

DATE IN 9/25/07	SUSPENSE	ENGINEER W. Jones	LOGGED IN 9/25/07	TYPE DHC	APP NO. PTD50726852209
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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

9/25/07

Post  
as DAY  
Protest

DISTRICT I  
1625 N. French Dr., Hobbs, NM 88240  
DISTRICT II  
1501 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

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

Operator KTO Energy Inc. Address 2700 Farmington Ave., Bldg. K, Ste 1 Farmington, NM 87401

Lease PO PIPKIN Well No. 6F Unit Letter-Section-Township-Range G 18 27N 10W County SAN JUAN

OGRID No. 5380 Property Code \_\_\_\_\_ API No. 30-045-33446 Lease Type: ☐ Federal ☐ State ☐ Free

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	<u>WILDCAT BASIN MANCOS</u>		<u>BASIN DAKOTA</u>
Pool Code	<u>97232</u>		<u>71599</u>
Top and Bottom of Pay Section (Performed or Open-Hole Interval)	<u>4400'</u> <u>5238'</u>		<u>6136'</u> <u>6383'</u>
Method of Production (Flowing or Artificial Life)	<u>FLOWING</u>		<u>FLOWING</u>
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	<u>NEW ZONE</u>		<u>NEW ZONE</u>
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: <u>28</u> % Gas: <u>15</u> %	Oil: _____ % Gas: _____ %	Oil: <u>72</u> % Gas: <u>85</u> %

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 ☒  
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 all offset operators.
- Notification list of working, overriding, and royalty interests for uncommunitized 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 Holly C. Perkins TITLE REG COMPLIANCE TECH DATE 7/30/2007

TYPE OR PRINT NAME HOLLY C. PERKINS TELEPHONE NO. ( 404 ) 324-1090

E-MAIL holly.perkins@ktoenergy.com

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

RECEIVED

Form C-103  
May 27, 2004

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

2007 SEP 25 AM 10:33  
30-045-33446

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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	5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator XTO Energy Inc.	6. State Oil & Gas Lease No. NMSF077875
3. Address of Operator 2700 Farmington Ave., Bldg. K, Ste 1 Farmington, NM 87401	7. Lease Name or Unit Agreement Name: PO PIPKIN
4. Well Location Unit Letter <u>G</u> : <u>2330</u> feet from the <u>NORTH</u> line and <u>1740</u> feet from the <u>EAST</u> line Section <u>18</u> Township <u>27N</u> Range <u>10W</u> NMPM County <u>SAN JUAN</u>	8. Well Number #6F
	9. OGRID Number 5380
	10. Pool name or Wildcat BASIN DAKOTA/BASIN MANCOS
11. Elevation (Show whether DR, RKB, RT, GR, etc.)	
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input 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:

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: ☐

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. proposes to downhole commingle production from the Basin Dakota (71599) and the Wildcat Basin Mancos (97232) upon completion of drilling. Allocations are based upon a 9-section EUR & calculated as follows:

Basin Dakota: Water: 96% Oil: 72% Gas: 85% Basin Mancos: Water: 4% Oil: 28% Gas: 15%  
Ownership in this well was diverse & owners were notified via certified, return receipt on July 30, 2007.

Downhole commingling 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

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 constructed or closed according to NMOCD guidelines ☐ , a general permit ☐ or as (attached) alternative OCD-approved plan ☐

SIGNATURE Holly C. Perkins

TITLE REGULATORY COMPLIANCE TECH DATE 7/30/2007

Type or print name HOLLY C. PERKINS

E-mail address: holly\_perkins@ctoenergy.com  
Telephone No. 505-324-1090

For State Use Only

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

Conditions of Approval, if any:

DISTRICT I  
1825 N. French Cr., Hobbs, N.M. 88240

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

DISTRICT III  
1000 Rio Brazos Rd., Aztec, 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.  
Santa Fe, NM 87505

Revised October 12, 2006

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-045-33446		<sup>2</sup> Pool Code 71599	<sup>3</sup> Pool Name Basin Dakota
<sup>4</sup> Property Code	<sup>5</sup> Property Name P O PIPKIN		<sup>6</sup> Well Number 6F
<sup>7</sup> DGRID No. 167067	<sup>8</sup> Operator Name XTO ENERGY INC.		<sup>9</sup> Elevation 5940

