

RECEIVED: 7/07/2017	REVIEWER: mAm	TYPE: PLC	APP NO: PmAm1718845574
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Geological & 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

Applicant: XTO Energy Inc. OGRID Number: 5380
 Well Name: Federal Gas Com 1 #1C & Federal Gas Com 1 #3 API: 30-045-30144 / 30-045-32304
 Pool: Blanco Mesaverde & Basin Fruitland Coal Pool Code: 72319 & 71629

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION
INDICATED BELOW

PLC-479

1) TYPE OF APPLICATION: Check those which apply for [A]

A. Location - Spacing Unit - Simultaneous Dedication

☐ NSL☐ NSP (PROJECT AREA)☐ NSP (PRORATION UNIT)☐ SD

B. Check one only for [I] or [II]

[I] Commingling - Storage - Measurement

☐ DHC☐ CTB☒ PLC☐ PC☐ OLS☐ OLM

[II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX☐ PMX☐ SWD☐ IPI☐ EOR☐ PPR

2) NOTIFICATION REQUIRED TO: Check those which apply.

A. ☐ Offset operators or lease holdersB. ☒ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☐ Notification and/or concurrent approval by SLOE. ☒ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☒ For all of the above, proof of notification or publication is attached, and/or,H. ☐ No notice required

FOR OCD ONLY

☐ Notice Complete☐ Application
Content
Complete

3) 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, Sr. Permitting Analyst

Print or Type Name

Cherylene L. Weston

Signature

Date

505-333-3190

Phone Number

cherylene_weston@xtoenergy.com

e-mail Address



XTO Energy Inc.
382 Road 3100
Aztec, New Mexico 87410
Office: 505.333.3100
Fax: 505.333.3280

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

Mr. William Tambeakau
Bureau of Land Management
6251 College Blvd., Ste A
Farmington, NM 87402

RE: **Proposed Surface Commingle**
Federal Gas Com 1 #1C (30-045-30144; Blanco MV)
Federal Gas Com 1 #3 (30-045-32304; Basin Fruitland Coal)
NW/4 NW/4 Sec. 20, T32N, R12W, N.M.P.M.
San Juan County, New Mexico

Gentlemen:

XTO Energy Inc. (XTO) requests administrative approval for surface commingling of natural gas produced from the above wells located in San Juan County, New Mexico.

XTO plans to produce the commingled gas through a central compressor on the Federal Gas Com 1 #1C well, minimizing the footprint on the location, lowering compression expenses as well as keeping emissions and noise levels down. This increases the ultimate recoveries on all leases. The anticipated allocated production and fuel usage for the compressor is noted in the attachments.

The Federal Gas Com 1 #3 well will be equipped with a meter that will be maintained by XTO Energy in accordance with State and Federal Regulations (Onshore Order No. 5). XTO will meter gas from the Federal Gas Com 1 #3 well prior to entering the compressor on the Federal Gas Com 1 #1C well. The Federal Gas Com 1 #1C gas will be allocated after commingling with the Federal Gas Com 1 #3 gas, using the subtraction method to allocate production for the Federal Gas Com 1 #1C well. Produced liquids will not be surface commingled. All interest owners have been notified via certified mail, return receipt, on June 14, 2017.

The following attachments are included with this application:

- Administrative Application Checklist
- State form C-107-B (application for surface commingle; diverse ownership)
- Map of all wells and their associated leases
- Form C-102 for each well (plats)
- Table of well & lease and agreement information, spacing, permits, gravities/BTU & MCF
- Schematic diagram showing all flowlines, compressors & equipment
- Details of allocation formula
- Copy of letter to WI, NRI & ORRI owners & proof of mailing

Sincerely,

Cherylene L. Weston, CPLTA
Senior Permitting Analyst

/clw

District I
1625 N. French Drive, Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised August 1, 2011

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

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

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: XTO Energy Inc.
OPERATOR ADDRESS: 382 Road 3100, Aztec, NM 87410
APPLICATION TYPE:

☐ Pool Commingling ☐ Lease Commingling ☒ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☐ State ☒ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. _____
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
☒ 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
Blanco Mesaverde (72319)				
Basin Fruitland Coal (71629)				

- (2) Are any wells producing at top allowables? ☐ Yes ☒ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No.
(4) Measurement type: ☒ Metering ☐ Other (Specify)
(5) Will commingling decrease the value of production? ☐ Yes ☒ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING
Please attach sheets with the following information

