

DATE IN 5/12/03	SUBMIT 6/1/03	ENCL MS	LOGGED IN KW	TYPE NSL	PRV PRV0313453928
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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.

George A. Cox
Print or Type Name

George A. Cox
Signature

LANDMAN
Title

5-8-03
Date

George - Cox @ XTOENERGY.COM
e-mail Address



May 8, 2003

CERTIFIED MAIL:

Mr. Michael E. Stogner
New Mexico Oil Conservation Division
1220 S. Saint Francis Dr.
Santa Fe, New Mexico 87504

RE: Application for Administrative Approval of Unorthodox Location
XTO Energy Inc.'s E.H. Pipkin #10E Well
1,520' FNL and 810' FEL (SE/4 NE/4)
Unit H, Section 1, T27N-R11W
San Juan County, New Mexico
Kutz-Gallup Pool

Dear Mr. Stogner:

XTO Energy Inc. hereby requests administrative approval for an unorthodox location for the above referenced well. Attached for your reference are the following exhibits:

1. Well location plat (NMOCD Form C-102)
2. Ownership map
3. Production map

This well was originally drilled to the Dakota formation, spaced on a 320 acres consisting of the N/2 of the section. XTO Energy Inc. plans to abandon the Dakota formation and move up the hole and attempt a completion in the Kutz-Gallup Pool. The Kutz-Gallup Pool is spaced on 40 acres. The rules state that the well should not be closer than 330 feet to a quarter-quarter section line for a 40 acre spaced unit. The existing wellbore will not conform to the footage requirements for a 40 acre spaced unit. The economics will not warrant the drilling of a well for just the Kutz-Gallup Pool, while a recompletion of this well in the existing wellbore would be economically sound and would increase production and the protection of correlative rights.

XTO Energy Inc. owns 100% working interest in this unit as well as in the offset wells that we are moving closer to in the Kutz-Gallup Pool, therefore there is no one to notify. XTO would like to request your Administration Approval for the unorthodox location based on the above information. Should you need any additional information please feel free to contact me at (817) 885-2454.

Sincerely,
XTO ENERGY INC.


George A. Cox, CPL
Landman

Enclosures

cc: Gary Markestad
Jeff Patton
Robin Tracy

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, 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 & Natural Resources Department

Form C-102
Revised August 15, 2000

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-23781	² Pool Code 36550	³ Pool Name Kutz Gallup
⁴ Property Code	⁵ Property Name E.H. Pipkin	⁶ Well Number 10E
⁷ OGRID No. 167067	⁸ Operator Name XTO Energy Inc's	⁹ Elevation 5,735' KB

