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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

Tł	HIS CHECKLIST IS M	ANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE
Applic	[DHC-Dowr [PC-Po	
[1]		PLICATION - Check Those Which Apply for [A] Location - Spacing Unit - Simultaneous Dedication NSL NSP SD
	Check [B]	One Only for [B] or [C] Commingling - Storage - Measurement DHC CTB
	[C]	Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
	[D]	Other: Specify
[2]	NOTIFICATI [A]	ON REQUIRED TO: - Check Those Which Apply, or □ Does Not Apply XX Working, Royalty or Overriding Royalty Interest Owners
	[B]	Offset Operators, Leaseholders or Surface Owner
	[C]	Application is One Which Requires Published Legal Notice
	[D]	XX 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 ACC	CURATE 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 complet	ed by an individual with m	anagerial and/or supe	rvisory capacity.	
HOLLY C. PERKINS	YANNA YANNA	1 C. Jelis	REGULATORY	COMPLIANCE TECH	4/10/2007
Print or Type Name	Signature		Title		Date

Holly_perkins@xtoenergy e-mail Address



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

April 24, 2007

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

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

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Subject: Proposed Surface Commingle Stanolind Gas Com B #2 and B #5 - 045-52 209 h San Juan County, NM

Dear Mr. Jones & Mr. Lovato:

XTO Energy Inc. requests administrative approval for surface commingling of natural gas produced from the wells operated in the Stanolind Gas Com B #2 and Stanolind Gas Com B #5. These wells are located in Section 09-Township 32N-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 Indians and non-Indian leases. The anticipated fuel requirements for each well is also presented and currently we anticipate the only fuel requirements to be for pumping unit engines, separators and for the compressor engine. There are no bypass gas lines for this system.

Each well will be equipped with allocation meters that will be maintained by XTO Energy in accordance with State and Federal Regulations (Onshore Order No. 5). To ensure the initial system integrity, all flowlines will be pressure tested appropriately. Produced liquids will not be surface commingled. All interest owners have been notified via certified mail, return receipt, on March 22, 2007

The following attachments are included with this application:

Form C107B (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 information, spacing, permits, lease numbers, gravities/BTU, MCF Schematic diagram showing all flowlines, compressors & equipment Details of allocation formula, including line purging and venting Letter to WI, NRI & ORRI owners & list of owners Administrative Application Checklist

Sincerely

Holly C. Perkins Regulatory Compliance Tech

xc: OCD, Aztec Office

District I 1625 N. French Drive, Hobbs, NM 88240 District II 1301 W. Grand Ave, Artesia, NM 88210 District III 1000 Rio Brazos Road, Aztec, NM 87410 District IV 1220 S. St Francis Dr, Santa Fe, NM 87505

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State of New Mexico Energy, Minerals and Natural Resources Department

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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.

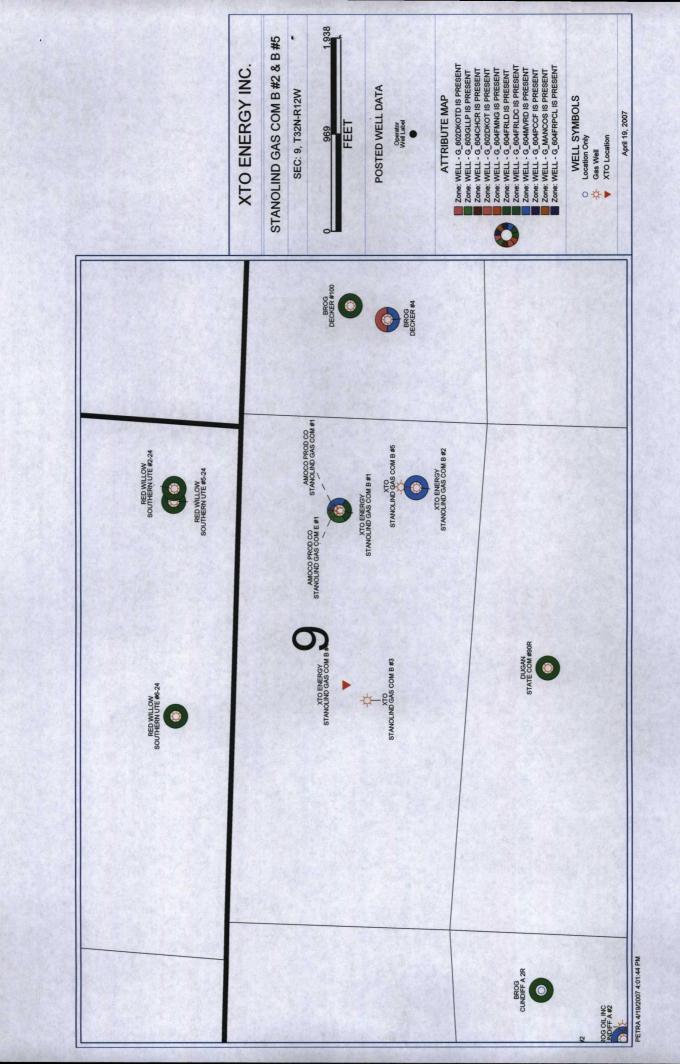
APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

