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July 20, 2009

VIA EMAIL

Mr. Mark E. Fesmire, P.E., Director
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Division Form C-107-A (Downhole Commingling)
Administrative Application of XTO Energy Inc.
for Downhole Commingling, San Juan County, New Mexico

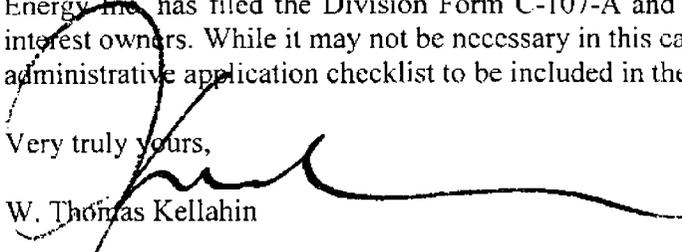
Martinez Gas Com D Well No. 1R (API # 30-045-34063)
Unit B of Section 24, T29N, R10W
Dedication: standard 160-acre unit being the NE/4 for both
the Pictured Cliffs and the Chacra formations

Dear Mr. Fesmire:

On July 15, 2009 and on behalf of XTO Energy Inc., I filed a Form C-107-A for the downhole commingling of production for the referenced wellbore. Because of an existing protest, I have requested that this administrative application be incorporated into Case 14331 that has been re-scheduled for hearing on August 20, 2009.

Because there is a difference in the ownership between these two formations, XTO Energy Inc. has filed the Division Form C-107-A and is in the process of notifying the interest owners. While it may not be necessary in this case, I have enclosed the Division's administrative application checklist to be included in the file.

Very truly yours,


W. Thomas Kellahin

cc: XTO Energy Inc.
Attn: Mr. Bradley Jameson

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
 DISC CTB PLC PC OLS OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

- [D] Other: Specify **DHC**

- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ~~Does Not Apply~~

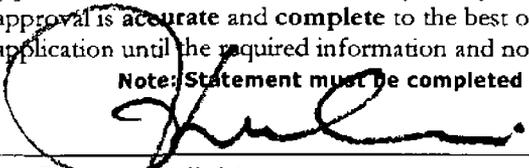
- [A] Working, Royalty or Overriding Royalty Interest Owners
[B] Offset Operators, Leaseholders or Surface Owner
[C] Application is One Which Requires Published Legal Notice
[D] Notification and/or Concurrent Approval by BLM or SLO
U S Bureau of Land Management - Commissioner of Public Lands, State Land Office
[E] For all of the above, Proof of Notification or Publication is Attached, and/or,
[F] Waivers are Attached **HAS BEEN SET FOR HEARING**

- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

CASE 14331

- [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.


W. Thomas Kellahin
706 Gonzales Road, Santa Fe, NM 87501
email: tkellahin@comcast.net

Attorney for Applicant

Date **7/20/09**

Email: tkellahin@comcast.net

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

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

Lease MARTINEZ GAS COM D Well No. #1R Unit Letter-Section-Township-Range SEC 24B- T29N-R10 W County SAN JUAN

OGRID No. 5380 Property Code 36139 API No. 30-045-34063 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	AZTEC PICTURED CLIFFS		OTERO CHACRA
Pool Code	71280		82329
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	1942' - 2096'		2926' - 3189
Method of Production (Flowing or Artificial Life)	ARTIFICIAL LIFE		ARTIFICIAL LIFE
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:
	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: 0 % Gas: 69 %	Oil: % Gas: %	Oil: 100 % Gas: 31 %

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

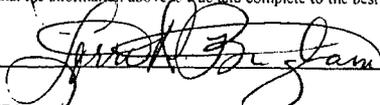
NMOCD Reference Case No. applicable to this well: _____

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  TITLE REGULATORY ANALYST DATE 7/14/09

