

12/9/03

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DHC-3224



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DEC 09 2003

OIL CONSERVATION
DIVISION

December 5, 2003

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

RE: Application for Exception to Rule 303-C Downhole Commingle
Blanco LS #14
Unit G, Sec. 01, T 27 N, R 08 W
San Juan County, New Mexico

Dear Ms. Wrotenberry,

XTO Energy Inc. respectfully request approval to downhole commingle production from the South Blanco Pictured Cliffs, Otero Chacra, and the Blanco Mesaverde pools in the Blanco LS #14. It is proposed to complete the Menefee section of the Mesaverde, the Otero Chacra and the South Blanco Pictured Cliffs formations and downhole commingle with the existing Point Lookout section of the Mesaverde formation. Upon approval of the downhole commingling application, the pools will be completed and downhole commingled. The working interest, NRI and ORRI ownership are common. Downhole commingling will offer an economic method of production, will improve recovery of liquids, eliminating redundant surface equipment and maximize compressor efficiency.

The allocation percentage's for gas and oil were based upon the surrounding average 9 section EUR's for each pool. Attached is the curves for this area EUR's and alloction cacluations.

XTO Energy Inc. request your approval to downhole commingle the South Blanco Pictured Cliffs, Otero Chacra, and the Blanco Mesaverde pools. Should you need any additional information please contact me at (505) 324-1090.

Sincerely,

A handwritten signature in cursive script that reads "Loren W. Fothergill".

Loren W. Fothergill
Production Engineer

Enclosures

Cc: GLM

TDL

LWF

George Cox - FTW Land
Well File

BLANCO LS #14

Allocation Percentages.

See attached curves.

Zone	Cum Gas to date MMCF	Remaining MMCF	EUR	# Wells	EUR/Well
Pictured Cliffs	13018	1180	14198	23	617
Chacra	990	2980	3790	8	496
Mesaverde	16599	7716	24315	27	901

The EUR for the Blanco #14 Mesaverde is 279 MMCF. Therefore the EUR associated with the Blanco LS #14 equals $901 - 279 = 622$ MCF.

Percentage Allocation

Pictured Cliffs $617/1735 = 36\%$
Chacra $496/1735 = 28\%$
Mesaverde $622/1735 = 36\%$

100% of the oil and water is associated with the Mesaverde.

