

DATE IN 8/30/07	SUSPENSE	W. Jones ENGINEER	8/30/07 LOGGED IN	DHC 3460 TYPE	APP NO. PTDS0724252928
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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			



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

August 27, 2007

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

Subject: Downhole Commingle RB Sullivan #3F
30-045-34304 Sec 11 - T27N - R10W
Basin Dakota & Wildcat Basin Mancos
San Juan, New Mexico

Dear Mr. Jones:

Enclosed please find an administrative application form (C107A) and attachments for downhole commingling of the Basin Dakota and Wildcat Basin Mancos pools. XTO Energy Inc. plans to drill this well immediately and downhole commingle at the time of completion.

The ownership (WI, MRI & ORRI) of these pools are identical in this wellbore. Downhole commingling in this manner will offer an economic method of production while protecting against reservoir damage, waste of reserves and violation of correlative rights. Should you require any additional information please contact me at (505) 324-1090.

If you have any questions pertaining to this matter, please call me at (505) 324-1090.

Sincerely,

Holly C. Perkins
Regulatory Compliance Tech

xc: Wellfile
OCD, Aztec Office

2007 AUG 30 AM 11:07
RECEIVED

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 87240
 District II
 1301 W. Grand Ave., 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

Form C-103
 May 27, 2004

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

WELL API NO. 30-045-34304
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: RB SULLIVAN
8. Well Number #3F
9. OGRID Number 5380
10. Pool name or Wildcat WILDCAT BASIN MANCOS/BASIN DAKOTA

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:
 Oil Well Gas Well Other

2. Name of Operator
XTO Energy Inc.

3. Address of Operator
2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401

4. Well Location
 Unit Letter **E**: **1965** feet from the **NORTH** line and **850** feet from the **WEST** line
 Section **11** Township **27N** Range **10W** NMPM County **SAN JUAN**

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6208'

Pit or Below-grade Tank Application or Closure

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK PLUG AND ABANDON

TEMPORARILY ABANDON CHANGE PLANS

PULL OR ALTER CASING MULTIPLE COMPLETION

OTHER: **DOWNHOLE COMMINGLE**

SUBSEQUENT REPORT OF:

REMEDIAL WORK ALTERING CASING

COMMENCE DRILLING OPNS. PLUG AND ABANDONMENT

CASING TEST AND CEMENT JOB

OTHER:

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

XTO Energy Inc. proposes to downhole commingle the Basin Dakota (71599) and the Wildcat Basin Mancos (97232) upon completion of drilling. Allocations for pools is based upon Dakota & Mancos production from two wells in the same section as this well. Supporting documentation is attached.

Basin Dakota:	Oil: 66.67%	Gas: 47.62%	Water: 91.44%
Wildcat Basin Mancos:	Oil: 33.33%	Gas: 52.38%	Water: 8.56%

Ownership between pools is common & certified notice to owners was unnecessary. Downhole commingling will offer an economical method of production while guarding against reservoir damage, waste of reserves & protection of correlative rights. Since well is on private land, no notice was given to BLM.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan

SIGNATURE Holly C. Perkins TITLE REGULATORY COMPLIANCE TECH DATE 8/24/2007
 E-mail address: holly_perkins@xtoenergy.com
 Type or print name HOLLY C. PERKINS Telephone No. 505-324-1090

For State Use Only

APPROVED BY _____ TITLE _____ DATE _____
 Conditions of Approval, if any:

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brnoa 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 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
Permit 92288

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 36-045-34304	2. Pool Code 7L599	3. Pool Name BASIN DAKOTA (PROKATED GAS)
4. Property Code 22631	5. Property Name R B SULLIVAN	6. Well No 003F
7. GGRID No 5380	8. Operator Name NTO ENERGY, INC	9. Elevation 6268

10. Surface Location

10.1 - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
F	11	27N	10W		1965	N	850	W	SAN JUAN

11. Bottom Hole Location If Different From Surface

11.1 - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 320.00		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

