

DATE 12-22-2016	SUSPENSE	ENGINEER	LOGGED IN 12-23-2016	TYPE PL	APP NO PMAM163584101
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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



rec'd
12-22-2016

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
☐ 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 - common ownership

[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.

Cherylene L. Weston

Print or Type Name

Cherylene Weston
 Signature

Sr. Permitting Analyst

Title

12-22-16

Date

cherylene_weston@xtoenergy.com
 e-mail Address



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

December 21, 2016

Mr. Michael McMillan
New Mexico Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, NM 87505

Subject: Proposed Surface Commingle Application
Duff Gas Com 3 & Duff Gas Com C 4
SE/4 SE/4 Sec. 27, T30N, R12W
San Juan County, New Mexico

Dear Mr. McMillan:

XTO Energy Inc. (XTO) requests permission for surface commingling of natural gas produced from the above wells located in Section 27, Township 30N, Range 12W, in San Juan County, New Mexico.

XTO plans to produce the commingled gas through a central compressor, thus 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 in accordance with State and Federal Regulations (Onshore Order No. 5). Produced liquids will not be surface commingled. Ownership between the two wells are common – Interest owner notification is not required.

The following attachments are included with this application:

- Form C-103 Sundry requesting surface commingling; common ownership)
- Map of all wells and their associated leases
- Form C-102 for each well/formation(s)
- Table of well with lease and agreement information, spacing, permits, gravities/BTU, MCF
- Schematic diagram showing all flowlines, compressors & equipment
- Details of allocation formula
- Administrative Application Checklist

Sincerely,

A handwritten signature in black ink that reads 'Cherylene L. Weston'.

Cherylene L. Weston, CPLTA
Sr. Permitting Analyst

/clw

Weston, Cherylene

From: Dean, David
Sent: Wednesday, December 21, 2016 2:56 PM
To: Weston, Cherylene
Subject: Confirmation of Common Ownership - Duff Gas Com C #001 & Duff Gas Com C #004

