

DATE IN 8/14/06	SUBPENSE 9/4/06	ENGINEER WILL JONES	LOGGED IN 8/14/06	TYPE DHC	APP NO. pTDS0622659538
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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
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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St. Francis Drive
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

Operator XTO Energy Inc. Address 2700 Farmington Ave., Bldg. K, Ste 1 Farmington, NM 87401
Lease PIPKIN GAS COM A Well No. 1G Unit Letter-Section-Township-Range (F) SEC 7-T27N-R 10W County SAN JUAN

OGRID No. 167067 Property Code 22630 API No. 30-045-33445 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	<u>WILDCAT BASIN MANCOS</u>		<u>BASIN DAKOTA</u>
Pool Code	<u>97232</u>		<u>71599</u>
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	<u>5339' - 5547'</u>		<u>6062' - 6313'</u>
Method of Production (Flowing or Artificial Life)	<u>F</u>		<u>F</u>
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)			
Producing, Shut-In or New Zone	<u>SHUT IN</u>		<u>PRODUCING</u>
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: <u>32</u> % Gas: <u>10</u> %	Oil: _____ % Gas: _____ %	Oil: <u>68</u> % Gas: <u>90</u> %

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 Lorri D. Bingham TITLE REGULATORY COMP TECH DATE 8/9/06
TYPE OR PRINT NAME LORRI D. BINGHAM TELEPHONE NO. (505) 324-1090
E-MAIL lorri_bingham@xtoenergy.com

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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)

2140' FNL & 1430' FWL SEC 7F-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.

PIPKIN GAS COM A # 1G

9. API Well No.

30-045-33445

10. Field and Pool, or Exploratory Area

BASIN DAKOTA

WILDCAT 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 DOWNHOLECOMMINGLE

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 final site is ready for final inspection.)

XTO Energy, Inc. requests approval for an exception to NMCD Rule 303-C to permit DHC of production from the Basin Dakota & the Wildcat Basin Mancos in the Pipkin Gas Com A #1G. XTO Energy, Inc. proposes to downhole commingle these pools upon completion of this well.

Allocations are based upon a 9-section EUR and are calculated as follows:

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

Working Interest, Net Royalty Interest & Overriding Royalty Interest Owners have been notified by certified, return receipt mail on July 5, 2006. The NMCD has been notified of our intent by submission of form C-107A. Downhole commingling will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

LORRI D. BINGHAM

Title

REGULATORY COMPLIANCE TECH

Date

8/8/06

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.



Michael Logan/FAR/CTOC
12/14/2005 08:21 AM

To Holly Perkins/FAR/CTOC@CTOC
cc
bcc
Subject Pipkin Gas Com A #1G allocations

Holly,

Here's the allocations from Mandi based on 9 section EUR.

<u>Allocation</u>	<u>Water</u>	<u>Oil</u>	<u>Gas</u>
Dakota	98%	68%	90%
Mancos	2%	32%	10%

Michael Logan
XTO Energy
(505) 324-1090 office
(505) 486-3569 mobile
michael_logan@xtoenergy.com

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State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 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 ACREAGE DEDICATION PLAT

1. A/T Number	2. Pool Code	3. Pool Name
	97232	Basin mancos
4. Property Code	5. Property Name	6. Well Number
	PIPKIN GAS COM A	10
7. OGRID No.	8. Operator Name	9. Elevation
167067	XTO ENERGY INC.	5816'

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
F	7	27-N	10-W		2140	NORTH	1430	WEST	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			13. Joint or Infill		14. Consolidation Code		15. Order No.		
N.W. 1/4 1660.601									

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

16.		17. OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature: <i>Kelly L. Small</i> Printed Name: Kelly L. Small Title: Regulatory Compliance Tech Date: 9/29/09	
18. 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. Date of Survey: JUNE 16, 2005 Signature: <i>ANNA VUKOBRA</i> Title: Surveyor Date: 9/29/09 Certificate No. 1483			

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[] AMENDED REPORT

WELL, LOCATION AND ACREAGE DEDICATION PLAT

*API Number		*Pool Code	*Pool Name
		71599	Basin Dakota
*Property Code	*Property Name		*Well Number
	PIPKIN GAS COM A		1G
*OCSO No.	*Operator Name		*Elevation
167067	XTO ENERGY INC.		5816'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot 10n	Feet from the	North/South line	Feet from the	East/West line	County
F	7	27-N	10-W		2140	NORTH	1430	WEST	SAN JUAN

11 Bottom Hole Location if Different From Surface

UL or lot no.	Section	Township	Range	Lot 10n	Feet from the	North/South line	Feet from the	East/West line	County
*Dedicated Acres			*Joint or Infill		*Consolidation Code		*Order No.		
W/2 322.98									

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

FD. 2 1/2" B.C. 1913 U.S.G.L.O. WIT. CORNER 18.6' SOUTH OF CORNER POSITION LOT 1 S 89-36-41 E 2742.2' (C) S 0-05-04 W 2643.2' (C) LOT 2 1430'		FD. 2 1/2" B.C. 1913 U.S.G.L.O. LOT 3 LOT 4 LAT 36°35'28.3" N (NAD 27) LONG. 107°56'26.7" W (NAD 27)		11 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature: <i>Deeley H. Smozer</i> Printed Name: <i>Deeley H. Smozer</i> Title: <i>Regional Survey Compliance Tech</i> Date: <i>9/29/09</i>	
12 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. Date of Survey: <i>JUNE 16, 2005</i> Signature: <i>JOHN A. YUKONISH</i> Printed Name: <i>JOHN A. YUKONISH</i> Title: <i>REGISTERED PROFESSIONAL SURVEYOR</i> Certificate No.: <i>14891</i>					