	OPERATOR CERTIFICATION		
	<p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p>		
	<p>E-Signed By: Cheryl Moore Title: Regulatory Analyst Date: 5/3/2007</p>		
	SURVEYOR CERTIFICATION		
<p><i>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.</i></p>			
<p>Surveyed By: Roy Rush Date of Survey: 1.12.2007 Certificate Number: 3894</p>			

District I
1625 N. French Dr., Hobbs, NM 88240
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1301 W. Grand Ave., Artesia, NM 88210
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1000 Rio Hondo Rd., Aztec, NM 87410
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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101
Permit 22788

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 80-043-34304	2. Pool Code 97232	3. Pool Name WC BASIN MANCOS
4. Property Code 22631	5. Property Name R B SULLIVAN	
7. OUEB No 5380	8. Operator Name XTO ENERGY, INC	9. Elevation 6205

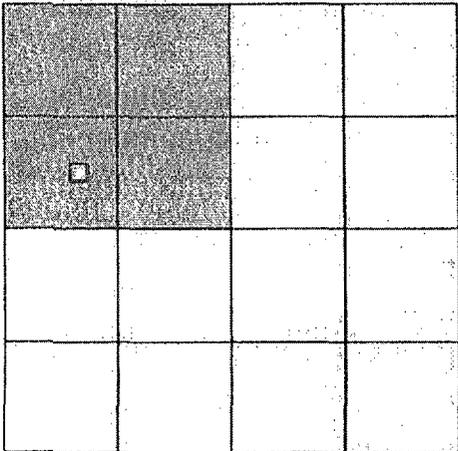
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
E	H	27N	10W		1965	H	850	W	SAN JUAN

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acre 160.00		13. Jointer 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 style="text-align: center;">OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p>E-Signed By: Cheryl Moore Title: Regulatory Analyst Date: 5/8/2007</p> <hr/> <p style="text-align: center;">SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>Surveyed By: Roy Rush Date of Survey: 4/12/2007 Certificate Number: 8894</p>
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RB SULLIVAN #3F ALLOCATIONS

The Martin Gas Com C #2 and the RB Sullivan #4 are located in the same section as the RB Sullivan #3F. Allocations are based upon the Dakota production in the Martin GC C #2 and the Mancos production in the RB Sullivan #4:

RB SULLIVAN #3F ALLOCATIONS

Gas	52.38% Mancos	47.62% Dakota
Oil	33.33% Mancos	66.67% Dakota
Water	8.56% Mancos	91.44% Dakota

Martin Gas Com C #2 Dakota Production

50 MCFPD
2 BOPD
2.67 BWPD

RB Sullivan #4 Mancos production

55 MCFPD
2 BOPD
2.67 BWPD

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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-107A
Revised June 10, 2003

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

DHC-3950

XTO ENERGY INC.

2700 FARMINGTON AVE, SUITE K-1

FARMINGTON, NM 87401

Operator SULLIVAN RB #3F Address UL "E" SEC 11, T27N, R10W SAN JUAN

Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 5380 Property Code _____ API No. 30-045-34304 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	WILDCAT BASIN MANCOS		BASIN DAKOTA
Pool Code	97232		71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5724' -6079'		6513' -6750
Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
Bottomhole Pressure <small>(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)</small>			
Oil Gravity or Gas BTU (Degree API or Gas BTU)			
Producing, Shut-In or New Zone	New Zone		New Zone
Date and Oil/Gas/Water Rates of Last Production. <small>(Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)</small>	Date: Rates:	Date: Rates:	Date: Rates:
Fixed Allocation Percentage <small>(Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)</small>	Oil 33.33% Gas 52.38% Water 8.56%	Oil Gas Water	Oil 66.67% Gas 47.62% Water 91.44%

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?
If not, have all working, royalty and overriding royalty interest owners 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 working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

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 Holly C. Perkins TITLE REGULATORY COMPLIANCE TECH DATE 8/24/07

TYPE OR PRINT NAME HOLLY C. PERKINS TELEPHONE NO. (505) 324-1090
E-MAIL ADDRESS holly_perkins@xtoenergy.com