

JAMES BRUCE
ATTORNEY AT LAW

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SANTA FE, NEW MEXICO 87504

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SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

August 2, 2005

Hand Delivered

Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

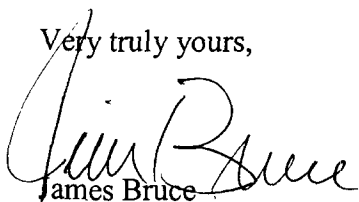
Case 13545

2005 AUG 2 PM 2 16

Dear Florene:

Enclosed for filing, on behalf of XTO Energy Inc. are an original and one copy of an application for surface commingling, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set this matter for the August 25, 2005 hearing.

Very truly yours,


James Bruce

Attorney for XTO Energy Inc.

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF XTO ENERGY INC.
FOR SURFACE COMMINGLING, SAN
JUAN COUNTY, NEW MEXICO.

Case No. 13545

APPLICATION

XTO Energy Inc. seeks an order, pursuant to Division Rule 303.B, approving surface commingling from three wells, and in support thereof, states:

1. Applicant is the operator of the Hare Gas Com. D Well No. 1, located in Unit Letter I of Section 14, and the Hare Gas Com. D Well No. 1E, located in Unit Letter G of Section 14, Township 29 North, Range 11 West, NMPM, which both produce from the Basin-Dakota Gas Pool. The E½ of Section 14 is dedicated to these wells.

2. Applicant is also operator of the Hare Gas Com. J Well No. 1, located in Unit Letter J of Section 14, Township 29 North, Range 11 West, NMPM, which produces from the Otero-Chacra Gas Pool. The SE¼ of Section 14 is dedicated to the well.

3. Applicant requests approval to commingle production from the above wells. Applicant proposes to separately meter gas production before commingling, and the commingled gas will use a shared compressor at the Hare Gas Com. D Well No. 1 location.

4. Sharing a compressor will lower operating costs and fuel usage, and extend the economic lives of the three wells, which will increase ultimate recovery.

5. Interest ownership among the two pools and the wells completed therein is not common.

6. The granting of this application is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

7. APPLICANT REQUESTS THAT, IN THE ABSENCE OF OBJECTION, THIS MATTER BE TAKEN UNDER ADVISEMENT.

WHEREFORE, applicant requests that, after notice and hearing, the Division grant the relief requested above.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "James Bruce", is written over a horizontal line.

James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for XTO Energy Inc.

PROPOSED ADVERTISEMENT

Case No. 13545: **Application of XTO Energy Inc. for approval of surface commingling, San Juan County, New Mexico:** Applicant seeks an order, pursuant to Division Rule 303.B, approving surface commingling of (i) Basin-Dakota Gas Pool production from the Hare Gas Com. D Well No. 1, located in Unit Letter I of Section 14, and the Hare Gas Com. D Well No. 1E, located in Unit Letter G of Section 14, with (ii) Otero-Chacra Gas Pool production from the Hare Gas Com. J Well No. 1, located in Unit Letter J of Section 14, all located in Township 29 North, Range 11 West, NMPM. Gas produced from each well will be separately metered before commingling, and the commingled gas will use a shared compressor at the Hare Gas Com. D Well No. 1 location. The wells are located approximately 1 mile northeast of Bloomfield, New Mexico. **IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.**

2005 AUG 2 PM 2 16

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

May 13, 2005

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

Subject: Proposed Surface Commingle
Hare Gas Com D #1, D #1E and J #1
Agreement SW275; fee leases

Dear Mr. Jones & Mr. Lovato:

XTO Energy Inc. requests administrative approval for surface commingling natural gas produced from the wells operated in the Hare Gas Com D #1, Hare Gas Com D #1E and Hare Gas Com J #1. These wells are all located in Sec 14, T29N-R11W, 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 and increasing their 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, which will be maintained by XTO Energy in accordance with State and Federal Regulations (Onshore Order No. 5). To ensure the initial system integrity, all flow lines will be pressure tested appropriately. Produced liquids will not be surface commingled. All interest owners have been notified via certified mail, return receipt, on May 13, 2005.

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

2005 MAY 20 PM 12 54

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised June 10, 2003

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)

OPERATOR NAME: XTO ENERGY INC.

OPERATOR ADDRESS: 2700 FARMINGTON AVE, SUITE K-1

APPLICATION TYPE:

☒ Pool Commingling ☐ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☐ State ☒ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. _____

Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling

☒ Yes ☐ No

(A) POOL COMMINGLING

Please attach sheets with the following information

| (1) Pool Names and Codes | Gravities / BTU of Non-Commingled Production | Calculated Gravities / BTU of Commingled Production | | Calculated Value of Commingled Production | Volumes |
|--------------------------|--|---|--|---|---------|
| BASIN DAKOTA 71599 | 0.740 64.996 | | | | |
| BASIN DAKOTA 71599 | 0.7020 32.050 | | | | |
| OTERO CHACRA 82329 | 0.6590 8.197 | | | | |
| | | | | | |
| | | | | | |

(2) Are any wells producing at top allowables? ☐ Yes ☒ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No.

(4) Measurement type: ☒ Metering ☐ Other (Specify)

(5) Will commingling decrease the value of production? ☐ Yes ☒ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING

Please attach sheets with the following information

(1) Pool Name and Code.

(2) Is all production from same source of supply? ☐ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No

(4) Measurement type: ☒ Metering ☐ Other (Specify)

(C) POOL and LEASE COMMINGLING

Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attach sheets with the following information

(1) Is all production from same source of supply? ☐ Yes ☐ No

(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.

(3) Lease Names, Lease and Well Numbers, and API Numbers.

