

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:

- [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 OGRID 5380
 NSL NSP SD Well API 30-045-07481
 Well Name Federal E
 Locat G17.T28N.R10W
- 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.

<u>KRISTEN D. LYNCH</u> Print or Type Name	<u><i>Kristen Lynch</i></u> Signature	<u>REGULATORY ANALYST</u> Title	<u>6/12/12</u> Date
		<u>kristen_lynch@xtoenergy.com</u> 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

APPLICATION TYPE

Single Well

Establish Pre-Approved Pools

EXISTING WELLBORE

Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

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

Lease FEDERAL E Well No. #1 Unit Letter-Section-Township-Range UL G SEC 17 T28N R10W County SAN JUAN

OGRID No. 5380 Property Code 622700 API No. 30-045-07481 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	BASIN MANCOS		BASIN DAKOTA
Pool Code	71599 97232		71629 71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5,495' - 5,861' ESTIMATED		6,309' - 6,560' PERFORATED
Method of Production (Flowing or Artificial Life)	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)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)			
Producing, Shut-In or New Zone	NEW ZONE		SHUT-IN
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: Rates:	Date: 4/1/2012 Rates: BO. 9 BBLs/EW. 0/MCF 747
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil: 80 % Gas: 76 %	Oil: % Gas: %	Oil: 20 % Gas: 24 %

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 6/12/2012

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

E-MAIL kristen_lynch@xtoenergy.com

API	DB_ID	LEASE NAME	NO.	RESERVOIR	SEC	TWN	RNG	SPC	FIELD	COUNTY	STATE	OPER	1st PROD	LAST PROD	OIL	GAS	WATER	EUR-OIL	EUR-GAS	EUR-WATER	DLY OIL
3.00453E+13	535677	DAVIDSON GAS COM H	1F	MANCOS	22	28 N	10 W	E	BASIN	SAN JUA	NEW ME	XTO B	20090630	20111201	85	74,077	560	193	399,944	560	0.1
3.00453E+13	568828	DAY, JF D	1F	GALLUP	20	28 N	10 W	O	BASIN	SAN JUA	NEW ME	XTO B	20080531	20111201	450	61,925	696	751	176,719	1,621	0
3.00453E+13	525231	DAY, JF E	1G	GALLUP	17	28 N	10 W	D	BASIN	SAN JUA	NEW ME	XTO B	20070531	20111201	2,132	34,171	427	4,104	91,192	1,006	0.8
3.00453E+13	537472	KUTZ FEDERAL	12F	GALLUP	21	28 N	10 W	N	BASIN	SAN JUA	NEW ME	XTO B	20080930	20111201	1,856	97,402	726	4,773	394,340	2,690	0.8
3.00453E+13	536763	HUBBELL GAS COM B	1F	MANCOS	30	28 N	10 W	I	BASIN	SAN JUA	NEW ME	XTO B	20090430	20111201	1,775	58,401	619	4,576	276,487	2,929	0.7
3.00453E+13	568969	HUBBELL GAS COM B	1G	GALLUP	30	28 N	10 W	K	BASIN	SAN JUA	NEW ME	XTO B	20080731	20111201	707	31,924	799	1,353	103,081	3,109	0.2
3.00453E+13	552201	HUBBELL GAS COM C	1F	GALLUP	29	28 N	10 W	L	BASIN	SAN JUA	NEW ME	XTO B	20080731	20111201	857	62,374	208	962	234,352	208	0.1
3.00453E+13	537261	KUTZ FEDERAL	10G	GALLUP	18	28 N	10 W	J	BASIN	SAN JUA	NEW ME	XTO B	20080930	20111201	932	49,395	264	1,274	74,087	843	0.4
3.00453E+13		CONGRESS LACHMAN	4E	GALLUP	18	28 N	10 W	S	ARMEN	SAN JUA	NEW ME	ENER	19830401	20091101	3,420	397,292	1,397	3,420	397,292	2,322	0
AVERAGE:															1,357	96,329	633	2,378	238,610	1,698	

3.00451E+13	504514	FEDERAL E	1	DAKOTA	17	28 N	10 W	G	BASIN	SAN JUA	NEW ME	XTO B	19590131	20120101	49,065	5,886,071	3,328	49,644	5,962,098	5,292	0.2
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REMAINING DAKOTA:		
OIL	GAS	WATER
579	76,027	1,964

ALLOCAT	OIL	GAS	WATER
MANCOS	80%	76%	46%
DAKOTA	20%	24%	54%

DLY GAS	DLY WAT	WI	NRI	
75.4	0	87.5	73.2534	ARIES
31.5	0.3	100	82.5	ARIES
15.2	0.2	75	63.75	ARIES
70.8	0.6	59.0817	50.5149	ARIES
51.7	0.7	56.25	47.7188	ARIES
21.6	0.7	100	84.8334	ARIES
42.1	0	100	84.8333	ARIES
28.4	0.2	83.4338	70.9187	ARIES
15.1	0.3	0	0	ARIES

28.1	0.6	61.3521	52.1493	ARIES
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382 CR 3100
Aztec, NM 87410

May 23, 2012

Interest Owners

Subject: Notice of Intent to Apply for Downhole Commingling
Federal E #1
Unit G, Sec 17, T28N, R10W

XTO Energy Inc is submitting an application to the New Mexico Oil Conservation Division (NMOCD) to downhole commingle production from the, Basin Fruitland Coal and the West Kutz Pictured Cliffs, pools in the Federal 29 #23. 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:

Basin Dakota	Gas: 24%	Water: 54%	Oil: 20%
Basin Mancos	Gas: 76%	Water: 46%	Oil: 80%

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) 333-3206. 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 cursive script that reads 'Kristen D. Lynch'.

Kristen D. Lynch
Regulatory Analyst

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