

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

5. Lease Serial No.
FEE *on Fed. form*
6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well ☐ Oil Well ☒ Gas Well ☐ Other		7. If Unit or CA/Agreement, Name and/or No.	
2. Name of Operator XTO ENERGY INC		8. Well Name and No. Multiple--See Attached	
3a. Address 2700 FARMINGTON AVE., BLDG K, SUITE 1 FARMINGTON, NM 87401		9. API Well No. Multiple--See Attached	
3b. Phone No. (Include area code) Ph: 505.324.1090 Ext: 4020 Fx: 505.564.6700		10. Field and Pool, or Exploratory Multiple--See Attached	
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Multiple--See Attached		11. County or Parish, and State SAN JUAN COUNTY, NM	

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	Surface Commingling
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

XTO Energy Inc. proposes to surface commingle the above wells per attached documents.

PC 1120

14. I hereby certify that the foregoing is true and correct. Electronic Submission #32727 verified by the BLM Well Information System For XTO ENERGY INC, sent to the Farmington Committed to AFMSS for processing by JIM LOVATO on 08/18/2004 (04JXL0295SE)	
Name (Printed/Typed) HOLLY PERKINS	Title REGULATORY COMPLIANCE TECH
Signature (Electronic Submission)	Date 07/06/2004

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By JIM LOVATO	Title PETROLEUM ENGINEER	Date 09/16/2004
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		
Office Farmington		

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

PC-1120

Additional data for EC transaction #32727 that would not fit on the form

7. If Unit or CA/Agreement, Name and No., continued

NMNM73459
NMNM73876
NMNM76360

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM76360	FEE	CANDELARIA COM C 1	30-045-26167-00-S1	Sec 27 T29N R10W NENW 0940FNL 1480FWL 36.70206 N Lat, 107.87546 W Lon
NMNM73876	FEE	ARMENTAGASCOM C 1E	30-045-23856-00-S1	Sec 27 T29N R10W NENW 435FNL 1590FWL 36.70343 N Lat, 107.87514 W Lon
NMNM73459	FEE	ARMENTAGASCOM A 1	30-045-07926-00-S1	Sec 27 T29N R10W NWNW 0400FNL 1190FWL 36.70354 N Lat, 107.87650 W Lon

10. Field and Pool, continued

OTERO CHACRA

Blanco Mesaverte
Aztec Pictured Cliffs



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

July 6, 2004

Mr. William Jones
New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Subject: Administrative Approval to Surface Commingle
Armenta Gas Com A #1, Armenta Gas Com C #1E & Candelaria C #1
Sec 27, T29N, R10W
Federal Leases NMSF077082, NMNM99332 & CA # NM015P3585C424
San Juan County, NM

Dear Mr. Jones:

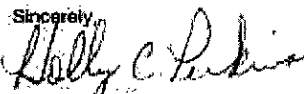
XTO Energy Inc. requests administrative approval to surface commingle the Candelaria Gas com C #1, Armenta Gas Com A #1 and the Armenta Gas Com C #1E. The wells are located in Section 27, T29N, R10W in San Juan County, New Mexico. XTO plans to produce the commingled gas through a single compressor thus lowering operating expenses, extending the economic life of the wells and increasing their ultimate recoveries.

Attached are the following:

- 1) Schematic of wells associated with the application
- 2) A table listing detailed information for each proposed well
- 3) Application for surface commingle (Form C107B)
- 4) Plats for each well associated with the application

Produced gas will be measured separately via allocation meters prior to being commingled. Produced liquids will not be surface commingled. All interest owners have been notified via certified mail, return receipt on June 2, 2004.

If additional information is required, please contact me at (505) 324-1090.

Sincerely,

Holly C. Perkins
Regulatory Compliance Tech

cc: Well Files
NMOC - Aztec, NM

Submit 3 Copies To Appropriate District Office.
District I
1625 N. French Dr., Hobbs, NM 87240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Huerfano 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, NM 87505

Form C-103

Revised May 08, 2003

SUNDY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well: Oil Well ☐ Gas Well ☒ Other	7. Lease Name or Unit Agreement Name: ARMENTA GAS COM C
2. Name of Operator: ETO Energy Inc.	8. Well Number: 1E
3. Address of Operator: 2700 Farmington Ave., Bldg. K, Ste 1, Farmington, NM 87401	9. OGRID Number: 167067
4. Well Location: Unit Letter C 435 feet from the NORTH line and 1590 feet from the WEST line Section 27 Township 29N Range 10W NMPM County SAN JUAN	10. Pool name or Wildcat: BLANCO MV/OTERO CR/ARTEC PC
11. Elevation (Show whether DR, RKD, RT, GR, etc.) 5506' CR	

12. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK ☐	PLUG AND ABANDON ☐	REMEDIAL WORK ☐	ALTERING CASING ☐
TEMPORARILY ABANDON ☐	CHANGE PLANS ☐	COMMENCE DRILLING OPNS. ☐	PLUG AND ABANDONMENT ☐
PERM OR ALTER CASING ☐	MULTIPLE COMPLETION ☐	CASING TEST AND CEMENT JOB ☐	
OTHER: SURFACE COMINGLES ☒		OTHER: ☐	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

ETO Energy Inc. proposes to surface comingles the Armenta Gas Com C #1E, Armenta Gas Com A #1 and the Candelaria Gas Com C #1. The Armenta GC C #1E is a Blanco Mesaverde well on Lease #80899332; Armenta Gas Com A #1 is an Antec PC well on Lease #NE9777082 and the Candelaria GC C #1 is an Otero CR well on CA #8015933850424. Ownership is diverse in these wells and all owners were notified of our intent via certified letter on 6/2/04. Each well will have its own allocation meter to measure gas. A sundry notice has been filed with the NEM Farmington office. Documentation in support of this application is included with this sundry.

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

SIGNATURE Holly C. Perkins TITLE REGULATORY COMPLIANCE TECH DATE 7/2/04

Type or print name HOLLY C. PERKINS Telephone No. 505-324-1090

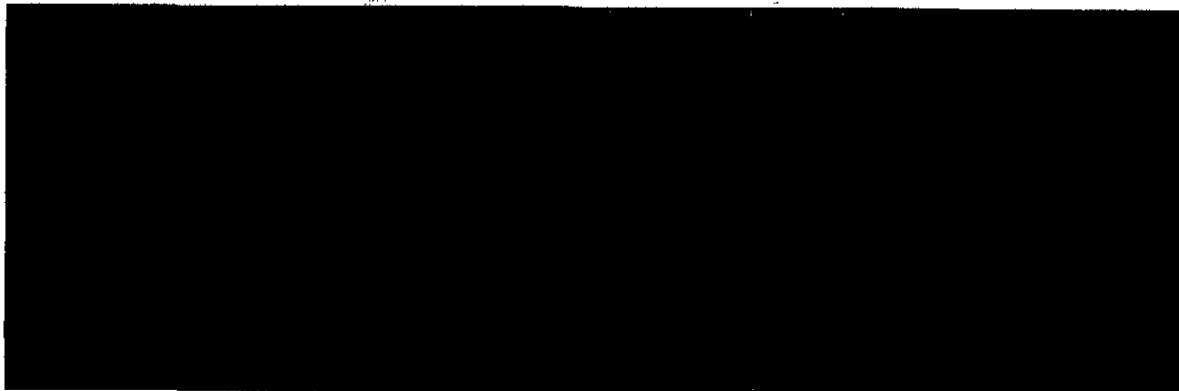
(This space for State use)

APPROVED BY _____ TITLE _____ DATE _____
Conditions of approval, if any:

Candelaria Gas Com C #1, Armenta Gas Com A #1, Armenta Gas Com C #1E
Proposed Surface Commingle

	Candelaria Gas Com C #1	Armenta Gas Com A #1	Armenta Gas Com C #1E
Location	Sec 27, T29N, R10W	Sec 27, T29N, R10W	Sec 27, T29N, R10W
Formation/Pool	Otero Chacra	Aztec Pictured Cliffs	Blanco MV
API#	30-045-28167	30-045-07926	30-045-23856
Gas Gravity	0.6750	0.6560	0.7010
Gas Rate (MCF)	20	40	40
WI	0.225	0.75	0.5
NRI	0.45	0.65525	0.4379001
Lease #	CA #NM015P35850424	NMSF077082	NMNM99332

Production volumes are averaged over the last year



District I
1675 N. Pecos Drive, Hobbs, NM 88240
District II
3361 W. Grand Ave. Artesia, NM 88210
District III
1000 Ray Benson Road, Aztec, NM 87419
District IV
1230 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 87303

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 Commingling)

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 Name and Code	Crude Oil / BTU of Non-Commingled Production	Calculated Crude Oil BTU of Commingled Production	Calculated Value of Commingled Production	Volumes
OTERO CHACRA 82329	0.6750			
AZTEC PICTURED CLIFFS 71280	0.6560			
BLANCO MESAVERDE 72319	0.7010			

(2) Are any wells producing at top allowances? ☐ 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 B.

