

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

DISTRICT II
1301 W. Grand Avenue, 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-107A
Revised June 10, 2003

APPLICATION TYPE

 X Single Well

_____ Establish Pre-Approved Pools

EXISTING WELLBORE

 Yes **x** No

APPLICATION FOR DOWNHOLE COMMINGLING

~~2008 SEP 15 PM 2 11~~

INGLING
DHC-3797
Bldg K Ste 1 Cambridge

XTO Energy Inc.
Operator

2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401
Address

PO PIPKIN
Lease

#3F
Well No.

B	17	27
Unit Letter-Section-Township-Range		

LOW

SAN JUAN
County

OGRID No. 167067 Property Code 22628 API No. 30-045-33642 Lease Type: ☒ Federal ☐ 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)		5454' - 5698'		6178' - 6506'
Method of Production (Flowing or Artificial Life)		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)				
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:	Date:	Date:	
	Rates:	Rates:	Rates:	
	Date:	Date:	Date:	
	Rates:	Rates:	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: 34 %	Gas: 30 %	Oil: 66 % Gas: 70 %

Are all working, overriding, and royalty interests identical in all commingled zones?
If not, have all working, overriding, and royalty interests been notified by certified mail?

Yes No **X**
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 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  TITLE REGULATORY COMP TECH DATE 9/13/06

TYPE OR PRINT NAME LORRI D. BINGHAM TELEPHONE NO. (505) 324-1090

E-MAIL lorri.bingham@ctoenergy.com

DATE IN 9/15/06	SUSPENSE	ENGINEER W Jones	LOGGED IN 9/15/06	TYPE DHC 3790	APP NO. PTD50625854899
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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	

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 <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMSF077875
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) 685' FNL & 1805' FEL SEC 17B-T27N-R10W		8. Well Name and No. PO PIPKIN #3F
		9. API Well No. 30-045-33642
		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	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 DOWNHOLE
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	COMMINGLE
	<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 for an exception to NMOCD Rule 303-C to permit DHC of production from the Basin Dakota & the Wildcat Basin Mancos in the PO Pipkin #3F. 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: 70%	Water: 96%	Oil: 66%
Basin Mancos	Gas: 30%	Water: 4%	Oil: 34%

Working Interest, Net Royalty Interest & Overriding Royalty Interest Owners have been notified by certified, return receipt mail on August 23, 2006. The NMOCD 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)

LORETT D. BINGHAM

Title

REGULATORY COMPLIANCE TECH

Date **9/13/06**

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.

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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 API Number	² Pool Code 71599	³ Pool Name Basin Dakota
⁴ Property Code	⁵ Property Name P O PIPKIN	⁶ Well Number 3F
⁷ OGRID No. 167067	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 5960'

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
B	17	27-N	10-W		685	NORTH	1805	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 212 320			¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.		

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

<p>16</p> <p>FD. 2 1/2" B.C. 1913 U.S.G.L.O.</p>	<p>S 89-53-30 W 2637.8' (M)</p> <p>1805'</p>	<p>17</p> <p>OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Kelly X Small</i> Signature <i>Kelly X Small</i> Printed Name <i>Regulatory Compliance Tech</i> Title <i>10/23/05</i> Date</p>
<p>17</p>	<p>LAT. 36°34'50.1" N (NAD 27) LONG. 107°54'55.5" W (NAD 27)</p> <p>FD. 2 1/2" B.C. 1913 U.S.G.L.O.</p> <p>S 0-02-44 E 2640.1' (M)</p>	
		<p>18</p> <p>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 knowledge and belief.</p> <p><i>[Signature]</i> Signature 1005 Date <i>[Signature]</i> Signature 14831 Certificate Number</p>

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Form C-102

Revised June 10, 2003

Submit to Appropriate District Office

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Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 97232	³ Pool Name Basin Mancos
⁴ Property Code	⁵ Property Name P O PIPKIN	⁶ Well Number 3F
⁷ OGRD No. 107067	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 5960'

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
B	17	27-N	10-W		685	NORTH	1805	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 0.814 100			¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.		