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

E-MAIL Lorri.bingham@xtoenergy.com

RECEIVED OGD
2009 JUL 15 P 1:44

DB ID	LEASE NAME	NO. RESERVOIR	SEC. LOCATION	FIELD	OPERATOR	1st PROD	LAST PROD	CUM OIL	REM OIL	CUM GAS	REM GAS	CUM WATER	EUR OIL	EUR GAS	PLY OIL	PLY GAS	PLY WAT	DECLINE
521669	ABRAMS GAS COM M	1 CHACRA	28 29 N 10 W	OTERO	XTO ENERGY	19860430	20080801	132	0	233 159	37 321	925	132	270 480	0	7	0.6	7
528292	CHAVEZ GAS COM F	1 CHACRA	23 29 N 10 W	OTERO	XTO ENERGY	19860531	20080801	64	0	300 025	183 578	87	64	483 603	0	36	0	7
452611	BACA GAS COM A	1 CHACRA	28 29 N 10 W	OTERO	XTO ENERGY	19870228	20080801	1	0	311 700	111 458	0	1	423 198	0	22	0	7
452618	BACA GAS COM A	1A CHACRA	28 29 N 10 W	OTERO	XTO ENERGY	19870331	20080801	75	0	145 023	74 642	1 659	75	219 665	0	15	0	7
	ALBRIGHT	19 CHACRA	23 29 N 10 W	OTERO	BURLINGTON	19910401	20071001	0	0	252 680	102 885	0	0	355 555	0	20	0.9	7
507821	BACA COM	3R CHACRA	30 29 N 9 W	OTERO	BURLINGTON	19911201	20080501	418	0	251 473	147 770	117	418	399 243	0	29	0.2	7
682329	GERK GAS COM B	1 CHACRA	30 29 N 9 W	OTERO	XTO ENERGY	19941231	20080801	0	0	121 219	60 016	280	0	181 235	0	12	0.1	7
						Pre 2000 Chacra Average	20080801	87	0	299 058	97 778	438	87	306 836	0	13	0	7
	REID A SRC	1M CHACRA	13 29 N 10 W	OTERO	BURLINGTON	20019801	20071001	107	0	102 220	140 710	0	107	242 930	0	28	0	7
	NEUDECKER	7M CHACRA	13 29 N 10 W	OTERO	BURLINGTON	20030901	20071001	35	347	51 718	124 057	181	382	175 785	0.1	25	0.5	7
523748	HARE GAS COM C	1F CHACRA	25 29 N 10 W	OTERO	XTO ENERGY	20060701	20080801	19	0	65 039	262 255	115	19	327 294	0	52	0	7
						Pre 2000 Chacra Average	20080801	54	116	423 982	115 572	299	159	248 659	0	35	0	7
	LEASE NAME	NO. RESERVOIR	SEC. LOCATION	FIELD	OPERATOR	1st PROD	LAST PROD	CUM OIL	REM OIL	CUM GAS	REM GAS	CUM WATER	EUR OIL	EUR GAS	PLY OIL	PLY GAS	PLY WAT	DECLINE
	NEUDECKER	1 PICTURED CLIFFS	14 29 N 10 W	AZTEC	BURLINGTON	19521101	20071001	3 663	0	894 855	144 744	304	3 663	1 093 599	0	29	0.8	7
	HERRIN	1 PICTURED CLIFFS	13 29 N 10 W	AZTEC	EL PASO NATI	19530301	19810801	0	0	214 245	159 874	0	0	374 123	0	32	0	7
	LIKINS GAS COM B	1 PICTURED CLIFFS	24 29 N 10 W	AZTEC	BP AMERICA H	19560801	19920801	0	0	740 937	93 805	77	0	834 743	0	19	0	7
507817	MORRIS GAS COM	1 PICTURED CLIFFS	28 29 N 10 W	AZTEC	XTO ENERGY	19561130	19940401	0	0	394 348	753 982	76	0	1 148 330	0	150	0	7
	HARE	4 PICTURED CLIFFS	28 29 N 10 W	AZTEC	BURLINGTON	19570301	20071001	0	0	889 664	34 799	450	0	924 463	0	7	0.9	7
507821	LEFKOVITZ GAS COM B	1X PICTURED CLIFFS	28 29 N 10 W	AZTEC	XTO ENERGY	19570430	20080801	0	0	726 534	327 314	218	0	1 053 848	0	65	0.1	7
	ABRAMS GAS COM B	1 PICTURED CLIFFS	28 29 N 10 W	AZTEC	XTO ENERGY	19570531	20080801	0	0	867 429	386 321	1 399	0	1 253 750	0	77	0.3	7
507821	ABRAMS GAS COM A	1 PICTURED CLIFFS	28 29 N 10 W	AZTEC	PAN AMERICA	19570701	19860101	0	0	342 809	435 242	0	0	778 051	0	14	0	7
507821	ABRAMS GAS COM C	1 PICTURED CLIFFS	28 29 N 10 W	AZTEC	XTO ENERGY	19570731	20080801	0	0	1 140 166	5 548	712	0	1 145 714	0	6	0	7
507821	ABRAMS GAS COM C	1 PICTURED CLIFFS	28 29 N 10 W	AZTEC	XTO ENERGY	19570731	20080801	0	0	1 115 643	30 280	283	0	1 145 903	0	6	0	7
507821	ABRAMS GAS COM A	1 PICTURED CLIFFS	28 29 N 10 W	AZTEC	BP AMERICA F	19571001	19930601	0	0	952 915	2 017	70	0	954 932	0	0	0	7
507821	FEDERAL GAS COM 3	1 PICTURED CLIFFS	28 29 N 10 W	AZTEC	XTO ENERGY	19571031	20080801	0	0	1 215 784	230 481	1 659	0	1 446 265	0	46	0	7