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

SIGNATURE: 

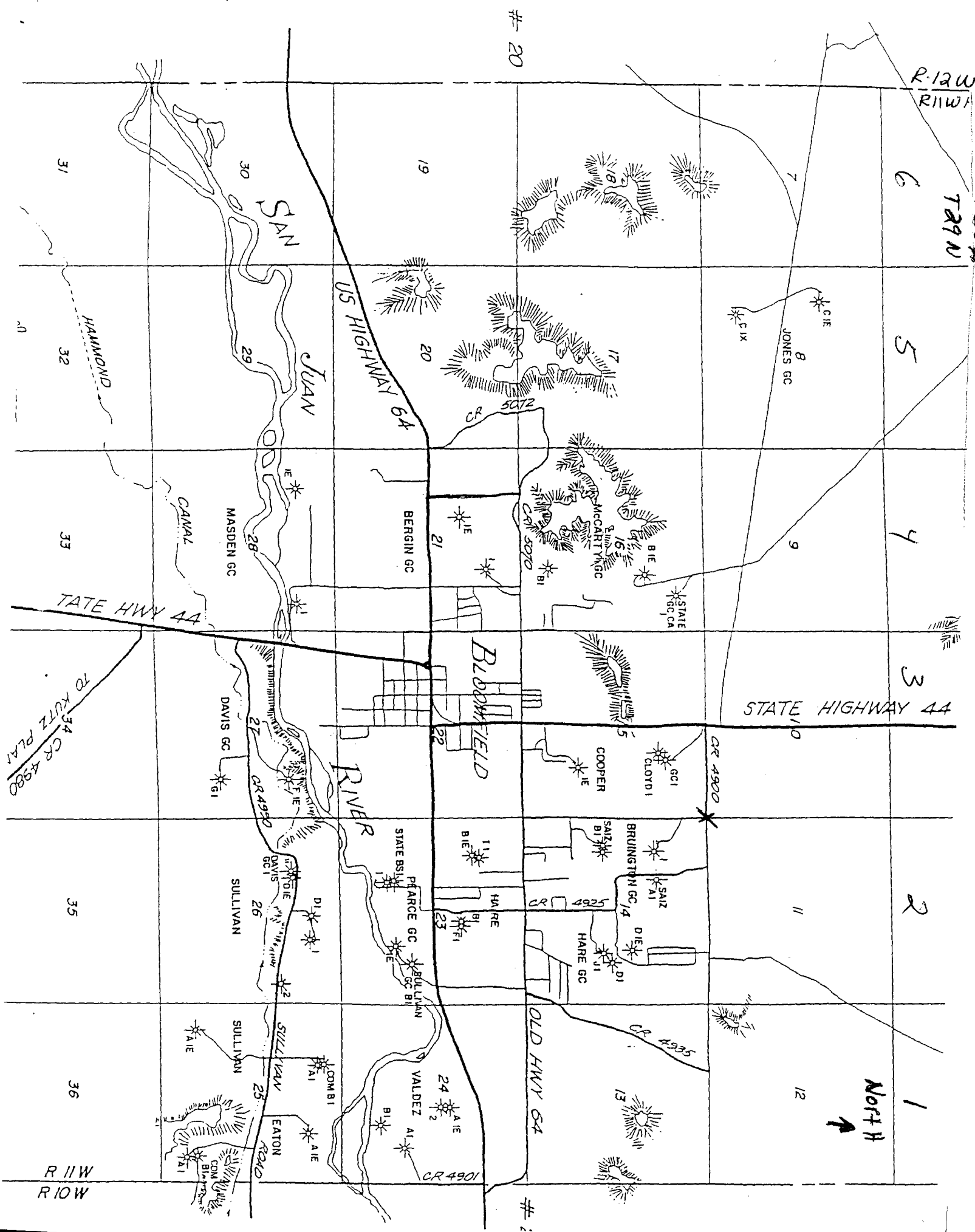
TITLE: REGULATORY COMPLIANCE TECH

DATE: 3/2/2005

TYPE OR PRINT NAME HOLLY C. PERKINS

TELEPHONE NO.: (505) 564-6720

E-MAIL ADDRESS: Regulatory@xtoenergy.com



District I
1005 N. French Dr., Hobbs, NM 88240
District II
1011 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 30-045-08303 | | ² Pool Code 71599 | ³ Pool Name BASIN DAKOTA |
| ⁴ Property Code | ⁵ Property Name HARE GAS COM D | | ⁶ Well Number 1 |
| ⁷ OGRID No. 167067 | ⁸ Operator Name XTO Energy, Inc. | | ⁹ Elevation 5582' |

¹⁰ Surface Location

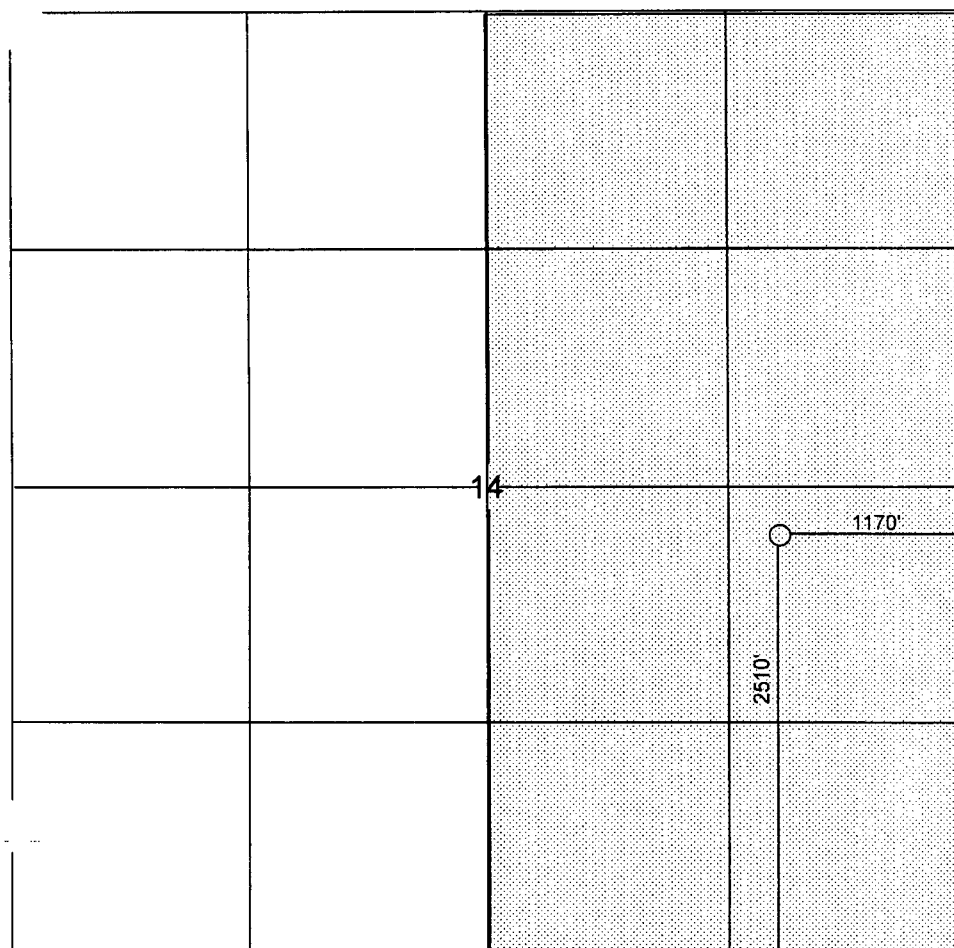
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| I | 14 | 29N | 11W | | 2510 | SOUTH | 1170 | 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 320 E/2 | 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