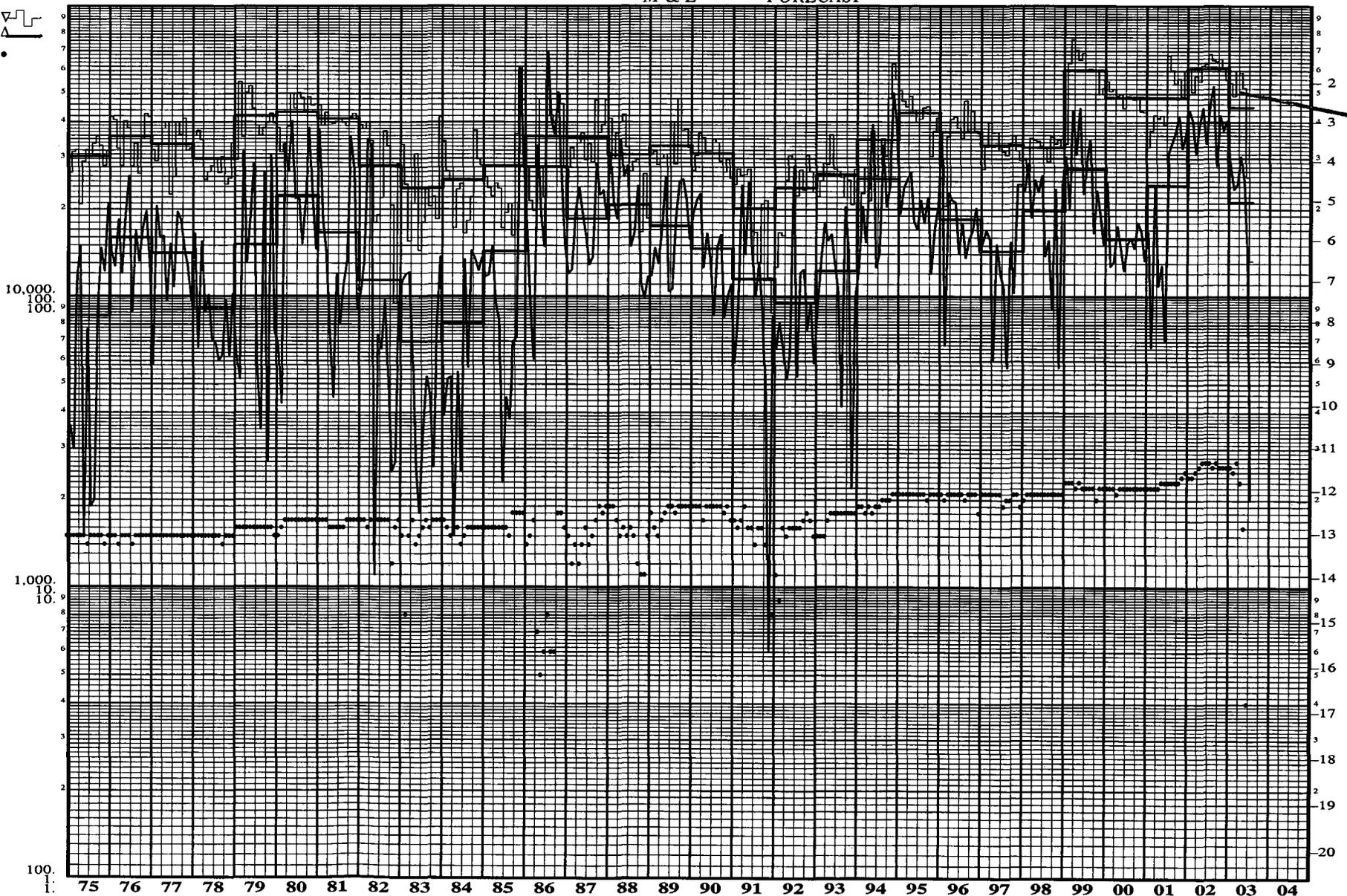
Oil (bbls/mo)	Gas (mcf/mo)		Oil (bbls)	Gas (mcf)	Res. Cat. Life	0.000	
Oil	0		68,952	16,599,737	As-of-Date		
Decline	0.0 %		0	0	Settings		
		Gross Cum @07/03	68,952	16,599,737	Scenario	CTOC	
		Gross Remaining	0	0	DBS	RWTFUD3	
		Gross Ultimate	68,952	16,599,737			
		Net Remaining	0	0			
	Oil Price (\$/bbl)	Gas Price (\$/mcf)	OPC (\$/bbl)	Flat Life (years)	First Last Production	Net Cash Flow	P.W. @ 0.0 %
	0.00	0.00	0.00	0.0	7 07/03	\$ 0	\$ 0

SUMMARY OF MESAVERDE WELLS
 SEC 1 T27N R8W
 SAN JUAN CO., NM.

Run Date :
 Run Time :

