M Am

8/22/20/4 PLC

PMAM1423457334

ABOVE THIS LINE FOR DIVISION USE ONLY

Mont

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

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



ADMINISTRATIVE APPLICATION CHECKLIST

TH	IS CHECKLIST	IS MANDATO			NS FOR EXCEPTIONS TO DIVISION LEVEL IN SANTA FE	SION RULES AND RE	GULATIONS
Applica	[DHC-D	Standard I Downhole (C-Pool Con	ocation] [NSP-No Commingling] [C Inmingling] [OLS	n-Standard Pro TB-Lease Comn - Off-Lease Sto	ration Unit] [SD-Simulta ningling] [PLC-Pool/Lo	ease Commingli Measurement]	
	[EOR-		SWD-Salt Water Die	nosali [IDI.in	jection Pressure Increa n] [PPR-Positive Prod	se]	ie] Well
[1]	TYPE OF [A	Loca	ATION - Check Th tion - Spacing Unit NSL NSP	- Simultaneous		- Bell F	idera CA A #1E 045 - 2561 idera 121
	Cł [B	[S] Com	only for [B] or [C] mingling - Storage DHC CTB	- Measurement PLC	PC OLS C	Pa	45-31679 00) in pacota tel Gas)
	[C				Enhanced Oil Recovery IPI	715 PPR - B	99 Sin FruiHA UGAS)
	[D	Othe	r: Specify				1629
[2]	NOTIFIC [A				nich Apply, or □ Does N valty Interest Owners		,,,,
	[B	[] []	Offset Operators, L	easeholders or S	Surface Owner		
	[C		Application is One	Which Requires	Published Legal Notice	r	
	[[) X N			oval by BLM or SLO Public Lands, State Land Office		
	[E		For all of the above	, Proof of Notif	cation or Publication is	Attached, and/or,	
	[F] 🗆	Waivers are Attach	ed			
[3]			TE AND COMPL I INDICATED AB		ATION REQUIRED T	O PROCESS T	НЕ ТҮРЕ
	al is accura	ite and con	plete to the best of	my knowledge.	on submitted with this application I also understand that n bmitted to the Division.		
	ı	Note: Staten	nent must be complete	d by an individual v	vith managerial and/or super	visory capacity.	
	D, Babcock r Type Name	-	Knok. Signature	D. Bakare	REGULATORY Title	ANALYST	8/21/14 Date
					Kristen babcock(e-mail Address	@xtoenergy.com	



RECEIVED OOD

alary of Exxonivious

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

August 21, 2014

Mr. Phillip Goetz New Mexico Oil Conservation Division 1220 S. St. Francis Drive Santa Fe, NM 87505 Mr. Jim Lovato Bureau of Land Management 1235 LaPlata Hwy Farmington, NM 87401

Subject: Request for Proposed Surface Commingle

Bell Federal 12 #2 & Bell Federal Gas Com A #1E

Sec 12, T30N, R13W San Juan County, NM

Dear Mr. Goetz & Mr.Lovato:

XTO Energy Inc. requests permission for surface commingling of natural gas produced from the following wells: Bell Federal 12 #2 & Bell Federal GC A #1E. These wells are located in Section 12-Township 30N-Range 13W UL E, in San Juan County, New Mexico.

XTO plans to produce the commingled gas through a central compressor, thus decreasing emissions, lowering operating expenses and extending the economic life of the wells. This increases the ultimate recoveries on all leases. The anticipated allocated fuel production and fuel usage for the compressor is noted in the attachments.

Each well will be equipped with allocation meters that will be maintained by XTO Energy in accordance with State and Federal Regulations (Onshore Order No. 5). Produced liquids will not be surface commingled. All interest owners have been notified via certified mail, return receipt, on 8/8/14.

The following attachments are included with this application:

Form C107B/ Form 3160-5 (application for surface commingle; diverse ownership)
Map of all wells and their associated leases
Form C-102 for each well (plats)
Table of well with lease and agreement information, spacing, permits, gravities/BTU, MCF
Schematic diagram showing all flowlines, compressors & equipment
Details of allocation formula
Letter to WI, NRI & ORRI owners & list of owners
Administrative Application Checklist

Sincerely, Kusta D. Babcock

Kristen D. Babcock Regulatory Analyst Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB NO. 1004-0137 Expires July 31, 2010

5. Lease Serial No.

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.

