

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

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.

2002 APR 18 PM 12:32

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)  
835' FNL & 1,150' FWL, Unit D, Sec 26, T27N, R8W

5. Lease Serial No.

NMSF - 078480

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Dawson Federal #1

9. API Well No.  
30-045-11873

10. Field and Pool, or Exploratory Area

Blanco mv/Basin DK

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

- |   |   |  |  |
|---|---|--|--|
| <input type="checkbox"/> Acidize              | <input type="checkbox"/> Deepen           | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off                  |
| <input type="checkbox"/> Alter Casing         | <input type="checkbox"/> Fracture Treat   | <input type="checkbox"/> Reclamation               | <input type="checkbox"/> Well Integrity                  |
| <input type="checkbox"/> Casing Repair        | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete                | <input checked="" type="checkbox"/> Other <u>Surface</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 approximated duration thereof. If the proposal is to deepen directionally or recompleat 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 recompleat 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. The flowline will follow existing lease roads as shown on the attached topographic map. Total length is approximately 1,800'.

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

Darrin Steed

Title

Operations Engineer

Date

4/17/02

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by /s/ Jim Lovato

Title

Petr. Eng.

Date

4/22/02

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

BLM-FFO

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)



March 28, 2002

RECEIVED

202 APR 10 AM 10:32

970 FARMINGTON, NM

Mr. David Catanach  
New Mexico Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

RE: Administrative Approval to Surface Commingle  
Dawson Federal #1 & Dawson Federal #1B  
Sec 26, T-27-N R-8-W  
San Juan County, New Mexico

Dear Mr. Catanach,

XTO Energy, Inc. (XTO) requests administrative approval to surface commingle the Dawson Federal #1 and the Dawson Federal #1B. The Dawson Federal #1B will be new Blanco Mesaverde well.

Both wells are located on the same Federal Lease #NMSF - 078480. Since all working, revenue and royalty interest owners are common interest owner notification was not necessary. The Bureau of Land Management (BLM) has requested that central tank batteries be utilized to minimize land disturbance whenever possible. Production allocation testing is described on the attached document.

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

1. Well information table.
2. Battery schematic of proposed installation.
3. Well location plat.
4. Proposed testing schedule and procedure for allocation purposes.

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

Sincerely,  
XTO ENERGY, INC

Darrin L. Steed  
Operations Engineer

Enclosures

Cc: DLS File  
Well File  
GLM

C:\Work\Surface Commingles\Dawson Federal #1 & #1B.doc

### Proposed Testing Procedure and Schedule

The Dawson Federal #1B will have all oil, water and gas commingled at the Dawson Federal #1 separator. Allocation of oil, water and gas between these two wells will be determined on a semiannual basis. Since the Dawson Federal #1B is a new well and more prone to production rate variance it will be shut in during testing. The Dawson Federal #1 was completed in 1966 as a dual Basin Dakota and Blanco Mesaverde well. In 1999 the well was downhole commingled and put on rod pump. The Dawson Federal #1 is better able to maintain a stable production rate over the proposed six month allocation period.

The Dawson Federal #1B will be shut in until a stabilized production rate is obtained from the Dawson Federal #1. All oil and water production will be measured daily to obtain average volumes for allocation. This daily average volume will be allocated to this well for a six month period following each test. Once testing is completed the production from the Dawson Federal #1B will be determined by the following equation:

Gas Production = Volume @ meter #75697 + Fuel Usage – Dawson Federal #1 allocation.

