

DATE IN 7/10/2014	SUSPENSE	ENGINEER MAM	LOGGED IN 4/10/2014	TYPE DHL	APP NO. P14M140483 7553
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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



ADMINISTRATIVE APPLICATION CHECKLIST

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:

Record Clean up
[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.

KRISTEN D. BABCOCK
Print or Type Name

Signature

REGULATORY ANALYST
Title

4/2/2014
Date

Kristen.Babcock@xtoenergy.com
e-mail Address



382 CR 3100 Aztec, NM 87410
(505) 333-3100 FAX: (505) 333-3280

April 2, 2014

NMOCD
Phillip Goetze
1220 South St. Francis Dr.
Santa Fe, NM 87505

RE: Record Clean Up for Downhole Commingle
Harper Hill Fruitland Sand- Pictured Cliffs (78160) & Basin Fruitland Coal (71629) Pools
Area of T30N, R14W
San Juan County, NM

RECEIVED NMOCD
2014 APR -7 P 2:09

Dear Mr. Goetze,

XTO Energy Inc. and the NMOCD Aztec District Office reviewed all of the XTO operated wells within the Harper Hill Fruitland Sand / PC Pool – located predominately within T30N, R14W, San Juan County NM – that had downhole comingling permits filed and approved through the NMOCD Aztec District Office by previous operators. These wells should have been filed and approved through the Santa Fe NMOCD, due to the fact that they are not pre-approved pools. XTO Energy Inc will be submitting these 12 wells to the Santa Fe NMOCD office for the appropriate approval. Allocations will remain as they were before.

WELL NAME	API	DHC #	Year Approved	Operator that Submitted
1. WF Federal 11 #1	30-045-32268	DHC-1923AZ	"2005"	Lance Oil and Gas
2. WF Federal 25 #1	30-045-30681	DHC-2416AZ	"2007"	Lance Oil and Gas
3. WF Federal 25 #2	30-045-30713	DHC-1209AZ	"2003"	Richardson Operating
4. WF Federal 27 #3	30-045-30393	DHC-2138AZ	"2006"	Lance Oil and Gas
5. WF Federal 03 #1	30-045-30202	DHC-3214AZ	"2009"	XTO Energy
6. WF State 2 #3	30-045-30759	DHC-1896AZ	"2005"	Lance Oil and Gas
7. Coolidge #2	30-045-31221	DHC-1076AZ	"2003"	Calpine Operating
8. Coolidge Com #1	30-045-26184	DHC-1005AZ	"2002"	Calpine Operating
9. Morton #2	30-045-25766	DHC-1003AZ	"2002"	Calpine Operating
10. Morton #3	30-045-31215	DHC-1075AZ	"2003"	Calpine Operating
11. Mr Nona 15 #1	30-045-30318	DHC-2573AZ	"2007"	Lance Oil and Gas
12. Roosevelt #2	30-045-31222	DHC-1028AZ	"2003"	Calpine Operating

Sincerely,

Kristen D. Babcock
Regulatory Analyst
xc: Jackson Dean, Ft. Worth Land

District I
1625 N. French Drive, Hobbs, NM 88240

District II
811 S. First St., Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised August 1, 2011

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

APPLICATION TYPE
☒ Single Well
☐ Establish Pre-Approved Pools
EXISTING WELLBORE
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

XTO Energy, Inc. 382 CR 3100, Aztec, NM 87410

Operator Address
WF Federal 3 #1 UNIT LETTER D, Sec 3, T29N, R14W SAN JUAN

Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 5380 Property Code 303680 API No. 30-045-30202 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	BASIN FRUITLAND COAL		HARPER HILL FRUITLAND SAND PICTURED CLIFFS
Pool Code	(71629)		(78160)
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	855'-971'		985'-995'
Method of Production (Flowing or Artificial Lift)	ROD/PUMP		ROD/PUMP
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)			
Producing, Shut-In or 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: 6/1/13 Rates: O:0/G: 1084MCF/ W:0	Date: Rates:	Date:6/1/13 Rates: O:0/G:693 MCF/W:0
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 61 % 61 %	Oil Gas % %	Oil Gas 39 % 39 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ No ☐
If not, have all working, royalty and overriding royalty interest owners 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 working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

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 Kristen D. Babcock TITLE REGULATORY ANALYST DATE 4/2/14

TYPE OR PRINT NAME KRISTEN D. BABCOCK TELEPHONE NO. (505) 333-3206

E-MAIL ADDRESS kristen_babcock@xtoenergy.com

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 87240
District II
1301 W. Grand Ave., 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, NM 87505