NMNM000546
6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICAT	E - Other instructio	ns on page 2			7. If Unit or C	A/Agreement, Name and/or No	
1. Type of Well Oil Well X Gas Well Other 2. Name of Operator XTO Energy Inc. 3a. Address		3b. Phone No.	(include area c	code)	8. Well Name MULTIPLE S 9. API Well N MULTIPLE S	o.	
382 CR 3100, AZTEC, NM 87410 4. Location of Well (Footage, Sec., T., R., M., or Survey II SEE FOOTAGES BELOW - SWIN SEC.12 (E		505-33	33-3100		10. Field and Pool, or Exploratory Area BASIN DAKOTA BASIN FRUITLAND COAL 11. County or Parish, State SAN JUAN		
12. CHECK APPROPRIATE	E BOX(ES) TO INI	DICATE NAT	URE OF NO	ΓΙCE, REPO	RT, OR OTHI	ER DATA	
TYPE OF SUBMISSION			TYPE	OF ACTION			
Subsequent Report Final Abandonment Notice 13. Describe Proposed or Completed Operation (clearly If the proposal is to deepen directionally or recomp Attach the Bond under which the work will be per following completion of the involved operations. I testing has been completed. Final Abandonment Metermined that the final site is ready for final inspection of the involved operations. I testing has been completed. Final Abandonment Metermined that the final site is ready for final inspection. BELL FEDERAL 12 #2 (DK) - API: 30 BELL FEDERAL GAS COM A #1E (FC) -	plete horizontally, give siformed or provide the informed or provide the involves shall be filed on ection.) 10-045-31679 - FO API: 30-045-25	Plug an Plug Ba Plug	e Treat onstruction d Abandon ck mated starting ones and measure with BLM/BL pletion or recon rements, includ 15' FNL & S GES: 1620	Reclamatio Recomplet Temporaril Water Disputed and true ver A. Required sompletion in a religion reclamation of the color of the co	y Abandon osal posed work and tical depths of a ubsequent repor new interval, a F n, have been co	ill pertinent markers and zones, ts shall be filed within 30 days form 3160-4 shall be filed once ompleted, and the operator has	
14. I hereby certify that the foregoing is true and correct Name (Printed Typed) KRISTEN D. BABCOCK Signature Kuttu D. Babcock		Title Date	REGULATO 8/21/2014	RY ANALYS	Г		
	S SPACE FOR FED	ERAL OR S	TATE OFFIC	E USE			
Approved by		Title			D	ate	
Conditions of approval, if any, are attached. Approval of this not the applicant holds legal or equitable title to those rights in the subsentitle the applicant to conduct operations thereon.		ify that Offic	e				
Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, fictitious or fraudulent statements or representations as to any ma		son knowingly and	l willfully to make	to any departme	ent or agency of the	e United States any false,	

District I

1625 N. French Drive, Hobbs, NM 88240

District II

1301 W. Grand Ave, Artesia, NM 88210

E-MAIL ADDRESS: kristen_babcock@xtoenergy.com

<u>District III</u> 1000 Rio Brazos Road, Aztec, NM 87410

<u>District IV</u> 1220 S. St Francis Dr, Santa Fe, NM 87505 State of New Mexico
Energy Minerals and Natural Resour