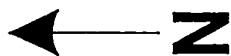
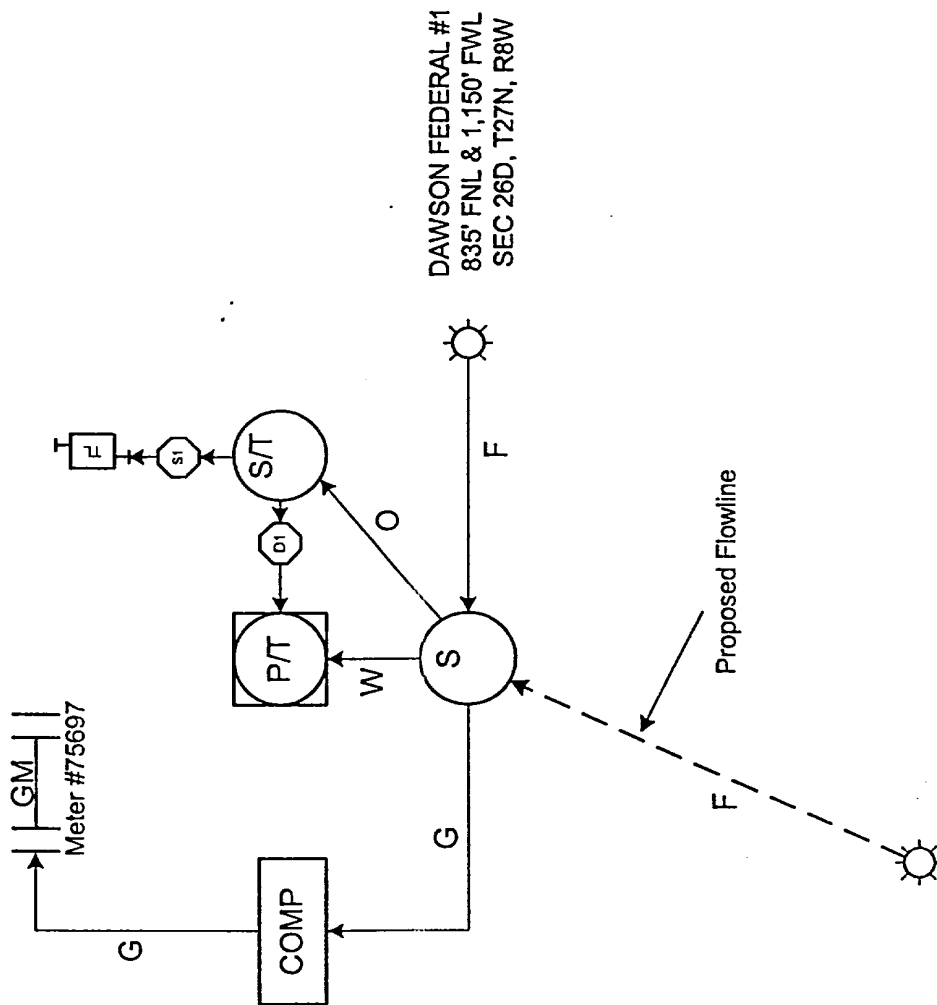
Oil and Water Production = Total volume for each product – Dawson Federal #1 allocation.

