

3/1/05

(20 DAY WAIT)

3/21/05

WVS

(DHC-3420)

PWVS 050715 2258



RECEIVED

MAR 01 2005

OIL CONSERVATION  
DIVISION

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

February 24, 2005

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

Subject: Application for Exception to Rule 303A  
P.O. Pipkin #2F Downhole Commingle  
30-045-32676 Unit N Sec 08-T27N- R10W  
Basin Mancos and Basin Dakota  
NMSF078875; San Juan, NM

Dear Mr. Jones:

Enclosed please find an administrative application form (C107A) and attachments for downhole commingling for the captioned well. By copy of this application by certified mail, return receipt requested, XTO has notified all offset operators in the formations captioned above as well as all affected interest owners. The Division Director may approve the proposed downhole commingling in the absence of any valid objections from any offset operator or any interest owners within 20 days after the receipt of the application if, in his opinion, waste will not result thereby, and correlative rights will not be violated.

Any questions pertaining to this matter, please call me at (505) 324-1090.

Sincerely,

A handwritten signature in cursive script that reads 'Holly C. Perkins'.

Holly C. Perkins  
Regulatory Compliance Tech

xc: Wellfile  
OCD, Aztec Office

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

District II  
1301 W. Grand Avenue, Artesia, NM 88210

District III  
1000 Rio Brazos 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 AVE, SUITE K-1 FARMINGTON, NM 87401

Operator Address  
PIPKIN, PO #2F SEC N08, T27N, R10W SAN JUAN

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

OGRID No. 167067 Property Code API No. 30-045-32676 Lease Type: Federal X State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	WILDCAT BASIN MANCOS		BASIN DAKOTA
Pool Code	97232		71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)			
Method of Production (Flowing or Artificial Lift)	Drilling		Drilling
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	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 29% Gas 12% Water 25%	Oil Gas Water	Oil 71% Gas 88% Water 75%

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes No X  
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes X No

Are all produced fluids from all commingled zones compatible with each other? Yes X No

Will commingling decrease the value of production? Yes No X

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 X

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 02/24/05

TYPE OR PRINT NAME HOLLY C. PERKINS TELEPHONE NO. (505) 324-1090  
E-MAIL ADDRESS Regulatory@xtoenergy.com

Submit 3 Copies To Appropriate District  
Office  
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  
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. 30-045-32676
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. NMSF078875
7. Lease Name or Unit Agreement Name PO PIPKIN
8. Well Number #2F
9. OGRID Number 167067
10. Pool name or Wildcat BASIN DAKOTA / BASIN MANCOS

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, SUITE K-1, FARMINGTON, NM 87401	
4. Well Location Unit Letter <u>N</u> : <u>660</u> feet from the <u>SOUTH</u> line and <u>1965</u> feet from the <u>WEST</u> Line Section <u>08</u> Township <u>27N</u> Range <u>10W</u> NMPM County <u>SAN JUAN</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5927'	
Pit or Below-grade Tank Application <input checked="" type="checkbox"/> or Closure <input checked="" type="checkbox"/>	
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 _____	

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: DOWNHOLE COMMINGLING <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

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 for an exception to Rule 303-C to permit the downhole commingling of production from the Basin Mancos (97232) and the Basin Dakota (71599) in the PO Pipkin #2F. It is proposed to downhole commingle production upon completion of this well. Allocations for each pool are based on a 9-section EUR and are as follows:

Basin Dakota	Oil 71%	Gas 88%	Water 75%
Basin Mancos	Oil 29%	Gas 12%	Water 25%

These pools are not included in the NMOCD pre-approved pool combinations for downhole commingling in the San Juan Basin. A C-107A is attached, along with our allocation worksheet, plats for each reservoir, our notice to interest owners and our Form 3160-5 to the BLM. Working interest, net royalty interest and overriding royalty interest owners have been notified by certified, return receipt mail on February 22, 2005 our of intent to downhole commingle this well. The BLM has been notified of our intent to downhole commingle. Downhole commingling will offer an economic method of production while protecting against reservoir damage, waste of reserved and violation of correlative rights.

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 OCD-approved plan ☐.

