

DATE IN 05/1/08	SUSPENSE SA/08	ENGINEER W Jones	LOGGED IN 5/1/08	TYPE DHC	APP NO. PKUR0812237361
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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.

\_\_\_\_\_  
 LORRI D. BINGHAM  
 Print or Type Name

*Lorri D. Bingham*  
 Signature

\_\_\_\_\_  
 REGULATORY COMPLIANCE TECH 4/28/08  
 Title Date

\_\_\_\_\_  
 Lorri\_bingham@xtoenergy.com  
 e-mail Address

RECEIVED  
 2008 MAY 1 AM 10:19

DISTRICT I  
1625 N. French Dr., Hobbs, NM 88240  
DISTRICT II  
1301 W. Grand Avenue, 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

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

Form C-107A  
Revised June 10, 2003

APPLICATION TYPE  
 Single Well  
 Establish Pre-Approved Pools  
EXISTING WELLBORE  
 Yes  No

APPLICATION FOR DOWNHOLE COMMINGLING

Operator XTO Energy Inc. Address 382 CR 3100 Aztec, NM 87410 DAX-4026

Lease MARTIN GAS COM Well No. #1F Unit Letter-Section-Township-Range SEC 15G T27N R10W County SAN JUAN, NM

OGRID No. 5380 Property Code 22767 API No. 30-045-34385 Lease Type:  Federal  State  Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	<del>WILDCAT BASIN MANCOS</del> <u>Car Pool</u>		<u>Basin DAKOTA (Pro. Co.)</u>
Pool Code	<u>97232</u>		<u>71599</u>
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)			
Method of Production (Flowing or Artificial Life)	<u>FLOWING</u>		<u>FLOWING</u>
Bottomhole Pressure (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)	<u>4636' - 5756'</u>		<u>6655' - 6934'</u>
Oil Gravity or Gas BTU (Degree API or Gas BTU)			
Producing, Shut-In or New Zone	<u>NEW</u>		<u>NEW</u>
Date and Oil/Gas/Water Rates of Last Production (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: Rates:	Date: Rates:	Date: Rates:
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil: <u>66.67</u> % Gas: <u>29.86</u> %	Oil: % Gas: %	Oil: <u>33.33</u> % Gas: <u>70.14</u> %

Are all working, overriding, and royalty interests identical in all commingled zones? Yes  No   
If not, have all working, overriding, and royalty interests 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 all offset operators.
  - Notification list of working, overriding, and royalty interests for uncommon interest cases.
  - Any additional statements, data, or documents required to support commingling.

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 Lorri D. Bingham TITLE REG COMPLIANCE TECH DATE 4/28/08

TYPE OR PRINT NAME LORRI D. BINGHAM TELEPHONE NO. ( 505 ) 333-3204

E-MAIL Lorri\_bingham@xtoenergy.com

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MARTIN GAS COM 01F DK (BPO) DHC



382 CR 3100  
Aztec, NM 87410

April 4, 2008

Interest Owners

Subject: Notice of Intent to Apply for Downhole Commingling  
Martin Gas Com #1F  
Unit G, Sec 15, 27N, R10W

XTO Energy Inc is submitting an application to the New Mexico Oil Conservation Division (NMOCD) to downhole commingle production from the Basin Dakota and the Basin Mancos pools in the Martin GC #1F. Commingling of these pools will minimize operating costs, add reserves and improve economics of the well.

The proposed allocation percentages for each pool are as follows:

Basin Dakota	Gas: 70.14%	Water: 40%	Oil: 33.33%
Basin Mancos	Gas: 29.86%	Water: 60%	Oil: 66.67%

NMOCD requires all interest owners be notified of intent to downhole commingle if ownership is different between zones. If you need additional information or have any questions, I may be contacted at (505) 333-3100. If you have any objections to our application, please contact me within twenty (20) days of the date of this letter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lorri D. Bingham', is written over a printed name and title.

Lorri D. Bingham  
Regulatory Compliance Tech

xc: well file



Matthew Phillips/FAR/CTOC

01/16/2008 08:58 AM

To Holly Perkins/FAR/CTOC@CTOC

cc

bcc

Subject DHC Allocations (Martin Gas Com # 1F)

Holly,

I was wanting to see if we could submit this early so that we would not be waiting on the DHC from Santa Fe to first deliver this well. The well is the Martin Gas Com # 1 F (T-27-N, R-10-W, Sec 15) API # 30-045-34385. I am wanting to use the same allocations for this well as we used in the Federal H # 1F. This well is also a Dakota/Mancos is the same 9-section. The zones were tested separately to determine the allocation distribution in the Federal H # 1 F. The allocations used in the Federal H # 1F are as follows:

Mancos

Oil = 66.67%

Water = 60.00%

Gas = 29.86%

Dakota

Oil = 33.33%

Water = 40.00%

Gas = 70.14%

Please let me know if this will or will not work.

Thanks,

Matthew Phillips  
Operations Engineer  
XTO Energy, Inc.  
San Juan Division  
(505) 330 - 0775 cell  
(505) 333 - 3190 office