- (1) Pool Name and Code.
(2) Is all production from same source of supply? ☐ Yes ☐ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No
(4) Measurement type: ☐ Metering ☐ Other (Specify)

(C) POOL and LEASE COMMINGLING
Please attach sheets with the following information

- (1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT
Please attach sheets with the following information

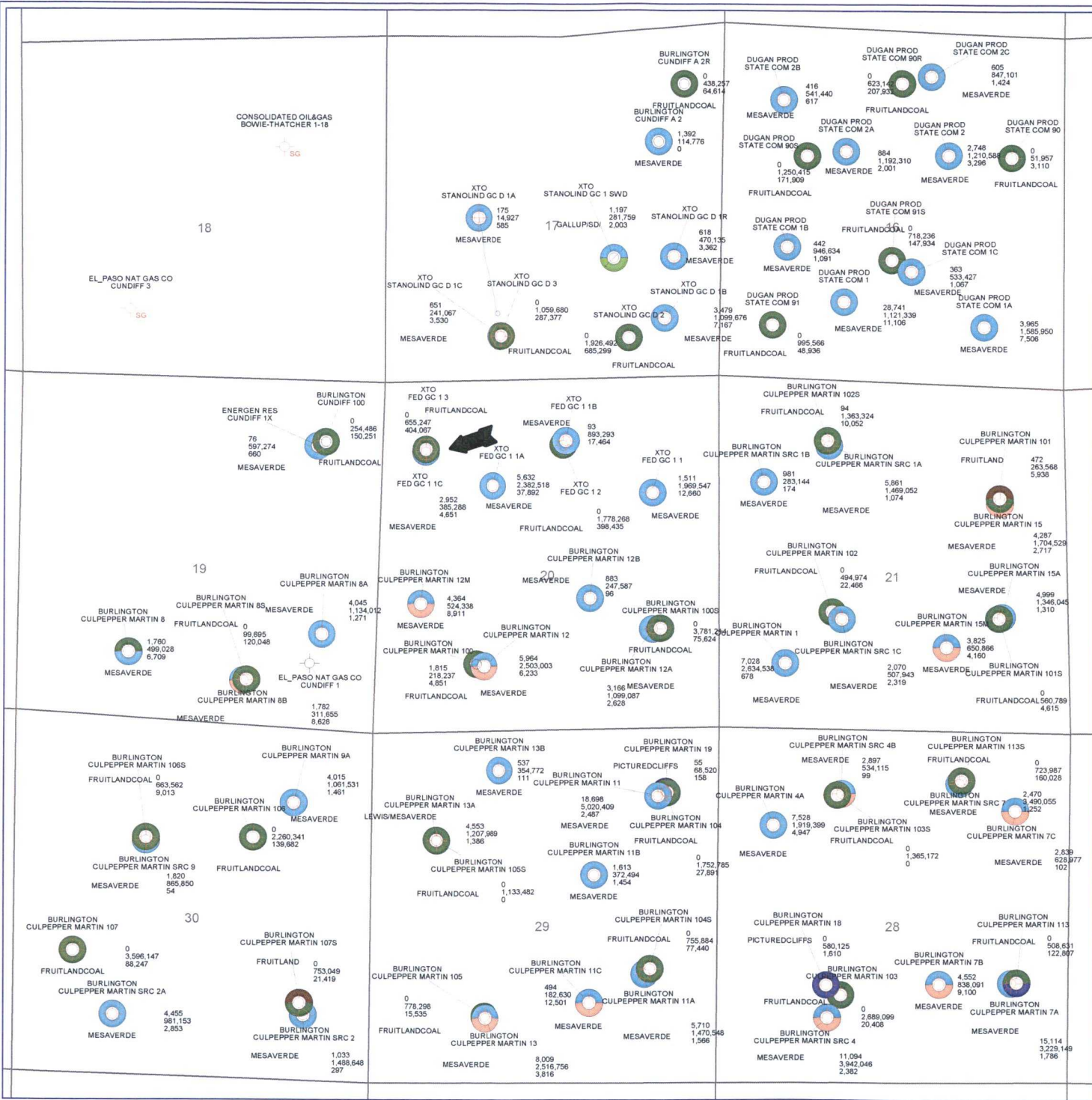
- (1) Is all production from same source of supply? ☐ Yes ☐ No
(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)
Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location.
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
(3) Lease Names, Lease and Well Numbers, and API Numbers.