GAS (mcf/mo) ▽
 OIL (bbls/mo) Δ
 Well Count ●

M & L - FORECAST



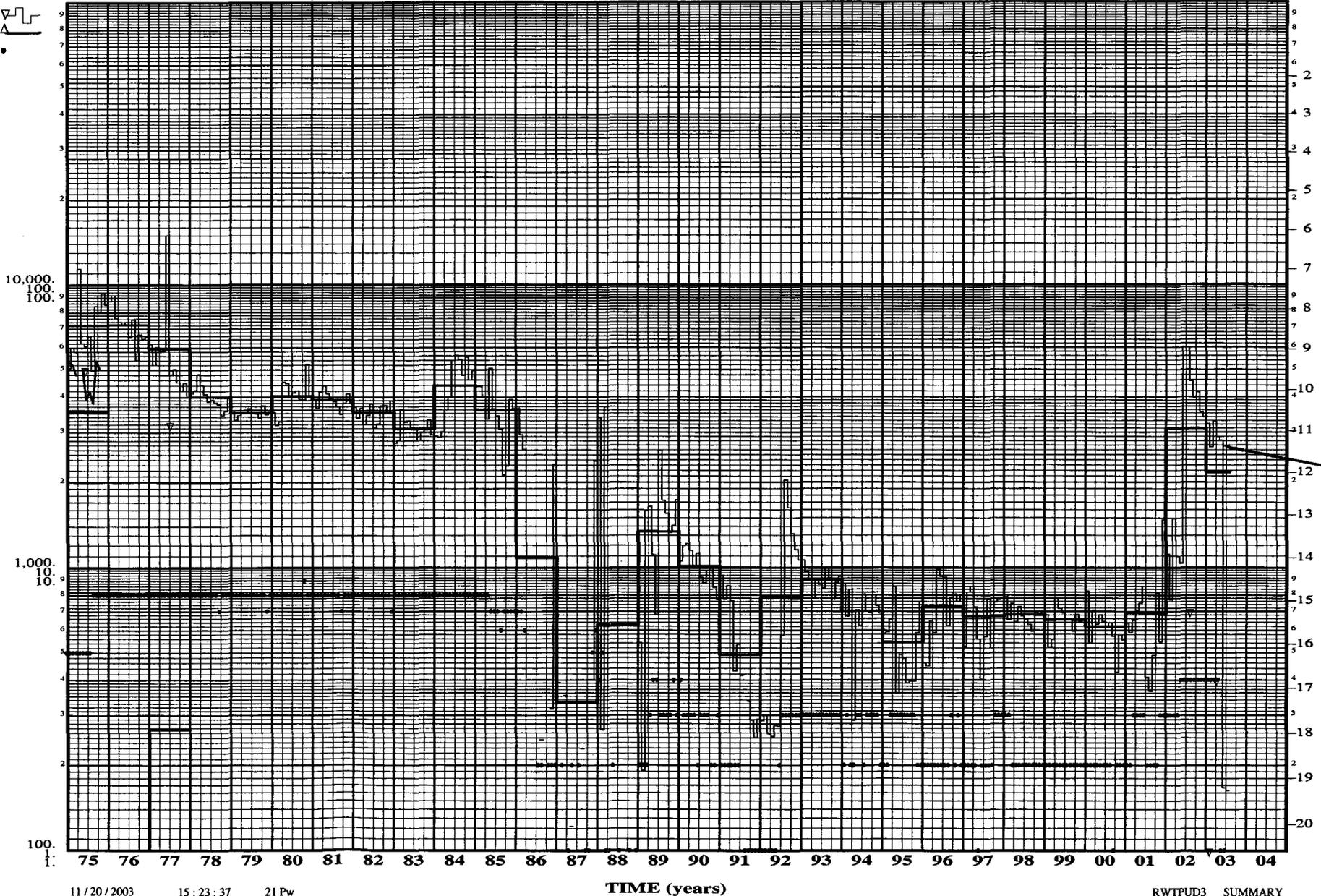
	Oil (bbls/mo)	Gas (mcf/mo)		Oil (bbls)	Gas (mcf)	Res. Cat. Life	0.000
Qi	0	0	Gross Cum @07/03	2,456	989,888	As-of-Date	
Qel	0	0	Gross Remaining	0	0	Settings	CTOC
Decline	0.0 %	0.0 %	Gross Ultimate	2,456	989,888	Scenario	RWTPUD3
			Net Remaining	0	0	DBS	
	Oil Price (\$/bbl)	Gas Price (\$/mcf)	OPC (\$/bbl)	Flat Life (years)	First Last Production	Net Cash Flow	P.W. @ 0.0 %
	0.00	0.00	0.00	0.0	/ 07/03	\$ 0	\$ 0

SUMMARY OF CHACRA WELLS
 SEC 1 T27N R8W
 SAN JUAN CO., NM.

Run Date :
Run Time :

M & L - FORECAST

GAS (mcf/mo) ▽
 OIL (bbls/mo) ▲
 Well Count ●



SUMMARY OF PICTURED CLIFFS WELLS

SEC 1 T27N R8W
SAN JUAN CO., NM.