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

MARCH 2, 2005
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.

JULY 5, 1965
Date of Survey

Signature and Seal of Professional Surveyor:
Original signed by James P. Leese

1463
Certificate Number

District II
611 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

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 30-045-23859 | ² Pool Code 71599 | ³ Pool Name BASIN DAKOTA |
| ⁴ Property Code | ⁵ Property Name HARE GAS COM D | ⁶ Well Number 1E |
| ⁷ OGRID No. 167067 | ⁸ Operator Name XTO Energy. Inc. | ⁹ Elevation 5574' |

¹⁰ Surface Location

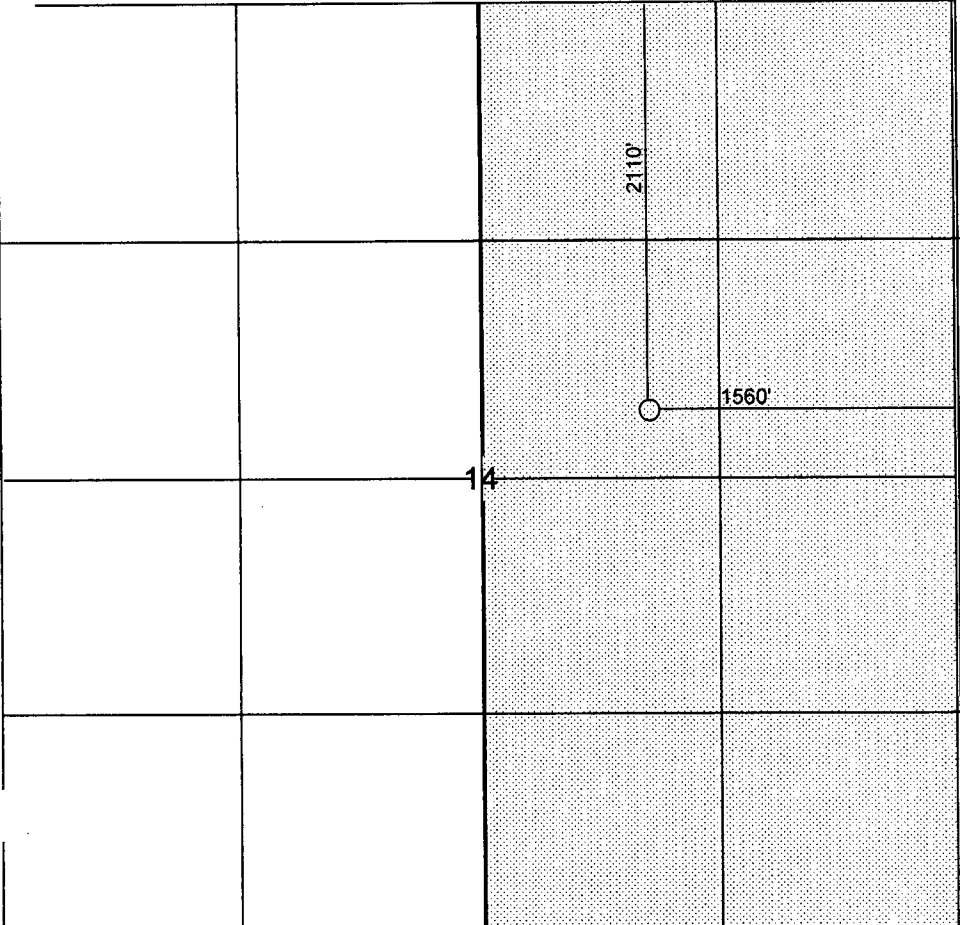
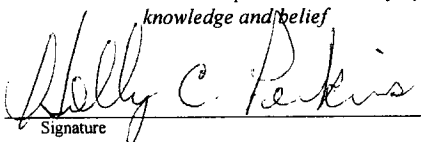
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| G | 14 | 29N | 11W | | 2110 | NORTH | 1560 | EAST | SAN JUAN |

¹¹Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot ldn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|

| | | | |
|---|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 320 ac E/2 | 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 <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i>  Signature | |
| | HOLLY C. PERKINS Printed Name | |
| | REGULATORY COMPLIANCE TECH Title | |
| | MARCH 2, 2005 Date | |
| 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> SEPTEMBER 28, 1979 Date of Survey | | |
| Signature and Seal of Professional Surveyor: Original signed by Fred B Kerr | | |
| 3950 Certificate Number | | |