(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: Holly C. Perkins TITLE: REGULATORY COMPLIANCE TECH DATE: 7/6/04

TYPE OR PRINT NAME: HOLLY C. PERKINS

TELEPHONE NO.: (505) 564-6720

E-MAIL ADDRESS: Holly.perkins@xtoenergy.com

Well Location and Acreage Dedication Plat

Section A.

Date October 1, 1957

Operator XTO ENERGY INC Lease ARMENTA GAS UNIT A
 Well No. 1 Unit Letter D Section 27 Township 29 NORTH Range 10 WEST, NMPM
 Located 600 Feet From the NORTH Line, 1190 Feet From the WEST Line
 County SAN JUAN C. L. Elevation 4 Dedicated Acreage 160 Acres
 Name of Producing Formation Pictured Cliffs Foot Aztec-Pictured Cliffs

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below?

Yes No X2. If the answer to question one is "no", have the interests of all the owners been consolidated by communication agreement or otherwise? Yes X No If answer is "yes", Type of Consolidation, Unit instruments have been fully executed by El Paso Natural Gas Co. & Pan American Petroleum Corp. and communication agreement is being sent to DSC for approval.

3. If the answer to question 1 or 2 is "no", list all the owners and their respective interests below:

Owner
 *To be reported later

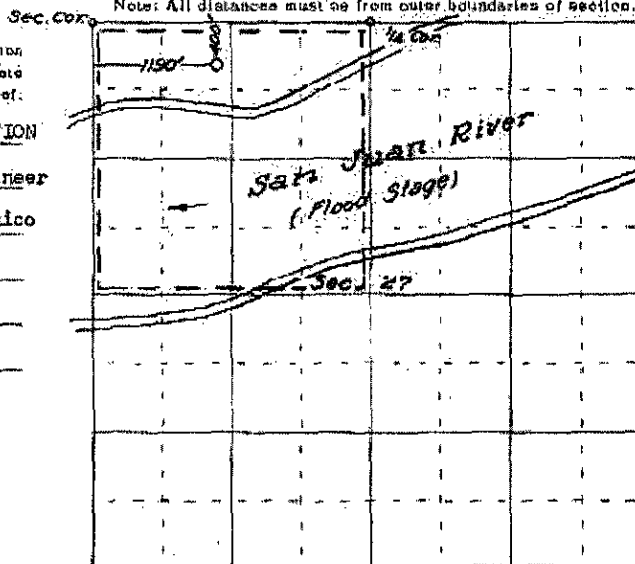
Land Description

Section B.

This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief:

AN AMERICAN PETROLEUM CORPORATION
R. M. Bauer, Jr. (Operator)
R. M. Bauer, Jr., Field Engineer
 (Representative)
Box 487, Farmington, New Mexico
 (Address)

Note: All distances must be from outer boundaries of section.



0 500 1000 1500 2000 2500 3000 3500 4000 4500 5000 5500 6000 6500 7000 7500 8000 8500 9000 9500 10000

Scale 4 inches equal 1 mile

This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct.

Operator MTD ENERGY INC		Lessee ARMENTA GAS CO. INC		Well No. 1-2
Well Letter C	Section 27	Township 29N	Range 10W	County San Juan
Nearest Feature Location of Well: 435 feet from the North line and 1590 feet from the West line				
Land Level Elev. 5506	Productive Formations Dakota	Pool Basin Dakota	Estimated Reserves 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or ink marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners legally consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes" type of consolidation Communitization

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable well be assigned to the well until all interests have been consolidated (by communitization, unitization, force-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

	CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>B. E. Packrell</i> Name B. E. PACKRELL Position DISTRICT ENGINEER Company AMCO PRODUCTION COMPANY Date SEPTEMBER 28, 1979
	I hereby certify that the well location shown on this plat was placed in the 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 knowledge and belief.
	Date Surveyed SEPTEMBER 28, 1979 Registered Professional Engineer 3950 State of New Mexico 3950
	Signature of Operator <i>[Signature]</i> Signature of Lessee <i>[Signature]</i>

Form C-102
Revised 10-1-

All distances must be from the north boundary of the section.