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	18	27-N	10-W		2330	NORTH	1740	EAST	SAN JUAN

<sup>11</sup> 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
<sup>12</sup> Dedicated Acres 812.320			<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> 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

<sup>16</sup> CALC'D. CORNER WIT. CORNER FD. 2 1/2" BC. 1913 U.S.G.L.O. 13.2' SOUTH OF CORNER POSITION  LOT 1 43.39		S 89-41-59 W 5401.6' (C)		FD. 2 1/2" BC. 1913 U.S.G.L.O.	
LOT 2 43.41		LAT: 36.57615° N. (NAD 83) LONG: 107.93379° W. (NAD 83) LAT: 36°34'34.1" N. (NAD 27) LONG: 107°55'59.4" W. (NAD 27)		2330'	
LOT 3 43.43		18		1740'	
LOT 4 43.45		S 0-06-04 W 5275.8' (M)		FD. 2 1/2" BC. 1913 U.S.G.L.O.	
<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill the well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the Division.  _____ Signature YOLLY K. SMALL _____ Printed Name Date 7/27/06					
<sup>18</sup> 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.  APRIL 24, 2006 Date of Survey _____ Signature JOHNA VUKOBACH NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR 14831 _____ Certificate Number					

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

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

DISTRICT III  
1000 Rio Brazos Rd., Aztec, 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.  
Santa Fe, NM 87505

Revised October 12, 2006

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-045-33446	<sup>2</sup> Pool Code 97232	<sup>3</sup> Pool Name Basin Marcos
<sup>4</sup> Property Code	<sup>5</sup> Property Name P O PIPKIN	<sup>6</sup> Well Number 6F
<sup>7</sup> OGRO No. 167007	<sup>8</sup> Operator Name XTO ENERGY INC.	<sup>9</sup> Elevation 5940

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	18	27-N	10-W		2330	NORTH	1740	EAST	SAN JUAN

<sup>11</sup> 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
<sup>12</sup> Dedicated Acres 58/4 160			<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> 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

<sup>16</sup> CALC'D. CORNER WT. CORNER FD. 2 1/2" BC. 1913 U.S.G.L.O. 13.2' SOUTH OF CORNER POSITION  LOT 1 43.39		S 89-41-59 W 5401.6' (C)		FD. 2 1/2" BC. 1913 U.S.G.L.O.		<sup>17</sup> OPERATOR CERTIFICATION  I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.  <i>Harry H. Smirrell</i> 7/27/06 Signature Date <i>Kathy Small</i> Printed Name	
LOT 2 43.41  LAT: 36.57615° N. (NAD 83) LONG: 107.93379° W. (NAD 83) LAT: 36°34'34.1" N. (NAD 27) LONG: 107°55'59.4" W. (NAD 27)		2330'		1740'		<sup>18</sup> 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.  APRIL 24, 2006 Date of Survey Signature <i>JOYNA VUKOMICH</i> JOYNA VUKOMICH NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR 14831 25-06 Certificate Number	
LOT 3 43.43		18		S 0-06-04 W 5275.8' (M)			
LOT 4 43.45						FD. 2 1/2" BC. 1913 U.S.G.L.O.	