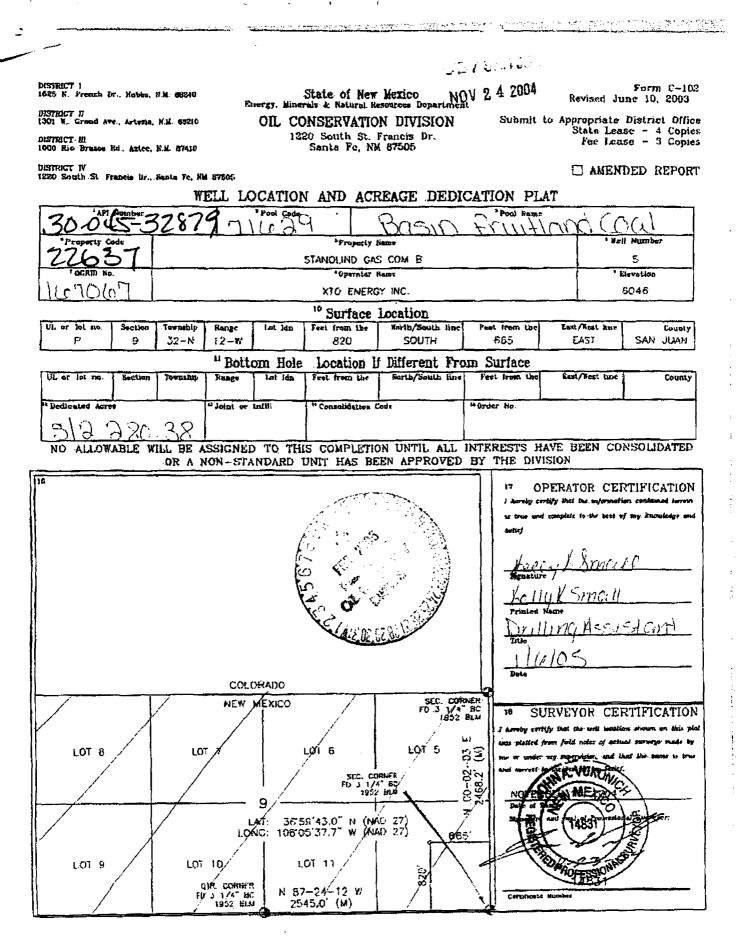
APPLICATION TYPE:	RMINGTON AVE, SI				
APPLICATION TYPE: X Pool Commingling Lease Commingling LEASE TYPE: X Fee		UITE K-1			
LEASE TYPE: X Fee S				······	
	g Pool and Lease Co	mmingling Off-Lease	Storage and Measu	rement (Only if not Surfac	e Commingled)
Is this an Amendment to existing Order	State 🗌 Federa	1			
Have the Bureau of Land Management					ingling
		L COMMINGLIN s with the following in		, 	
(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
BASIN FRUITLAND COAL 71629	0.60 / 0				
BLANCO MESAVERDE 72319	0.7370 / 10.423				
]			
 (3) Have all interest owners been notified (4) Measurement type: X Metering (5) Will commingling decrease the value of th	Other (Specify) of production? Yes	X No If "yes", descril			
		SE COMMINGLIN s with the following in			
(1) Pool Name and Code.		·			
 (2) Is all production from same source of s (3) Has all interest owners been notified by 			Yes No		
(4) Measurement type: Metering		Josed comminging:			
	(C) POOL and	LEASE COMMIN	GLING		
		s with the following in			
(1) Complete Sections A and E.					
) OFF-LEASE ST	ORAGE and MEA			
([ate with the following i	nformation		
	Please attached she		mormation		
(1) Is all production from same source of s	supply? Yes N			<u></u>	
	supply? Yes N				
 (1) Is all production from same source of s (2) Include proof of notice to all interest o 	supply?	o PRMATION (for all	application ty	pes)	
(1) Is all production from same source of s (2) Include proof of notice to all interest o (E) AL	supply? Yes N wners. DDITIONAL INFO Please attach sheet	0	application ty	pes)	
 (1) Is all production from same source of s (2) Include proof of notice to all interest o 	supply? Yes N wners. DDITIONAL INFO Please attach sheet ling legal location.	o PRMATION (for all s with the following in	application ty formation		
 (1) Is all production from same source of s (2) Include proof of notice to all interest o (E) AI (1) A schematic diagram of facility, include 	supply? Yes N wners. DITIONAL INFO Please attach sheet ling legal location. all well and facility location	o PRMATION (for all s with the following in	application ty formation		