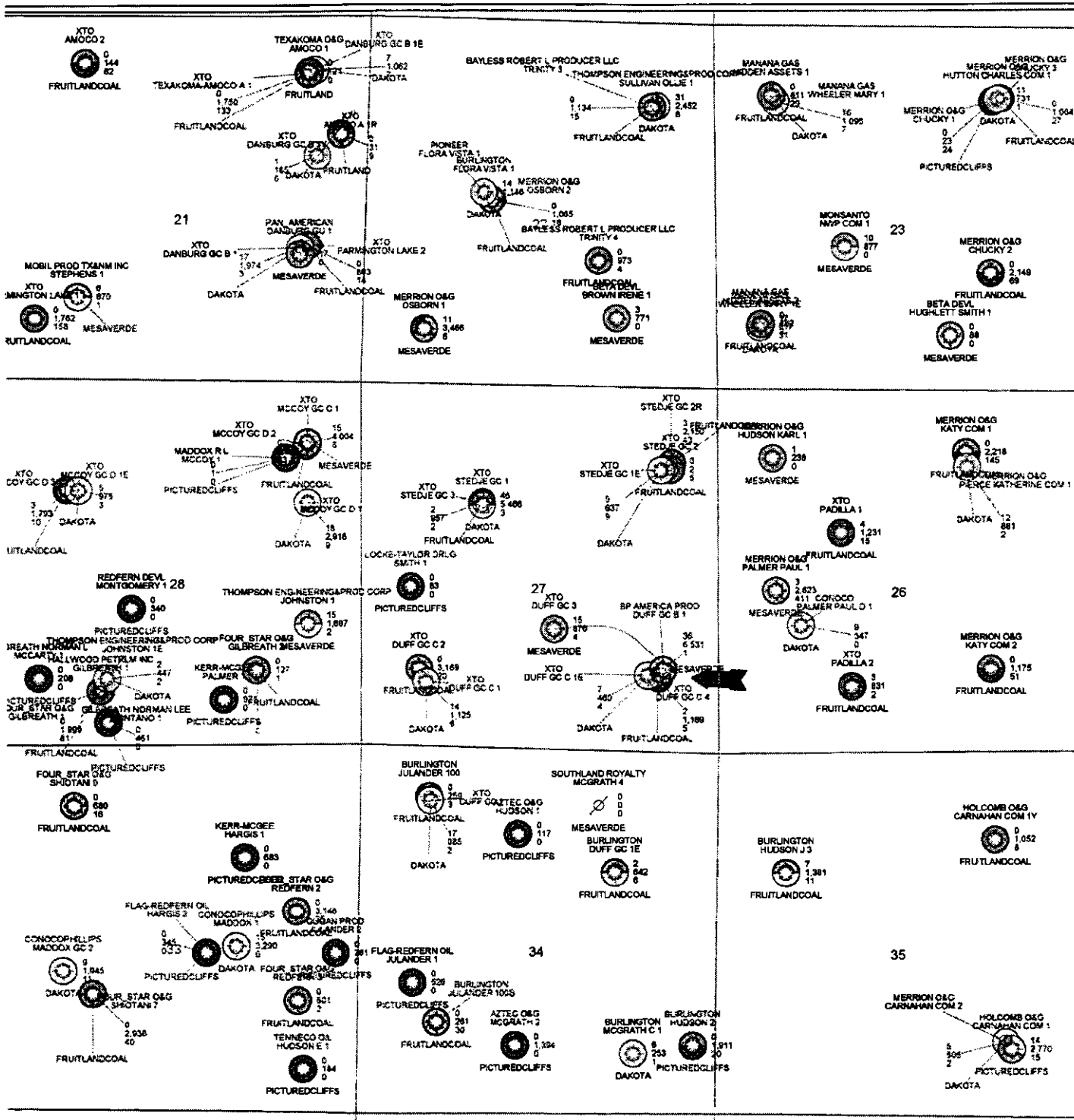
Cherylene,

This email is to confirm that ownership is common between the Duff Gas Com C #003 MV(30-045-30544) and Duff Gas Com C #004 FC (30-045-31284). Both wells produce from the S2 of Section 27-30N-12.

Thanks,

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



XTO ENERGY

DUFF GAS COM #4

SEC 27; T30N-R12W

SAN JUAN COUNTY, NM



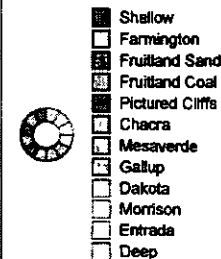
POSTED WELL DATA

Operator
Well Label

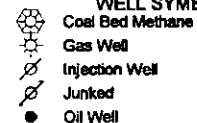
● WELL - CUM OIL (MBBLs)
● WELL - CUM GAS (MMCF)
● WELL - CUM WTR (MBBLs)

Prod FM

ATTRIBUTE MAP



WELL SYMBOLS



By: LH

December 21, 2016

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240

DISTRICT II
511 South First, Artesia, N.M. 88210

DISTRICT III
1000 E. Bruce Rd., Aztec, N.M. 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised August 15, 2000

Submit to Appropriate District Office.
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-31284	² Pool Code 71629	³ Pool Name BASIN FRUITLAND COAL
⁴ Property Code 22692	⁵ Property Name DUFF GAS COM "C"	⁶ Well Number 4
⁷ OGRD No. 167067	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 5624'