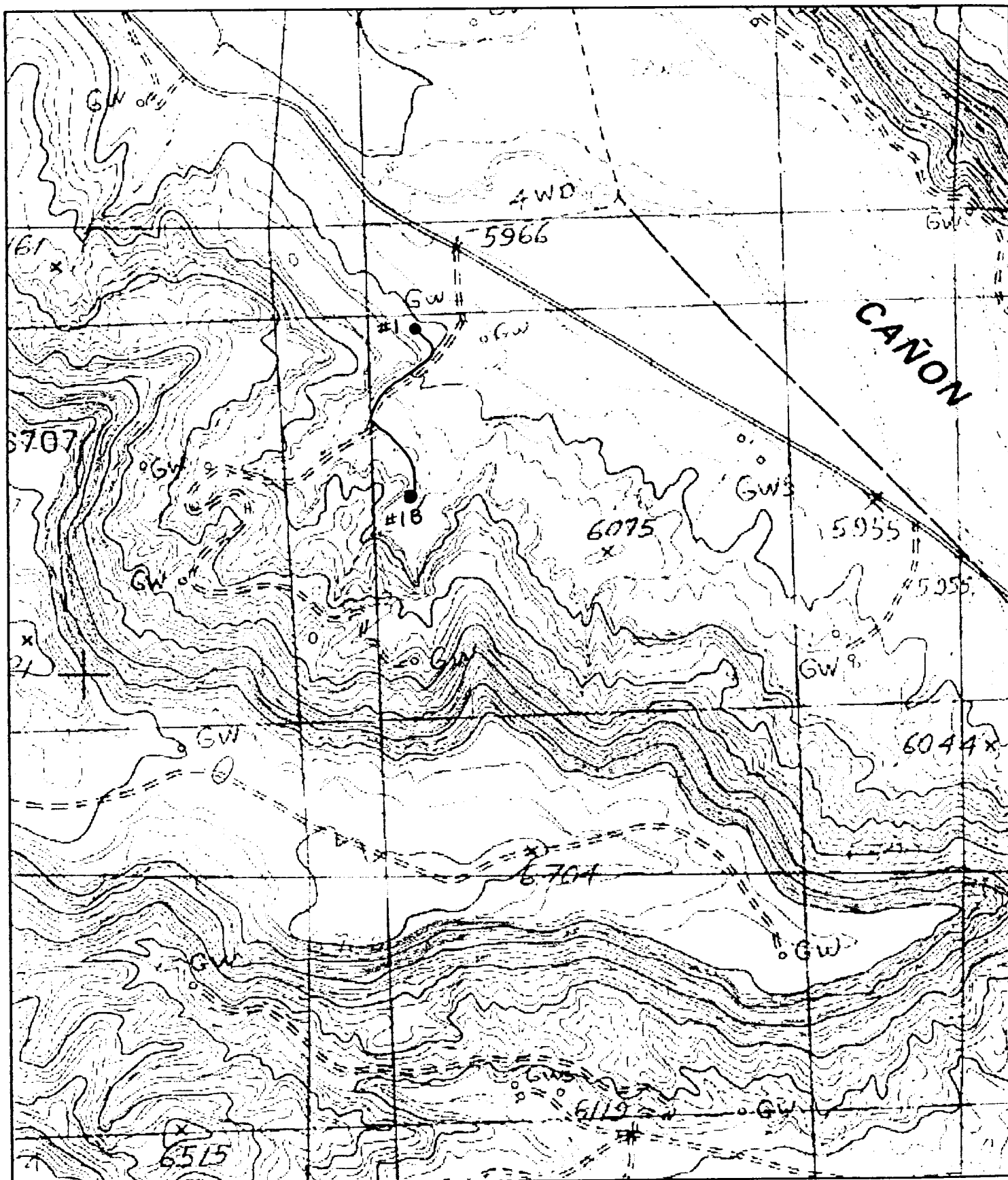
### Well Information

	Dawson Federal #1	Dawson Federal #1B
Location	Sec 26D, T27N, R8W	Sec 26E, T27N, R8W
Formation	Mesaverde/Dakota	Mesaverde
API #	30-045-11873	30-045-30886
Pool Name	Blanco/Basin	Blanco
Pool Code	72319/71599	72319
Gas Gravity	.758	Est .79
Gas Rate (MCFD)	69	Est. 250
Oil Gravity	NA	Est. 64
Oil Rate (BPD)	0	Est 2.0
Water Rate (BPD)	0.4	Est. 1.0
WI	100%	100%
NRI	70%	70%

Production volumes are averaged over the past 13 months.

**XTO ENERGY, INC**  
**PROPOSED COMMINGLING SCHEMATIC**  
**DAWSON FEDERAL #1B**  
**NW/4 SEC. 26, T-27-N, R-8-W**  
**Fed Lease #: NMSF - 078480**





Name: FRESNO CANYON  
 Date: 4/10/02  
 Scale: 1 inch equals 1000 feet

Location: 036° 32' 36.0" N 107° 39' 18.6" W  
 Caption: Surface Commingling  
 Dawson Federal #1, #1B  
 XTO Energy Inc



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**GARY E. JOHNSON**  
Governor  
**Betty Rivera**  
Cabinet Secretary

**REC'D / SAN JUAN**

**APR 17 2002**

**Lori Wrotenbery**  
Director  
Oil Conservation Division

**COMMINGLING ORDER PC-1056**

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

Attention: Mr. Darrin L. Steed

The above named company is hereby authorized to surface commingle the following pools and acreage within the same lease:

Existing Well: Dawson Federal Well No. 1 (API No. 30-045-11873)  
Previously Downhole Commingled in the Blanco-Mesaverde (Prorated Gas 72319) and the Basin-Dakota (Prorated Gas 71599).  
Dedicated to the W/2 of Section 26, Township 27N, Range 8W NMPM

New Well: Dawson Federal Well No. 1B (API No. 30-045-30886)  
Blanco-Mesaverde (Prorated Gas 72319)  
Dedicated to the W/2 of Section 26, Township 27N, Range 8W NMPM

Both wells are located in San Juan County, New Mexico. These wells all have common ownership and are located on the same Federal lease No. NMSF - 078480.

Production shall be allocated as follows: The existing Dawson Federal Well No. 1 separator shall receive combined (oil, gas, and water) flow streams from both wells. Total sales gas shall then be compressed and sold through the existing CDP. Oil shall be trucked to sales water to disposal. Oil, gas, and water production shall be allocated based on periodic individual well tests. Compressor and pumping unit fuel gas usage shall be estimated and allocated as appropriate between wells.

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.

FURTHER: The operator shall notify the supervisor of the Aztec district office prior to implementation of this commingling operation.

*Administrative Order PC-1056*

*XTO Energy, Inc.*

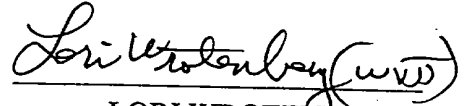
*April 12, 2002*

*Page 2*

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PROVIDING: Like approval is also required from the U.S. Bureau of Land Management.

DONE at Santa Fe, New Mexico, on this 12th day of April 2002.



LORI WROTENBERY,  
Division Director

LW/WVJ

cc: Oil Conservation Division- Aztec  
Bureau of Land Management -- Farmington