero	Basin
Pool Code	72359	71599, 72319, 82329	71629
Gas Gravity	.627	.760	NA
Gas Rate (MCFD)	0	250	NA
Oil Gravity	NA	55	NA
Oil Rate (BPD)	0	0.1	NA
Water Rate (BPD)	0	0	NA

Gas Allocation Formula

The El Paso Field Services (EPFS) meter and meter runs will remain in place. Gas volumes for the Florance #67 will be determined by the following formula:

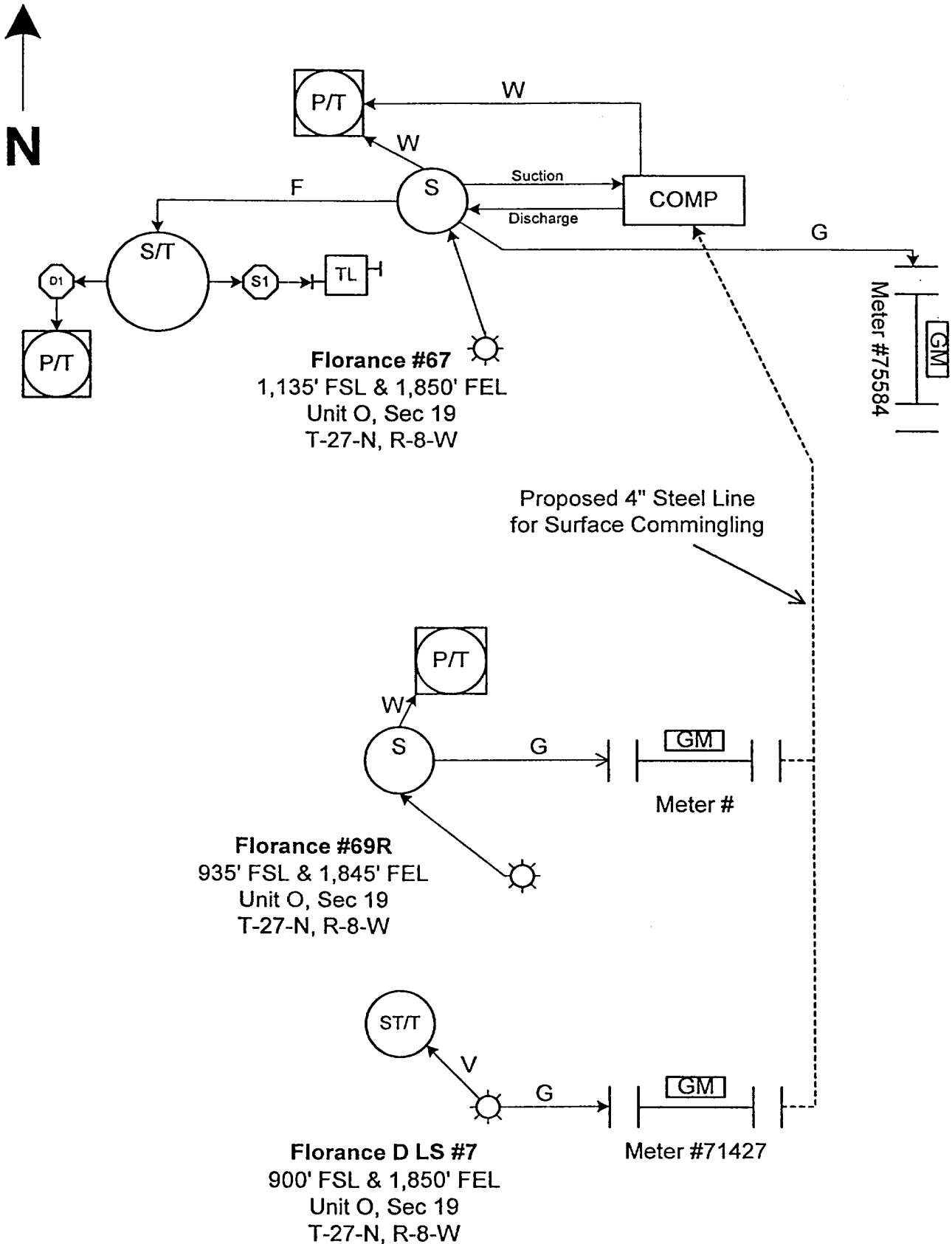
$$\text{Florance \#67 Production} = \text{Meter \#75584} - \text{Meter \#71427} - \text{Florance \#69R Meter} \\ + \text{Allocated compressor fuel gas}$$