TYPE OR PRINT NAME <u>HOLLY C. PERKINS</u>

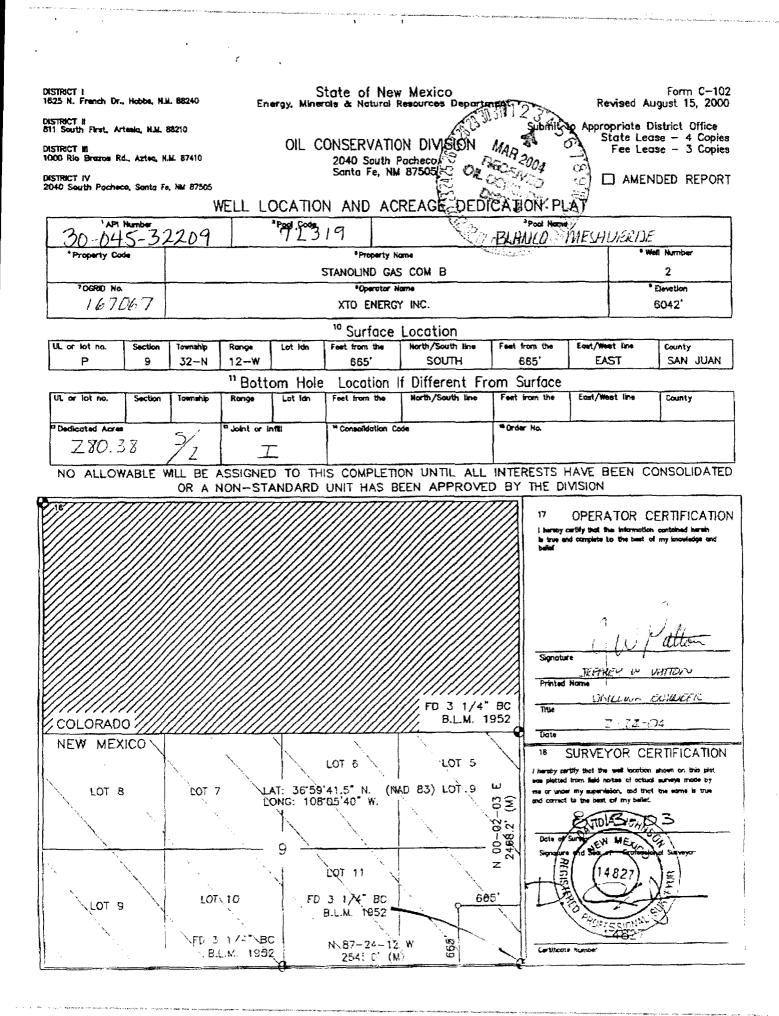
TELEPHONE NO.: (505) 564-6720

E-MAIL ADDRESS: Holly_perkins@xtoenergy.com