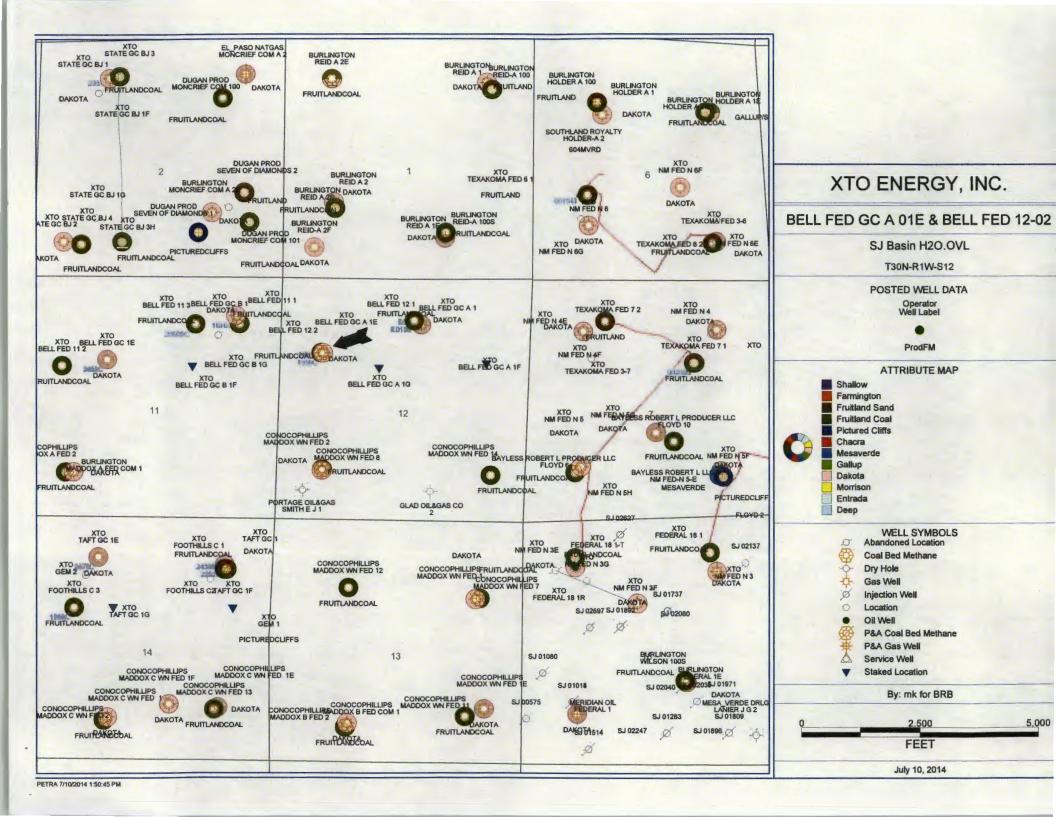
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

1220 S. St Francis Drive Santa Fe, New Mexico 87505 Form C-107-B Revised June 10, 2003

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

APPLICA	TION I	OR SURFACE	COMMINGLING	(DIVERSE	OWNERSHIP)				
OPERATOR NAME:	XTO Ene	rgy, Inc.							
OPERATOR ADDRESS:	382 CR 3	100, Aztec, NM 8741	0						
APPLICATION TYPE:									
	☐ Pool Commingling ☐ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)								
LEASE TYPE: Fe	_	State							
Is this an Amendment to exis Have the Bureau of Land Ma ☐ Yes ☐ No									
(A) POOL COMMINGLING Please attach sheets with the following information									
(1) Pool Names and Codes		Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes			
Basin Dakota (71599)									
Basin Fruitland Coal (71629									
			-						
(2) Are any wells producing a	ton allowal	oles? TVes MNo				l			
(3) Has all interest owners bee			oposed commingling?	⊠Yes □No.					
(4) Measurement type:	letering [Other (Specify)							
(5) Will commingling decreas	e the value of	of production? \(\sum Yes \)	⊠No If "yes", descri	be why commingly	ing should be approved				
			SE COMMINGLINGS with the following in						
(1) Pool Name and Code.									
(2) Is all production from sam(3) Has all interest owners been				□Yes □N	0				
(4) Measurement type: \(\square\) Mo			oosed comminging.						
		(C) POOL and	LEASE COMMIN	ICLING					
			s with the following in						
(1) Complete Sections A and I	Ξ.								
	<u> </u>	OFF LEASE ST	ODACE and MEA	CUDEMENT					
	(L	,	ORAGE and MEA ets with the following						
(1) Is all production from sam	e source of s								
(2) Include proof of notice to a	all interest o	wners.							
(E) ADDITIONAL INCODMATION (for all application times)									
	(E) ADDITIONAL INFORMATION (for all application types) Please attach sheets with the following information								
(1) A schematic diagram of fa									
(2) A plat with lease boundarie(3) Lease Names, Lease and V	_		ions. Include lease number	ers if Federal or Sta	ate lands are involved.				
(3) Lease Mailles, Lease and V	on runner	s, and ALLINUMOCIS.							
I hereby certify that the informat	ion above is	true and complete to the	best of my knowledge an	d belief.					
SIGNATURE: Kushi	0. Ba	brock T	ITLE: <u>REGULATOR</u> Y	ANALYST	DATE: 8/2	1/14			
TYPE OR PRINT NAME KRISTEN D. BABCOCK TELEPHONE NO.: 505-333-3206									



Well Name:

Bell Federal 12-02

Field: San Juan C Lease # Lease # NN

San Juan County NM Lease # NM-0546, API # 30-045-31679 SW/NW Sec. 12 (E), T-30N, R-13W

