

DATE IN 5/19/06	SUSPENSE	ENGINEER WILL JONES	LOGGED IN 5/19/06	TYPE DHC	APP NO. PTD50613959729
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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

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

District II

1701 W. Grand Avenue, Artesia, NM 88210

District III

1440 Rio Grande 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

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

Form C-107A
Revised June 10, 2003

APPLICATION TYPE
☒ Single Well
Establish Pre-Approved Pools
EXISTING WELLBORE
☐ Yes ☒ No

APPLICATION FOR DOWNHOLE COMMINGLING

XTO ENERGY INC. 2700 FARMINGTON AVENUE, SUITE K-1 FARMINGTON, NM 87401

Operator Address
PO PIPKIN SF B SEC 07-T27N-R10 SAN JUAN

Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 167067 Property Code API No. 30-045-33447se Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name Basin DK/Blanco MV/Otero CH	BASIN MANCOS		BASIN DAKOTA
Pool Code	97232		71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5486'-5739'		6204'-6430'
Method of Production (Flowing or Artificial Lift)	FLOWING	FLOWING	FLOWING
Bottomhole Pressure (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.)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)	NEW DRILL	NEW DRILL	NEW DRILL
Producing, Shut-In or New Zone	NEW ZONE	NEW ZONE	NEW ZONE
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: Rates:	Date: Rates:	Date: Rates:
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas Water 32% 10 % 2 %	Oil Gas Water % % %	Oil Gas Water 68% 90% 98 %

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 ☐ Nos. ☒

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 HOLLY C. PERKINS TITLE REGULATORY COMPLIANCE TECH DATE 4/11/2006

TYPE OR PRINT NAME HOLLY C. PERKINS TELEPHONE NO. (505) 326-2777

E-MAIL ADDRESS holly_perkins@xtoenergy.com

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires March 31, 2007

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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

XTO Energy Inc.

3a. Address

2700 Farmington Ave., Bldg. K, Ste 1 Farmington,

3b. Phone No. (include area code)

505-324-1090

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

785' FNL & 1960' FEL SEC 7-T27N-R10W

5. Lease Serial No.

NMSF077875

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

PO PIPKIN #5F

9. API Well No.

30-045-33447

10. Field and Pool, or Exploratory Area

BASIN DAKOTA

BASIN MANCOS

11. County or Parish, State

SAN JUAN

NM

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

TYPE OF SUBMISSION

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

TYPE OF ACTION

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☒ Other DOWNHOLE

COMMINGLE

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 recomple 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 recomple 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 final site is ready for final inspection.)

XTO Energy Inc. requests approval to downhole commingle production from the Basin Dakota (71599) and the Basin Mancos (97232) upon completion. The well is being drilled now. Allocations are based upon a 9-section EUR & calculated as follows:

Basin Dakota:	Water: 98%	Oil: 68%	Gas: 90%
Basin Mancos:	Water: 2%	Oil: 32%	Gas: 10%

Ownership in this well's pools is common and notice to owners was unnecessary. Downhole commingling will offer an economical method of production while protecting against reservoir damage, waste of reserves & protection of correlative rights. The NMOC has been notified of our intent to DHC this well via submittal of Form C-103.

14. I hereby certify that the foregoing is true and correct
(Name/Printed/Typed)

HOLLY C. PERKINS

Title

REGULATORY COMPLIANCE TECH

Date 4/11/06

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, makes 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.

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 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

Form C-103
May 27, 2004

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

WELL API NO. 30-045-33447
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. NMSF077875
7. Lease Name or Unit Agreement Name: PO PIPKIN
8. Well Number #5F
9. OGRID Number 167067
10. Pool name or Wildcat BASIN DAKOTA/BASIN MANCOS

Pit or Below-grade Tank Application ☐ or Closure ☐
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

SUNDRY 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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other _____
2. Name of Operator XTO Energy Inc.
3. Address of Operator 2700 Farmington Ave., Bldg. K, Ste 1 Farmington, NM 87401
4. Well Location Unit Letter B : 785 feet from the NORTH line and 1960 feet from the EAST line Section 7 Township 27N Range 10W NMPM County SAN JUAN
11. Elevation (Show whether DR, RKB, RT, GR, etc.)

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐

OTHER: **DOWNHOLE COMMINGLE** ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐

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.

XTO Energy Inc. requests approval to downhole commingle production from the Basin Dakota (71599) and the Basin Mancos (97232) upon completion. This well is being drilled now. Allocations are based upon a 9-section EUR & calculated as follows:

Basin Dakota: Water: 98% Oil: 68% Gas: 90% Basin Mancos: Water: 2% Oil: 32% Gas: 10%
Ownership in this well's pools is common & notice to owners was unnecessary. DHC will offer an economical method of production while protecting against reservoir damage, waste of reserves & protection of correlative rights. The BLM was notified of our intent to DHC this well via submittal of Form 3160-5.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/ will be constructed or closed according to NMOCD guidelines ☐ , a general permit ☐ or an (attached) alternative OGD-approved plan ☐

SIGNATURE Holly C. Perkins TITLE REGULATORY COMPLIANCE TECH DATE 4/11/2006
Type or print name **HOLLY C. PERKINS** E-mail address: Regulatory@xtoenergy.com Telephone No. **505-324-1090**