¹⁰ Surface Location

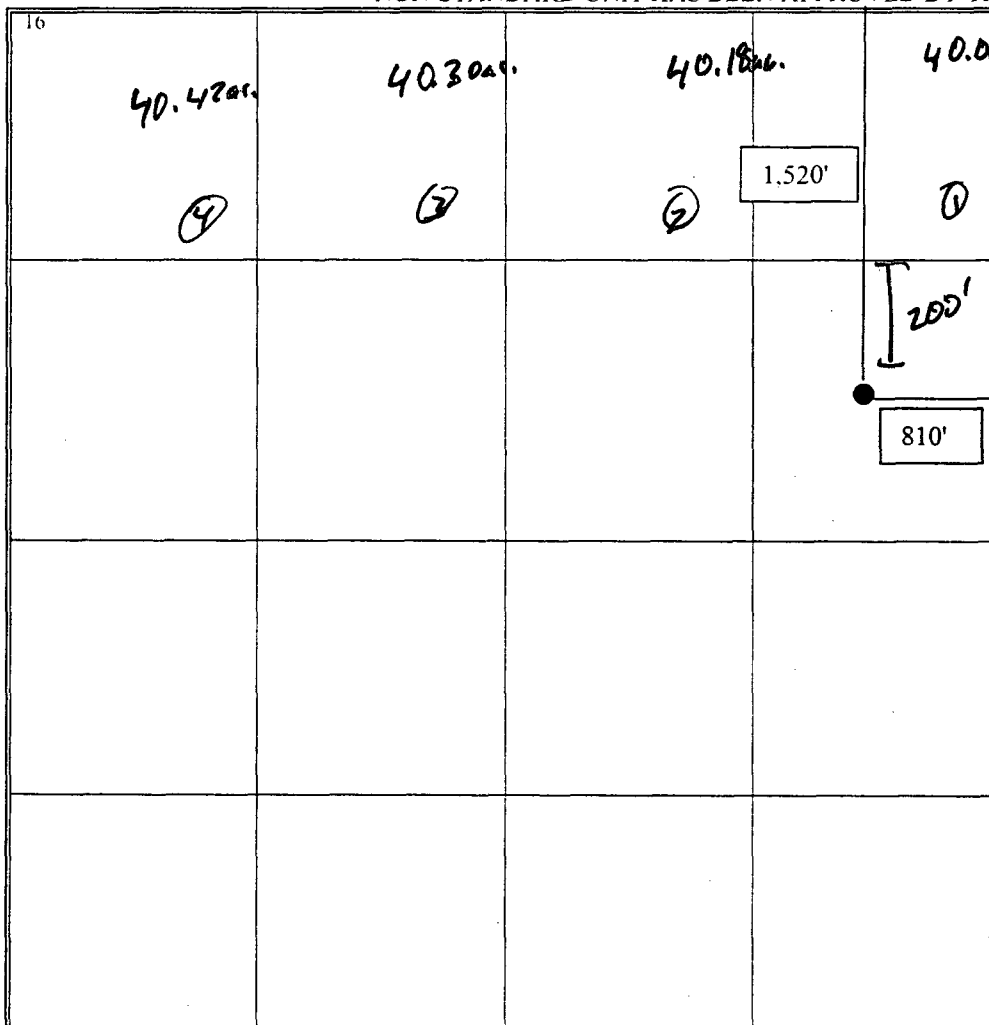
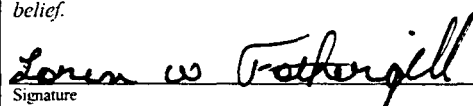
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	1	27 N	11 W		1,520'	North	810'	East	San Juan

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 80	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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 Loren W. Fothergill Printed Name Production Engineer Title May 2, 2003 Date
	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. September 14, 1984 Date of Survey Signature and Seal of Professional Surveyor: Original signed by Fred B. Kerr Jr. 3950 Certificate Number