Section: SW/NW S CA # If Applicable : N/A Updated: 7/25/2014 Well Name:

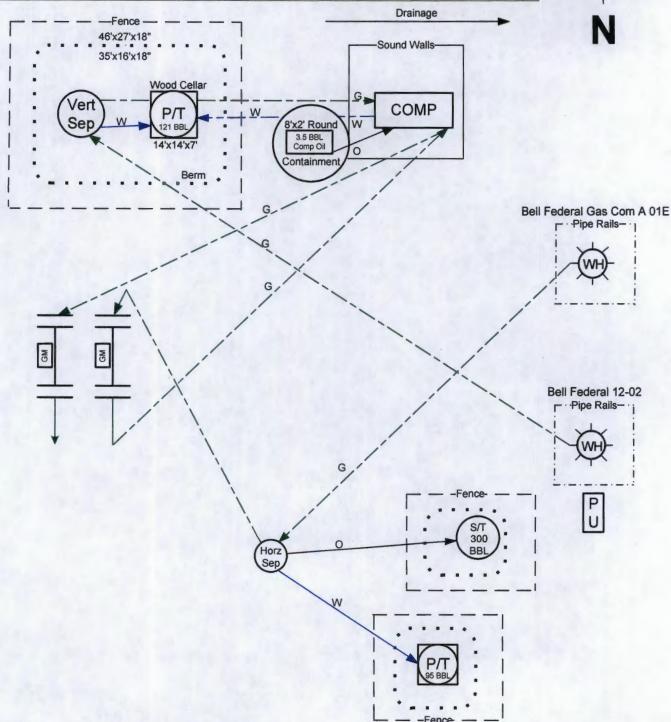
Bell Federal Gas Com A 01E

Field: San Juan County NM Lease # NM-0546, API # 30-045-25614

Section: SW/NW Sec. 12 (E), T-30N, R-13W

CA # If Applicable: NMNM073826 Updated: 7/25/2014





Production
Gas
Oil
Water
Equalizing Line
Catch Basin-

General sealing of valves, sales by tank gauging
Production phase: Drain valve D1 and sales valve S1 sealed closed.
Sales phase: Drain valve D1 sealed closed. Sales valve S1 open.
Draining phase: Drain valve D1 open. Sales valve S1 closed.

This lease is subject to the site security plan for San Juan Basin Area. The plan is located at: XTO ENERGY INC.

382 Road 3100 Aztec, NM 87410 Well Name: Field:

Bell Federal 12 #2

Lease #

San Juan County NM Lease # NM-0546, API # 30-045-31679

Section:

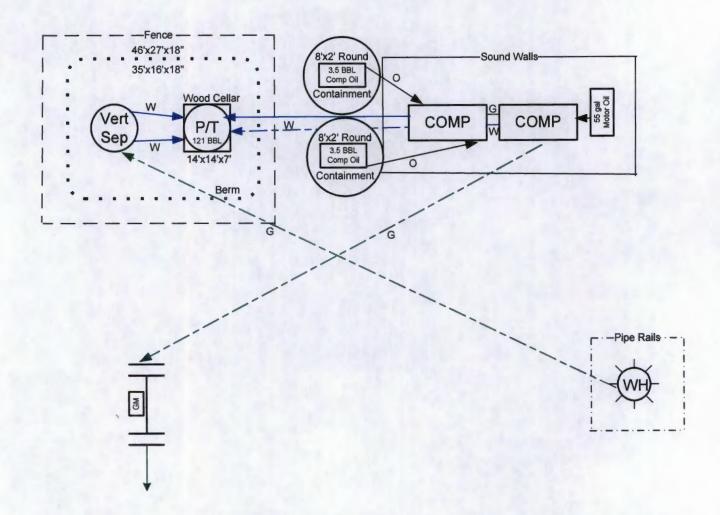
SW/NW Sec. 12 (E), T-30N, R-13W

CA # If Applicable: N/A Updated:

2/15/2010

Drainage





Production Gas Oil Water **Equalizing Line** Catch Basin-

General sealing of valves, sales by tank gauging Production phase: Drain valve D1 and sales valve S1 sealed closed. Sales phase: Drain valve D1 sealed closed. Sales valve S1 open. Draining phase: Drain valve D1 open. Sales valve S1 closed.