District I
1115 N. French Dr., Hobbs, NM 88240

District II
111 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 30-045-26056 | | ² Pool Code 82329 | ³ Pool Name OTERO CHACRA |
| ⁴ Property Code | ⁵ Property Name HARE GAS COM J | | ⁶ Well Number 1 |
| ⁷ OGRID No. 167067 | ⁸ Operator Name XTO Energy. Inc. | | ⁹ Elevation 5581' |

¹⁰ Surface Location

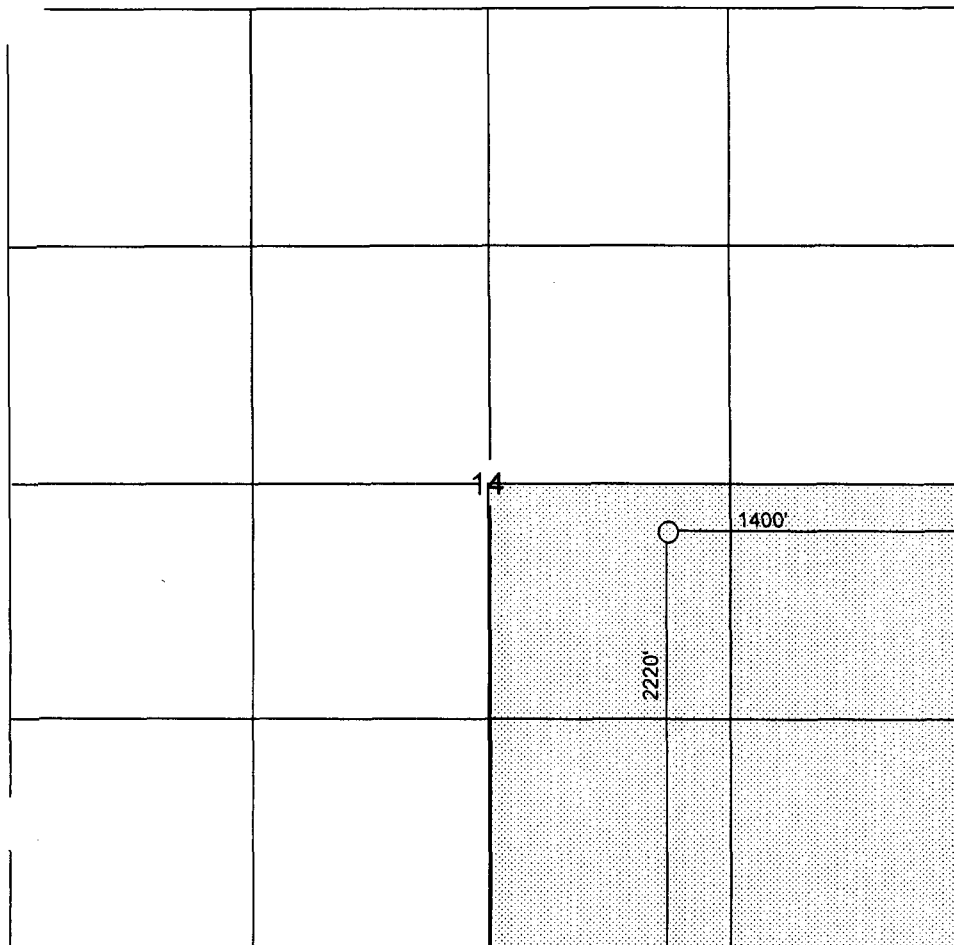
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| J | 14 | 29N | 11W | | 2220 | SOUTH | 1400 | 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 acre SE/4 | 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

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

MARCH 2, 2005
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.

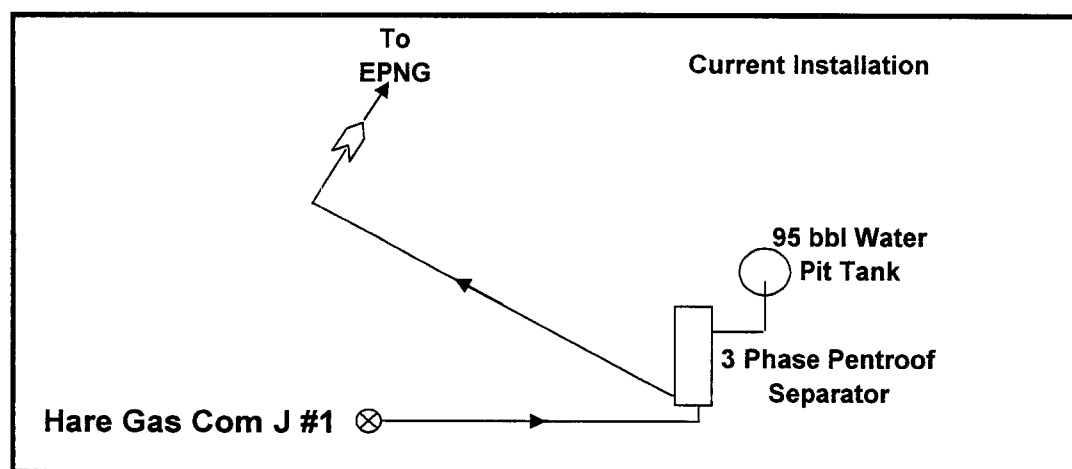
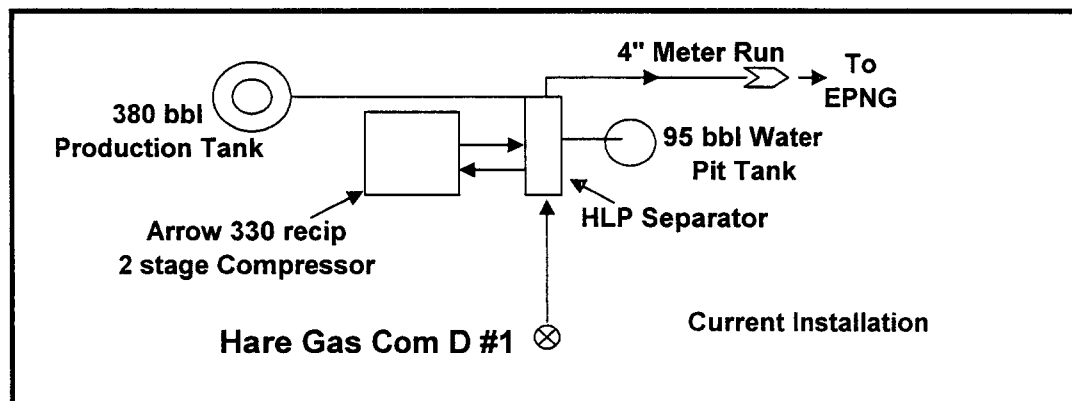
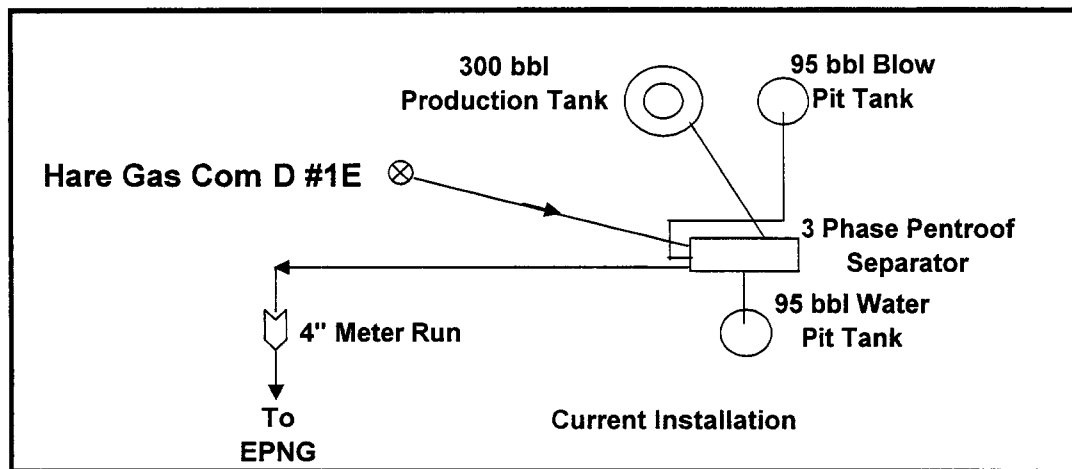
JULY 23, 1984
Date of Survey