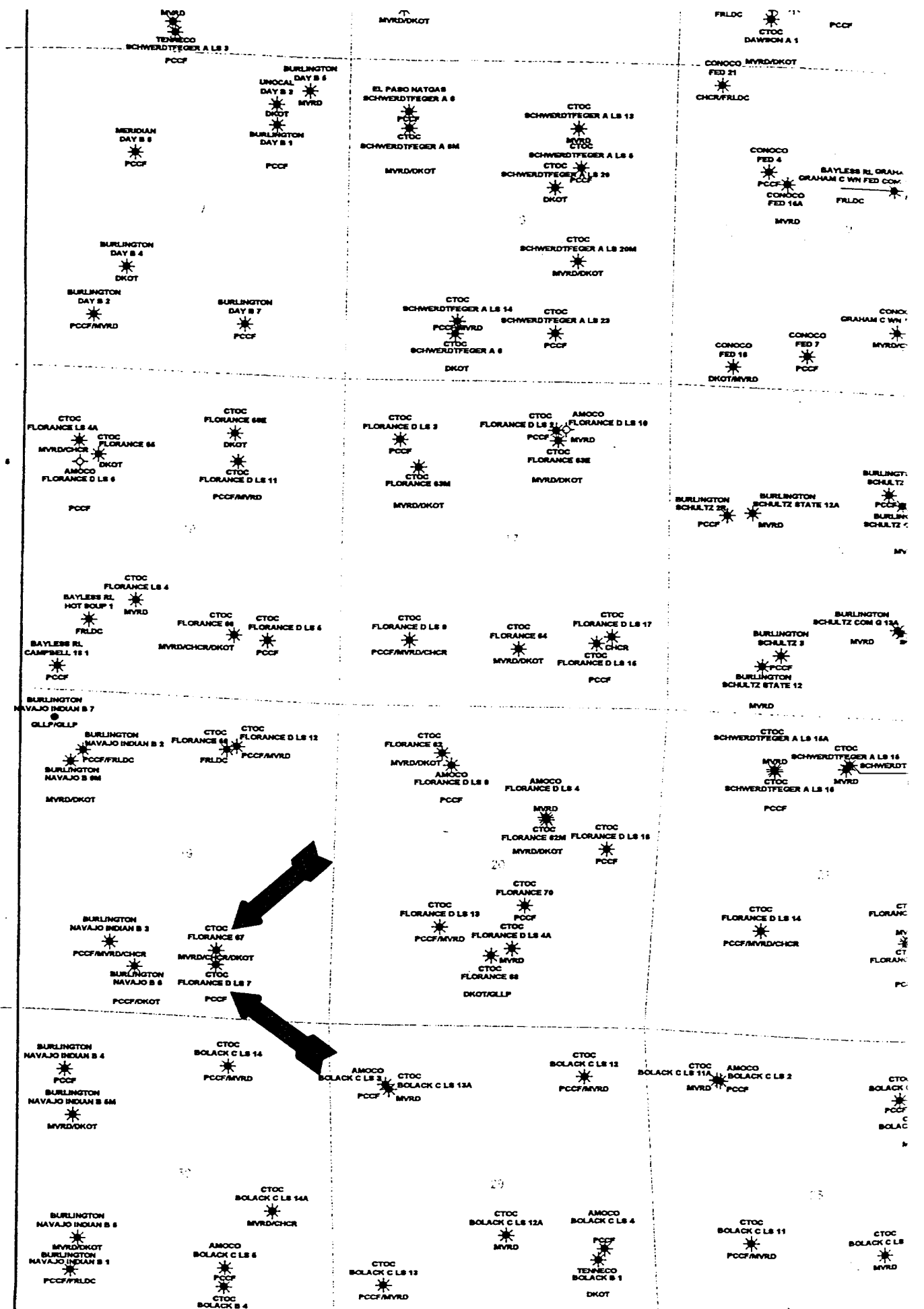
The compressor's fuel gas will be allocated equally all three wells. The fuel gas usage is estimated to be 9 MCFD for the compressor.

No commingling of oil or water will occur. Production and sales will be based on actual measured volumes from each well.

XTO ENERGY

Site Diagram for the Florance D LS #7, Florance #67 & Florance #69R Proposed Surface Commingling







NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY F. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

REC'D / SAN JUAN
DEC 13 2001

COMMINGLING ORDER PC-1024-A

XTO Energy Inc.
2700 Farmington Avenue
Building K, Suite 1
Farmington, New Mexico 87401

Attention: Mr. Darrin L. Steed

LEASE: Florance D "LS" No. 7 (API No. 30-045-06313)
South Blanco-Pictured Cliffs Gas Pool
DESCRIPTION: SE/4 of Section 19

LEASE: Florance No. 67 (API No. 30-045-11822)
Blanco-Mesaverde, Basin-Dakota and Otero-Chacra Gas Pools
DESCRIPTION: E/2 of Section 19

LEASE: Florance No. 69R (API No. 30-045-30629)
Basin-Fruitland Coal Gas Pool
DESCRIPTION: E/2 of Section 19

Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico

The above-named company is hereby authorized to commingle South Blanco-Pictured Cliffs (Prorated Gas – 72439), Basin-Dakota (Prorated Gas – 71599), Blanco-Mesaverde (Prorated Gas – 72319), Otero-Chacra (Gas – 82329) and Basin-Fruitland Coal (Gas – 71629) Pool production from the above-described lease and to determine the production from each pool by:

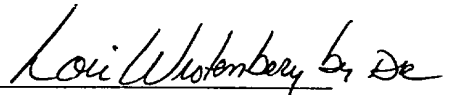
Separately metering the production from the Florance D "LS" No. 7 and the Florance No. 69R utilizing allocation meters, and determining the production from the Florance No. 67 by subtracting the production volumes from the Florance D "LS" No. 7 and the Florance No. 69R from the total sales volume, all in accordance with the formula set forth within the application to commingle. Oil production shall not be commingled. Compressor fuel gas usage shall be allocated equally to each well.

NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

REMARKS: The commingled natural gas production shall be delivered to a gas sales meter located in the SW/4 SE/4 of Section 19, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico.

FURTHER: The operator shall notify the Aztec District Office of the Division upon implementation of commingling operations.

DONE at Santa Fe, New Mexico, on this 10th day of December, 2001.

A handwritten signature in cursive script, reading "Lori Wrotenbery, D", is written over a horizontal line.

LORI WROTENBERY,
Division Director

LW/DRC

cc: Oil Conservation Division- Aztec