Operator XTO ENERGY INC.		Lease Candelaria Gas Com "C"		Well No. 1
Unit Letter G	Section 27	Township 29N	Range 10W	County San Juan
Actual Footage Location of Wells				
940 feet from the North line and 1480 feet from the West line.				
Ground Level Elev: 5492	Producing Formation Chacra	Pool Otero Chacra	Dedicated Acreage: 160 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation Communitized

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

1480'

210'

Sec.

27

RECEIVED
 DEC 18 1984
 OIL CON. DIV.
 DIST. 3

Scale: 1"=1000

CERTIFICATION

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

Original Signed By

Name **E. D. Shaw**

B. D. Shaw

Position: Administrative Supervisor

Company
Amoco Production Company

Date 12-11-84

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 knowledge and belief.

Date Surveyed
December 5, 1984

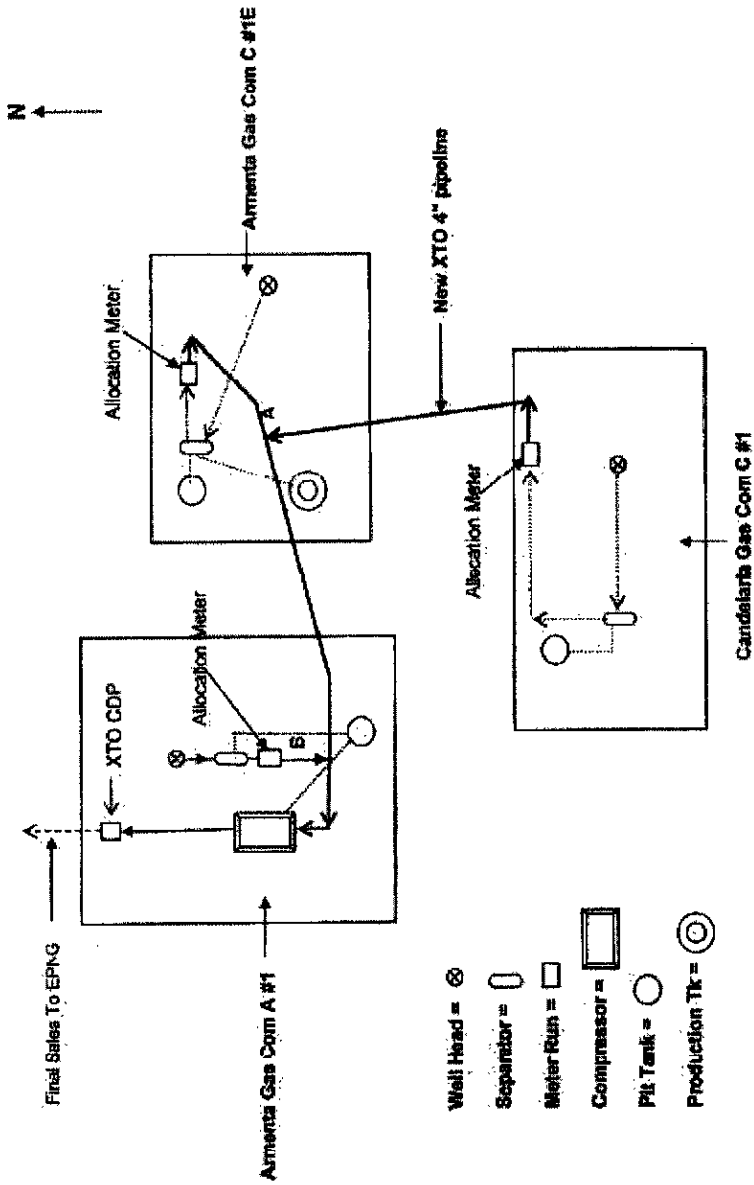
Registered Professional Engineer
and Land Surveyor

2-1-1

Fred B. Kent Jr.

Carte Blanche

Proposed Surface Commingle
 Armenta Gas Com A #1, Armenta Gas Com C #1E, Candalaria Gas Com C #1
 Lease NUISF077082, Lease NMIN989332 & CA NIN016P385C424



Armenta Gas Com A #1: 50' ft/NH to Compressor Section.
 Armenta Gas Com C #1E: Meter run outlet to Armenta Gas Com A #1 Compressor Section is 400'.
 Candalaria Gas Com C #1: Meter run outlet to Armenta Gas Com C #1E meter run is 476'.

A = 2" 1/2 in for Armenta Gas Com C #1E
 B = 2" 1/2 in for Armenta Gas Com A #1