

PTGW
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2012 APR 18 AM 11:04

382 CR 3100 Aztec, NM 87410
Phone: (505) 333-3204 FAX: (505) 213-0500

April 17, 2012

Mr. William Jones
New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Subject: Allocations for Approved Administrative Order #DHC-1297

Dear Mr. Jones:

Attached are XTO's proposed DHC allocations for the CH, MV & DK in the Eaton A #1E for the approved Order DHC-1297. This is the well we discussed on the phone that a previous operator got approval to DHC the Otero Chacra, Blanco Mesaverde and Basin Dakota but never proposed DHC allocations and never mechanically DHC the zones. Our supporting data for the proposed DHC allocations and Revised Form C-107A are attached. Gas is allocated based on estimated remaining reserves and both oil and water allocations are based on cumulative production volumes.

Sincerely,

Lorri D. Bingham
Lorri D. Bingham
Regulatory Analyst

Amend DHC-1297

Kristen
Agnew
333-3100
-3204

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised August 1, 2011

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

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

District III
1000 Rio Brazos Road, Aztec, NM 87410

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

APPLICATION FOR DOWNHOLE COMMINGLING

~~REVISED~~

Operator XTO ENERGY INC. Address 382 CR 3100 AZTEC, NM 87410 **DHC-1297-A**

Lease EATON A Well No. #1E Unit Letter-Section-Township-Range B-25-29N-11W County SAN JUAN

OGRID No. 5380 Property Code 22606 API No. 30-045-24437 Lease Type: Federal State X Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	OTERO CHACRA	BLANCO MESAVERDE	BASIN DAKOTA
Pool Code	82329	72319	71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	2687' - 2794'	3992' - 4228'	6120' - 6276'
Method of Production (Flowing or Artificial Lift)	FLOWING	FLOWING	FLOWING
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)	230 PSIG (EST)	284 PSIG (EST)	368 PSIG (EST)
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1150 BTU	1190 BTU	1220 BTU
Producing, Shut-In or New Zone	PRODUCING	PRODUCING	SI
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: FEB 2012 Rates: 0 BOPD, 0 BWPD, 29 MCFD	Date: FEB 2012 Rates: 0 BOPD, 0 BWPD, 29 MCFD	Date: JUNE 1998 Rates: 0 BOPD, 0 BWPD, 98 MCFD
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil 2 % Gas 12 %	Oil 55 % Gas 12 %	Oil 43 % Gas 76%

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?
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:
Data to support allocation method or formula.
Approved Administrative Order #DHC-1297.

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 Lorri D. Bingham TITLE REGULATORY ANALYST DATE 4/17/12