This lease is subject to the site security plan for San Juan Basin Area. The plan is located at: XTO ENERGY INC. 382 Road 3100

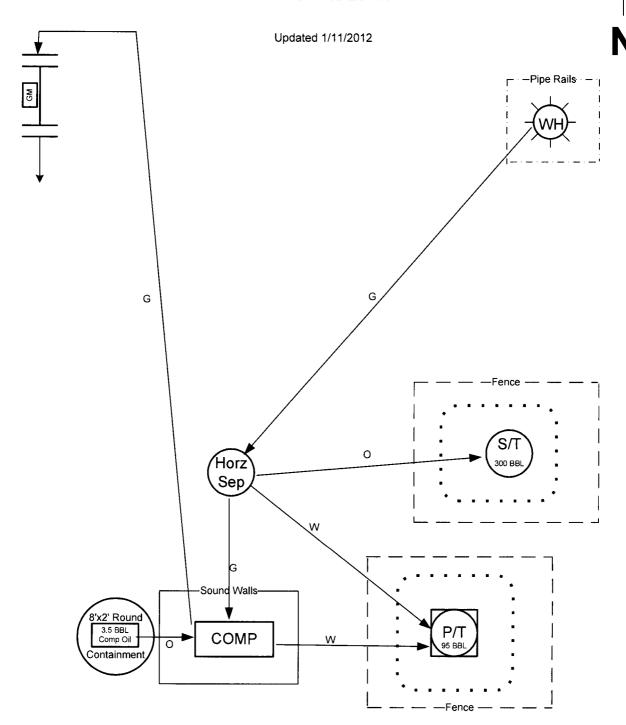
Aztec, NM 87410

XTO ENERGY, INC BELL FEDERAL GAS COM A #1E

SW/4 NW/4 Sec 12, T30N, R13W, Unit E LEASE: NMNM-0546

COMM AGREEMENT: NMNM-73826

API#: 30-045-25614



General sealing of valves, sales by tank gauging
Production phase: Drain valve D1 and sales valve S1 sealed closed.
Sales phase: Drain valve D1 sealed closed. Sales valve S1 open.
Draining phase: Drain valve D1 open. Sales valve S1 closed.



OIL CONSERVATION DIVISION

P. O. DOX 2088

SANTA FE, NEW MEXICO 87501

Form C-107 Revised 10-1-78

All distances must be from the cuter houndaries of the Section,

MOCO PROD	UCTION COMPAN	<u> </u>	BELL FEDERA	L GAS COM	nAn	Well No. IE
t Letter	Section	Township	Range	County		
·	12	30N	13%	San	Juan	
ual Footage Loc	ection of Well:					
620		orth line and	930	feet from the	West	line
und Løvel El av : 782		metion akota	P∞l Basin Dakot	a	I	dicated Acreage: N 320 Acres
1. Outline th		sted to the subject v			marks on the	plat below.
	han one lease is nd royalty).	dedicated to the we	ll, outline each an	d identify the	ownership the	reof (both as to working
		lifferent ownership is unitization, force-poo		vell, have the	interests of a	ll owners been consoli-
X Yes	☐ No II a	nswer is "yes;" type	of consolidation _	Communit	ization	
	is "no," list the f necessary.)	owners and tract des	criptions which ha	ve actually be	en consolidate	d. (Use reverse side of
No allowa	ble will be assign				•	enitization, unitization, pproved by the Commis-
		4				CERTIFICATION
6201	! !		! 1 !	·	tained herels	tify that the Information con- n 1s true and complete to the nowledge and belief.
16	1	0	1	 - 85	Och H	Thrimakin
					D. H. SHO	DEMAKER
930'	1		l ł	a processor	Position DISTRICT	ENGINEER
	ľ		1		Company AMOCO PRO	DDUCTION COMPANY
	Se	c.	i		JANUARY]	1, 1983
		12	ECENTED JAN 88 1983	TO THE TOTAL PROPERTY OF THE TOTAL PROPERTY	shown on thi notes of act under my sup	rilfy that the well location is plat was plotted from field wal surveys made by me or pervision, and that the same correct to the best of my and belief.
			U. S. AFINGTON, N.	M	Date Surveyed December	20, 1982
			U. FARM		Registered Pro and Land Su Fred B:	resident Engineer
	Scal	e: l"=1000'			3950	Min. I

DISTRICT ! P.O. Bex 1980, Hobbs, N.M. 88241-1980

State of New Mexico ...ergy, Minerals & Natural Resources Department.