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	FD. 2 1/2" B.C. 1913 U.S.G.L.O.	S 89-53-30 W 2637.8' (M) 685'	FD. 2 1/2" B.C. 1913 U.S.G.L.O.	<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>Signature: <u>Harry K. Small</u> Printed Name: <u>Harry K. Small</u> Title: <u>Production Compliance Tech</u> Date: <u>6/23/05</u></p>
		LAT. 36°34'50.1" N (NAD 27) LONG. 107°54'56.5" W (NAD 27)	FD. 2 1/2" B.C. 1913 U.S.G.L.O.	
				<p>18 SURVEYOR CERTIFICATION</p> <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 knowledge and belief.</p> <p>Signature: <u>[Signature]</u> Printed Name: <u>[Name]</u> Title: <u>[Title]</u> Date: <u>6/23/05</u></p> <p>NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR 14831</p> <p>Certificate Number: <u>14831</u></p>

PO Pipkin #3F Allocation

Well Name	No.	Operator	Sec	Unit	Twn	Rng	Field	Reservoir	Cum Oil (mbo)	Cum Gas (mmcf)	Cum Wtr (mbbl)	EUR Oil (mbo)	EUR Gas (mmcf)
ARGO	1	AMAX OIL & GAS INCORPORATED	18	C	27N	10W	BASIN	DAKOTA	18	1,547	1	18	1547
ARGO U S	1E	QUESTAR EXPLORATION & PRODUCTION CO	18	N	27N	10W	BASIN	DAKOTA	9	979	1	9	1323
C A MCADAMS D	1	XTO ENERGY INCORPORATED	20	K	27N	10W	BASIN	DAKOTA	16	1,319	1	16	1399
C A MCADAMS D	2	XTO ENERGY INCORPORATED	20	G	27N	10W	BASIN	DAKOTA	23	1,021	0	23	1021
C A MCADAMS D	1E	XTO ENERGY INCORPORATED	20	C	27N	10W	BASIN	DAKOTA	1	177	1	1	176
C A MCADAMS D	2E	XTO ENERGY INCORPORATED	20	J	27N	10W	BASIN	DAKOTA	6	732	2	6	1254
C A MCADAMS D	2F	XTO ENERGY INCORPORATED	20	O	27N	10W	BASIN	DAKOTA	0	16	0	0	384
E J JOHNSON C	1	BP AMERICA PRODUCTION COMPANY	21	L	27N	10W	BASIN	DAKOTA	57	1,489	1	57	1489
E J JOHNSON C	1E	XTO ENERGY INCORPORATED	21	C	27N	10W	BASIN	DAKOTA	17	1,928	13	17	2398
EVENSON	2	XTO ENERGY INCORPORATED	19	P	27N	10W	BASIN	DAKOTA	19	1,936	3	19	2281
EVENSON	4	XTO ENERGY INCORPORATED	19	H	27N	10W	BASIN	DAKOTA	3	83	0	3	897
FEDERAL F	1	XTO ENERGY INCORPORATED	16	H	27N	10W	BASIN	DAKOTA	74	4,411	7	74	5066
FEDERAL F	1E	XTO ENERGY INCORPORATED	16	P	27N	10W	BASIN	DAKOTA	3	442	3	3	1491
FEDERAL H	1	XTO ENERGY INCORPORATED	9	L	27N	10W	BASIN	DAKOTA	59	6,422	2	59	7078
FEDERAL H	1E	XTO ENERGY INCORPORATED	9	E	27N	10W	BASIN	DAKOTA	1	159	4	1	513
