

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires November 30, 2000

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.

RECEIVED

FEB -4 PM 3:18

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, NM 87401505/324-1090

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
1770'FSL, 1040'FWL, Sec.01,T27N,R11W

5. Lease Serial No.  
NMSF-078019

6. If Indian, Allottee or Tribe Name

8. Well Name and No.  
E.H. PIPKIN #8R

9. API Well No.  
30-045-31143

10. Field and Pool, or Exploratory Area  
BASIN DAKOTA  
KUTZ GALLUP

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

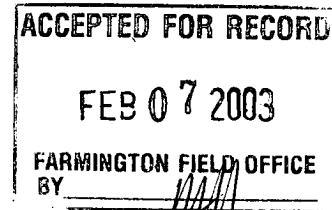
TYPE OF ACTION

- |   |   |  |  |
|---|---|--|--|
| <input type="checkbox"/> Acidize              | <input type="checkbox"/> Deepen           | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off              |
| <input type="checkbox"/> Alter Casing         | <input type="checkbox"/> Fracture Treat   | <input type="checkbox"/> Reclamation               | <input type="checkbox"/> Well Integrity              |
| <input type="checkbox"/> Casing Repair        | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete                | <input checked="" type="checkbox"/> Other <u>DHC</u> |
| <input type="checkbox"/> Change Plans         | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon       | <u>Dakota &amp; Gallup</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 approximated duration thereof. If the proposal is to deepen directionally or recomplete 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 recompletion 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 proposes to downhole commingle this well. All interests in this well are common.

DHC 1090 AZ



14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

DARRIN STEED

Title

REGULATORY SUPERVISOR

Date 2/3/03

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ Jim Lovato

Title

Office

Date

FEB -7 2003

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.

Title 18 U.S.C. Section 1001, 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.

(Instructions on reverse)

Submit 3 Copies To Appropriate District  
Office  
District I  
1625 N. French Dr., Hobbs, NM 87240  
District II  
811 South First, Artesia, NM 87210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

Form C-103  
Revised March 25, 1999

WELL API NO. 30-045-31148
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. NMSF078019
7. Lease Name or Unit Agreement Name: PIPKIN, EH
8. Well No. #8R
9. Pool name or Wildcat BASIN DAKOTA / KUTZ GALLUP
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 5944' GR

**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., Bldg. K. Ste 1 Farmington, NM 87401	4. Well Location Unit Letter <u>L</u> : <u>1770</u> feet from the <u>SOUTH</u> line and <u>1040</u> feet from the <u>WEST</u> line Section <u>01</u> Township <u>27N</u> Range <u>11W</u> NMPM County <u>SAN JUAN</u>
11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data	

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐

OTHER: DOWNHOLE COMMINGLE ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐  
CASING TEST AND CEMENT JOB ☐

OTHER: ☐

12. 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 recompilation.

XTO Energy Inc. requests an exception to Rule 303A to downhole commingle production from the Basin Dakota pool (71599) and the Kutz Gallup pool (36550). Both pools are included in Division Order R-11363 establishing pre-approved pool combinations for downhole commingling in the San Juan Basin. The APD for this well has been approved and the well has been spudded. XTO requests approval to DHC both zones on initial completion after drilling is completed. The proposed production allocations are based on the estimated ultimate gas and oil recoveries of the offset Dakota and Gallup completions Around this well location. See attachments for supporting data.

Proposed Gas Allocation: Dakota - 90% and Gallup - 10%  
Proposed Oil Allocation: Dakota - 63% and Gallup - 37%  
Proposed Water Allocation: Dakota - 63% and Gallup - 37%

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

SIGNATURE Darrin Steed TITLE REGULATORY SUPERVISOR DATE 2/3/03

Type or print name DARRIN STEED

Telephone No. 505-324-1090

(This space for State use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
Conditions of approval, if any:



February 3, 2003

Mr. Frank Chavez  
New Mexico Oil Conservation Division  
1000 Rio Brazos Rd.  
Aztec, New Mexico 87410

RE: Administrative approval to Downhole Commingle  
E.H. Pipkin #8R  
1,770' FSL & 1,040' FWL Unit L, Sec. 1, T 27 N, R 11 W  
San Juan County, New Mexico

Dear Mr. Chavez:

XTO Energy Inc. respectfully request approval to downhole commingle production from the Basin Dakota and Kutz Gallup pools in the E.H. Pipkin #8R. Attached for your reference are the following exhibits:

1. Sundry Notice (NMOCD From C-103)
2. Production data for the Kutz Gallup and Basin Dakota formation's in a 9 section area and the allocation formula.