SIGNATURE Holly C. Perkins TITLE REGULATORY COMPLIANCE TECH DATE 2/24/05

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 1  
1625 N. French Dr., Hobbs, N.M. 88240

DISTRICT 0  
1301 W. Grand Ave., Artesia, N.M. 88210

DISTRICT II  
1000 Rio Bruzoz Rd., Artes, N.M. 87410

DISTRICT IV  
1220 South St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.  
Santo Fe, NM 87505

Form C-102

Revised June 10, 2003

Submit to Appropriate District Office

Stole Lease - 4 Copies

Fee Lease — 3 Copies

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

AP1 Number		Pool Code	Pool Name	
		97232	Basin Mancos	
Property Code	Property Name			Well Number
	P. O. PIPKIN			2F
OPRD No.	Operator Name			Elevation
167067	XTO ENERGY INC.			5927'

## 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
N	8	27-N	10-W	660	SOUTH	1965	SAN JUAN

## "Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 100	Feet from the	North/South line	Feet from the	East/West line	County
Redeveloped Acres			Joint or Int'l		Consolidation Code		Order No.		
167 S14/4			I						

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

12

QTR. CORNER  
FD. 2 1/2" BC  
U.S.G.L.O. 1913

N 0-14-07 W  
2843.80' (M)

1968

SEC. CORNER  
FD. 2 1/2" BC  
U.S.G.L.O. 1913

S 89-51-31 E  
2627.1' (M)

560'

LAT. 35°35'03.5" N. (NAD 27)  
LONG. 107°55'14" W. (NAD 27)

QTR. CORNER  
FD. 2 1/2" BC  
U.S.G.L.O. 1913

17. OPERATOR CERTIFICATION

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

*Joseph Smalls*  
Signature  
Darryl K. Small  
Printed Name  
Drilling Assistant  
Title  
11/3/04  
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.

Date of this Plat  
Signature of Surveyor

*JOSEPH VUKOBRAH*  
NEW MEXICO  
14831  
20-1  
SURVEYOR

Certificate Number

16

QTR. CORNER  
FD 2 1/2" BC  
U.S.G.L.O. 1913

8

N 0-14-07 W  
2643.80' (M)

1965'

SEC. CORNER  
FD 2 1/2" BC  
U.S.G.L.O. 1913

S 89-51-31 E  
2627.1' (M)

860'

QTR. CORNER  
FD 2 1/2" BC  
U.S.G.L.O. 1913

LAT: 36°35'03.5" N. (NAD 27)  
LONG: 107°55'14" W. (NAD 27)

17 OPERATOR CERTIFICATION

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

*Joseph Small*  
Signature

Joseph Small  
Printed Name

Drilling Assistant  
Title

11/03/04  
Date

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plot 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: 11/03/04  
Signature and Seal of Surveyor: *[Signature]*