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

SIGNATURE: Cherylene L. Weston TITLE: Sr. Permitting Analyst DATE: 7-7-17
TYPE OR PRINT NAME Cherylene L. Weston TELEPHONE NO.: 505-333-3190
E-MAIL ADDRESS: cherylene_weston@xtoenergy.com



XTO ENERGY, INC.

FEDERAL GAS COM 1 #1C

SJB_2014.OVL

T32N-R12W-Sec 20

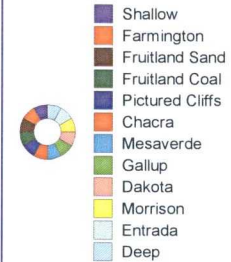
POSTED WELL DATA

Operator
Well Label

CUMULATIVE OIL (BBLs)
CUMULATIVE GAS (MCF)
CUMULATIVE WATER (BBLs)

ProdFM

ATTRIBUTE MAP



WELL SYMBOLS



June 7, 2017

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
PO Drawer DD, Artesia, NM 88211-0719

District III
1000 Rio Brazos Rd., Aztec, NM 87410

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

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-30144	*Pool Code 72319	*Pool Name BLANCO MESAVERDE
*Property Code 22855	*Property Name FEDERAL GAS COM 1	*Well Number 1C
*GRID No. 167067	*Operator Name CROSS TIMBERS OPERATING COMPANY	*Elevation 5943

¹⁰ Surface Location

UL or lot no. D	Section 20	Township 32N	Range 12W	Lot Idn	Feet from the 1060	North/South line NORTH	Feet from the 660	East/West line WEST	County SAN JUAN
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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
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¹² Dedicated Acres 320 N/2	¹³ Joint or Infill I	¹⁴ Consolidation Code	¹⁵ Order No.
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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

¹⁵ 5264.82' 660' 1060'	4996.85'	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Loren W. Fothergill Signature Loren W. Fothergill Printed Name Production Engineer Title Date 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. FEBRUARY 5, 2000 Date of Survey Signature and Seal NEALE C. EDWARDS NEW MEXICO 6857 Certificate No. 6857
2640.66'	2638.68'	5178.36'

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

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

DISTRICT III
1000 Rio Brazos 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 30045-32304	² Pool Code 71129	³ Pool Name Basin Fruitland Coal
⁴ Property Code 22855	⁵ Property Name FEDERAL GAS COM 1	⁶ Well Number 3
⁷ GRID No. 167067	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 5941'

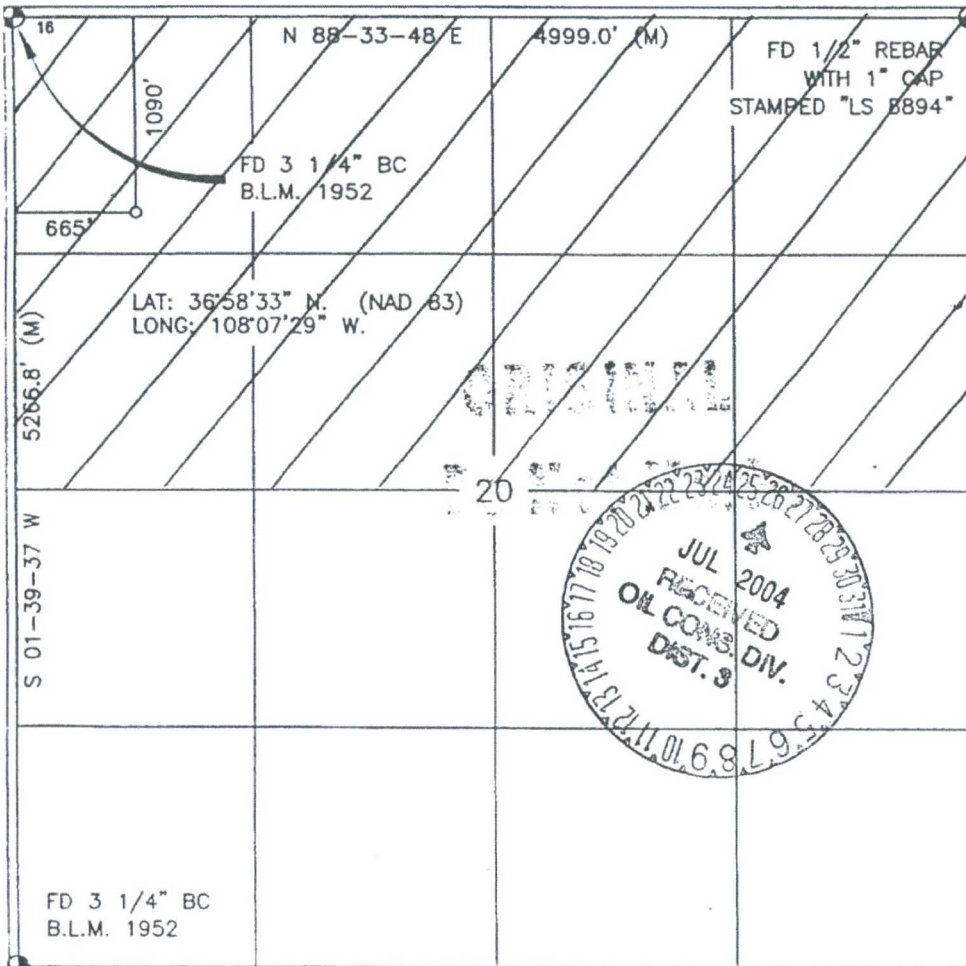
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	20	32-N	12-W		1090'	NORTH	665'	WEST	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 320 N/2			¹³ Joint or Infill I		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