The E.H. Pipkin #8R is in the process of being drilled by XTO Energy Inc. as a Basin Dakota / Kutz Gallup well. It is proposed to downhole commingle both zones during completion.

Based upon the average production for the Kutz Gallup and the Basin Dakota formation, in the 9 section area, the following allocations were determined:

Basin Dakota (71599)	Oil 63 %	Water 63 %	Gas 90 %
Kutz Gallup (36550)	Oil 37 %	Water 37 %	Gas 10 %

Both pools have common interest owners. Commingling both zones will not reduce the ultimate recovery of either pool. Downhole commingling will improve recovery of liquids, eliminating redundant surface equipment and maximize compressor efficiency. Attached is BLM approval on Form 3160-5 concerning this matter.

XTO Energy Inc. request your Administrative Approval to downhole commingle the Gallup and Dakota pools based upon the above information. Should you need any additional information please contact me at (505) 324 1090.

Sincerely,

*Loren W. Fothergill*

Loren W. Fothergill  
Production Engineer

Enclosures

Cc: GLM

LWF

George Cox -- FTW Land

Well File

E.H. Pipkin #8R SW/4 Section 1 T-27-N R-11-W								
Lease	Well #	Sec	Twp	Rng	Gallup		Dakota	
					EUR MMCF	CUM MBO	EUR MMCF	CUM MBO
E.H. Pipkin	9E	35	28N	11W			1,183	4
E.H. Pipkin	7	35	28N	11W			3,710	43
E.H. Pipkin	7E	35	28N	11W			1,466	6
E.H. Pipkin	9	35	28N	11W			2,900	25.0
E.H. Pipkin	6E	36	28N	11W			2,182	10.0
E.H. Pipkin	5	36	28N	11W			2,713	36.0
E.H. Pipkin	5E	36	28N	11W			873	5.0
E.H. Pipkin	6	36	28N	11W			2,776	31.0
Knauff B	1	31	28N	10W			1,733	19.0
Knauff B	1E	31	28N	10W			350	4.0
Martin Gas Com B	1	31	28N	10W			3,868	36.0
Martin Gas Com B	1E	31	28N	10W			1,029	6.0
MN Galt J	2	6	27N	10W			1,091	9.0
Kutz J Fed	2	6	27N	11W			1,820	18.0
E.H. Pipkin	10E	1	27N	11W			299	3.0
E.H. Pipkin	10	1	27N	11W			2,207	21.0
E.H. Pipkin	8X	1	27N	11W			551	7.0
E.H. Pipkin	8E	1	27N	11W			109	0.0
Bolack A	1	2	27N	11W			3,364	38.0
Bolack A	1	2	27N	11W	134	18		
Bolack A	1E	2	27N	11W			1,139	5.0
Angel Peak	1	2	27N	11W			7,689	61.0
Angel Peak	1E	2	27N	11W			1,882	9.0
Fullerton Fed	6	11	27N	11W	31	3	1,950	20.0
Fullerton Fed	6E	11	27N	11W			1,851	7.0
Fullerton Fed	7	11	27N	11W			1,571	27.0
Fullerton Fed 23 GD	11	11	27N	11W	268	2	612	1.0
E.H. Pipkin	12E	12	27N	11W			861	10.0
E.H. Pipkin	12	12	27N	11W			2,673	28.0
E.H. Pipkin	11	12	27N	11W			487	3.0
E.H. Pipkin	11E	12	27N	11W			1,005	6.0
E.H. Pipkin	26	12	27N	11W	332	14		
Pipkin Gas Com A	1E	7	27N	10W			851	8.0
Pipkin Gas Com A	1	7	27N	10W			1,483	10.0
PO Pipkin	5	7	27N	10W			1,138	12.0
PO Pipkin	5E	7	27N	10W			234	1.0
Totals					765	37	59,650	529
Average					191	9	1,754	16

Proposed Allocations

	Gas %	Oil %
Gallup	10%	37%
Dakota	90%	63%