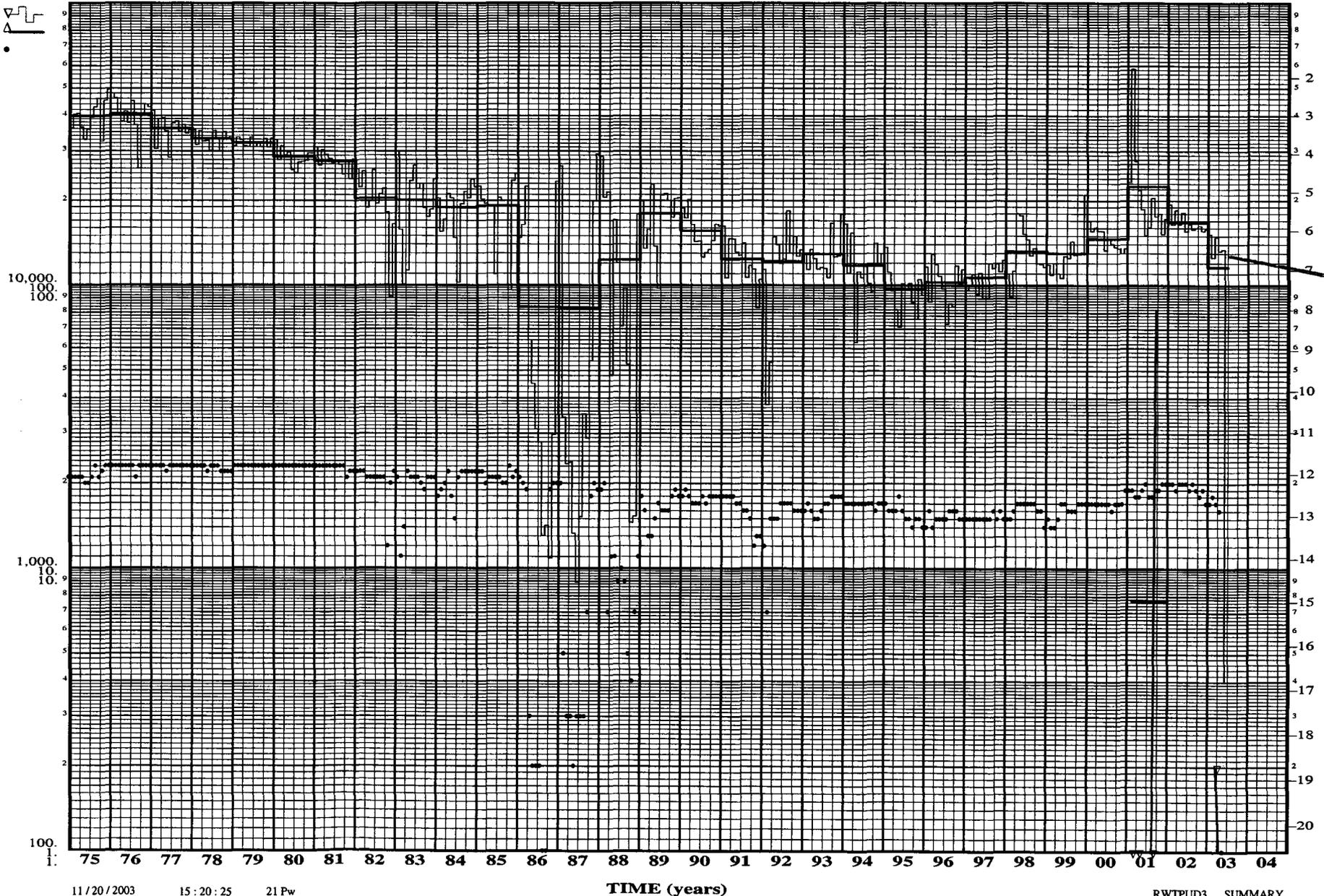
	Oil (bbls/mo)	Gas (mcf/mo)		Oil (bbls)	Gas (mcf)	Res. Cat. Life	0.000
Qi	0	0	Gross Cum @06/03	126	13,018,259	As-of-Date	
Qel	0	0	Gross Remaining	0	0	Settings	
Decline	0.0 %	0.0 %	Gross Ultimate	126	13,018,259	Scenario	CTOC
			Net Remaining	0	0	DBS	RWTUPD3