17 OPERATOR CERTIFICATION

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

Kelly K Small
Signature
Kelly K Small
Printed Name
Drilling Assistant
Title
8/18/03
Date

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.

DAVID A. JOHNSON
Date of Survey
NEW MEXICO
Signature and Seal of Professional Surveyor:
14827
REGISTERED PROFESSIONAL SURVEYOR
14827
Certificate Number

WELL INFORMATION

[illegible]

Federal Gas Com 1-3 and Federal Gas Com 1-1C Surface Commingle

Well	Pumping Unit		Separator(s)		Vented Gas (mcfpd)
	Engine	Fuel Usage (mfcps)	Burners (y/n)	Fuel Usage (mcfps)	
Federal GC 1-1C	None - Plunger Lift	0.00	Y	2	0.0
Federal GC 1-3	General Motors 5.7L/350/V8	13.00	Y	2	0.0

Compressor Information		
Location:	Federal Gas Com 1-1C CDP	
Property #		
XTO Compressor #	1721C	
Lat/Long:	36.97573	-108.1241
Manufacturer:	Catepillar	
Engine:	G3306NA	
Horse Power:	95	
Fuel Usage:	14.4	mcf
MV	45	mcf
FC	140	mcf

Well	Federal GC 1-1C	Federal GC 1-3
Formation	Blanco Mesaverde	Basin Fruitland Coal
Production (mcf/d)		
December	55	155
January	59	144
February	49	141
March	36	142
April	59	136
May	51	44*

*Tubing failure in May

Plot Plan/Facility Diagram

Well Name: Federal Gas Com 1 #1 C
Field: San Juan County NM
Lease #: NM-019414, API # 30-045-30144
Section: Sec. 20 (D), T-32N, R-12W
CA # If Applicable : NMNM-73441
Updated by:

