Form 3160-5 (August 1999)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

-		* N.	Lease Serial No
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SUNDRY NOTICES AND REPORTS ON WELLS.

Do not use this form for proposals to drift or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

6. If Indian

	NMNMU338U			
6.	If Indian, Allottee or Tribe Name			

SUBMIT IN TRIPLICATE - Other instructions on reverse side.					7. If Unit or CA/Agreement, Name and/or No.	
Type of Well Oil Well	ner				8. Well Name and No. FLORANCE 66F	
2. Name of Operator Contact: HOLLY PERKINS E-Mail: Holly_Perkins@xtoenergy.com				gy.com	9. API Well No. 30-045-30886	
3a. Address 2700 FARMINGTON AVE, BL FARMINGTON, NM 87401	DG K, SUITE 1		(include area cod 4.1090 Ext: 40 .6700		10. Field and Pool, or BASIN DAKOTA	
4. Location of Well (Footage, Sec., T	., R., M., or Survey Description	1)			11. County or Parish, a	and State
Sec 18 T27N R08W NENE 66	SOFNL 660FEL				SAN JUAN COL	JNTY, NM
12. CHECK APPI	ROPRIATE BOX(ES) TO	O INDICATE	NATURE OF	NOTICE, RE	EPORT, OR OTHEI	R DATA
TYPE OF SUBMISSION			TYPE	OF ACTION		
■ Notice of Intent	☐ Acidize	☐ Deep	en	☐ Product	on (Start/Resume)	■ Water Shut-Off
_	☐ Alter Casing	□ Frac	☐ Fracture Treat		ation	☐ Well Integrity
☐ Subsequent Report	☐ Casing Repair	☐ New	Construction	☐ Recomp	lete	☑ Other Surface Commingling
☐ Final Abandonment Notice	☐ Change Plans	☐ Plug	and Abandon	☐ Tempor	arily Abandon	Surface Comminging
13. Describe Proposed or Completed Op	☐ Convert to Injection	-		☐ Water D	•	
testing has been completed. Final Aldetermined that the site is ready for f XTO Energy Inc. requests per Commingling Order PC-1058.	inal inspection.) rmission to surface comm					
14. I hereby certify that the foregoing is	Electronic Submission For XTO Committed to AFMSS	#11674 verified ENERGY INC., for processing	by Matthew Ha	ell Information mington albert on 06/06/ RATIONS ENG	2002 ()	
Name (Printed/Typed) DARRIN	SIEED		Title OPE	KATIONS EIN	JINEEK	-
Signature (Electronic	Submission)		Date05/31	/2002		
THIS SPACE FOR FEDERAL OR STATE OFFICE USE						
Approved By Conditions of approval, if any are attached certify that the applicant holds legal or equivalent would entitle the applicant to condition.	ed. Approval of this notice doe juitable title to those rights in the uct operations thereon.	ne subject lease	Title Office	BLM- A	Date Date	le la loz
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.						

Administrative Order PC-1058 XTO Energy, Inc. May 22, 2002 Page 2 DONE at Santa Fe, New Mexico, on this 22nd day of May 2002.

For Waterlay (with

LORI WROTENBERY, Division Director

LW/WVJ

cc: Oil Conservation Division- Aztec

Bureau of Land Management - Farmington



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Betty Rivera
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

REC'D / SAN JUAN

COMMINGLING ORDER PC-1058

MAY 3 0 2002

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:

Florance D LS Well No. 11 (API No. 30-045-06528)

South Blanco-Pictured Cliffs (Prorated Gas 72439), NE/4 dedication

Blanco-Mesaverde (Prorated Gas 72319), E/2 dedication Unit G, Section 18, Township 27N, Range 8W NMPM

New Well:

Florance Well No. 66F (API No. 30-045-30886)

Otero-Chacra (Gas 82329), NE/4 dedication

Blanco-Mesaverde (Prorated Gas 72319), E/2 dedication Basin-Dakota (Prorated Gas 71599), E/2 dedication Unit A, Section 18, Township 27N, Range 8W NMPM

These wells all have common ownership and are located on the same Federal Lease No. NMNM - 03380, in San Juan County, New Mexico.

These wells shall be periodically tested to maintain an accurate allocation of oil, water, and gas production and sales. For purposes of reporting, each well's gas production shall be calculated from gas sales plus estimated fuel gas usage.

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.

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



May 6, 2002

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

RE: Administrative Approval to Surface Commingle Florance D LS #11 & Florance #66F Sec 18, 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 Florance D LS #11 and the Florance #66F. The Florance #66F will be new Basin Dakota/Blanco Mesaverde/Otero Chacra well.