¹⁰ Surface Location

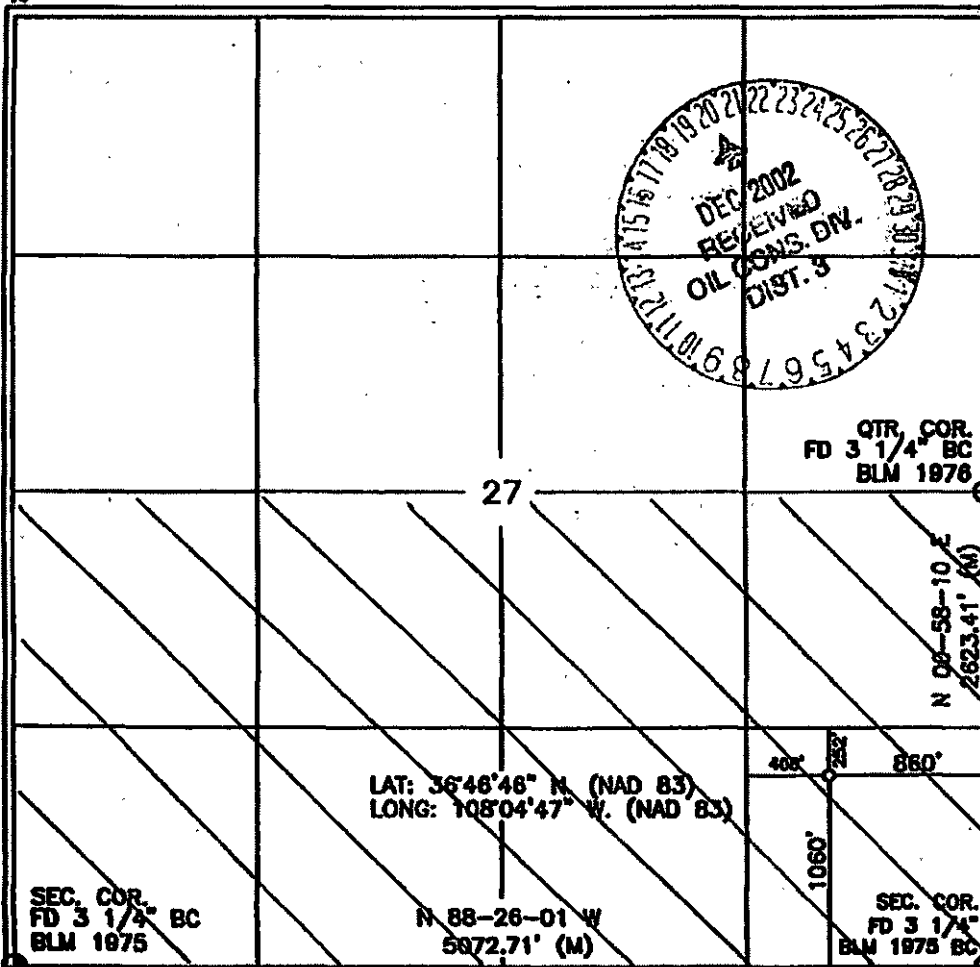
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	27	30-N	12-W		1060'	SOUTH	880'	EAST	SAN JUAN

¹¹ Bottom Hole Location if Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 5/2 320			¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.		

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16



17 OPERATOR CERTIFICATION

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

Signature Jeffrey W. Patton
Printed Name JEFFREY W. PATTON
Title DRILLING ENGINEER
Date 12-19-02

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey 12-09-02
Signature and Seal of Registered Professional Surveyor DAVID J. JOHNSON
Certificate Number 14827

DISTRICT II
P.O. Drawer 88, Artesia, N.M. 88211-0079

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
PO Box 2088, Santa Fe, NM 87504-2088

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, NM 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-3054		² Pool Code 17668C 72-314	³ Pool Name Flora Vieja CUBILLA MESAVERDE
⁴ Property Code 22691	⁵ Property Name DUFF GAS COM		⁶ Well Number 3
⁷ OGRID No. 167067	⁸ Operator Name CROSS TIMBERS OPERATING CO.		⁹ Elevation 5623'


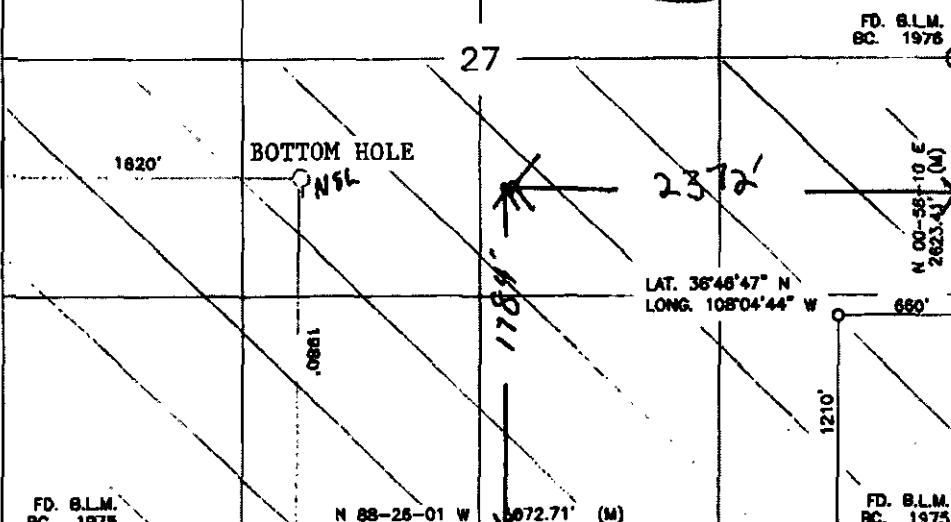
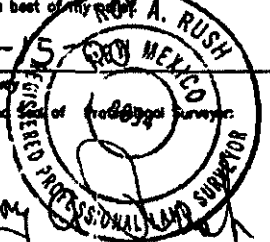
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	27	30-N	12-W		1210'	SOUTH	660'	EAST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