Signature and Seal of Professional Surveyor:
Original signed by Fred B Kerr

3950
Certificate Number

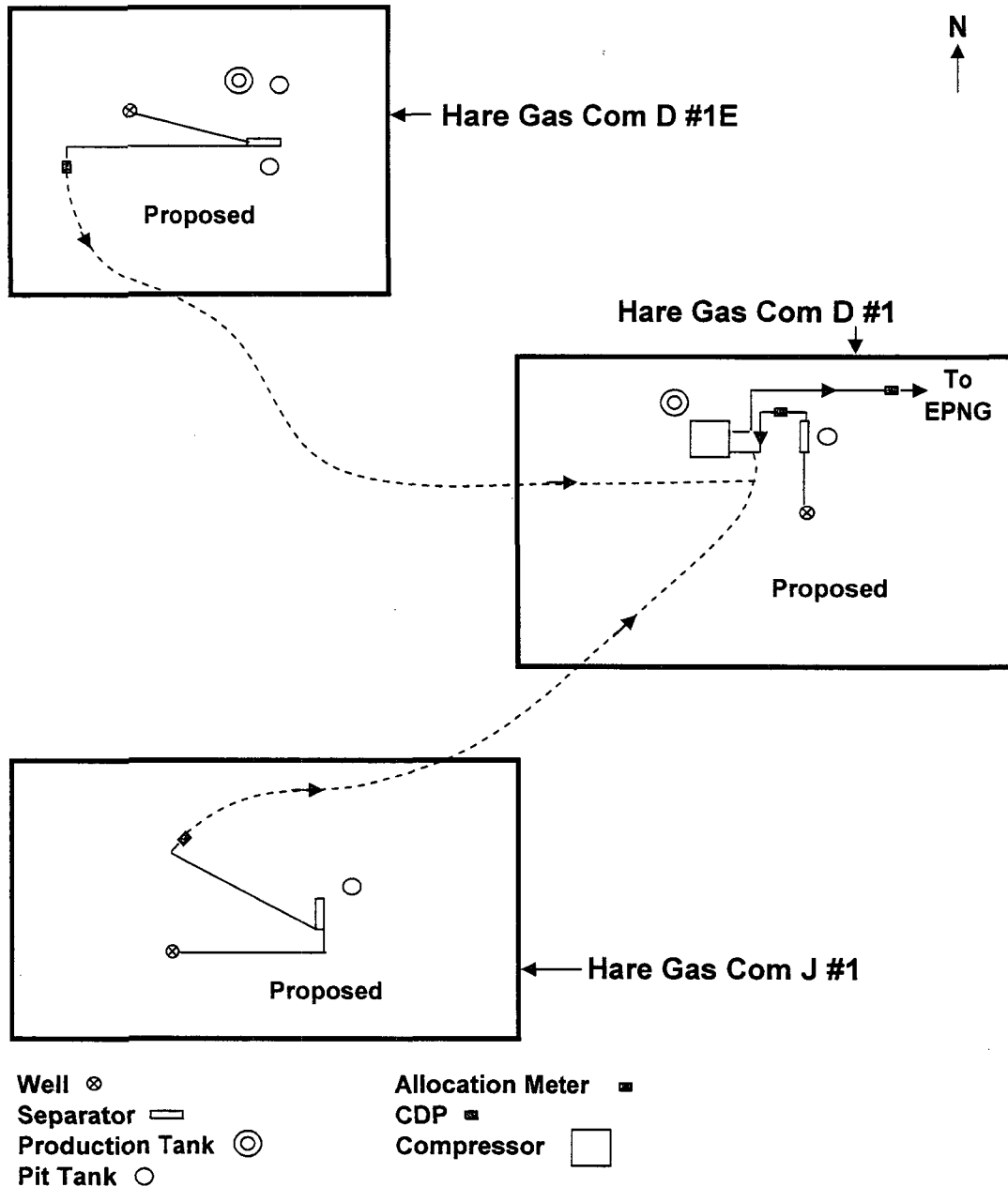
| | | | | |
|---|--|---------------------|---------------------|---------------------|
| | HARE GAS COM D #1, D #1E & J #1 | | | |
| | Surface Commingle | | | |
| | | | | |
| | Well Name | Hare Gas Com D #1 | Hare Gas Com D #1E | Hare Gas Com J #1 |
| | API# | 30-045-08303 | 30-045-23859 | 30-045-26056 |
| | Sec-T-R | Sec.142, T29N, R11W | Sec.142, T29N, R11W | Sec.142, T29N, R11W |
| | FNL/FSL | 2510' FSL | 2110' FNL | 2220' FSL |
| | FEL/FWL | 1170' FEL | 1560' FEL | 1400' FEL |
| | Agreement # | SW275 | SW275 | SW275 |
| | Pool | Basin Dakota | Basin Dakota | Otero Chacra |
| | Permits | N/A | N/A | N/A |
| | Spacing | 320 E/2 | 320 E/2 | 160 SE/4 |
| | Gravity | 0.74 | 0.702 | 0.629 |
| | BTU | 64.996 | 32.05 | 8.197 |
| | Est Daily Gas Rate | 41.43 | 26.12 | 6.2 |
| | WI | 0.6820849 | 0.6820849 | 0.75 |
| | NRI | 0.5907754 | 0.5907754 | 0.65625 |
| | | | | |
| 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 | | | | |

