

Amend

8/23/06 DATE IN	9/12/06 SUSPENSE	DEC ENGINEER	9/1/06 LOGGED IN	PLC-133 TYPE	PTDS 0624447477 APP NO.
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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



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
 [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.

Print or Type Name

Signature

Title

Date

e-mail Address



2006 AUG 23 PM 12 00

2700 Farmington Ave, K-1 Farmington, NM 87401
Phone: (505) 324-1090 FAX: (505) 564-6700

August 17, 2006

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

Mr. Jim Lovato
Bureau of Land Management
1235 LaPlata Highway
Farmington, NM 87401

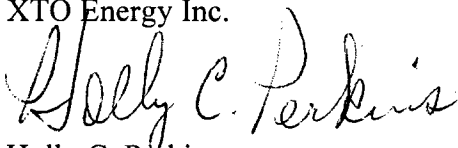
Subject: Amend Surface Commingle Order PLC-133
Gallegos Com #5 CDP
Sec 32-T26N-R11W
San Juan County, New Mexico

Dear Mr. Jones & Mr. Lovato:

XTO Energy Inc. (XTO) requests this surface commingle be amended to add the Gallegos Com #5E (API No. 30-045-30560). This will be a new Basin Dakota completion. This well will be equipped with its own allocation meter for gas measurement. Adding this well to the existing surface commingle will greatly enhance productivity by utilizing an existing compressor. The current sales point for this surface commingle is at the Gallegos Com #5. There are no other changes to the initial surface commingle application. Interest owners for this surface commingle have been notified by certified, return-receipt mail on August 18, 2006.

If you need additional information or have questions, please give me a call at (505) 324-1090.

Sincerely,
XTO Energy Inc.


Holly C. Perkins
Regulatory Compliance Tech

xc: Well File
Ft. Worth Land
Brock Hendrickson

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

XTO Energy Inc.

3a. Address

2700 Farmington Ave., Bldg. K, Ste 1 Farmington,

3b. Phone No. (include area code)

505-324-1090

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1800' FSL & 1600' FEL SEC 32-T26N-R11W

5. Lease Serial No.

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

GALLEGOS COM #5 CDP

9. API Well No.

30-45-21306

10. Field and Pool, or Exploratory Area

BASIN DAKOTA

11. County or Parish, State

SAN JUAN NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

TYPE OF ACTION

☐ Acidize

☐ Deepen

☐ Production (Start/Resume)

☐ Water Shut-Off

☐ Alter Casing

☐ Fracture Treat

☐ Reclamation

☐ Well Integrity

☐ Casing Repair

☐ New Construction

☐ Recomplete

☒ Other AMEND SURF

☐ Change Plans

☐ Plug and Abandon

☐ Temporarily Abandon

CMGL

☐ Convert to Injection

☐ Plug Back

☐ Water Disposal

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

XTO Energy Inc. proposes to amend surface comingle PLC-133 by adding the Gallegos Com #5E (30-045-30560). Current wells in the CDP are the Gallegos Com #5 (30-045-21306) and the Gracia State 32-L #3 (30-045-28694). Each well will have an allocation meter to measure gas volumes prior to comingling. Notice has been sent to the NMCD concerning this matter. Ownership is diverse in the wells associated with this application; therefore, notice was given to WI, ORRI, NRI owners by certified mail on 8/18/2006. Attached as supporting documentation is: well information table, C102 for each well, allocation procedure and a copy of owners notified.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

HOLLY C. PERKINS

Title

REGULATORY COMPLIANCE TECH

Date

8/18/2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

GALLEGOS COM CDP

Well Information

	Gallegos Com #5	Gallegos Com #5E	Gracia State 32-L #3
Location	Sec 32J-T26N-R11W	Sec 32K- T26N-R11W	Sec 32J-T26N-R11W
Footages	1800' FSL & 1600' FEL	1500' FSL & 1500 FWL	1690' FSL & 1730' FEL
Formation/Pool	Basin Dakota	Basin Dakota	Basin Fruitland Coal
API#	30-045-21306	30-045-30560	30-045-28694
Gas Gravity	0.7240	0.7810	0.650
BTU	78.739	99.094	23.965
Gas Rate (MCF)	65.025	74.334	23.405
WI	100%	100%	68.402688
NRI	86.3928234%	86.398235%	62.70025
Lease/Agreement #	N/A	N/A	N/A
Permits	PLC-133	N/A	PLC-133
Spacing	320 acres; S/2	320 acres; S/2	320 acres; S/2