HUERFANO UNIT	101	BURLINGTON RESOURCES O&G CO LP	19	F	27N	10W	BASIN	DAKOTA	28	2,442	1	28	2538
HUERFANO UNIT	101E	BURLINGTON RESOURCES O&G CO LP	19	H	27N	10W	BASIN	DAKOTA	8	824	2	8	1260
JOHNSON GAS COM B	1	XTO ENERGY INCORPORATED	21	H	27N	10W	BASIN	DAKOTA	93	4,663	3	93	5080
JOHNSON GAS COM B	1E	XTO ENERGY INCORPORATED	21	I	27N	10W	BASIN	DAKOTA	12	1,222	9	12	1594
P O PIPKIN	1	XTO ENERGY INCORPORATED	8	H	27N	10W	BASIN	DAKOTA	24	2,215	4	24	2627
P O PIPKIN	2	XTO ENERGY INCORPORATED	8	L	27N	10W	BASIN	DAKOTA	11	1,112	2	11	1322
P O PIPKIN	3	XTO ENERGY INCORPORATED	17	A	27N	10W	BASIN	DAKOTA	48	3,057	6	48	3133
P O PIPKIN	4	XTO ENERGY INCORPORATED	17	K	27N	10W	BASIN	DAKOTA	12	1,396	2	13	1228
P O PIPKIN	5	XTO ENERGY INCORPORATED	7	A	27N	10W	BASIN	DAKOTA	12	1,147	4	12	1254
P O PIPKIN	6	XTO ENERGY INCORPORATED	18	O	27N	10W	BASIN	DAKOTA	18	1,223	6	18	1522
P O PIPKIN	1E	XTO ENERGY INCORPORATED	8	I	27N	10W	BASIN	DAKOTA	6	846	2	6	1050
P O PIPKIN	2E	XTO ENERGY INCORPORATED	8	E	27N	10W	BASIN	DAKOTA	6	1,127	6	6	1577
P O PIPKIN	3E	XTO ENERGY INCORPORATED	8	N	27N	10W	BASIN	DAKOTA	1	54	6	5	682
P O PIPKIN	3F	XTO ENERGY INCORPORATED	17	I	27N	10W	BASIN	DAKOTA	11	964	6	11	1004
P O PIPKIN	4E	BP AMERICA PRODUCTION COMPANY	17	C	27N	10W	BASIN	DAKOTA	1	91	0	1	91
P O PIPKIN	4R	XTO ENERGY INCORPORATED	17	E	27N	10W	BASIN	DAKOTA	0	253	213	0	253
P O PIPKIN	5E	XTO ENERGY INCORPORATED	7	J	27N	10W	BASIN	DAKOTA	1	226	2	1	375
P O PIPKIN	6E	XTO ENERGY INCORPORATED	18	B	27N	10W	BASIN	DAKOTA	9	1,018	846	9	1195
PIPKIN GAS COM A	1	XTO ENERGY INCORPORATED	7	N	27N	10W	BASIN	DAKOTA	10	1,379	2	10	1749
PIPKIN GAS COM A	1E	XTO ENERGY INCORPORATED	7	C	27N	10W	BASIN	DAKOTA	9	727	6	9	1259
R P HARGRAVE H	1	XTO ENERGY INCORPORATED	9	B	27N	10W	BASIN	DAKOTA	41	3,227	3	41	3546
R P HARGRAVE H	1E	XTO ENERGY INCORPORATED	9	J	27N	10W	BASIN	DAKOTA	16	1,300	5	16	2101
R P HARGRAVE K	1	XTO ENERGY INCORPORATED	16	M	27N	10W	BASIN	DAKOTA	51	2,437	6	51	3107
R P HARGRAVE K	1E	XTO ENERGY INCORPORATED	16	C	27N	10W	BASIN	DAKOTA	8	790	12	8	1182
RP HARGRAVE H	1F	XTO ENERGY INCORPORATED	9	H	27N	10W	BASIN	DAKOTA	0	16	1	1	342
RP HARGRAVE K	1F	XTO ENERGY INCORPORATED	16	K	27N	10W	BASIN	DAKOTA	0	91	1	1	1299
Average									29		18		1,724