Hare Gas Com D #1, Hare Gas Com D #1E Hare Gas Com J #1 Surface Commingle Proposal/Location Layout



Hare Gas Com D #1, Hare Gas Com D #1E Hare Gas Com J #1 Surface Commingle Proposal/Location Layout

Overhead View



Notes:

The Hare Gas Com D #1E is approximately 450' to the Hare Gas Com D #1 compressor.
The Hare Gas Com J #1 is approximately 340' to the Hare Gas Com D #1 compressor.

HARE GAS COM D #1, D #1E, J #1
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

May 13, 2005

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 wells listed on the attached sheets. 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. A copy of our application to surface commingle is attached for your reference. 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. The application was mailed to the NMOCD on the date of this letter.

Sincerely,

A handwritten signature in cursive script that reads 'Holly C. Perkins'.

Holly C. Perkins
Regulatory Compliance Tech

xc: Well Files w/attachment
FW Land Dept. w/attachment

| | | | | | |
|---------|----------|----------|-----------|------|---------|
| DATE IN | SUSPENSE | ENGINEER | LOGGED IN | TYPE | APP NO. |
|---------|----------|----------|-----------|------|---------|

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.

HOLLY C. PERKINS
 Print or Type Name

Holly C. Perkins
 Signature

REGULATORY COMPLIANCE TECH 3/2/05
 Title Date

Holly_perkins@xtoenergy.com
 e-mail Address



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

May 13, 2005

Ms. Connie Pruitt
Farmington Daily Times
P.O. Box 450,
Farmington, NM 87499

Subject: Affidavit of Publication
Hare Gas Com D #1 Surface Commingle

Dear Ms. Pruitt:

Please publish the following legal notice for us pertaining to surface commingle of wells in San Juan County. After publication please send a notarized Affidavit of Publication to our company at the above address. Should any further information be necessary, please do not hesitate to call me at (505) 564-6720.

Public Notice

XTO Energy Inc. is applying to the New Mexico Oil Conservation Division (NMOCD) to surface commingle gas from three wells: the Hare Gas Com D #1, Hare Gas Com D #1E and the Hare Gas Com J #1. There will not be any commingling of oil, condensate or water. The wells and the commingling facility are located in Section 14 Township 29N, Range 11W, San Juan County, New Mexico. The producing pools are the Basin Dakota and the Otero Chacra. Any questions should be directed to Holly C. Perkins, 505-324-1090, or by mail to 2700 Farmington Avenue, Suite K-1, Farmington, NM 87401. Any objection or request for a formal hearing should be filed in writing with the NMOCD's Santa Fe office within 20 days from date of this publication. In the absence of any objection, XTO has requested that the NMOCD approve its application administratively. The NMOCD's address is 1220 South St. Francis Drive, Santa Fe, NM 87505.