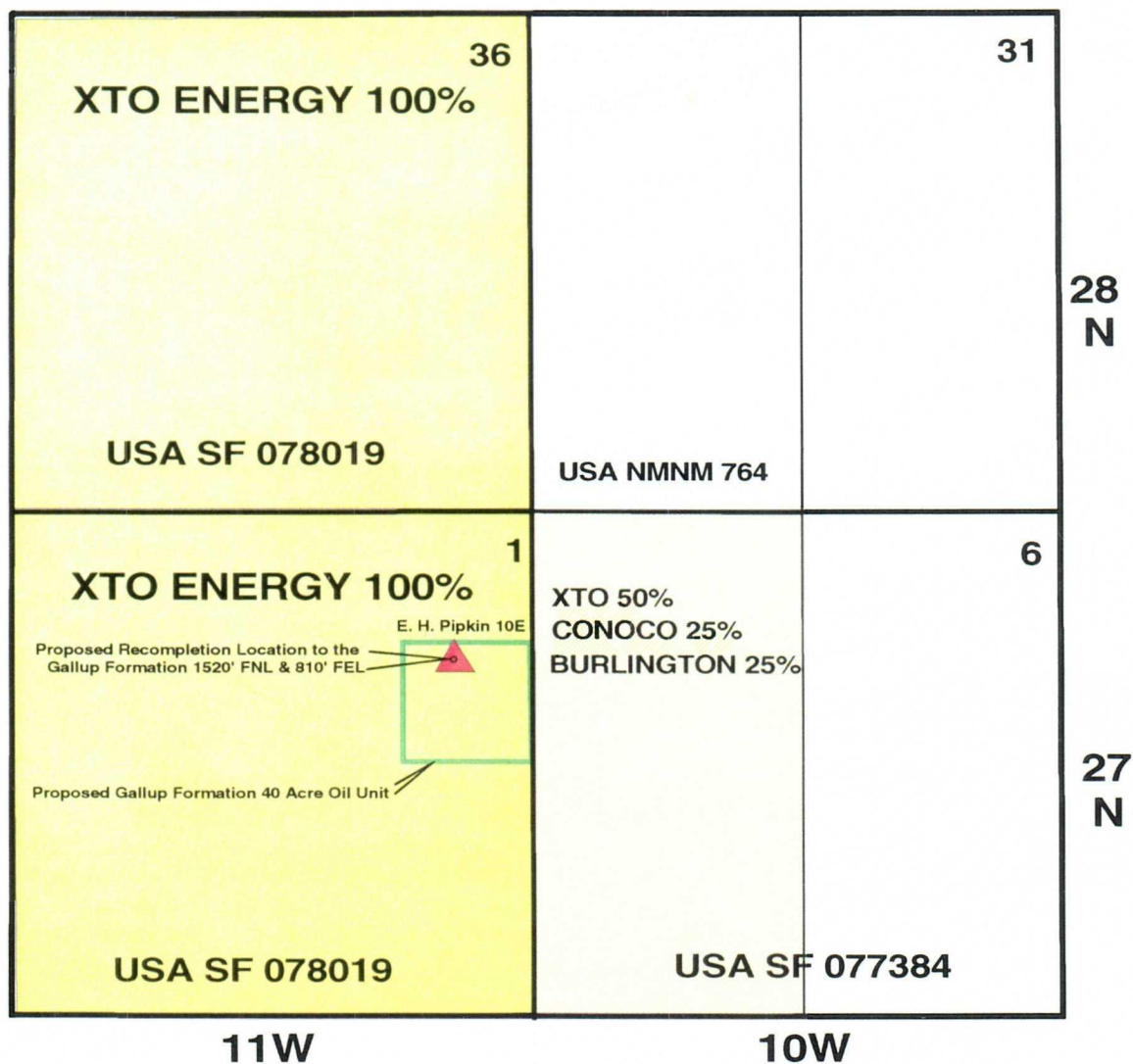


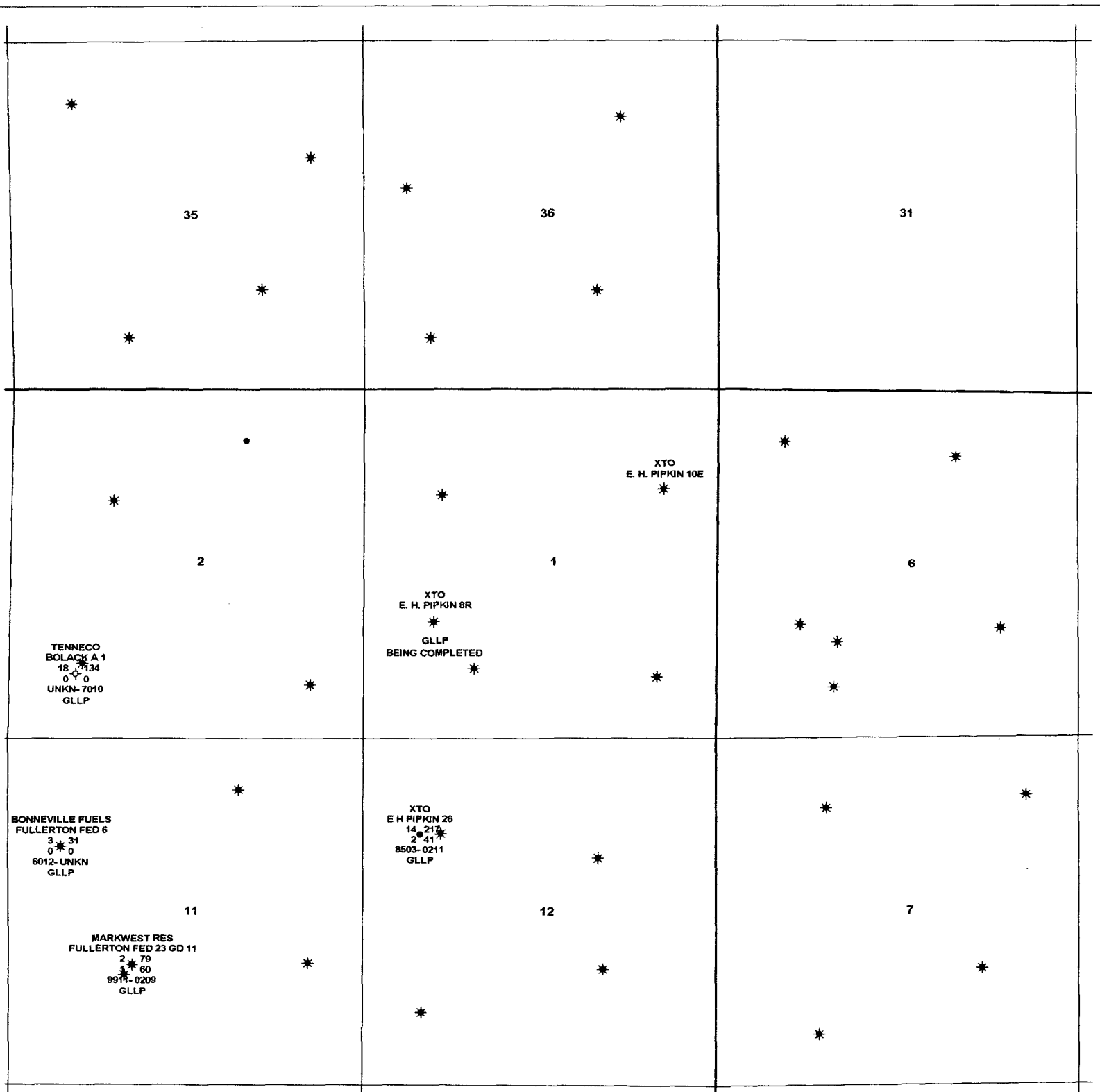
STATE: New Mexico COUNTY: San Juan

PROSPECT: Ownership in Kutz - Gallup Formation DATE: May 1, 2003

SECTION: 1 TOWNSHIP: 27N RANGE: 11W

SCALE: 1" = 2,000'





WELLS W/PRODUCTION

Operator
Well Name & Number
Cum Oil MBO ● Cum Gas MMCF
Cum Rate Bopd Cum Rate Mcfd
Start-End Date
Formation

XTO ENERGY INC.

T27N R11W SEC 1
GLLP PRODUCERS
SAN JUAN BASIN

L. Weiss	R. Tracy	5/2/2003
Scale 1:24000.	1" = 2000'	gfp.gpf

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE*

(See other instructions on reverse side)