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

Certificate Number

DISTRICT II P.O. Drawer DD, Artesia, N.M. 88211-0719

OIL CONSERVATION DIVISION P.O. Box 2088

DISTRICT WI 1000 Rio Brazos Rd., Azlec, N.M. 87410

DISTRICT IV PO Box 2068, Sant	a Fe, NM 8	7504-2088		\$0	anto Fe, NM 8	7504-2088] AMEN	DED REPORT
		1	WELL L	OCATIO	N AND A	REAGE DEDI	CATION PL	TA.		
30-045		679	77	Pool Code	1	Basin	Pool Name		Coc	
Property Cod	ク	·			Property I BELL FEDER			1	* Wei	l Number 2
OGRID No.					* Operator				_	Elevation
16706	7				XTO ENERG	Y INC.				5787
UL or let no.	Castler			•		Location		F-1.A4-	- M	
E E	Seatlon 12	Township 30-N	Range 13-W	Lot Idn	Feet from the 1615	North/South line NORTH	Feet from the 900	East/Wes WE		SAN JUAN
			¹¹ Botto	m Hole	Location	f Different Fro	om Surface			
UL or lot no.	Section	Township	Range	Let Idn	Feet from the	North/South line	Feet from the	*East/We	st line	County
12 Dedicated Acres	<i>N</i>	13.	Joint or Infill		¹⁴ Consolidation (Code	¹⁸ Order No.	<u> </u>		<u> </u>
370		2	I							
NO ALLOW	ABLE V					ION UNTIL ALL			EEN CO	NSOLIDATED
SEC. CORNER FD 3 1/4' BC 1952 BLM 21-15-10 S 900' 900' 900' 900' 900'	423'	LAT. 36'49'	'49" N. (NW '99'44" W	(NAD 83)	T 18 2 30 31 V	ON. 1010	Signature Printed No. Title Date 18 S I hereby cert was plotted if or under my correct to the	JEFFKE JEFFKE URVEYOUTH that the from field nor supervision, to best of m	ormation contained of my inno Y W PH W4 EM, 7-03 OR CERT well location these of actual and that the	TIFICATION shown on this plot surveys made by me same is true and
					7 E:I Md 3	- XVVI EWZ	- F	148	1,1	£)

WELL INFORMATION

						-	Agreement			_	Est Daily
Well Name	API#	Pool	S-T-R	FNL/FSL	FEL/FWL	Lease Number	Number	Permits	Gravity	BTU	Gas Rate
Bell Federal GC A 1E	30-045-25614	Basin DK (71599)	Sec 12 E, T30N, R13W	1620' FNL	930' FWL	NMNM00546	NMNM07386		0.707	1201.00	50.00
Bell Federal 12-2	30-045-31679	Basin FC (71629)	Sec 12 E, T30N, R13W	1615' FNL	900' FWL	NMNM00546			0.582	993.00	85.00
[•								•		

Compressor Information						
Location:	Bell Feder	al 12-2 CDP				
Property #	68822					
XTO Compressor #	1990C					
Lat/Long:	36.83025	-108.16175				
Manufacturer:	CATE	RPILLAR				
Engine:	G33	06NA				
Horse Power:	145					
Fuel Usage:	30	mcfd				
DK	50	mcfd				
FC	85	mcfd				

,

	Pu	mping Unit	Sep	parator(s)	
Well	Engine	Fuel Usage (mfcpd)	Burners (y/n)	Fuel Usage (mcfpd)	Vented Gas (mcfpd)
Bell Federal GC A 1E	None	0	Y	5.7	0.0
Bell Federal 12-2	Arrow C-66	3.8	Y	5.7	0.0
	•				

.

Bell Federal CDP

Proposed Allocation Procedure

Base Data:

W = Gas Volume (Mcf) from allocation meters at individual wells during allocation period

X = Gas Volume (Mcf) from CDP Sales Meter during allocation period

Y = BTU's from CDP Sales Meter during allocation period

Allocation Period is typically a calendar month and will be the same for all wells.

1. Individual Well Gas Production = A + B + C + D + E

A = Allocated Sales Volume, $Mcf = (W/SUM W) \times X$ (individual well volume divided by the sum of the well volumes; multiplied by total from CDP)

B = On lease fuel usage, Mcf. Determined from equipment specifications and operating conditions.

C = Purged and/or vented gas from well and/or lease equipment, Mcf. Calculated using equipment specifications and pressures.