NEW MEXICO  
14831  
20-  
SURVEYOR

Certificate Number

PO Pipken 2F - Allocation

Well	No	Operator	Location			Cum Gas			Cum Oil			EUR Gas			EUR Oil		
Basin	Dakota		Sec	Unit	Twn	Rng	Reservoir	(mmcf)	(mbo)	(mmcf)	(mbo)	(mmcf)	(mbo)				
FEDERAL F	2E	XTO ENERGY INCORPORATED	4	O	27N	10W	Dakota	149	1	651	3						
R P HARGRAVE L	1E	XTO ENERGY INCORPORATED	4		27N	10W	Dakota	993	7	1,352	7						
HARGRAVE FEDERAL	1	TENNECO OIL COMPANY	4	C	27N	10W	Dakota	1,076	26	1,076	26						
FEDERAL F	2	XTO ENERGY INCORPORATED	4	H	27N	10W	Dakota	5,853	84	6,703	85						
R P HARGRAVE L	1	XTO ENERGY INCORPORATED	4	M	27N	10W	Dakota	2,717	30	3,190	30						
C A MCADAMS C	1	XTO ENERGY INCORPORATED	5	P	27	10	DAKOTA	2,194	33	2,540	36						
C A MCADAMS C	2	XTO ENERGY INCORPORATED	5	K	27	10	DAKOTA	2,539	19	682	4						
C A MCADAMS C	1E	XTO ENERGY INCORPORATED	5		27	10	DAKOTA	1,130	10	1,309	11						
C A MCADAMS C	2E	XTO ENERGY INCORPORATED	5	F	27	10	DAKOTA	819	8	1,068	9						
M N GALT J	1	BP AMERICA PRODUCTION COMPANY	6	N	27	10	DAKOTA	175	4	1,746	4						
KUTZ J FEDERAL	2	XTO ENERGY INCORPORATED	6		27	10	DAKOTA	1,647	18	1,821	19						
KUTZ J FEDERAL	3	XTO ENERGY INCORPORATED	6	H	27	10	DAKOTA	58	1	1,291	14						
KUTZ J FEDERAL	2E	XTO ENERGY INCORPORATED	6	I	27	10	DAKOTA	739	0	1,218	1						
M N GALT B	1R	XTO ENERGY INCORPORATED	6		27	10	DAKOTA	9	0	92	0						
M N GALT B	1Y	XTO ENERGY INCORPORATED	6	K	27	10	DAKOTA	1	0	1,340	16						
M N GALT J	2	XTO ENERGY INCORPORATED	6		27	10	DAKOTA	996	9	1,154	10						
M N GALT J	3	XTO ENERGY INCORPORATED	6	F	27	10	DAKOTA	37	1	928	14						
P O PIPKIN	5	XTO ENERGY INCORPORATED	7	A	27	10	DAKOTA	1,121	12	1,518	13						
P O PIPKIN	5E	XTO ENERGY INCORPORATED	7	J	27	10	DAKOTA	196	1	429	2						
PIPKIN GAS COM A	1	XTO ENERGY INCORPORATED	7	N	27	10	DAKOTA	1,328	10	1,792	14						
PIPKIN GAS COM A	1E	XTO ENERGY INCORPORATED	7	C	27	10	DAKOTA	659	9	850	10						
P O PIPKIN	1	XTO ENERGY INCORPORATED	8	H	27	10	DAKOTA	2,183	24	2,771	25						
P O PIPKIN	2	XTO ENERGY INCORPORATED	8	L	27	10	DAKOTA	1,080	11	1,357	12						
P O PIPKIN	1E	XTO ENERGY INCORPORATED	8	I	27	10	DAKOTA	795	6	1,173	6						
P O PIPKIN	2E	XTO ENERGY INCORPORATED	8	E	27	10	DAKOTA	1,064	6	1,470	7						
FEDERAL H	1E	XTO ENERGY INCORPORATED	9	E	27N	10W	Dakota	109	1	614	1						
R P HARGRAVE H	1E	XTO ENERGY INCORPORATED	9	J	27N	10W	Dakota	1,201	16	2,108	19						
R P HARGRAVE H	1	XTO ENERGY INCORPORATED	9	B	27N	10W	Dakota	3,180	40	3,615	42						
FEDERAL H	1	XTO ENERGY INCORPORATED	9	L	27N	10W	Dakota	6,354	58	7,062	61						
FEDERAL F	1E	XTO ENERGY INCORPORATED	16	P	27N	10W	Dakota	337	3	1,412	9						
R P HARGRAVE K	1	XTO ENERGY INCORPORATED	16	M	27N	10W	Dakota	2,368	51	2,962	51						
FEDERAL F	1	XTO ENERGY INCORPORATED	16	H	27N	10W	Dakota	4,353	74	5,073	76						