Sincerely,


Holly C. Perkins
Regulatory Compliance Tech

xc: Well Files
Ft. Worth Land Dept

Hare Gas Com D #1, #1E, J #1 DHC Owners

DARREL B. JOHNSON
MESA, AZ 85201

DELL D. JOHNSON
DELTA, CO 81416

KATHRYN E. UMBARGER
5444 ROYAL VISTA LN
LAS VEGAS, NV 89149-6614

ARLEE MCLEOD
P.O. BOX 958
LA LUZ, NM 88337

ROBERT H. CHURCHILL
4064 HIDDEN VIEW CIR
FORT WORTH, TX 76109-4625

FAY A. BARAK
26 VAN BUSKIRK WAY
SANDWICH, MA 02563-2672

ALAN T. FREEMAN
2310 E OLD SHKPEE RD APT #101A
BLOOMINGTON, MN 55425-1849

RICHARD FREEMAN
12825 MONTICELLO LN
CHAMPLIN, MN 55316-1263

ZELDA M. MCWILLIAMS TRUST
C/O ADELE MCLURE
218 S CHURCH
AZTEC, NM 87410

NORMA E. WAGGONER
371 NE FIRCREST
MCMINNVILLE, OR 97128

FAY E. HIXSON
1531 LEEDS
MONTROSE, CO 81401-5265

CARLTON W. HIXSON
602 BARBARA CT
MONTROSE, CO 81401-5017

EILEEN M. HANCOCK
15989 W LA PALOMA DRIVE
SURPRISE, AZ 85374

ANNA B HATTFIELD
P.O. BOX 216
DOVE CREEK, CO 81324-0216

FERN E STEPHENSON
P.O. BOX 3975
HAILEY, ID 83333-3975

MARY J MACMANUS
354 E HOLLOWAY
RAYMONDVILLE, TX 78580-3038

WILLIAM DUDLEY ANDREWS
1500 SANTA PAULA DR
MODESTO, CA 95355-5118

RUSSELL HUGH ANDREWS
1600 N LAGUNA
FARMINGTON, NM 87401-7021

ALICE LEE ROSE
940 W WHEATRIDGE DR
TUCSON, AZ 85704-2427

HARE PRODUCTION COMPANY LTD.
1601 E BLANCO BLVD.
BLOOMFIELD, NM 87413-6033

L. G. KRIEGER TEST TRUST
MARGERY M KRIEGER & COLORADO
COMMUNITY 1ST NATL, TRUSTEES
3800 ARAPAHOE AVENUE
BOULDER, CO 80303-1070

SOPHIA HORNBY SAUNDERS
#14-46350 CESSNA DRIVE
CHILLIWACK BRITISH COLUMBIA
CANADA V2P 7W3

DAVID ORRIN ABRAMS
10900 WOODLAND NE
ALBUQUERQUE, NM 87112-1681

PAUL B. & DOROTHY M. HORN TRUST
PAUL B AND DOROTHY M HORN
TRUSTEES
1091 W MURRAY DR APT 115
FARMINGTON, NM 87401

Hare Gas Com D #1, #1E, J #1 DHC Owners

CANDACE L KELTON COX
17 S MEADOW RIDGE
CONCORD, MA 01742-3000

GEORGIA KELTON FERGEN
5500 OLD CLARKSVILLE RD
PARIS, TX 75462-7800

FLORA S. DROSTEN AND CO.
144 CALLE VISTA
CAMARILLO, CA 93010-1700

GLADYS MURPHY
*****BAD ADDRESS*****

MARY ROSE ORTEL
P.O. BOX 4222
HORSESHOE BAY, TX 78657-4222

EVELYN DEBUSK
5753 GULL LAKE DAM RD NW
BRAINERD, MN 56401-9019

ALBERT E. HORNBY
C/O R HORNBY
2109 TANLEE CRES
BC VOS 1MO
CANADA

DARRELL HORNBY
374 DETROIT STREET
WINDSOR ONTARIO N9C 3Y9
CANADA

EGBERT F HORNBY
2003 REPORTED UNCLAIMED
32 E 27TH AVE
SPOKANE, WA 99203-2431

EUGENE E. HORNBY
15776 NOKAY LAKE RD
BRAINERD, MN 56401

FRANCIS A. HORNBY
1101 SW 4TH AVE
LITTLE FALLS, MN 56345

HARRY H. HORNBY
3356 WHITTIER AVE
VICTORIA BRITISH COLUMBIA
CANADA V8Z3P9

JAMES M. HORNBY
30215 21ST SW
FEDERAL WAY, WA 98023-2304

KENNETH HORNBY
315-241 SCOTT AVENUE
PENTIETON BC V2A 2J6
CANADA

PHILIP JAMES HORNBY
308 1940 BARCLAY ST
VANCOUVER BC
CANADA

TERRY ALLEN HORNBY ESTATE
RUBY SOUTHWOOD GUARDIAN
99-1929 HWY 97 SOUTH
KELOWNA BC V1Z 2Z1
CANADA

BERNICE LIND
503 BARCLAY AVE UNIT 207
PINE RIVER, MN 56474-4016

BOYD E ABRAMS
99749 S BANK CHETCO RIVER RD
BROOKINGS, OR 97415-8259

KENNETH TOWNSEND LIVING TRUST
DTD 9-14-90
P.O. BOX 456
FLORA VISTA, NM 87415

LEWIS C & BOBBIE D TOWNSEND
LIVING TRUST DTD 9-19-80
P.O. BOX 423
AZTEC, NM 87410

KEITH TOWNSEND LIVING TRUST
DTD 11-16-83
C/O LEWIS C. TOWNSEND
P.O. BOX 423
AZTEC, NM 87410

JOAN BLACK
2336 W AVE M-12
PALMDALE, CA 93551

RIGGS OIL AND GAS CORPORATION
P.O. BOX 711
FARMINGTON, NM 87499-0711

Hare Gas Com D #1, #1E, J #1 DHC Owners

MITCHELL CONSTRUCTION CO. INC.
P.O. BOX 1745
FARMINGTON, NM 87499-1745

GERALDINE TROMMALD
8055 ROSINA ST
LONG BEACH, CA 90808-3255

DONALD MAVAR
9725 S KEELER UNIT 302
OAKLAWN, IL 60453

WILLIAM R PETERSON
812 N BERRY AVE
WINSLOW, AZ 86047-3435

R V RUSH
2003 REPORTED UNCLAIMED
250 S MARPLE APT 17
COOS BAY, OR 97420-3285

BETTY J PETERSON TARTER
5057 SITKA LN
LAS VEGAS, NV 89122-4052

GERALDINE KAREN STEWART
4910 LA RODA AVE
LOS ANGELES, CA 90041

MADALYN JOHNSON
P.O. BOX 7371
TAHOE CITY, CA 96145

CYNTHIA CALVIN
747 NEWPORT ST
DENVER, CO 80220-5507

VIRGINIA P. ANTOINE TRUST
ALEX C AND WAYNE A. HARE
TRUSTEES
P.O. BOX 362
BLOOMFIELD, NM 87413-0362

WAYNE A. AND DONNA LEE HARE
REVOCABLE LIVING TRUST
WAYNE A. & DONNA L. HARE,
TRUSTEES
P.O. BOX 362
BLOOMFIELD, NM 87413-0362