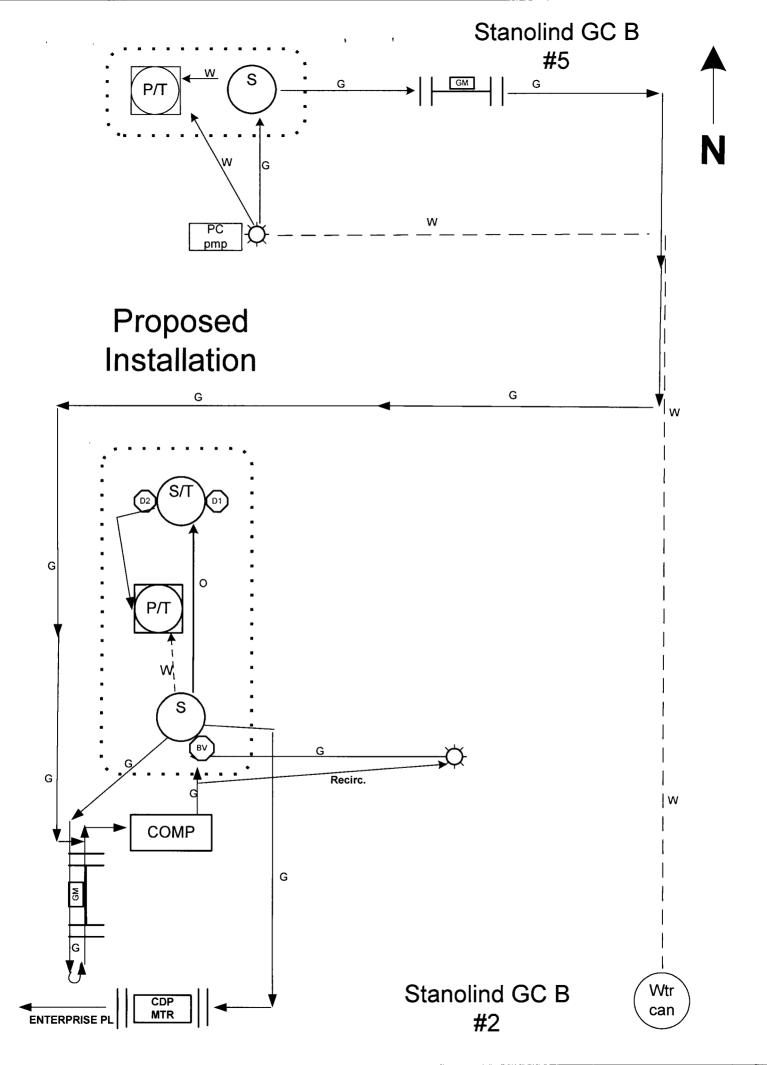
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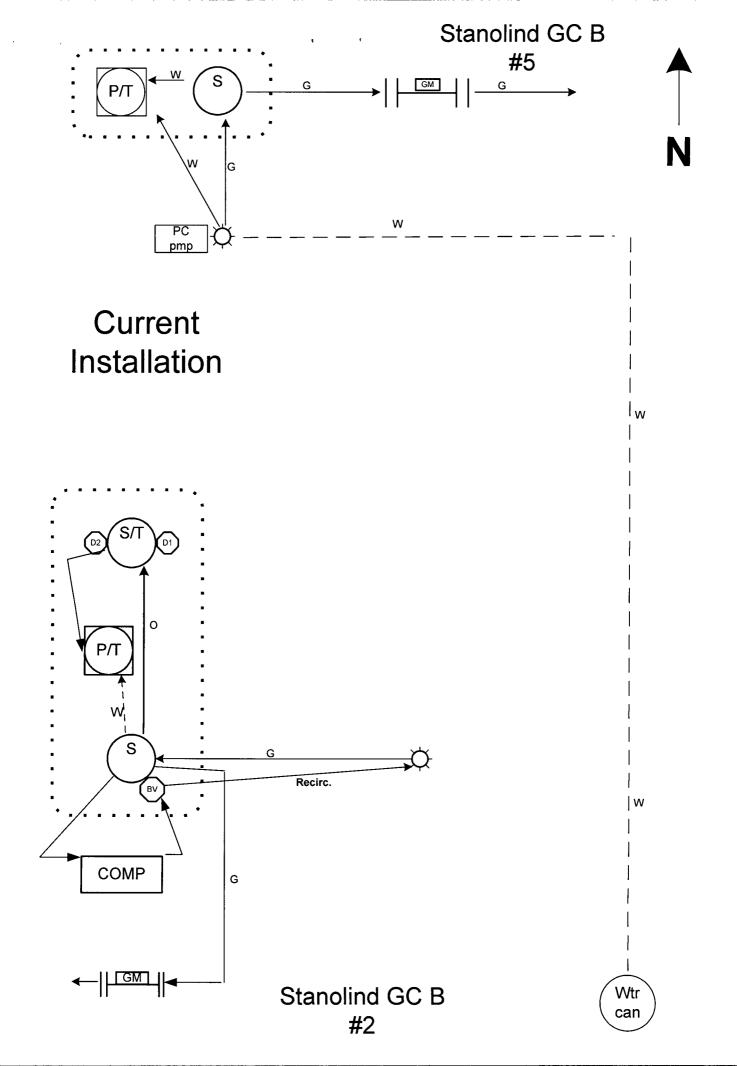


