

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

No. 12784

APPLICATION

XTO Energy Inc. applies for an order approving surface commingling of gas production from two wells, pursuant to Division Rule 303.B, and in support thereof, states:

1. Applicant is the operator of Garcia Gas Com. B Well No. 1M, which has the following acreage dedicated to it:

Township 29 North, Range 10 West, N.M.P.M.
Section 21: S½

The well is located 805 feet from the south line and 1730 feet from the east line of Section 21, and is producing from the Blanco-Mesaverde Gas Pool and Basin-Dakota Gas Pool.

2. Applicant is also the operator of Prespentt Gas Com. Well No. 1, which has the following acreage dedicated to it:

Township 29 North, Range 10 West, N.M.P.M.
Section 21: SE¼

The well is located 800 feet from the south line and 1700 feet from the east line of Section 21, and is producing from the Aztec-Pictured Cliffs Gas Pool.

3. Applicant proposes to surface commingle gas production from the two wells, using the gas sales meter for the Prespentt Gas Com. Well No. 1 as the central distribution point. Applicant intends to use the existing compressor on the Prespentt Gas Com. Well No. 1, and compress gas from both wells. Information on the proposed surface commingling is attached hereto as Exhibit A.

4. Sharing a compressor will lower operating costs and fuel usage, and extend the economic lives of both wells, and thus will increase their ultimate recoveries.

5. Interest ownership between the two wells is not common, and notice of this application has been given to all interest owners in both wells.

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 relief requested above be granted.

Respectfully submitted,

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

James Bruce
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Attorney for XTO Energy Inc.

**Prespentt Gas Com #1 & Garcia Gas Com B #1M
Gas Allocation Formula**

The Prespentt Gas Com #1's existing gas sales meter will be used as the central distribution point (CDP) gas sales meter for both wells. A new gas meter will be set on the Garcia Gas Com B #1M and used as its allocation meter. See the attached proposed gas surface commingle installation diagram. The Garcia Gas Com B #1M allocation meter will separately measure its gas production. The Prespentt Gas Com #1 gas production will be calculated by difference between the total sales volume from the CDP sales meter and the Garcia Gas Com B #1M's allocation meter volume. El Paso Field Services is the gas transporter for these leases.

Prespentt Gas Com #1 gas production will be calculated as follows:

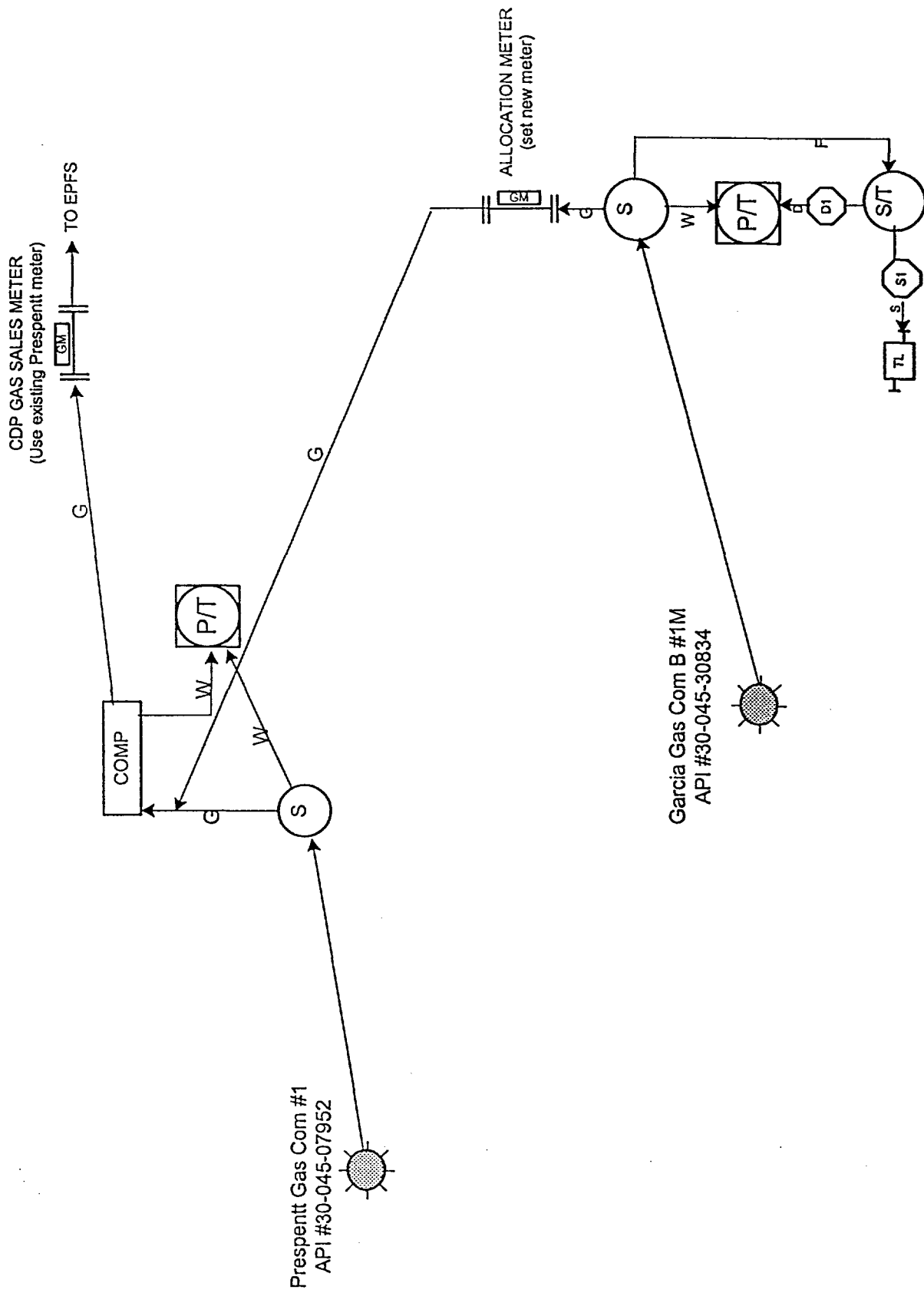
$$\text{Gas Prod.} = [\text{CDP sales meter vol.} - \text{Garcia Gas Com B \#1M allocation meter vol.}] + \text{Allocated compressor \& separator fuel gas vol.}$$

Garcia Gas Com B #1M gas production will be calculated as follows:

$$\text{Gas Prod.} = \text{Garcia Gas Com B \#1M allocation meter vol.} + \text{Allocated compressor \& separator fuel gas vol.}$$

The total fuel gas usage is estimated to be 9 MCFD for the compressor. The compressor's fuel usage will be divided equally between the two wells. During the winter if the well's separator water bath is heated, the fuel gas usage is estimated to be 1 MCFD for the well.





WELL INFORMATION

	Prespentt Gas Com #1	Garcia Gas Com B #1M
Location	1,700' FEL & 800' FSL Sec 21, T29N, R10W	805'FSL & 1,730' FEL Sec 21, T29N, R10W
API #	30-045-07952	30-045-30834
Pool	Aztec Pictured Cliffs	Basin DK/Blanco MV
Pool Code	71280	71599 / 72319
Acreage Dedication	SW/4 of Sec. 21	S/2 of Sec. 21
Lease Type	Fee	Fee
Gas Gravity	0.65	0.75 est.
Gas Rate	65 MCFD	300 MCFD est.