Form C-103
June 19, 2008

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)		WELL API NO. 30-045-30202
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator XTO Energy Inc.		6. State Oil & Gas Lease No.
3. Address of Operator 382 CR 3100 AZTEC, NM 87410		7. Lease Name or Unit Agreement Name: WF FEDERAL 3
4. Well Location Unit Letter <u>D</u> : <u>1265</u> feet from the <u>NORTH</u> line and <u>1095</u> feet from the <u>WEST</u> line Section <u>3</u> Township <u>29N</u> Range <u>14W</u> NMPM County <u>SAN JUAN</u>		8. Well Number #1
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5460'		9. OGRID Number 5380
		10. Pool name or Wildcat FRUITLAND SAND FC/BASIN FC

12. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

OTHER: DOWNHOLE COMMINGLE

☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

RCVD AUG 18 '09
OIL CONS. DIV.

DIST. 3

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

XTO requests an exception to NMCD rule 303A to permit DHC of prod from the FC & FC pools in the WF Federal 3 #1. XTO proposes to DHC the two pools upon completion of the FC. Proposed allocations are based on a 9-section EUR & recommended as follows:

GAS: 61% OIL: 0% WATER: 21%
GAS: 39% OIL: 100% WATER: 79%

Ownership is diverse & owners were notified by CRR on 7/29/09. DHC will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights. An application for DHC was submitted to ELM on 8/18/09.

DHC 3214 AZ

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Lorri D. Bingham TITLE REGULATORY ANALYST DATE 8/18/09

Type or print name LORRI D. BINGHAM E-mail address: lorri_bingham@xtoenergy.com PHONE 505-333-3204

For State Use Only

APPROVED BY [Signature] TITLE Deputy Oil & Gas Inspector, District #3 DATE AUG 25 2009

Conditions of Approval (if any):

