

DATE IN 5/19/06	SUSPENSE	ENGINEER WILL JONES	LOGGED IN 5/19/06	TYPE DHC	APP NO. P TDS0613959729
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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. Fourth Drive, Hobbs, NM 88240

District II
1701 W. Grand Avenue, Artesia, NM 88210

District III
1440 Rio Grande Road, Aztec, NM 87410

District IV
1229 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

DAC-3713

Operator PO PIPKIN SF Address 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, applicants 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 32% Gas 10% Water 2%	Oil % Gas % Water %	Oil 68% Gas 90% Water 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 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 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 <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMSP077875
2. Name of Operator XTO Energy Inc.		6. If Indian, Allottee or Tribe Name
3a. Address 2700 Farmington Ave., Bldg. K, Ste 1 Farmington,	3b. Phone No. (include area code) 505-324-1090	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 785' FNL & 1960' FEL SEC 7-T27N-R10W		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	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>DOWNHOLE</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>COMMINGLE</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 recompleate 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 recompleation 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 NMOCDD 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
<i>Holly C. Perkins</i>	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	

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

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 Gas Well 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.)

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 _____

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"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: DOWNHOLE COMMINGLE <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 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 NMOCB guidelines , a general permit or an (attached) alternative OCB-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 5F
OCND No. 167067	Operator Name XTO ENERGY INC.	Elevation 5951'

UL or lot no.	Section	Township	Range	Lot 4th	Feet from the	North/South line	Feet from the	East/West line	County
B	7	27-N	10-W		285	NORTH	1960	EAST	SAN JUAN

UL or lot no.	Section	Township	Range	Lot 4th	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 12 320.00					Point or Well	Construction Code	Order No.		

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

<p>LOT 1</p> <p>FD 2 1/2" B.C. 1913 U.S.G.L.D.</p>	<p>LOT 2</p> <p>LAT. 36°35'41.6" N (NAD 27) LONG. 107°56'02.2" W (NAD 27)</p>	<p>LOT 3</p> <p>FD 2 1/2" B.C. 1913 U.S.G.L.D.</p>	<p>LOT 4</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Debra A. Jones</i> Regulatory Compliance Tech. Date: 8/10/05</p>
				<p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual survey made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>NEW MEXICO 1987 15-05 REGISTERED PROFESSIONAL SURVEYOR</p>
				<p>19</p>
				<p>20</p>

REGISTRATION
1625 N. French 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, NM 87500

Form C-102
Revised June 10, 2003

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

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

DISTRICT II
1000 N. Inland Rd., Artesia, N.M. 87010

DISTRICT III
1220 South St. Francis Dr., Santa Fe, NM 87500

[] AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

APN Number 30-045-33447	Well Code 97230	Well Name Basin Marcos
Property Code	Property Name P. O. PIPKIN	Well Number 5F
Lease No. 167067	Operator Name XIO ENERGY INC	Location 595F

10 Surface Location

10 of lot no	Section	Township	Range	Foot from line	North/South line	Foot 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	Foot from line	North/South line	Foot from line	East/West line	County
11								

Dedicated Acres: 0.214 100.00

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

17 OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and correct to the best of my knowledge and belief.

Debra K. Small
Debra K. Small
Regulatory Compliance Tech
11/10/05

18 SURVEYOR CERTIFICATION
I hereby certify that the well and location shown on this plat are plotted from field notes or field surveys made by me or under my supervision, and that the same are true and correct to the best of my belief.

Date: 11/10/05
Surveyor: *Debra K. Small*
Professional Surveyor
NEW MEXICO
14851