	Well Name	
	Stanolind Gas Com B #5	Stanolind Gas Com B #2
API#	30-045-32879	30-045-32209
Section	9	9
Township	32N	32N
Range	12W	12W
FNL/FSL	820' FSL	665' FSL
FEL/FWL	665' FEL	665' FEL
Lease #	Private	Fee
Pool	Basin Fruiltland Coal	Blanco Mesaverde
Permits	N/A	N/A
Spacing	S/2	S/2
Gravity	0.6	0.737
BTU	0	10.423
st Daily Gas Rate	1 MMCF	150 MCF
ŴI	38.01%	38.01%
NRI	36.24%	~2.61%

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Stanolind Gas Com B #5 and B #2

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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 $(W/SUM W) \times X$
- 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/SUM W for the wells involved.
- E = Allocated volume of gas lost and/or vented fr/the gathering system and/or gathering systemequipment, MCF. The total volume will be determined using industry accepted proceduresfor the conditions existing at the time of the loss. All volumes corresponding to liquidcondensation within the gathering system will also be determined. The total volume lostand/or vented will be allocated to the individual wells affected using factors determinedby W/SUM W.

<u>Allocated individual Well BTU's</u> = ((W x Individual well BTU) /SUM (W x individual well BTU)) x 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

March 22, 2007

RE: Notice to Working and Royalty Interest Owners Application to Surface Commingle Gas Production San Juan County, NM

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 Stanolind Gas Com B #5 and the Stanolind Gas Com B #2. Both wells are located in Sec 09, T32N, R12W. 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

Holly C(Perkins Regulatory Compliance Tech

xc: Well Files FW Land Dept. NMOCD, Aztec BEN R. HOWARD 11490 AUDELIA ROAD #215 DALLAS, TX 752430000 STANOLIND GAS COM B 5 SC

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BETTY TURNER CALLOWAY PO BOX 191767 DALLAS, TX 752191767 STANOLIND GAS COM B 5 SC

BONANZA CREEK MINERALS, LLC 2321 CANDELARIA NW ALBUQUERQUE, NM 871073055 STANOLIND GAS COM B 5 SC

BRIAN D GIBSON 66 ARROYO HONDO TRL # C SANTA FE, NM 875089487 STANOLIND GAS COM B 5 SC

BURLINGTON RESOURCES OIL & GAS COMPANY PO BOX 840656 DALLAS, TX 752840656 STANOLIND GAS COM B 5 SC

CHARLES H CULPEPPER IRR TR B TRUSTEES-DOROTHY CULP PO BOX 229 FARMINGTON, NM 874990000 STANOLIND GAS COM B 5 SC

ELIZABETH H WHITE FAMILY TRUST LINDA PAYNE, TRUSTE PO BOX 780099 DALLAS, TX 753780099 STANOLIND GAS COM B 5 SC

FRED E TURNER 4925 GREENVILLE AVENUE ONE ENERGY SQUARE SUITE 852 DALLAS, TX 752064079 STANOLIND GAS COM B 5 SC

GIBSON FAMILY TRUST P O BOX 546 TESUQUE, NM 875740000 STANOLIND GAS COM B 5 SC

GURDON MILLER 704 CANYON CREST DR SIERRA MADRE, CA 910241312 STANOLIND GAS COM B 5 SC BEN R. HOWARD 11490 AUDELIA ROAD #215 DALLAS, TX 752430000 STANOLIND GAS COM B 5 SC

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