Oil Price (\$/bbl)	Gas Price (\$/mcf)	OPC (\$/bbl)	Flat Life (years)	First Last Production	Net Cash Flow	P.W. @ 0.0 %
0.00	0.00	0.00	0.0	/ 06/03	\$ 0	\$ 0

Run Date :
Run Time :

M & L - FORECAST

GAS (mcf/mo) ▽
OIL (bbls/mo) Δ
Well Count •



District I
1625 N. French Drive, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised May 15, 2000

District II
1301 W. Grand Avenue, Artesia, NM 88210

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

District III
1000 Rio Brazos Road, Aztec, NM 87410

APPLICATION FOR DOWNHOLE COMMINGLING

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

XTO Energy Inc. 2700 Farmington Ave, Bldg K, Ste. 1 Farmington, NM 87402

Operator Blanco LS	Address Unit G, Sec 1, T27N, R8W	County San Juan
Lease 14	Well No. Unit Letter-Section-Township-Range	County San Juan
OGRID No. 167067 Property Code _____ API No. 30-045-06856 Lease Type: <input checked="" type="checkbox"/> Federal <input type="checkbox"/> State <input type="checkbox"/> Fee		

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	S. Blanco Pictured Cliffs	Otero Chacra	Blanco Mesaverde
Pool Code	72439	82329	72319
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	3,316' - 3,330' Perforated	4,265' - 4,280' Perforated	5,275' - 5,674' Perforated
Method of Production (Flowing or Artificial Lift)	Flowing	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 <small>(Degree API or Gas BTU)</small>	1,405 BTU	1,120 BTU (est)	1,403 BTU
Producing, Shut-In or New Zone	New Zone	New Zone	Shut-In
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 Gas Water 0 % 36 % 0 %	Oil Gas Water 0 % 28 % 0 %	Oil Gas Water 100 % 36 % 100 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes No _____
 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 *Darrin Steed* TITLE Regulatory Supervisor DATE 12/5/2003
 TYPE OR PRINT NAME Darrin Steed TELEPHONE NO. (505) 324-1090

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

Revised Aug

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

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-06856	² Pool Code 82329	³ Pool Name Otero Chacra
⁴ Property Code	⁵ Property Name Blanco LS	⁶ Well Number 14
⁷ OGRID No. 167067	⁸ Operator Name XTO Energy Inc	⁹ Elevation 6,890' GL

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
G	1	27N	8W		1650'	North	1650'	East	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 160	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

16		¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>
		Signature: <i>Loren W Fothergill</i> Printed Name: Loren W. Fothergill Title: Production Engineer Date: 12-03-03
		¹⁸ SURVEYOR CERTIFICATION <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>
		Date of Survey: 04/01/58. Signature and Seal of Professional Surveyor: Original signed by David O Vilven Certificate Number: 1760

District I
1625 N. French Dr., Hobbs, NM 88240

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1000 Rio Brazos Rd., Aztec, NM 87410

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State of New Mexico
Energy, Minerals & Natural Resources Department

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

Revised Aug

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-06856		² Pool Code 72319		³ Pool Name Blanco Mesaverde	
⁴ Property Code		⁵ Property Name Blanco LS			⁶ Well Number 14
⁷ OGRID No. 167067		⁸ Operator Name XTO Energy Inc			⁹ Elevation 6,890' GL

¹⁰ Surface Location

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G	1	27N	8W		1650'	North	1650'	East	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 321.12	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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¹⁶	¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>
	Signature Loren W. Fothergill Printed Name Production Engineer Title Date 12-03-03
	¹⁸ SURVEYOR CERTIFICATION <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> Date of Survey 04/01/581 Signature and Seal of Professional Surveyor: Original signed by David O Vilven 1760 Certificate Number

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-06856		² Pool Code 72439		³ Pool Name S. Blanco Pictured Cliffs	
⁴ Property Code		⁵ Property Name Blanco LS			⁶ Well Number 14
⁷ OGRID No. 167067		⁸ Operator Name XTO Energy Inc			⁹ Elevation 6,890' GL

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
G	1	27N	8W		1650'	North	1650'	East	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 160.28	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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											¹⁸ 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>04/01/58 Date of Survey</p> <p>Signature and Seal of Professional Surveyor: Original signed by David O Vilven</p> <p>1760 Certificate Number</p>