PO Pipkin #6F Allocation

Well Name	No.	Operator	Location				Reservoir	Cum Wtr (mmbbl)	EUR Oil (mbo)	EUR Gas (mmcf)
ARGO	1	AMAX OIL & GAS INCORPORATED	18 C	27N	10W	BASIN	DAKOTA	1	18	1,547
ARGO U S	1E	QUESTAR EXPLORATION & PRODUCTION CO	18 N	27N	10W	BASIN	DAKOTA	1	9	1,323
C A MCADAMS D	1	XTO ENERGY INCORPORATED	20 K	27N	10W	BASIN	DAKOTA	1	16	1,415
C A MCADAMS D	2	XTO ENERGY INCORPORATED	20 G	27N	10W	BASIN	DAKOTA	0	23	1,021
C A MCADAMS D	1E	XTO ENERGY INCORPORATED	20 C	27N	10W	BASIN	DAKOTA	1	1	178
C A MCADAMS D	2E	XTO ENERGY INCORPORATED	20 J	27N	10W	BASIN	DAKOTA	2	8	1,283
C A MCADAMS D	2F	XTO ENERGY INCORPORATED	20 O	27N	10W	BASIN	DAKOTA	0	0	406
E H PIPKIN	11	XTO ENERGY INCORPORATED	12 M	27N	11W	BASIN	DAKOTA	5	3	487
E H PIPKIN	12	XTO ENERGY INCORPORATED	12 G	27N	11W	BASIN	DAKOTA	5	30	2,676
E H PIPKIN	11E	XTO ENERGY INCORPORATED	12 J	27N	11W	BASIN	DAKOTA	4	7	1,070
E H PIPKIN	12E	XTO ENERGY INCORPORATED	12 E	27N	11W	BASIN	DAKOTA	4	11	840
E SCOTT FEDERAL	13	XTO ENERGY INCORPORATED	24 L	27N	11W	BASIN	DAKOTA	2	9	750
EVENSEN	2	XTO ENERGY INCORPORATED	19 P	27N	10W	BASIN	DAKOTA	3	19	2,291
EVENSON	4	XTO ENERGY INCORPORATED	19 H	27N	10W	BASIN	DAKOTA	0	8	913
FULLERTON FEDERAL	10	BONNEVILLE FUELS CORPORATION	13 I	27N	11W	BASIN	DAKOTA	0	10	555
HANCOCK FEDERAL	3	BURLINGTON RESOURCES O&G CO LP	24 A	27N	11W	BASIN	DAKOTA	0	19	1,800
HANCOCK FEDERAL	4	BETA DEVELOPMENT COMPANY	13 A	27N	11W	BASIN	DAKOTA	0	16	1,695
HUERFANO UNIT	101	BURLINGTON RESOURCES O&G CO LP	19 F	27N	10W	BASIN	DAKOTA	1	28	2,538
HUERFANO UNIT	101E	BURLINGTON RESOURCES O&G CO LP	19	27N	10W	BASIN	DAKOTA	2	8	1,260
P O PIPKIN	1	XTO ENERGY INCORPORATED	8 H	27N	10W	BASIN	DAKOTA	4	24	2,654
P O PIPKIN	2	XTO ENERGY INCORPORATED	8 L	27N	10W	BASIN	DAKOTA	2	12	1,349
P O PIPKIN	3	XTO ENERGY INCORPORATED	17 A	27N	10W	BASIN	DAKOTA	6	48	3,158
P O PIPKIN	4	XTO ENERGY INCORPORATED	17 K	27N	10W	BASIN	DAKOTA	2	13	1,250
P O PIPKIN	5	XTO ENERGY INCORPORATED	7 A	27N	10W	BASIN	DAKOTA	4	13	1,292
P O PIPKIN	6	XTO ENERGY INCORPORATED	18 O	27N	10W	BASIN	DAKOTA	6	19	1,555
P O PIPKIN	1E	XTO ENERGY INCORPORATED	8 I	27N	10W	BASIN	DAKOTA	2	6	1,095
P O PIPKIN	2E	XTO ENERGY INCORPORATED	8 E	27N	10W	BASIN	DAKOTA	7	8	1,603
P O PIPKIN	2F	XTO ENERGY INCORPORATED	8 N	27N	10W	BASIN	DAKOTA	6	5	720
P O PIPKIN	3E	XTO ENERGY INCORPORATED	17 I	27N	10W	BASIN	DAKOTA	6	12	1,080
P O PIPKIN	4E	BP AMERICA PRODUCTION COMPANY	17 C	27N	10W	BASIN	DAKOTA	0	1	91
P O PIPKIN	4R	XTO ENERGY INCORPORATED	17 E	27N	10W	BASIN	DAKOTA	213	0	253
P O PIPKIN	5E	XTO ENERGY INCORPORATED	7 J	27N	10W	BASIN	DAKOTA	2	2	398
P O PIPKIN	6E	XTO ENERGY INCORPORATED	18 B	27N	10W	BASIN	DAKOTA	846	11	1,232
PIPKIN GAS COM A	1	XTO ENERGY INCORPORATED	7 N	27N	10W	BASIN	DAKOTA	2	12	1,779
PIPKIN GAS COM A	1E	XTO ENERGY INCORPORATED	7 C	27N	10W	BASIN	DAKOTA	6	10	1,293
Average								33	13	1,281
C A MCADAMS D	1	XTO ENERGY INCORPORATED	20 K	27N	10W	ANGELS PEAK	GALLUP	1	6	616

