

DATE IN <u>5.4.12</u>	SUSPENSE	ENGINEER <u>WUT</u>	LOGGED IN <u>5.4.12</u>	TYPE <u>DHC</u>	APP NO. <u>1212553388</u>
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NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

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



XTO 5380

Flomaced #148

ADMINISTRATIVE APPLICATION CHECKLIST 30-045-30819

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:

[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]**

0-21-27N-8W

[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 _____

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[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. LYNCH
Print or Type Name

Signature

REGULATORY ANALYST
Title

5/2/12
Date

kristen_lynch@xtoenergy.com
e-mail Address

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
DISTRICT II
1301 W. Grand Avenue, 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, New Mexico 87505

Form C-107A
Revised June 10, 2003

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 DGC-4581
Operator Address

FLORANCE D #14B O SEC 21 T27N R8W SAN JUAN
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 5380 Property Code 29105 API No. 30-045-30819 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	S. BLANCO PICTURED CLIFFS	OTERO CHACRA	BLANCO MESAVERDE
Pool Code	72439	82329	72319
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	2132'-3042'	3042'-3688'	3688'-4744'
Method of Production (Flowing or Artificial Life)	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)	189	256	552 ✓
Oil Gravity or Gas BTU (Degree API or Gas BTU)			
Producing, Shut-In or New Zone	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: Rates:	Date: 2/1/2012 Rates: 0 BO / 334 MCF / 0 BW	Date: 2/1/2012 Rates: 1 BO / 1060 MCF / 0 BW
	Date: Rates:	Date: Rates:	Date: Rates:
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil: 0 % Gas: 44 %	Oil: 0 % Gas: 13 %	Oil: 100 % Gas: 43 %

Are all working, overriding, and royalty interests identical in all commingled zones? Yes ☒ No ☐

If not, have all working, overriding, and royalty interests 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 all offset operators.
- Notification list of working, overriding, and royalty interests for uncommon interest cases.
- Any additional statements, data, or documents required to support commingling.

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. Lynch TITLE REGULATORY ANALYST DATE 5/2/2012

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

E-MAIL kristen_lynch@xtoenergy.com

Florance D 14B - Downhole Commingle (BHP and Fracture Parting Pressure Calculation)

	Pictured Cliffs	Chacra	Mesaverde
Gas Gravity	0.716	0.778	0.789
Depth to Mid Perf (ft)	2156	3176	4490
Shut in Casing Pressure (psia)	160	235	489
Surface Temperature (deg F)	60	60	60
Bottom Hole Temperature (deg F)	88	106	129
Static BHP (psia)	169	256	552
Fracture Parting Pressure (psia)	1401	2064	2919

Florance D 14B - Allocations

Wells Only Producing from the Pictured Cliffs Reservoir within the 9 Section surrounding the Florance D 14B drilled after 2000

LEASE	NO.	RESERVOIR	Section	Township	Range	FIELD	OPERATOR	1st PROD	LAST PROD	DAYS ON	CUMUL	CUMUL	CUMUL	AVERAGE	AVERAGE	AVERAGE
											OIL (BBL)	GAS (MCF)	WATER (BBL)	OIL (BBL/D)	GAS (MCF/D)	WATER (BBL/D)
FLORANCE	63M	PICTURED CLIFFS	17	27 N	8 W	BLANCO	XTO ENERGY	20041201	20111201	2571	10	131221	22	0.00	51.04	0.01
FLORANCE D	19	PICTURED CLIFFS	20	27 N	8 W	BLANCO	XTO ENERGY	20050201	20111201	2493	0	172320	815	0.00	69.12	0.33
FLORANCE D	18	PICTURED CLIFFS	20	27 N	8 W	BLANCO	XTO ENERGY	20060701	20111201	2012	0	90914	0	0.00	45.19	0.00
BOLACK C	2R	PICTURED CLIFFS	28	27 N	8 W	BLANCO	XTO ENERGY	20070501	20111201	1642	10	74663	24368	0.01	45.47	14.84
BOLACK C	22	PICTURED CLIFFS	28	27 N	8 W	BLANCO	XTO ENERGY	20051001	20111201	2235	0	164230	0	0.00	73.48	0.00
Average														0.00	56.86	3.04

Florance D 14B Current Production

LEASE	NO.	RESERVOIR	Section	Township	Range	FIELD	OPERATOR	12 MONTH AVERAGE OF LATEST PROD		
								OIL (BBL/D)	GAS (MCF/D)	WATER (BBL/D)
FLORANCE D	14B	CHACRA	21	27 N	8 W	OTERO	XTO ENERGY	0.00	17.11	0.00
FLORANCE D	14B	MESAVERDE	21	27 N	8 W	BLANCO	XTO ENERGY	0.07	54.20	0.12

Allocations

	Oil	Gas	Water
Pictured Cliffs	0%	44%	96%
Chacra	0%	13%	0%
Mesaverde	100%	43%	4%