UL or lot no. K	Section 27	Township 30-N	Range 12-W	Lot idn	Feet from the 1250' 1384	North/South line SOUTH	Feet from the 1020' 2372'	East/West line WEST EAST	County SAN JUAN
12 Dedicated Acres 320 5/2		13 Joint or Infill		14 Consolidation Code		15 Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>16</p> 	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p>Signature: <u>Jeffrey W. Patton</u></p> <p>Printed Name: <u>JEFFREY W. PATTON</u></p> <p>Title: <u>DRILLING ENGINEER</u></p> <p>Date: <u>1/23/01</u></p>
<p>27</p>  <p>FD. S.L.M. BC. 1975</p> <p>N 88-26-01 W</p> <p>672.71' (M)</p>	<p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief</p> <p>Date of Survey: <u>11-15-99</u></p> <p>Signature and Seal of Professional Surveyor: <u>[Signature]</u></p>  <p>Certificate Number: <u>8894</u></p> <p>FD. S.L.M. BC. 1975</p>

WELL INFORMATION

[illegible]

	Pumping Unit		Separator(s)		
	Engine	Fuel Usage (mfc/d)	Burners (y/n)	Fuel Usage (mfc/d)	Vented Gas (mfc/d)
Duff Gas Com #3	None - Plunger Lift	0	Y	1	0.0
Duff Gas Com C #4	Kohler	2.00	Y	1	0.0

Compressor Information		
Location:	Duff Gas Com C #4 CDP	
Property #	68960	
XTO Compressor #	2081	
Lat/Long:	36.77921	-108.079
Manufacturer:	Elgi-Catepillar	
Engine:	G3306NA	
Horse Power:	145	
Fuel Usage:	21.6	mcf/d
MV	30	mcf/d
FC	75	mcf/d

Well	Duff Gas Com #3	Duff Gas Com C #4
Formation	Mesaverde	Fruitland Coal
Production (mcf)		
June	33	80
July	45	79
August	32	78
September	32	79
October	35	76
November	30	78

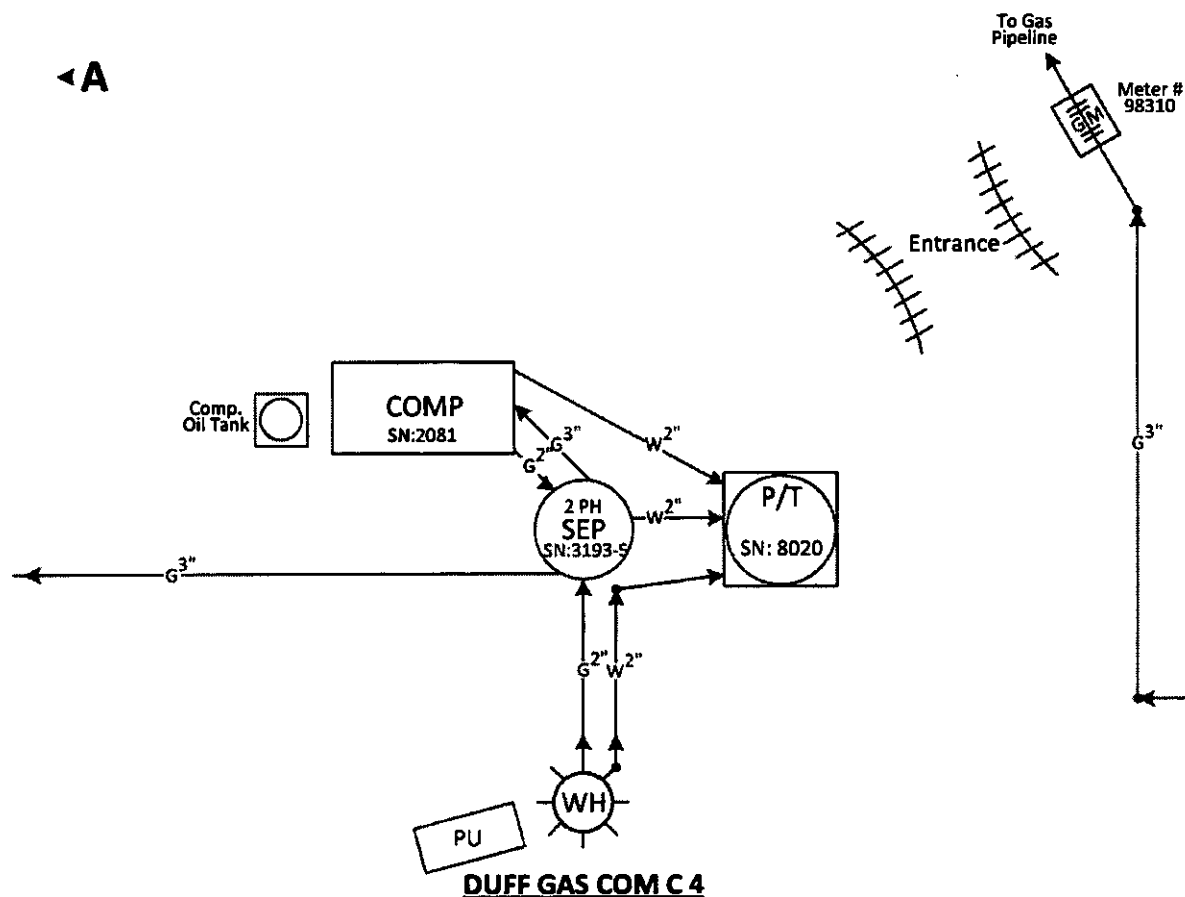
NOTES:

- Oil sales and water production are by tank gauging and trucked off location.

Rev	By	Description	Date	Approval
1	DG	Site Facility Diagram	11/29/2016	



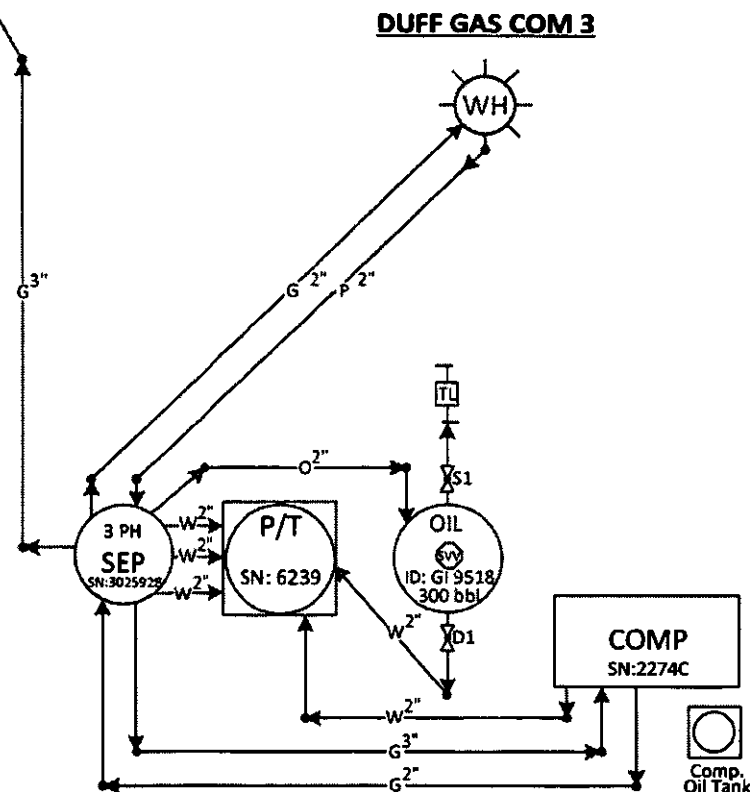
◀A



◀B

The site security plan
is located at:
XTO Energy Inc.
9193 S. Jamaica St.
Englewood, CO 80112

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.