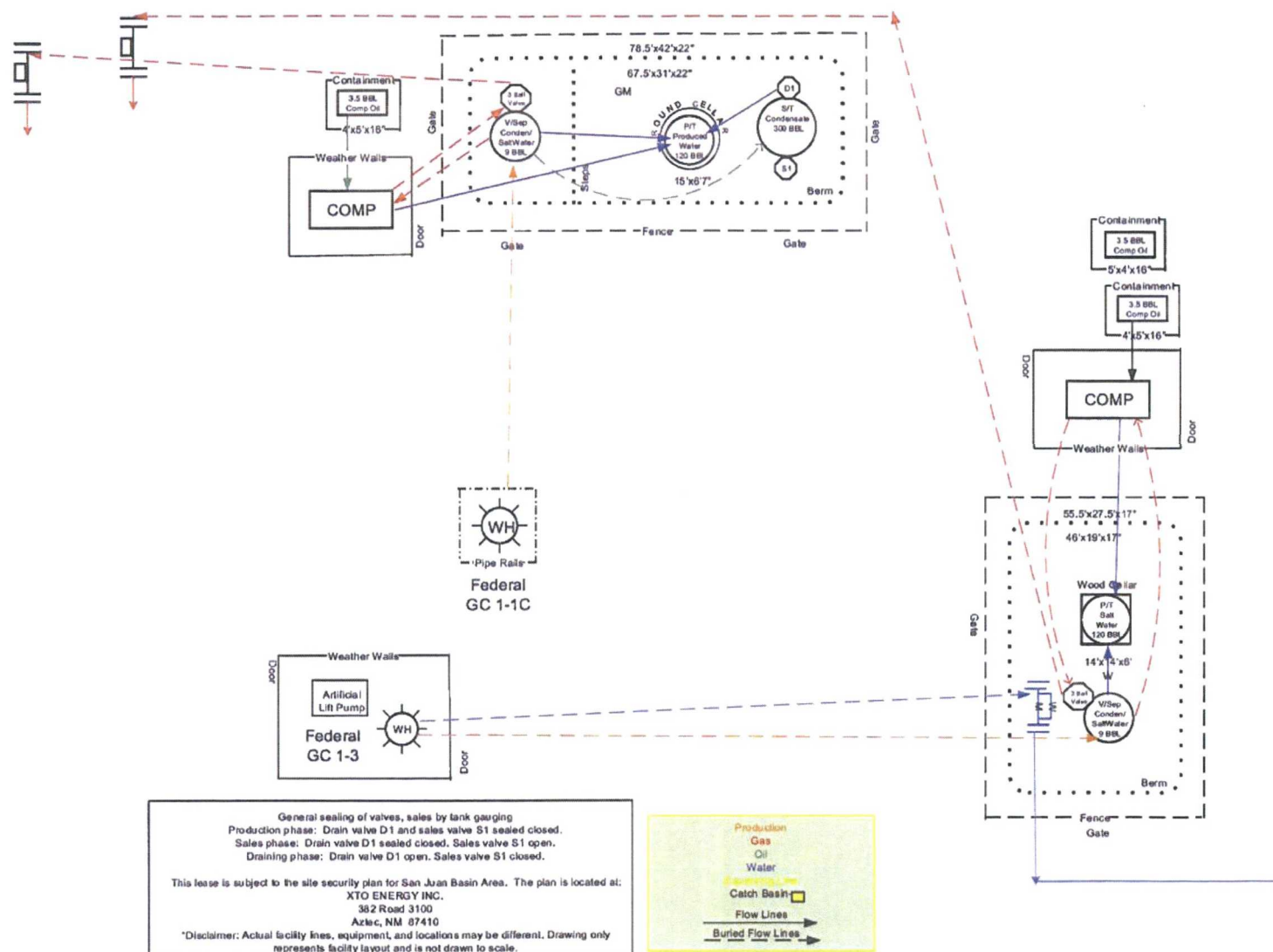
Plot Plan/Facility Diagram

Well Name: Federal Gas Com 1 #1 C
Field: San Juan County NM
Lease #: NM-019414, API # 30-045-30144
Section: Sec. 20 (D), T-32N, R-12W
CA # If Applicable : MNM-73441
Updated by:

Pennsylvania

Production
Gas
Oil
Water


N





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

*Disclaimer: Actual facility lines, equipment, and locations may be different. Drawing only represents facility layout and is not drawn to scale.