For State Use Only

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

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

DISTRICT II
1301 W. Grand Ave., Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
3220 South St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

(II) CONSERVATION DIVISION
1720 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised June 10, 2003

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT


WELL LOCATION AND ACRAGE DEDICATION PLAT

API Number 30-045-33447	Pool Code 71599	Well Name Basin Dakota
Property Code	Property Name P O PIPKIN	Well Number 5E
OCNO No. 167067	Operator Name XTO ENERGY INC.	Location 5951'

10 Surface Location							
UL or lot no.	Section	Township	Range	Lot No.	Feet from the	North/South line	East/West line
B	7	27-N	10-W	1st	from the	NORTH	1960 EAST

11 Bottom Hole Location 11 Different From Surface							
UL or lot no.	Section	Township	Range	Lot No.	Feet from the	North/South line	East/West line
					from the		
Dedicated Acres E12 320.00				Order No.			

NO ALLOWANCE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<div>LOT 1</div> <div>LOT 2</div> <div>LOT 3</div> <div>LOT 4</div>	FD 2 1/2" B.C. 1913 U.S.G.I.D.		N 89 44 12" W 2041.5' (M)		<div>17 OPERATOR CERTIFICATION</div> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>[Signature]</i> Terry L. Small Regulatory Compliance Tech. Date 8/10/05</p> <div>18 SURVEYOR CERTIFICATION</div> <p>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.</p> <div></div> <p>Date _____ Signature _____ Title _____ Estimate Number _____</p>	
	LAT. 36°35'41.6" N (NAD 27) LONG. 107°56'02.2" W (NAD 27)		FD 2 1/2" B.C. 1913 U.S.G.I.D.			

DISTRICT I
1625 N. French Dr., Santa Fe, N.M. 87500

DISTRICT II
1301 W. Grand Ave., Alamosa, N.M. 88410

DISTRICT III
1000 N. Lincoln Rd., Artes, N.M. 87810

DISTRICT IV
1220 South St. Francis Dr., Santa Fe, N.M. 87500

State of New Mexico
Energy, Minerals & Natural Resources Department

Oil Conservation Division
1220 South St. Francis Dr.,
Santa Fe, N.M. 87500

Form C-102
Revised June 10, 2003

Submit to Appropriate District Office
State Lease - 4 Copies
For Lease - 3 Copies

[] AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

APN Number 30-045-33447	Well Code 97232	Well Name Basin mancos
Property Code	Property Name P. O. PIPKIN	Well Number 5F
Lease No. 167067	Operator Name XIO ENERGY INC	Location 505F

10 Surface Location

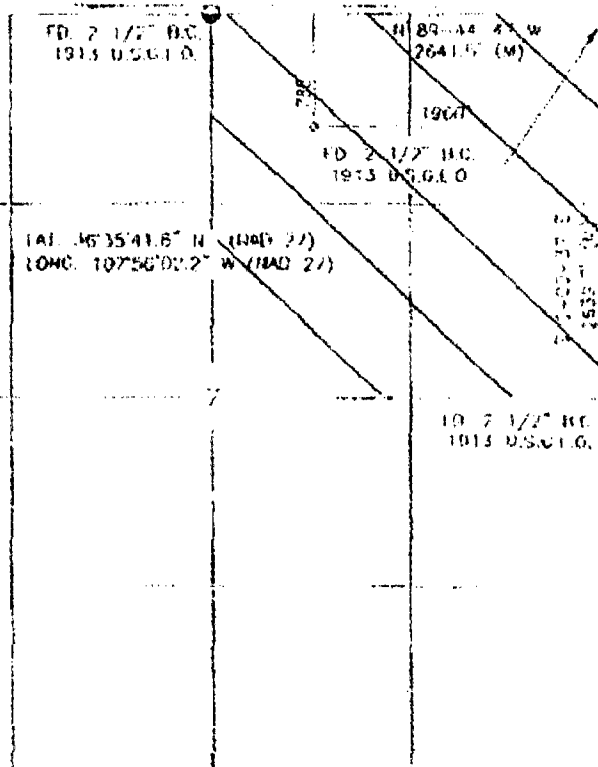
10 of lot no	Section	Township	Range	Lot No.	Feet from line	North/South line	Feet from line	East/West line	County
10	7	27-N	10-W		785	NORTH	1960	EAST	SAN JUAN

11 Bottom Hole Location If Different From Surface

11 of lot no	Section	Township	Range	Lot No.	Feet from line	North/South line	Feet from line	East/West line	County

Dedicated Acres: **0.814 100.00**

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

LOT 1	FD 2 1/2" H.C. 1913 U.S.G.L.O.		17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and correct to the best of my knowledge and belief.
LOT 2	161 35'35"41.6" N (1049 27) 1040 107'56"02.2" W (1040 27)		<i>Deputy H. Smaller</i> <i>Kelly L. Small</i> Regulatory Compliance Tech 8/10/05
LOT 3			18 SURVEYOR CERTIFICATION I hereby certify that the survey shown on this plat was plotted from field notes or field surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.
LOT 4			