D = Allocated fuel from gathering system equipment. The total fuel required to operate gathering system equipment will be allocated to the individual wells benefiting from the equipment using allocation factors determined by W/SUM W for the wells involved.

E = Allocated volume of gas lost and/or vented from the gathering system and/or gathering system equipment, Mcf. The total volume will be determined using industry accepted procedures for the conditions existing at the time of the loss. All volumes corresponding to liquid condensation within the gathering system will also be determined. The total volume lost and/or vented will be allocated to the individual wells affected using factors determined by W/SUM W.

2. <u>Allocated Individual Well BTU's</u> = ((W x Individual well BTW/SUM (@ x individual well BTU)) x Y. Individual well gas heating values to be determined in accordance with BLM regulations (currently Onshore Order #5).



August 8, 2014

Dear Interest Owner

Subject:

Notice to Working and Royalty Interest Owners

Application to Surface Commingle Gas Production

San Juan County, New Mexico

XTO Energy Inc. is applying to the New Mexico Oil Conservation Division (NMOCD) and for approval to surface commingle gas production from the Bell Federal 12 #2 Gas Well and Bell Federal Gas Com A #1E Gas Well. NMOCD requires that all interest owners be notified of plans to surface commingle when ownership is different between wells.

Produced gas from each well will be measured separately prior to being commingled. We plan to produce the commingled gas through a shared compressor. Produced liquids will not be surface commingled. In the future, additional wells, pools, and acreage may be added to this surface commingle or this gathering system.

If you need additional information, or have any questions, please contact me at (505) 333-3206. If you have an objection to our application, you must file a protest in writing to the NMOCD Santa Fe office at 1220 South Saint Francis Drive, Santa Fe, NM 87505 within 20 days from the date of this letter. If there are no objections raised, an application will be submitted to NMOCD at that time.

Sincerely,

Kristen Babcock Regulatory Analyst

Xc:

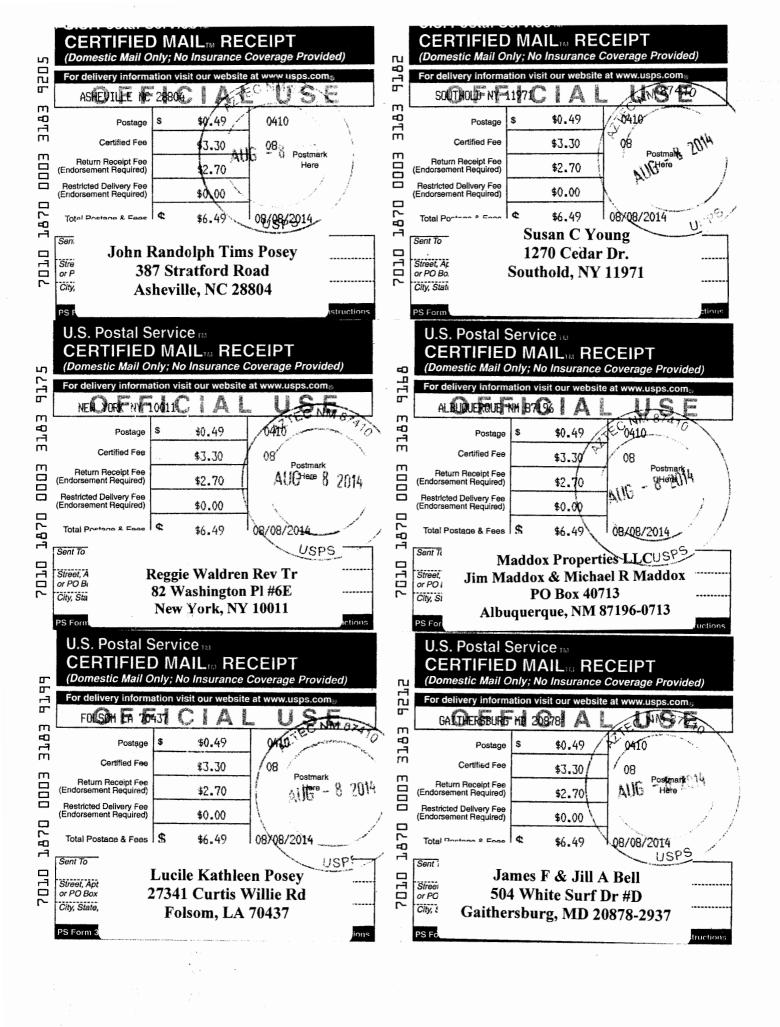
Well Files

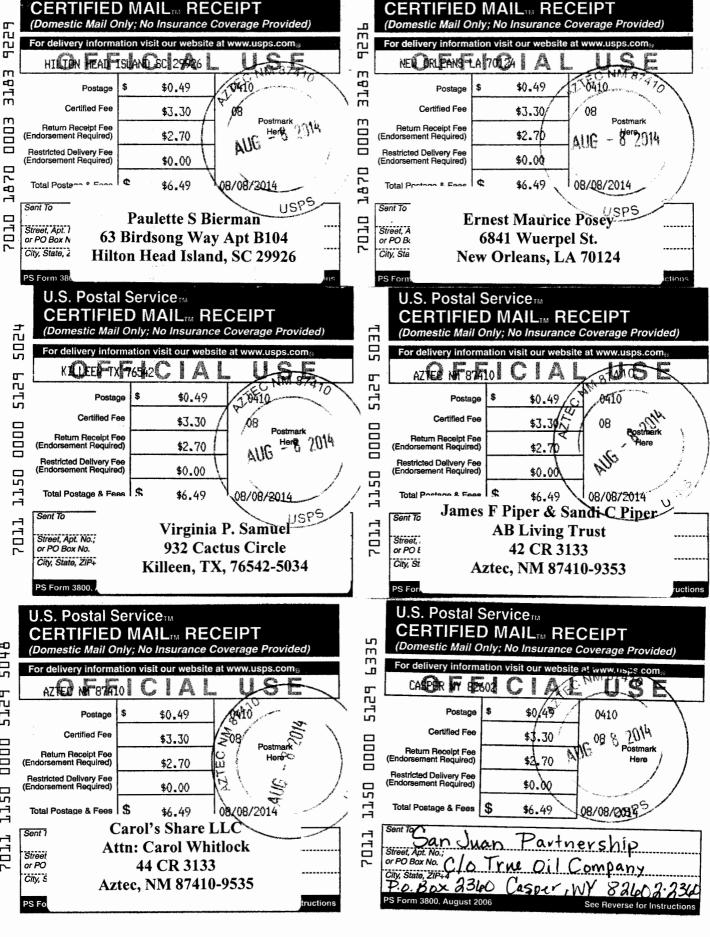
FW Land Department

Krister Babcock

NMOCD

XTO Energy Inc. 382 Road 3100 Aztec, NM 87410 Phone: (505) 333-3100 Fax: (505) 333-3280





Ф ΓU 27 50 770

McMillan, Michael, EMNRD

From:

Dean, David < David_Dean@xtoenergy.com>

Sent:

Wednesday, September 24, 2014 8:06 AM

To:

McMillan, Michael, EMNRD

Cc:

Babcock, Kristen

Subject:

RE: Bell Federal 12-2 & Bell Federal Gas Com A #1E Diverse Ownership

Mr. McMillian,

I have reviewed ownership for these two wells, and it is my determination that ownership is diverse. Both the Bell Federal 12-2(FC) and the Bell federal Gas Com A 1E(DK) are spaced for the N2 of Sec 12-30N-13W. Ownership became diverse when Amoco (now XTO) and True Oil entered into a tax agreement that only covered the DK zone. If you have any further questions, please advise.

Sincerely,

D. Jackson Dean

Associate Landman – Rockies Division (San Juan) XTO Energy Inc. 810 Houston Street Fort Worth, Texas 76102

Phone: 817.885.6676 | Fax: 817.885.1938 | Mobile: 682.215.7065

david dean@xtoenergy.com

An ExxonMobil Subsidiary

From: Babcock, Kristen

Sent: Tuesday, September 23, 2014 4:05 PM

To: Dean, David

Cc: McMillan, Michael, EMNRD (Michael.McMillan@state.nm.us)

Subject: Bell Federal 12-2 & Bell Federal Gas Com A #1E Diverse Ownership

Jackson Dean,

Michael McMillan with the NMOCD needs verification from you that these wells are of diverse ownership. He just needs a statement from you saying that they are.

Thank You!

KRISTEN BABCOCK

REGULATORY ANALYST SAN JUAN DISTRICT OFFICE, WESTERN DIVISION 382 CR 3100, AZTEC, NM 87410 OFFICE (505) 333–3206