C A MCADAMS D	2F XTO ENERGY INCORPORATED	20 O	27N	10W	ANGELS PEAK	GALLUP	0	0	144
E H PIPKIN	26 XTO ENERGY INCORPORATED	12 E	27N	11W	KUTZ	GALLUP	2	16	254
P O PIPKIN	2F XTO ENERGY INCORPORATED	8 N	27N	10W	BASIN	MANCOS	3	2	73
P O PIPKIN	4R XTO ENERGY INCORPORATED	17 E	27N	10W	BASIN	MANCOS	0	0	47
Average							1	5	227

Allocation	Water	Oil	Gas
Dakota	96%	72%	85%
Manco	4%	28%	15%



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

July 30, 2007

**Interest Owners**

Subject: Downhole Commingle Application  
PO Pipkin #6F  
SWNE SEC 18-T27N-R10W  
2330' FNL & 1740' FEL

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 #6F. Neither pool is included in NMOCD pre-approved pool combinations for downhole commingling in the San Juan Basin. Therefore, application to commingle will be submitted to the NMOCD in Santa Fe. 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: 85%	Water: 96%	Oil: 72%
Basin Mancos	Gas: 15%	Water: 4%	Oil: 28%

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 'Holly C. Perkins'.

Holly C. Perkins  
Regulatory Compliance Tech

xc: well file



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

PIPKIN, PO 6F DHC

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

PIPKIN, PO 6F DHC

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

PIPKIN, PO 6F DHC

CONOCOPHILLIPS COMPANY ATTN: OUTSIDE  
1070 PLAZA OFFICE BLDG  
BARTLESVILLE, OK 740040000

PIPKIN, PO 6F DHC

CONOCOPHILLIPS COMPANY ATTN: OUTSIDE  
1070 PLAZA OFFICE BLDG  
BARTLESVILLE, OK 740040000

PIPKIN, PO 6F DHC

CONOCOPHILLIPS COMPANY ATTN: OUTSIDE  
1070 PLAZA OFFICE BLDG  
BARTLESVILLE, OK 740040000

PIPKIN, PO 6F DHC

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

PIPKIN, PO 6F DHC

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

PIPKIN, PO 6F DHC

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

PIPKIN, PO 6F DHC

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

PIPKIN, PO 6F DHC

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

PIPKIN, PO 6F DHC

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

PIPKIN, PO 6F DHC

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

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

**XTO Energy Inc.**

3a. Address

**2700 Farmington Ave., Bldg. K, Ste 1 Farmington,**

3b. Phone No. (include area code)

**505-324-1090**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

**2330' FNL & 1740' FEL SEC 18-T27N-R10W**

5. Lease Serial No.

**NMSF077875**

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

**PO PIPKIN #6F**

9. API Well No.

**30-045-33446**

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

- ☒ 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 <b>DOWNHOLE</b> |
| <input type="checkbox"/> Change Plans         | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon       | <b>COMINGLE</b>   |
| <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 recompleat 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 recompleat 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 comingle production from the Basin Dakota (71599) and the Wildcat Basin Mancos (97232) upon completion of drilling. Allocations are based upon a 9-section EUR & calculated as follows:**

<b>Basin Dakota:</b>	<b>Water: 96%</b>	<b>Oil: 72%</b>	<b>Gas: 85%</b>
<b>Basin Mancos:</b>	<b>Water: 4%</b>	<b>Oil: 28%</b>	<b>Gas: 15%</b>

Ownership in this well's pools was diverse & owners were notified via certified, return receipt on July 30, 2007. Downhole comingling will offer an economical method of production while protecting against reservoir damage, waste of reserves & protection of correlative rights. The NMCD has been notified of our intent to DHC this well via submittal of Form C-103 and C107A to Santa Fe on July 30, 2007.

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

**HILLY C. PERKINS**

Title

**REGULATORY COMPLIANCE TECH**

Date **7/30/2007**

**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.