EDWARD M. CALVIN
2380 FOREST STREET
DENVER, CO 80207

CLARENCE EDWIN MASON JR.
810 RAMADA DR.
HOUSTON, TX 77062-5608

LENORE L. WOLFE ESTATE
BETTY WOLFE HAGERMAN
ANCILLARY PERSONAL REP
3419 WESTMINSTR AVE. STE 230
DALLAS, TX 75205-1387

J. LUDWIG MOSLE
6125 WESTWICK ROAD
DALLAS, TX 75205

JEANNE Z. SHARP
7116 ABERDEEN
DALLAS, TX 75230

LINDA L. RAYES
4212 LOMA ALTO UNIT 101
DALLAS, TX 75219

GENIE H. BENTLEY
4224 CARUTH BLVD.
DALLAS, TX 75225-6625

J. LANHAM HIGGINBOTHAM III
4204 PURDUE AVE.
DALLAS, TX 75225-6703

E. TAYLOR ARMSTRONG
4045 BRYN MAWR DRIVE
DALLAS, TX 75225-7032

ELIZABETH M. BOECKMAN TRUST
FREDERICK R. MAYER AIF
C/O GRANTOR TRUST
P.O. BOX 5083
DENVER, CO 80217

CYNTHIA H. SCOFIELD
1610 POTOMAC DRIVE
HOUSTON, TX 77057

Hare Gas Com D #1, #1E, J #1 DHC Owners

MMS – NOTIFY BLM

TRUE SAN JUAN 1984 PARTNERSHIP
P.O. BOX 2360
CASPER, WY 82602-2360

BURLINGTON RESOURCES OIL & GAS
COMPANY LP
P.O. BOX 4289
FARMINGTON, NM 87499-0656

HORN FAMILY TRUST
KARLEEN UPHOLD, WANDA
APODACA
& TINA LEDUC TRUSTEES UTD 6/97
C/O CITIZENS BANK
320 WEST BROADWAY
0315-5919-20
BLOOMFIELD, NM 87413-5905

YONOVA M CHURCHILL LIFE ESTATE
KAREN L, DALE L & BRIAN R
CHURCHILL, REMAINDERMEN
1161 DEERFIELD RD
PRESCOTT, AZ 86303

VERN E. JONES
17407 NORTH 66TH LANE
GLENDALE, AZ 85308

BEVERLY KISER
11640 WOODBRIDGE ST. APT #306
STUDIO CITY, CA 91604-2725

CORA BACON
2 WAVERLY DRIVE
HOLLIDAYSBURG, PA 16648

SUSAN AHO LANG
4378 SHILOH TR.
POWDER SPRINGS, GA 30127

MICHAEL ROBERT AHO
412 CALEDON COURT
GREENVILLE, GA 29615

KATHERINE AHO
2383 AKERS MILL RD APT C15
ATLANTA, GA 30339

THOMAS AHO
C/O BARBARA AHO TRUSTEE
1391 SUMMIT CHASE DR
SNELLVILLE, GA 30278

DAVID AHO
C/O BARBARA AHO TRUSTEE
1391 SUMMIT CHASE DR.
SNELLVILLE, GA 30278

JENNIFER AHO
C/O BARBARA AHO TRUSTEE
1391 SUMMIT CHASE DR.
SNELLVILLE, GA 30039

LADD I. HURSKY, JR.
2417 NORTH ASHBY ROAD
MERCED, CA 95348-3557

M. DOUGLAS TODD TRUST DATED
11/26/03
M DOUGLAS TODD TRUSTEE
3950 27TH RD NORTH
ARLINGTON, VA 22207-5242

DON CARLOS RICHARDSON
REPORTED UNCLAIMED 2004
8510 GEORGIAN DR
AUSTIN, TX 78753-5608

WELDON C. JULANDER TRUST
ILA MAE WELDON AND
JOHN JULANDER TRUSTEES
P.O. BOX 2773
LITTLETON, CO 80161-2773

LESLIE L BERNACCHI
2336 W. AVENUE M12
PALMDALE, CA 93551

CHRISTINE T BUVENS
6156 DEERGRASS CIR NW
ALBUQUERQUE, NM 87120

VIVIAN M HIXSON
119 SILVER ST
DELTA, CO 81416-1515

BOYD D. JOHNSON
29045 COUNTY HWY 54
DETROIT LAKES, MN 56501

Hare Gas Com D #1, #1E, J #1 DHC Owners

QUESTAR EXPLORATION &
PRODUCTION CO
P.O. BOX 45601
SALT LAKE CITY, UT 84145-0601

JEANNE D. ZACHARY
510 DELLWOOD
MT. PLEASANT, TX 75455

R. G. STOREY & SONS
C/O CHARLES P. STOREY
200 CRESCENT COURT SUITE 1500
DALLAS, TX 75201

.3

NORTH AMERICAN ENERGY
INVESTORS INC.
SUITE 270
200 CRESCENT COURT
DALLAS, TX 75201

FREDERICA H. MAYER TRUST
FRDERICK R. MAYER & ELIZABETH
MAYER BOECKMAN, TRUSTEES
P.O. BOX 5083
DENVER, CO 80217-5083

NIGH REVOCABLE TRUST
U/T/A DATED 8/3/89
ROBERT D. NIGH, TRUSTEE
7080 DEAN ROAD
INDIANAPOLIS, IN 46220

DRY CREEK RESERVE COMPANY
8013 S. ADAMS WAY
LITTLETON, CO 80122

TOURMALINE EXPLORATION CO.
8493 S. WOODY WAY
HIGHLANDS RANCH, CO 80126

HANCOCK-DORIE TRUST
P.O. BOX 670231
DALLAS, TX 75367-0231

LYNCH RESOURCES LTD.
SUITE 1600 LB-16
1845 WOODALL RODGERS FRWY.
DALLAS, TX 75201

DOMINION OKLAHOMA TEXAS
EXPLORATION & PRODUCTION
ATTN: REVENUE LOCKBOX
P.O. BOX 95294
NEW ORLEAN, LA 70195