Product
Gas
Oil
Water

Catch Basin 

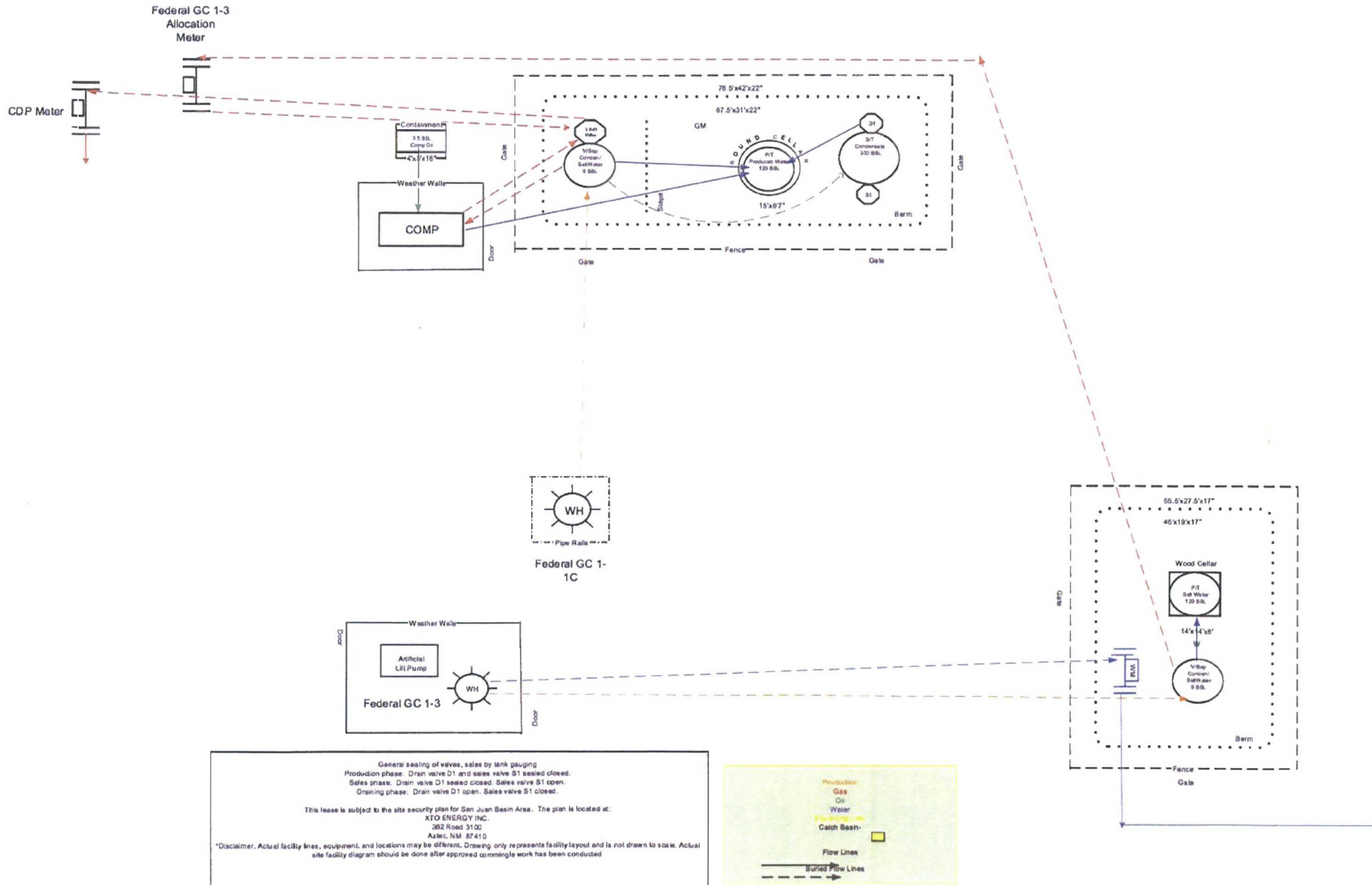
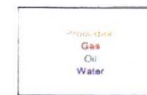
Flow Lines 

Reversed Flow Lines 

Plot Plan/Facility Diagram **PROPOSED**

Well Name: Federal Gas Com 1 #1 C
 Field: San Juan County NM
 Lease #: NM-010414, API # 30-045-30144
 Section: Sec. 30 (D), T-32N, R-12W
 CA # If Applicable: NMNM-73441
 Updated by:

Drainage



Federal GC 1-1C CDP

Proposed Allocation Procedure

Each well will be individually metered using allocation meters. Total gas production will then be metered using a CDP sales meter. Production shall then be allocated to each well using the CDP sales meter volume, allocation meter volumes, on lease fuel usage, purged or vented gas volumes, BTU and other data, in accordance with the allocation formula contained within the application.

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).



VIA CERTIFIED MAIL - RETURN RECEIPT

June 14, 2017

RE: Notice to Working and Royalty Interest Owners
Application to Surface Commingle Gas Production
NW/4 NW/4 Sec. 20, T32N, R12W, N.M.P.M.
San Juan County, New Mexico

Dear Interest Owner:

XTO Energy Inc. is applying to the New Mexico Oil Conservation Division (NMOCD) and Bureau of Land Management (BLM) for approval to surface commingle gas production from the Federal Gas Com 1 #1C (API# 30-045-30144; Blanco Mesaverde) and Federal Gas Com 1 #3 (API# 30-045-32304; Basin Fruitland Coal) wells. NMOCD requires that all interest owners be notified of plans to surface commingle when ownership is different between wells.