Both wells are located on the same Federal Lease #NMNM - 03380. 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

Warin Steed

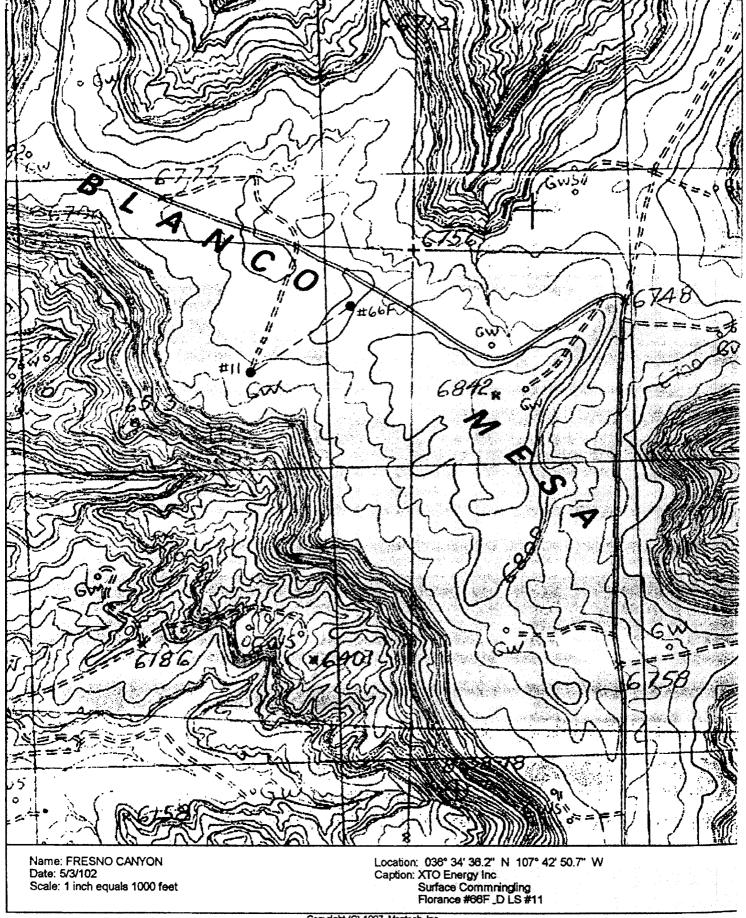
Darrin L. Steed Operations Engineer

Enclosures

Cc:

DLS File Well File GLM

C:\Work\Surface Commingles\Florance D LS #11 & #66F.doc



Proposed Testing Procedure and Schedule

The Florance #66F will have all oil, water and gas commingled at the Florance D LS #11 separator. Allocation of oil, water and gas between these two wells will be determined on a semiannual basis. Since the Florance #66F is a new well and more prone to production rate variance it will be shut in during testing. The Florance D LS #11 was completed in 1958 as a dual Blanco Mesaverde and South Blanco Pictured Cliffs well. In 2001 the well was downhole commingled and put on rod pump. Due to its age the Florance D LS #11 is better able to maintain a stable production rate over the proposed six month allocation period.

The Florance #66F will be shut in until a stabilized production rate is obtained from the Florance D LS #11. 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 Florance #66F will be determined by the following equation:

Gas Production = Volume @ meter #72152 + Fuel Usage - Florance D LS #11 allocation.

Oil and Water Production = Total volume for each product Florance D LS #11 allocation.

Well Information

	Florance D LS #11	Florance #66F		
Location	Sec 18G, T27N, R8W	Sec 18A, T27N, R8W		
Formation	Mesaverde/Pictured Cliffs	Dakota/Mesaverde/Chacra		
API#	30-045-06528	30-045-30886		
Pool Name	Blanco/South Blanco	Basin/Blanco/Otero		
Pool Code	72319/72439	71599/72319/82329		
Gas Gravity	.740	Est .780		
Gas Rate (MCFD)	207	Est. 620		
Oil Gravity	59	Est. 55		
Oil Rate (BPD)	0.2	Est 1.0		
Water Rate (BPD)	1.2	Est. 1.0		
WI	100%	100%		
NRI	67.5%	67.5%		

Production volumes are averaged over the past 14 months.



XTO ENERGY, INC PROPOSED COMMINGLING SCHEMATIC FLORANCE D LS #11 & FLORANCE #66F NE/4 SEC. 18, T-27-N, R-8-W Fed Lease #: NMNM - 03380