LEASE NAME	NO. RESERVOIR	SEC	LOCATION	FIELD	OPERATOR	1st PROD	LAST PROD	CUM GAS	REM GAS	CUM WTR	EUR-GAS	EUR GAS	DLY GAS	DLY WTR
COM	1 FRUITLAND COAL	2	29 N 14 W	BASIN	DUGAN PRODUCTIC	19980501	20080401	591,619	752,469	186,747	591,619	1,344,088	149.2	12.2
KING COM	90 FRUITLAND COAL	11	29 N 14 W	BASIN	DUGAN PRODUCTIC	19990801	20080401	210,102	1,188,720	67,775	210,102	1,398,822	235.7	56.7
WF FEDERAL 34	2 FRUITLAND COAL	34	30 N 14 W	BASIN	XTO ENERGY	20000131	20090301	472,567	522,244	116,865	994,811	994,811	34.8	14.7
WF FEDERAL 34	3 FRUITLAND COAL	34	30 N 14 W	BASIN	XTO ENERGY	20000331	20090301	282,276	11,388	108,455	293,664	293,664	55.1	19.7
COM	91 FRUITLAND COAL	2	29 N 14 W	BASIN	DUGAN PRODUCTIC	20000601	20080401	201,178	177,526	187,578	201,178	378,704	35.2	21.4
FEDERAL I	99 FRUITLAND COAL	3	29 N 14 W	BASIN	DUGAN PRODUCTIC	20000601	20080401	450,017	655,132	140,291	450,017	1,105,149	129.9	42.2
TABOR COM	90 FRUITLAND COAL	35	30 N 14 W	BASIN	DUGAN PRODUCTIC	20000701	20080801	506,365	559,813	209,542	506,365	1,066,178	111	55.9
FEDERAL I	98 FRUITLAND COAL	10	29 N 14 W	BASIN	DUGAN PRODUCTIC	20000801	20080401	198,176	181,057	145,954	198,176	379,233	35.9	16.6
WF FEDERAL 3	2 FRUITLAND COAL	3	29 N 14 W	BASIN	XTO ENERGY	20000930	20090301	299,119	0	135,772	299,119	299,119	17	17.6
WF FEDERAL 33	1 FRUITLAND COAL	33	30 N 14 W	BASIN	XTO ENERGY	20011231	20090301	471,675	863,700	200,727	1,335,375	1,335,375	124	7.2
PERF	90 FRUITLAND COAL	35	30 N 14 W	BASIN	XTO ENERGY	20020831	20090301	313,369	205,332	68,822	518,701	518,701	36.7	0.2
ROP CO 10	2 FRUITLAND COAL	10	29 N 14 W	BASIN	XTO ENERGY	20020831	20090301	110,435	110,855	75,894	221,290	221,290	11.3	3.4
ROP CO 4	3 FRUITLAND COAL	4	29 N 14 W	BASIN	XTO ENERGY	20020831	20090301	285,565	261,504	72,984	547,069	547,069	52.9	27.4
ROP CO 9	3 FRUITLAND COAL	9	29 N 14 W	BASIN	XTO ENERGY	20020831	20070201	63,603	0	58,701	63,603	63,603	85.9	31.6
FEDERAL I	90 FRUITLAND COAL	11	29 N 14 W	BASIN	DUGAN PRODUCTIC	20020901	20080401	244,557	433,224	37,963	244,557	677,781	79.4	2.7
ROP CO 9	1 FRUITLAND COAL	9	29 N 14 W	BASIN	XTO ENERGY	20020930	20090301	177,675	0	70,413	177,675	177,675	12.4	17.5
ROP CO 4	1 FRUITLAND COAL	4	29 N 14 W	BASIN	XTO ENERGY	20021130	20090301	109,371	0	35,954	109,371	109,371	213.4	89
WF FEDERAL 33	5 FRUITLAND COAL	33	30 N 14 W	BASIN	XTO ENERGY	20041231	20090301	297,281	1,168,489	72,613	1,465,770	1,465,770	260.2	31
WF FEDERAL 34	4 FRUITLAND COAL	34	30 N 14 W	BASIN	XTO ENERGY	20050430	20090301	193,163	453,380	92,281	646,543	646,543	213.4	89
ROP CO 4	4 FRUITLAND COAL	4	29 N 14 W	BASIN	XTO ENERGY	20050731	20090301	211,043	1,234,548	46,341	1,445,591	1,445,591	179.4	28
PERF	91 FRUITLAND COAL	35	30 N 14 W	BASIN	XTO ENERGY	20050831	20090301	27,208	108,080	45,649	135,288	135,288	27.7	0
KING COM	2 FRUITLAND COAL	11	29 N 14 W	BASIN	DUGAN PRODUCTIC	20051201	20080401	110,012	552,248	32,039	110,012	682,260	109.5	29.3
WF FEDERAL 34	1 FRUITLAND COAL	34	30 N 14 W	BASIN	XTO ENERGY	20051231	20090301	76,413	41,896	51,182	118,309	118,309	65.9	34.1
ROP CO 10	1 FRUITLAND COAL	10	29 N 14 W	BASIN	XTO ENERGY	20060228	20090301	116,151	269,782	41,750	385,933	385,933	148.8	20.9
ROP CO 9	2R FRUITLAND COAL	9	29 N 14 W	BASIN	XTO ENERGY	20070131	20090301	36,962	0	59,586	36,962	36,962	49.3	46.6
ROP CO 9	3R FRUITLAND COAL	9	29 N 14 W	BASIN	XTO ENERGY	20070331	20090301	90,475	1,190,117	46,768	1,280,592	1,280,592	121.3	36.6
						Fruitland Coal Average		236,399	420,827	92,640	484,142	657,225	95	25
WF FEDERAL 3	1 PICTURED CLIFFS	3	29 N 14 W	HARPER	XTO ENERGY	20000930	20090301	371,686	449,919	111,932	821,605	821,605	62.2	

	Gas	Oil	Water
Fruitland Coal	61%	0%	21%
Pictured Cliffs	39%	100%	79%



382 CR 3100
Aztec, NM 87410

July 29, 2009

Interest Owners

Subject: Notice of Intent to Apply for Downhole Commingling
WF Federal 3 #1
Unit D, Sec 3, 29N, R14W

XTO Energy Inc is submitting an application to the New Mexico Oil Conservation Division (NMOCD) to downhole commingle production from the Twin Mounds Fruitland Sand Pictured Cliffs and the Basin Fruitland Coal pools in the WF Federal 3 #1. Commingling of these pools will minimize operating costs, add reserves and improve economics of the well.

The proposed allocation percentages for each pool are as follows:

Fruitland Coal:	Gas: 61%	Water: 21%	Oil: 0%
Pictured Cliffs:	Gas: 39%	Water: 79%	Oil: 100%

NMOCD requires all interest owners be notified of intent to downhole commingle if ownership is different between zones. If you need additional information or have any questions, I may be contacted at (505) 333-3100. If you have any objections to our application, please contact me within twenty (20) days of the date of this letter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lorri D. Bingham', written over a horizontal line.

Lorri D. Bingham
Regulatory Analyst

xc: well file