Compressor and other equipment fuel usage will be determined based on manufacturer's specifications
Pumping unit & separator fuel will be allocated to well if equipment exists

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, 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 & Natural Resources Department

Form C-102
Revised August 15, 2000

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED
REPORT

¹ API Number 30-045-21306	² Pool Code 71599	³ Pool Name BASIN DAKOTA
⁴ Property Code	⁵ Property Name GALLEGOS COM	⁶ Well Number 5
⁷ OGRID No. 167067	⁸ Operator Name XTO Energy, Inc.	⁹ Elevation 6271'

¹⁰ Surface Location

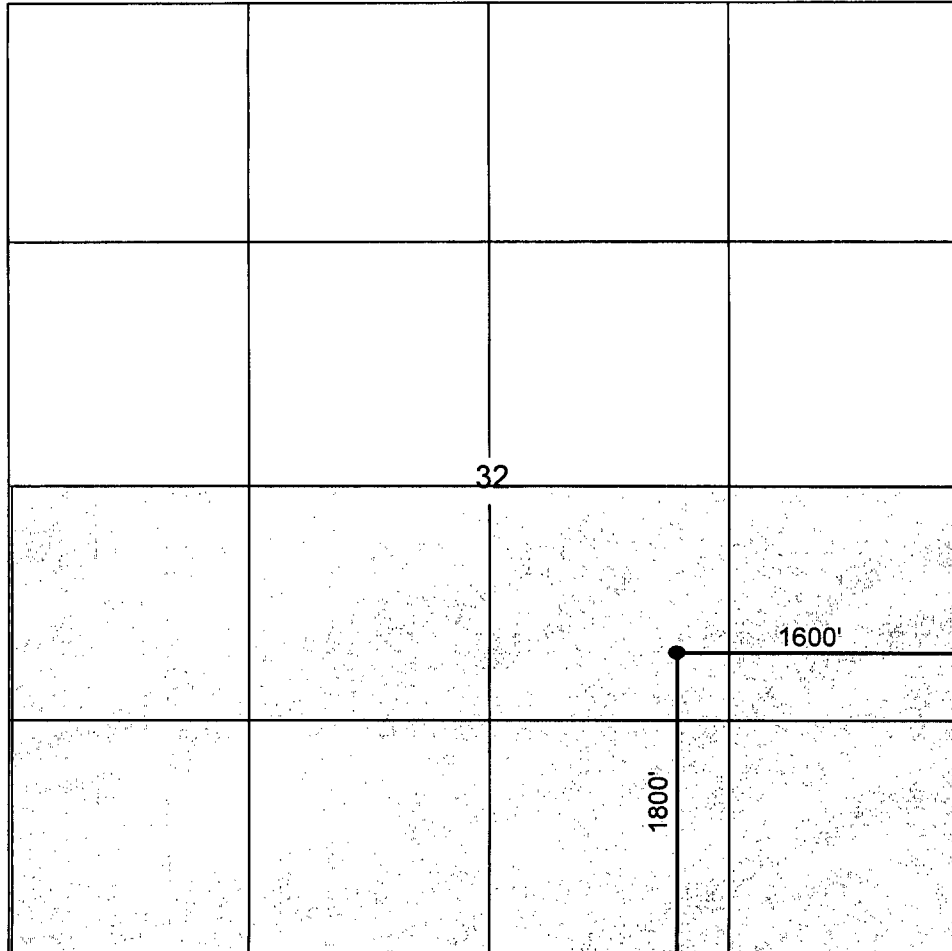
UL or lot no. J	Section 32	Township 27N	Range 11W	Lot Idn	Feet from the 1800	North/South line SOUTH	Feet from the 1600	East/West line EAST	County SAN JUAN
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¹¹ Bottom Hole Location If Different From Surface

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	¹³ Joint or Infill	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



OPERATOR CERTIFICATION

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

Holly C. Perkins
Signature

HOLLY C. PERKINS

Printed Name

REGULATORY COMPLIANCE TECH

Title

8/17/2006

Date

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.