This letter serves as notification of our intent to commingle and allocate natural gas as follows: XTO will meter gas from the Federal Gas Com 1 #3 well prior to entering the compressor on the Federal Gas Com 1 #1C well. The Federal Gas Com 1 #1C gas will be allocated after commingling with the Federal Gas Com 1 #3 gas, where we will use the subtraction method to allocate volumes for the Federal Gas Com 1 #1C well. There will be one CDP on the Federal Gas Com 1 #1C well. By surface commingling the wells, we will reduce air emissions, lower compression costs, increase ultimate recoveries on all leases, and reduce the footprint on the location.

If you need additional information, or have any questions, please contact me at (505) 333-3190. If you object to our application, you must file a protest in writing to 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,

A handwritten signature in cursive script that reads "Cherylene L. Weston".

Cherylene L. Weston, CPLTA
Sr. Permitting Analyst

/clw

xc: Well Files
FTW Land Department
NMOCD-Aztec
BLM-Farmington

Federal Gas Com 1-1C & 1-3 Interest Owner Names_Addresses

Owner Number	Owner Name	Owner Name 2	Address 1	Address 2	City	State	Zip Code	Certified Mail #
128202	CHARLES H CULPEPPER IRR TR B	DOROTHY CULPEPPER, ET AL TRUSTEES	PO BOX 958		FARMINGTON	NM	874990000	7011 1150 0000 5129 5963
137604	THE GREGORY FAM TRUST	RAYMOND DALE & MARY M GREGORY TTEES	989 NW SPRUCE AVE APT 111		CORVALLIS	OR	973300000	7011 1150 0000 5129 5970
138660	CLAUDIA ANN ANDERSON LIV TR U/A DTD 2/15/94	CLAUDIA ANN ANDERSON, TRUSTEE	1237 NORTH CHACO AVE		FARMINGTON	NM	874010000	7011 1150 0000 5129 5987
138661	PAUL F & MARIE MARTIN TRUST U/A DTD 7/06/06	PAUL F MARTIN, TRUSTEE	606 EAST DIAMOND ST		FARMINGTON	NM	874010000	7011 1150 0000 5129 5994
144380	ANTHONY & DOROTHY AMSDEN TRUST UA 5/29/07	ANTHONY A & DOROTHY C AMSDEN TRUSTEES	520 RIM RD		LOS ALAMOS	NM	875442931	7010 1870 0003 3184 4407
172430	CULPEPPER MINERALS LLC	C/O WELLS FARGO BK N A, ATTN CHARLES WALLACE	PO BOX 40909		AUSTIN	TX	787040000	7010 1870 0003 3184 4414
205888	PATRICIA A CLARK LIVING TRUST DTD 9/25/08		PO BOX 699		FRUITA	CO	815210699	7010 1870 0003 3184 4513
297971	W A HALL MINERALS LLC IMA	WELLS FARGO BANK NA AGENT	PO BOX 40909		AUSTIN	TX	787040000	7012 1010 0002 9434 9234
41182	ROSELYN MARTIN TRUST	FRANKLIN K MARTIN & BRAWNA MARTIN-HENDERSON CO TTEES	PO BOX 10907		PLEASANTON	CA	945880907	7012 1010 0002 9434 9241
677895	VIRGINIA WHITMIRE TRUST U/A 08/08/66	BOKF NA AGENT	PO BOX 1588		TULSA	OK	741010000	7012 1010 0002 9434 9258
685127	LARRY A AMSDEN	30 MEUN NGEN ROAD	PAFONG, KATO.	PHUKET 83156	THAILAND		0	International Registered Mail
688748	CHARLES AMSDEN	346 MOO 9, T NORNGSARRAI	A PAK CHONG	NAKHON RATCHASIMO 30130	THAILAND		0	International Registered Mail
88912	MMS-BUREAU OF LAND MANAGEMENT	ATTN WILLIAM TAMBEKAU	6251 COLLEGE BLVD STE A		FARMINGTON	NM	87402	7012 1010 0002 9434 9265
99985	XTO ENERGY INC		810 HOUSTON		FORT WORTH	TX	761020000	N/A
30849	BURLINGTON RSCS O&G CO LP	ATTN BEN MITCHELL	PO BOX 4289		FARMINGTON	NM	87499-4289	7012 1010 0002 9434 9272