507821	MCDANIEL GAS COM A	1 PICTURED CLIFFS	28 29 N 10 W	AZTEC	BP AMERICA F	19571031	19950601	0	0	952 915	2 017	70	0	954 932	0	0	0	7
	MARTINEZ GAS COM D	1 PICTURED CLIFFS	28 29 N 10 W	AZTEC	BP AMERICA F	19571031	19950601	0	0	801 029	504	68	0	811 533	0	0	0	7
	FAVERINO GAS COM	1 PICTURED CLIFFS	28 29 N 10 W	AZTEC	BP AMERICA F	19580201	19920801	0	0	749 321	62 033	60	0	811 354	0	12	0	7
508004	CHAVEZ GAS COM B	3 PICTURED CLIFFS	24 29 N 10 W	AZTEC	BP AMERICA F	19580201	20071001	0	0	690 140	53 964	304	0	744 104	0	11	0.8	7
	HARE	10 PICTURED CLIFFS	23 29 N 10 W	AZTEC	XTO ENERGY	19580228	20080801	0	0	990 209	399 938	653	0	1 390 147	0	79	0.2	7
	HARE	11 PICTURED CLIFFS	23 29 N 10 W	AZTEC	BURLINGTON	19591201	20071001	156	347	635 804	124 057	212	503	783 871	0.1	25	0.2	7
	ABRAMS GAS COM B	2 PICTURED CLIFFS	28 29 N 10 W	AZTEC	BP AMERICA F	19600801	20071001	0	0	604 342	307 141	12	0	911 483	0	51	0.8	7
	JULANDER	1 PICTURED CLIFFS	13 29 N 10 W	AZTEC	BURLINGTON	19610001	20071001	0	0	1 134 883	236 029	304	0	1 370 912	0	40	0.8	7
	NEUDECKER	4 PICTURED CLIFFS	14 29 N 10 W	AZTEC	BURLINGTON	19610001	20071001	0	0	872 801	203 752	304	0	1 076 553	0	40	0.8	7
	REID A	3 PICTURED CLIFFS	13 29 N 10 W	AZTEC	SOUTHLAND	19690201	19840701	0	0	632 189	542 665	2	0	1 174 854	0	108	0	7
	REID A	2 PICTURED CLIFFS	13 29 N 10 W	AZTEC	BURLINGTON	19691101	20071001	0	0	524 124	187 109	1 402	0	711 233	0	37	2.2	7
	HERRIN	1R PICTURED CLIFFS	30 29 N 9 W	AZTEC	BURLINGTON	19700531	20080801	46	0	1 214 336	428 685	304	46	1 643 021	0	85	0.8	7
520398	GERK GAS COM C	1 PICTURED CLIFFS	30 29 N 9 W	AZTEC	XTO ENERGY	19700531	20080801	0	0	1 026 373	262 759	385	0	1 289 132	0	52	0	7
	GERK GAS COM D	3 PICTURED CLIFFS	19 29 N 9 W	AZTEC	BP AMERICA F	19710201	19950601	0	0	379 481	72 120	61	0	451 601	0	14	0	7
	LACKY	4 PICTURED CLIFFS	19 29 N 9 W	AZTEC	ENERGEN RE	19710201	20080501	0	0	946 683	208 795	335	0	1 153 478	0	41	0	7
	VALENCIA NATIONAL GAS COM	1 PICTURED CLIFFS	18 29 N 9 W	AZTEC	XTO ENERGY	19710228	20080801	0	0	1 053 373	371 686	239	0	1 425 069	0	74	0.1	7
520723	TEXAS NATIONAL GAS COM	1 PICTURED CLIFFS	18 29 N 9 W	AZTEC	BP AMERICA F	19730501	20080501	0	0	475 715	200 726	247	0	676 441	0	27	0	7
	CANDELARIA GAS COM	1 PICTURED CLIFFS	18 29 N 9 W	AZTEC	BP AMERICA F	19730501	20080501	0	0	468 561	137 179	205	0	605 739	0	27	0	7
	SAMMONS GAS COM F	1 PICTURED CLIFFS	18 29 N 9 W	BLANCO	BP AMERICA F	19730501	19880201	0	0	123 320	47 825	32	0	161 145	0	8	0	7
	CAIN	21 PICTURED CLIFFS	30 29 N 9 W	AZTEC	BURLINGTON	19790101	20080501	0	0	277 185	41 556	347	0	318 541	0	8	0.6	7
	REID A	2R PICTURED CLIFFS	13 29 N 10 W	AZTEC	BURLINGTON	19791001	20071001	0	0	730 963	148 275	450	0	879 238	0	29	0	7
	HARE	22 PICTURED CLIFFS	14 29 N 10 W	AZTEC	BURLINGTON	19800201	20071001	0	0	405 020	156 344	183	0	561 364	0	31	0	7
	HARE	22A PICTURED CLIFFS	14 29 N 10 W	AZTEC	BURLINGTON	19800201	20071001	0	0	418 895	258 724	86	0	677 619	0	51	0	7
						Pre 2000 Pictured Cliffs Average	20071001	104	9	736 976	196 827	324	114	933 803	0	39	0	7

	Bbls EUR OIL	MMCF EUR GAS	BBIs CUM WATER
Pictured Cliffs	0	550	343
Chacra	168	248	99
Total	168	798	442

	% OIL	% GAS	% WATER
Pictured Cliffs	0%	69%	78%
Chacra	100%	31%	22%
Total	100%	100%	100%

Allocation based on the EUR of wells in the surrounding 9 sections completed in the Pictured Cliffs or Chacra zones.