PO Pipken 2F - Allocation

Well	No	Operator	Location		Sec	Unit	Twn	Rng	Reservoir	Cum Gas	Cum Oil	EUR Gas	EUR Oil
			(mmcf)	(mbo)						(mmcf)	(mbo)		
R P HARGRAVE K	1E	XTO ENERGY INCORPORATED	16	C	27N	10W	Dakota	738	6	1,239	6		
P O PIPKIN	3E	XTO ENERGY INCORPORATED	17	I	27N	10W	Dakota	934	11	1,413	12		
P O PIPKIN	4	XTO ENERGY INCORPORATED	17	K	27N	10W	Dakota	1,065	12	1,340	13		
P O PIPKIN	3	XTO ENERGY INCORPORATED	17	A	27N	10W	Dakota	3,029	48	3,356	48		
P O PIPKIN	4E	BP AMERICA PRODUCTION COMPANY	17	C	27N	10W	Dakota	91	1	91	1		
P O PIPKIN	4R	XTO ENERGY INCORPORATED	17	E	27N	10W	Dakota	253	0	253	-		
ARGO	1	AMAX OIL & GAS INCORPORATED	18	C	27N	10W	Dakota	1,547	18	1,547	18		
ARGO U S	1E	QUESTAR EXPLORATION & PRODUCTION CO	18	N	27N	10W	Dakota	959	9	1,211	9		
P O PIPKIN	6	XTO ENERGY INCORPORATED	18	O	27N	10W	Dakota	1,186	18	1,543	21		
P O PIPKIN	6E	XTO ENERGY INCORPORATED	18	B	27N	10W	Dakota	984	9	1,133	10		
Average										1,797	18		

Basin Mancos

M N GALT J	3	XTO ENERGY INCORPORATED	6	F	27	10	GALLUP	5.5	0.7	403.0	2.2
KUTZ J FEDERAL	3	XTO ENERGY INCORPORATED	6	H	27	10	GALLUP	8.7	0.4	151.0	8.2
M N GALT B	1Y	XTO ENERGY INCORPORATED	6	K	27	10	GALLUP	3.0	0.0	199.0	11.6
Average										251	7

Gas 12% Oil 29%  
Basin Mancos Allocation 88%  
Basin Dakota Allocation 71%

water  
25  
75



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

February 22, 2005

RE: Notice of Intent to Apply for Downhole Commingling

PO Pipken 2F  
Sec 8N, T27N, R10W; 600' FSL & 1965' FWL  
San Juan County, NM

To: All working interest, royalty interest and overriding royalty interest owners.

XTO Energy Inc. is applying for permission to downhole commingle the Basin Dakota and the Basin Mancos Pools in the PO Pipken 2F. This well is a new drill for 2005 and is scheduled to spud later this month. We propose to downhole commingle production from both pools on initial completion. NMOC requires all interest owners be notified of intent to downhole commingle if ownership is different between pools.

The proposed allocations are based on individual pool average EUR's in the area. Based upon this data, XTO Energy Inc. proposes to allocate the commingled production as follows:

Pool	Oil	Water	Gas
Basin Dakota	71%	75%	88%
Basin Mancos	29%	25%	12%

If you need additional information or have any questions, I can be contacted at (505) 324-1090. If you are opposed to commingling production from these two pools please respond in writing within 20 days of the date of this letter to XTO Energy Inc., 2700 Farmington Avenue, Suite K-1, Farmington, NM 87401.

Sincerely,

A handwritten signature in cursive script that reads 'Teena Cospers'.

Teena Cospers  
Production Clerk

xc: Well File  
FW Land Dept.  
BLM



PO PIPKIN #2F DHC DK/MV

ConocoPhillips  
Attn: Land Department  
P. O. Box 2197  
Houston, TX 77252-2197

Burlington Resources Oil & Gas Company LP  
P. O. Box 4289  
Farmington, NM 87499-0656

Lucille H. Pipkin Trust  
Stuart Shanor & Howard Kastler  
Co-Trustees U/W Dated 7/4/95  
P.O. Box 1174  
Roswell, NM 88202-1174

MMS – Notify BLM

Jackal Oil Co.  
307 W Seventh Street Ste 1718  
Fort Worth, TX 76102-5114



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

February 24, 2005

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

Subject: Application for Exception to Rule 303A  
P.O. Pipkin #2F Downhole Commingle  
30-045-32676 Unit N Sec 08-T27N- R10W  
Basin Mancos and Basin Dakota  
NMSF078875; San Juan, NM

Dear Mr. Jones:

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Any questions pertaining to this matter, please call me at (505) 324-1090.

Sincerely,

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Holly C. Perkins  
Regulatory Compliance Tech

xc: Wellfile  
OCD, Aztec Office