1 OF 2

DUFF GAS COM C 1E
SESE SEC 27, T30N, R12W
1100 FSL 1030 FEL
API # 30-045-26076
SAN JUAN COUNTY, NEW MEXICO

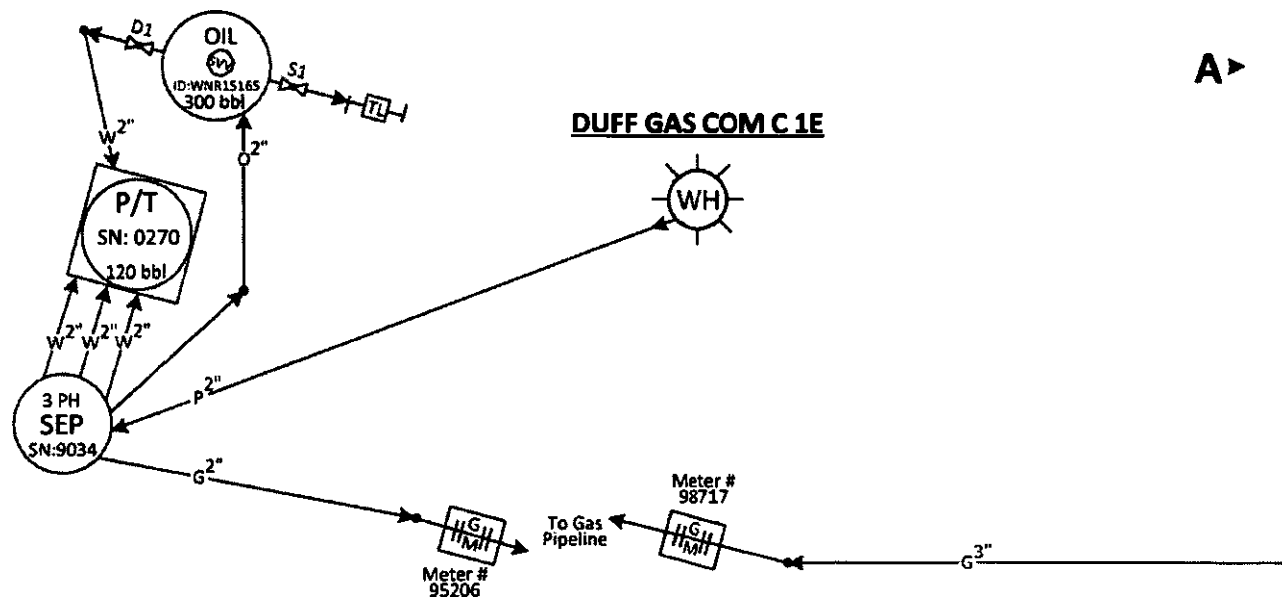
DUFF GAS COM 3
SESE SEC 27, T30N, R12W
1210 FSL 660 FEL
API # 30-045-30544
SAN JUAN COUNTY, NEW MEXICO

DUFF GAS COM C 4
SESE SEC 27, T30N, R12W
1060 FSL 860 FEL
API # 30-045-31284
SAN JUAN COUNTY, NEW MEXICO

NOTES:
- Oil sales and water production are by tank gauging and trucked off location.

- Oil sales and water production are by tank gauging and trucked off location.