TYPE OR PRINT NAME LORRI D. BINGHAM TELEPHONE NO. (505) 333-3204

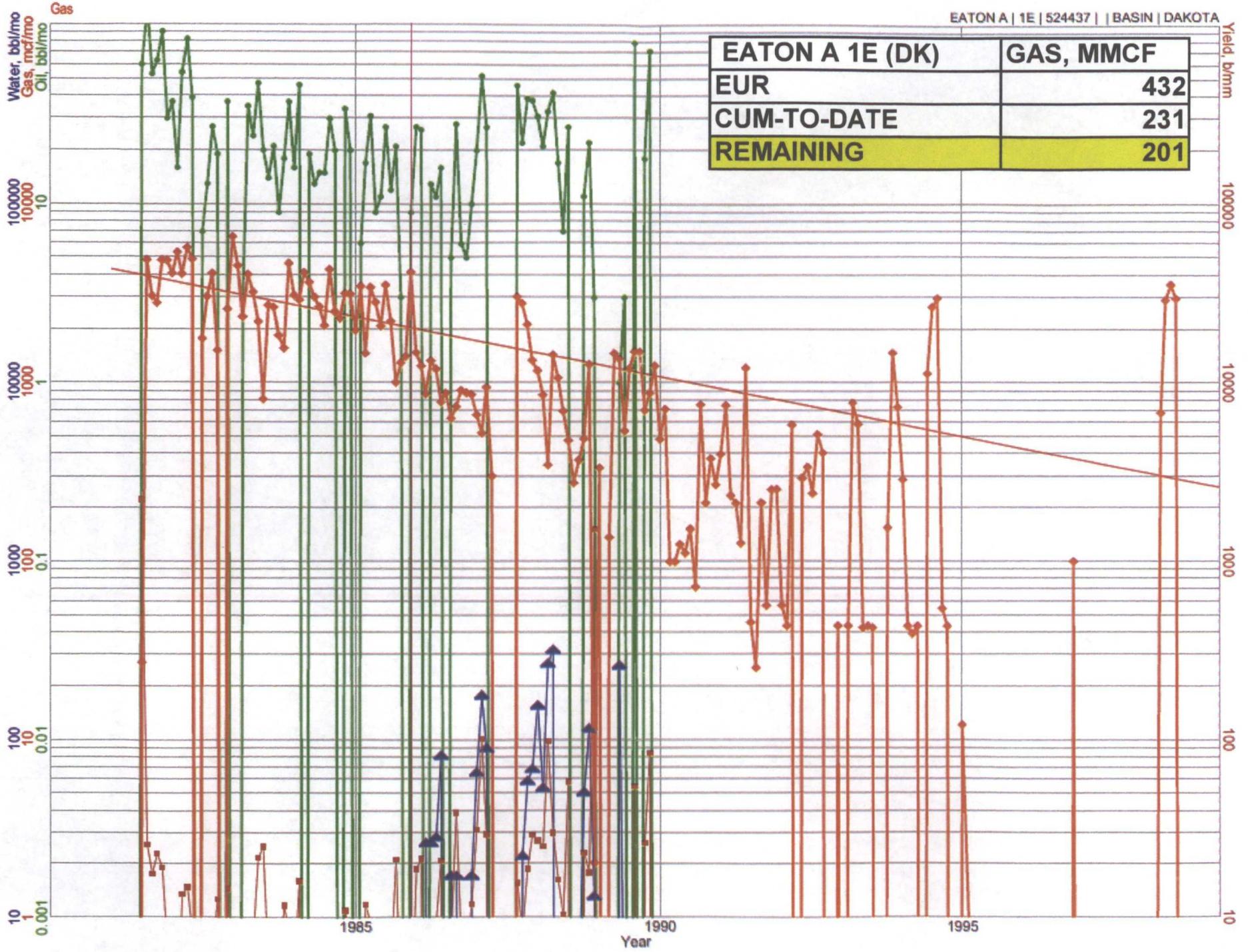
E-MAIL ADDRESS Lorri_bingham@xtoenergy.com

Eaton A #1E Dakota/Mesaverde/Chacra Allocations

ZONE	FIRST PROD DATE	LAST PROD DATE	CUM GAS, MMCF	GAS EUR, MMCF	REMAINING GAS, MMCF	CUM OIL, BBL	CUM WATER, BBL
DAKOTA	6/1/1981	6/30/1998	231	432	201	2,134	1,919
MESAERVDE	6/1/1981	1/30/2012	470	502	32	2,689	22,620
CHACRA	6/1/1981	1/30/2012	438	470	32	92	3,496
TOTAL:					265	4,915	28,035