C A MCADAMS D	1 XTO ENERGY INCORPORATED	20 K	27N	10W	ANGELS PEAK	GALLUP /SD/ SH/	1	73	1	6	597
C A MCADAMS D	2 XTO ENERGY INCORPORATED	20 G	27N	10W	ANGELS PEAK	GALLUP /SD/ SH/	0	2	1	0	2
C A MCADAMS D	2F XTO ENERGY INCORPORATED	20 O	27N	10W	ANGELS PEAK	GALLUP /SD/ SH/	0	6	0	0	144
EVENSEN	3 XTO ENERGY INCORPORATED	19 G	27N	10W	ANGELS PEAK	GALLUP /SD/ SH/	25	1,694	2	25	1966
HUERFANO UNIT	101 BURLINGTON RESOURCES O&G CO LP	19 F	27N	10W	ANGELS PEAK	GALLUP /SD/ SH/	34	2,316	0	34	2408
P O PIPKIN	2F XTO ENERGY INCORPORATED	8 N	27N	10W	BASIN	MANCOS	1	8	2	2	73
P O PIPKIN	4R XTO ENERGY INCORPORATED	17 E	27N	10W	BASIN	MANCOS	0	6	0	0	47
Average									1	10	748

Allocation	Water	Oil	Gas
Dakota	96%	66%	70%
Mancos	4%	34%	30%



2700 Farmington Avenue
Building K, Suite 1
Farmington, NM 87401

August 23, 2006

Interest Owners

Subject: Notice of Intent to Apply for Downhole Commingling
PO Pipkin #3F
Unit B, Sec 17, 27N, R10W

XTO Energy Inc is submitting an application to the New Mexico Oil Conservation Division (NMOCD) to downhole commingle production from the Basin Dakota and the Basin Mancos pools in the PO Pipkin #3F. Commingling of these pools will minimize operating costs, add reserves and improve economics of the well.

The proposed allocation percentages for each pool are as follows:

Basin Dakota	Gas: 70%	Water: 96%	Oil: 66%
Basin Mancos	Gas: 30%	Water: 4%	Oil: 34%

NMOCD requires all interest owners be notified of intent to downhole commingle if ownership is different between zones. If you need additional information or have any questions, I may be contacted at (505) 324-1090. If you have any objections to our application, please contact me within twenty (20) days of the date of this letter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lorri D. Bingham'.

Lorri D. Bingham
Regulatory Compliance Tech

xc: well file

BURLINGTON RESOURCES OIL & GAS COMPANY LP
P O BOX 4289
FARMINGTON, NM 874990656

PIPKIN, PO 03F DK DHC

BURLINGTON RESOURCES OIL & GAS COMPANY LP
P O BOX 4289
FARMINGTON, NM 874990656

PIPKIN, PO 03F DK DHC

BURLINGTON RESOURCES OIL & GAS COMPANY LP
P O BOX 4289
FARMINGTON, NM 874990656

PIPKIN, PO 03F DK DHC

LUCILLE H PIPKIN TRUST STUART SHANOR & HOWARD
P O BOX 1174
ROSWELL, NM 882021174

PIPKIN, PO 03F DK DHC

LUCILLE H PIPKIN TRUST STUART SHANOR & HOWARD
P O BOX 1174
ROSWELL, NM 882021174

PIPKIN, PO 03F DK DHC

LUCILLE H PIPKIN TRUST STUART SHANOR & HOWARD
P O BOX 1174
ROSWELL, NM 882021174

PIPKIN, PO 03F DK DHC

MMS XTO FEDERAL
C/O XTO ENERGY INC
810 HOUSTON STREET
FORT WORTH, TX 761026298

PIPKIN, PO 03F DK DHC

MMS XTO FEDERAL
C/O XTO ENERGY INC
810 HOUSTON STREET
FORT WORTH, TX 761026298

PIPKIN, PO 03F DK DHC

MMS XTO FEDERAL
C/O XTO ENERGY INC
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