Rev	By	Description	Date	Approval
1	DG	Site Facility Diagram	11/29/2016	



2 OF 2

DUFF GAS COM 3

SESE SEC 27, T30N, R12W
1210 FSL 660 FEL
API # 30-045-30544
SAN JUAN COUNTY, NEW MEXICO

DUFF GAS COM C 1E

SESE SEC 27, T30N, R12W
1100 FSL 1030 FEL
API # 30-045-26076
SAN JUAN COUNTY, NEW MEXICO

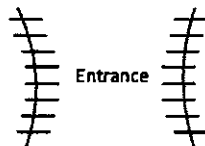
DUFF GAS COM C 4

SESE SEC 27, T30N, R12W
1060 FSL 860 FEL
API # 30-045-31284
SAN JUAN COUNTY, NEW MEXICO

**The site security plan
is located at:
XTO Energy Inc.
9193 S. Jamaica St.
Englewood, CO 80112**

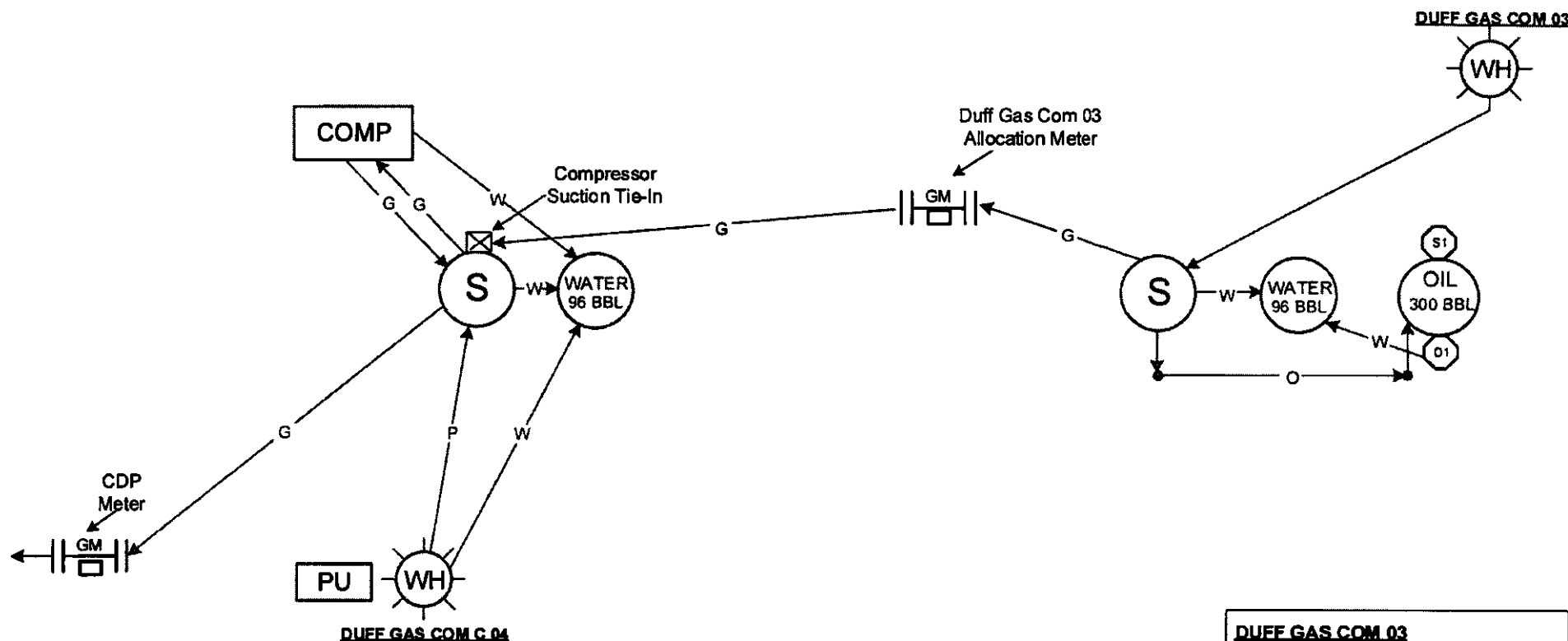
General sealing of valves, sales by tank gauging
 Production phase: Drain valve D1 and sales valve S1 sealed closed.
 Sales phase: Drain valve D1 sealed closed. Sales valve S1 open.
 Draining phase: Drain valve D1 open. Sales valve S1 closed.

DUFF GAS COM C 01E



PROPOSED

Rev	By	Description	Date	Approval
1	KED	Site Facility Diagram	9/11/2014	



DUFF GAS COM C 04

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 facility diagram for San Juan Basin Area. The plan is located at:
 XTO Energy
 9127 S. Jamaica St.
 Englewood, CO 80112

DUFF GAS COM 03

SWNE SEC 27, T30N, R12W
 NAD 27 Lat:36.77961 Long: -108.07827
 API# 30-045-30544
 LEASE # FEE
 SAN JUAN COUNTY, NM

DUFF GAS COM C 04

SWNE SEC 27, T30N, R12W
 NAD 27 Lat:36.77921 Long: -108.07895
 API# 30-045-31284
 LEASE # FEE
 SAN JUAN COUNTY, NM

Duff Gas Com C #4 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 = $(W / \text{SUM } W) \times X$

(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 $W / \text{SUM } W$ 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 $W / \text{SUM } W$.

2. Allocated Individual Well BTU's = $((W \times \text{Individual well BTW} / \text{SUM } (@ \times \text{individual well BTU})) \times Y$. Individual well gas heating values to be determined in accordance with BLM regulations (currently Onshore Order #5).