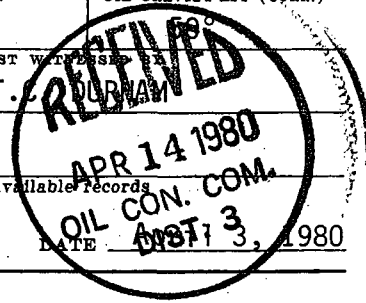
Form approved.
Budget Bureau No. 42-R355.6.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL:		OIL WELL ☐	GAS WELL ☒	DRY ☐	Other _____		
b. TYPE OF COMPLETION:		NEW WELL ☒	WORK OVER ☐	DEEP-EN ☐	PLUG BACK ☐	DIFF. RESVR. ☐	Other _____
2. NAME OF OPERATOR Energy Reserves Group, Inc.						7. UNIT AGREEMENT NAME	
3. ADDRESS OF OPERATOR P.O. Box 3280 - Casper, Wyoming 82602						8. FARM OR LEASE NAME E.H. Pipkin	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)* At surface 1,520' FNL, 810' FEL (SE NE) At top prod. interval reported below At total depth						9. WELL NO. 10-E	
14. PERMIT NO.						12. COUNTY OR PARISH San Juan	
DATE ISSUED						13. STATE New Mexico	
15. DATE SPUNDED 2-25-80	16. DATE T.D. REACHED 3-11-80	17. DATE COMPL. (Ready to prod.) 4-3-80	18. ELEVATIONS (DF, REB, RT, GR, ETC.)* GRD 5,721' KB 5,735'		19. ELEV. CASINGHEAD -----		
20. TOTAL DEPTH, MD & TVD 6,255'	21. PLUG, BACK T.D., MD & TVD 6,199'	22. IF MULTIPLE COMPL., HOW MANY* -----	23. INTERVALS DRILLED BY -----	ROTARY TOOLS 0-TD	CABLE TOOLS -----		
24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)* 6,117'-34' Dakota					25. WAS DIRECTIONAL SURVEY MADE NO		
26. TYPE ELECTRIC AND OTHER LOGS RUN Dual Induction - SFL; Comp Neutron - Form Density					27. WAS WELL CORED NO		
28. CASING RECORD (Report all strings set in well)							
CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD		AMOUNT PULLED	
8-5/8"	24#	768' KB	12-1/4"	500 sks 'B' + 2% CaCl ₂ + 1/4#/sk Flocele		-0-	
4-1/2"	10.5#	6,245' KB	7-7/8"	See Back of Page		-0-	
29. LINER RECORD				30. TUBING RECORD			
SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	
		None			2-3/8"	6,133'	
31. PERFORATION RECORD (Interval, size and number) 6,117'-34' w/1 JSPF				32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.			
				DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED		
				6,117'-34'	BD w/1000 gals Smith HAS-1 7-1/2% acid + 10% Methanol + additives + 500 SCF N ₂ /bbl. + 24 Ball Sealers Frac - See Back of Page		
33.* PRODUCTION							
DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)			WELL STATUS (Producing or shut-in) SI		
DATE OF TEST 4-2-80	HOURS TESTED 24	CHOKE SIZE 1/2"	PROD'N. FOR TEST PERIOD -----	OIL—BBL. 8	GAS—MCF. 1233	WATER—BBL. 5	
FLOW. TUBING PRESS. 200 psi	CASING PRESSURE SI 400 psi	CALCULATED 24-HOUR RATE -----	OIL—BBL. 8	GAS—MCF. 1233	WATER—BBL. 5	GAS-OIL RATIO NA	
34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) VENTED DURING TESTING					TEST WITNESSED BY T. C. DUBHAM		
35. LIST OF ATTACHMENTS SAMPLE DESCRIPTION							
36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records							
SIGNED <u>Hean B. Barnes</u>			TITLE <u>Dist Prod Engr-RMD</u>				

*(See Instructions and Spaces for Additional Data on Reverse Side)

NMOCC



INSTRUCTIONS

General: This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on items 22 and 24, and 33, below regarding separate reports for separate completions.

If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see item 33.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 18: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments.

Items 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

Item 29: "Sacks Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

Item 33: Submit a separate completion report on this form for each interval to be separately produced. (See instruction for items 22 and 24 above.)

37. SUMMARY OF POROUS ZONES:

SHOW ALL IMPORTANT ZONES OF POROSITY AND CONTENTS THEREOF; CORED INTERVALS; AND ALL DRILL-STEM TESTS, INCLUDING DEPTH INTERVAL TESTED, CUSHION USED, TIME TOOL OPEN, FLOWING AND SHUT-IN PRESSURES, AND RECOVERIES

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	GEOLOGIC MARKERS		
				NAME	MEAS. DEPTH	TRUE VERT. DEPTH
			SEE ATTACHED * 4-1/2" csg cementing 1st Stage - 180 sks 50-50 Pozmix + 2% Gel + 1/4#/sk Flocele followed 300 sks "B" + 10% Salt + 1/4#/sk Flocele. Stage Collar @ 4,377' - 2nd Stage 645 sks 65-35 Pozmix + 6% Gel + 10#/sk Gilsonite followed w/455 sks 50-50 Pozmix + 2% Gel + 12#/sk Gilsonite. Temp. Survey cement top @ 700' Frac Job - 52,500 Gals GWX-4 Gel + 106,250# 20-40 Sand + 400 SCF N₂/bbl.	LOG TOPS Fruitland Pictured Cliffs Lewis Cliff House Menefee Point Lookout Mancos Gallup Greenhorn Graneros Dakota Dakota Pay TD Driller Logger	1,337' 1,609' 1,698' 3,132' 3,273' 3,990' 4,305' 5,168' 5,956' 6,012' 6,063' 6,117' 6,255' 6,222'	