6/9/1973

Date of Survey

Signature and Seal of Professional Surveyor:

JAMES P LEESE

1463

Certificate Number

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, 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 & Natural Resources Department

Form C-102
Revised August 15, 2000

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED
REPORT

¹ API Number 30-045-28694	² Pool Code 71629	³ Pool Name BASIN FRUITLAND COAL
⁴ Property Code	⁵ Property Name GRACIA STATE 32-L	⁶ Well Number 3
⁷ OGRID No. 167067	⁸ Operator Name XTO Energy, Inc.	⁹ Elevation 6275'

¹⁰ Surface Location

UL or lot no. J	Section 32	Township 27N	Range 11W	Lot Idn	Feet from the 1690	North/South line SOUTH	Feet from the 1730	East/West line EAST	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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² Dedicated Acres 320	³ Joint or Infill	⁴ Consolidation Code	⁵ Order No.
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	<p>OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Holly C. Perkins</i> Signature</p> <p>HOLLY C. PERKINS Printed Name</p> <p>REGULATORY COMPLIANCE TECH Title</p> <p>8/17/2006 Date</p>			
	<p>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.</p> <p>6/12/1992 Date of Survey</p> <p>Signature and Seal of Professional Surveyor: EDGAR L RISENHOOVER</p> <p>5979 Certificate Number</p>			

District I
1625 N. French Dr., Hobbs, NM 88240
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811 South First, Artesia, NM 88210
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State of New Mexico
Energy, Minerals & Natural Resources Department

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

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WELL LOCATION AND ACREAGE DEDICATION PLAT



AMENDED
REPORT

¹ API Number 30-045-30560	² Pool Code 71599	³ Pool Name BASIN DAKOTA
⁴ Property Code	⁵ Property Name GALLEGOS COM	⁶ Well Number 5E
⁷ OGRID No. 167067	⁸ Operator Name XTO Energy, Inc.	⁹ Elevation 6277'

¹⁰ Surface Location

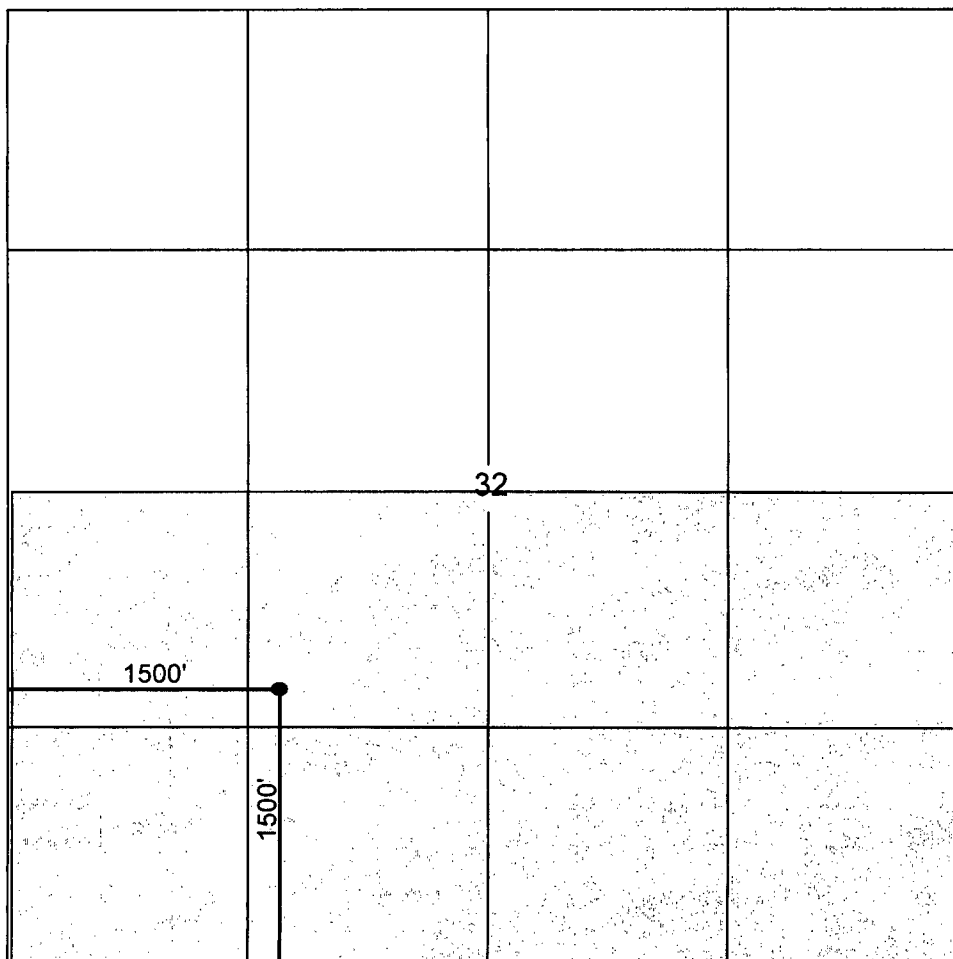
UL or lot no. K	Section 32	Township 27N	Range 11W	Lot Idn	Feet from the 1500	North/South line SOUTH	Feet from the 1500	East/West line WEST	County SAN JUAN
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¹¹ Bottom Hole Location If Different From Surface

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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² Dedicated Acres 320	³ Joint or Infill	⁴ Consolidation Code	⁵ Order No.
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OPERATOR CERTIFICATION

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

Holly C. Perkins
Signature

HOLLY C. PERKINS

Printed Name

REGULATORY COMPLIANCE TECH

Title

8/17/2006

Date

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.