ALLOCATIONS	GAS	OIL	WATER
DAKOTA	76%	43%	7%
MESAERVDE	12%	55%	81%
CHACRA	12%	2%	12%

EATON A 1E (DK)	GAS, MMCF
EUR	432
CUM-TO-DATE	231
REMAINING	201



Gas
 Water, bbl/mo
 Gas, mcf/mo
 Oil, bbl/mo

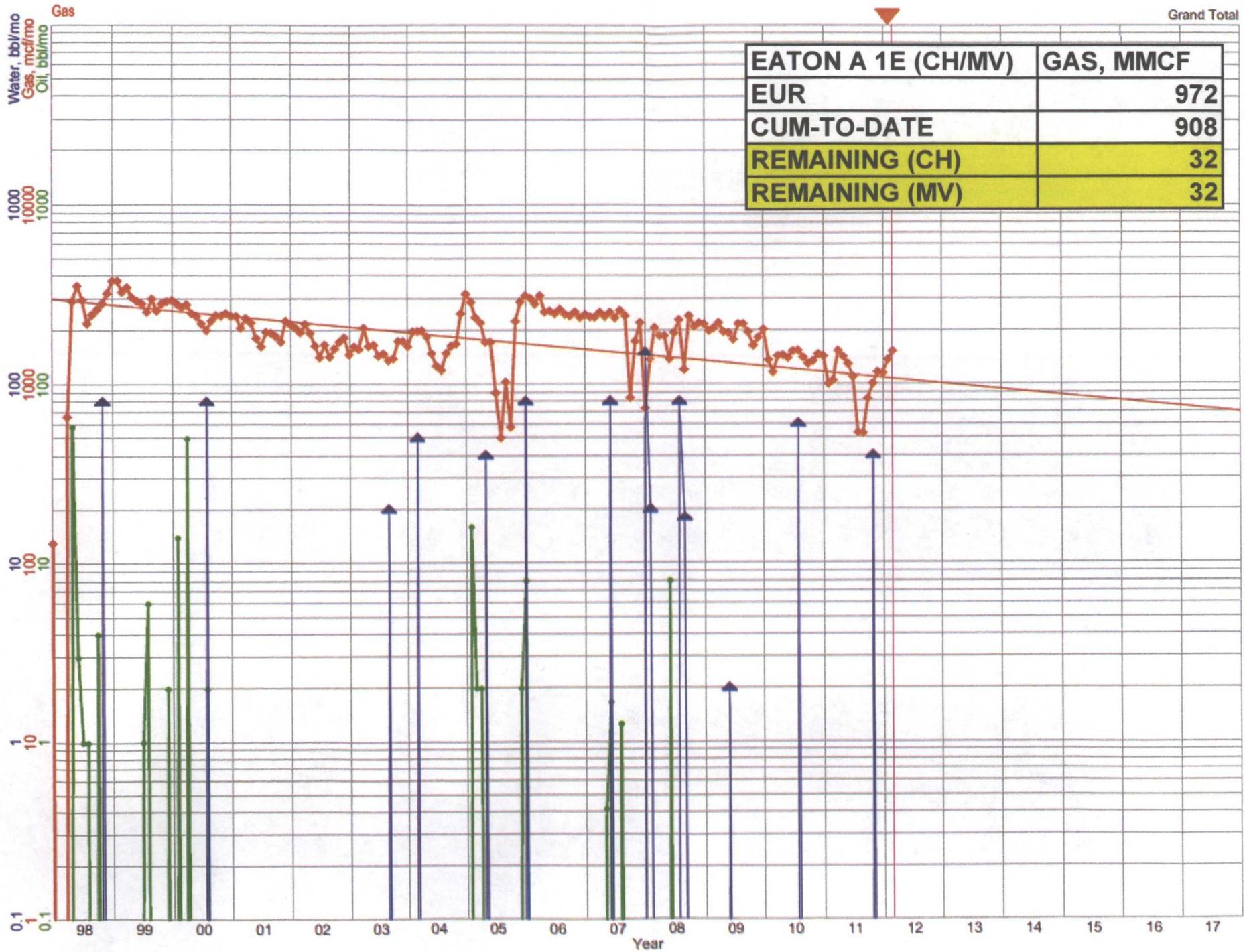
Yield, bbl/m

1985

1990

1995

Year



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

Form C-103
 June 19, 2008

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-045-30788
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: ASHCROFT SWD
8. Well Number #1
9. OGRID Number
10. Pool name or Wildcat ENIRADA
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5440' GR

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.)

1. Type of Well:
 Oil Well Gas Well Other

2. Name of Operator
 XTO Energy Inc.

3. Address of Operator
 382 CR 3100, AZTEC, NM 87410

4. Well Location
 Unit Letter B : 998 feet from the NORTH line and 2114 feet from the EST line
 Section 26 Township 29N Range 11W NMPM County SAN JUAN

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

SUBSEQUENT REPORT OF:

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

OTHER: REPAIR WELL

OTHER:

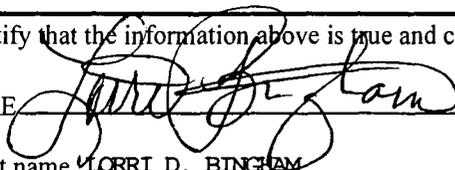
13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

XTO Energy, Inc. notified Charlie Perrin @ 4:15 pm on 1/26/12 that this well developed pressure on tubing casing annulus. XTO Energy Inc. intends to MIRU early next week to determine cause & repair as necessary. XTO will keep OCD updated on progress of repair work.

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  TITLE REGULATORY ANALYST DATE 1/27/12

Type or print name LORRI D. BINGHAM E-mail address: Lorri_bingham@xtoenergy.com PHONE 3333-3204

For State Use Only

APPROVED BY _____ TITLE _____ DATE _____

Conditions of Approval (if any):