2/1/2001

Date of Survey

Signature and Seal of Professional Surveyor:

ROY A RUSH

8894

Certificate Number

GALLEGOS COM #5 CDP

PROPOSED ALLOCATION PROCEDURES

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 & will be the same for all wells

Individual Well Gas Production = A + B + C + D + E

A = Allocated Sales Volume, MCF $(W/\text{SUM } W) \times X$

B = On lease fuel usage, MCF. Determined fr/equipment specification & operating conditions

C = Purged and/or vented gas fr/well and/or lease equipment, MCF. Calculated using equipment specifications & pressures.

D = Allocated fuel fr/gathering system equipment, MCF> The total fuel required to operate gathering system equipment will be allocated to the individual wells benefiting fr/the equipment using allocation factors determined by $W/\text{SUM } W$ for the wells involved.

E = Allocated volume of gas lost and/or vented fr/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 $W/\text{SUM } W$.

Allocated individual Well BTU's = $((W \times \text{Individual well BTU})/\text{SUM } (W \times \text{individual well BTU})) \times Y$.
Individual well gas heating values to be determined in accordance w/BLM regulations
(Onshore Order No. 5)



2700 Farmington Ave, K-1 Farmington, NM 87401
Phone: (505) 324-1090 FAX: (505) 564-6700

August 17, 2006

RE: Notice to Working and Royalty Interest Owners
Amendment of Gallegos Com #5 Surface Commingle
Section 32-T27N-R11W, San Juan County, NM

XTO Energy Inc. is applying to the New Mexico Oil Conservation Division (NMOCD) and Bureau of Land Management (BLM) to amend the Gallegos Com #5 CDP surface commingle by adding the Gallegos Com #5E. All wells are located in Section 32-Township 27N-Range 11W. The NMOCD requires all interest owners be notified of plans to surface commingle when ownership is different between wells.

Produced gas from each well will be measured separately prior to being commingled. We plan to produce the commingled gas through a shared compressor. Produced liquids will not be surface commingled. In the future, additional wells, pools, and acreage may be added to this surface commingle or this gathering system. At such time, as an owner in this system, you will not be noticed as this commingle is expanded unless this method of allocating production between pools and wells changes.

If you need additional information or have any questions, I may be contacted at (505) 324-1090. If you have an objection to our application you must file a protest in writing to the NMOCD Santa Fe office at 1220 So. St. Francis Drive, Santa Fe, NM 87505 within 20 days from the date the NMOCD received the application.

Sincerely,

A handwritten signature in black ink that reads 'Holly C. Perkins'. The signature is written in a cursive, flowing style.

Holly C. Perkins
Regulatory Compliance Tech

xc: Well Files
FW Land Dept.

Gallegos Com #5 CDP Owners

Winfred Chumney mMaden
c/o WT Chumney, Jr
40 NE Loop 410
Suite 210
San antonio, TX 78216

Enery Search & Mgt Inc
1905 Sherman Street
suite 900
Denver, CO 80200

Betty Brewer Chumney
c/o WT Chumney, Jr
40 NE Loop 410
Suite 210
San Antonio, TX 78216

Estate of RP Brewer III
c/o WT Chumney, Jr
41 NE Loop 410
Suite 211
San Antonio, TX 78216

Elizabeth H Chumney
c/o WT Chumney, Jr.
40 NE Loop 410
Suite 210
San Antonio, TX 78216

Harry Ells, Jr
518 17th Street
Room 1410
Denver, CO 80202-4113

Henry B Krause
1405 S Mountain View Rd
Castle Rock, CO 80109-9551

Martin Proyect
411 Tano Road
Santa Fe, NM 87506-7029

India Brewer Demarigny
c/o WT Chumney, Jr.
40 NE Loop 410
Suite 210
San Antonio, TX 78216

Maureen G Wright Trust
2816 kentucky St NE
Albuquerque, NM 87110-3408

New Mexico Commissioner Public Lands
New Mexico State Land Office
810 Houston Street
Suite 2000
Ft. Worth, TC 76102-6223