

DATE IN <u>9/20/07</u>	SUSPENSE	ENGINEER <u>WVS</u>	LOGGED IN <u>9/25/07</u>	DHC <u>3958</u>	APP NO. <u>TD50726838510</u>
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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] **OPERATOR/Applicant Name:** _____ **OGRD:** _____
 (If one well) **Lease/Well Name:** _____
Well API No. 30- _____ - _____

[2] **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

[3] **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
U.S. Bureau of Land Management
 [E] ☐ Notification and/or Concurrent Approval by SLO
Commissioner of Public Lands, State Land Office
 [F] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
 [G] ☐ Waivers are Attached

[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. Fifth St., Hobbs, NM 88240
DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210
DISTRICT III
1800 Rio Brisa 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

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

Lease

Well No.

Unit

Section

Township

Range

County

OGRID No.

Property Code

API No.

Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	WC, BASIN MANCOS		BASIN DAKOTA
Pool Code	97232		71599
Top and Bottom of Pay Section (Identified or Open Hole Interval)	5528'		6258'
	5819'		6509'
Method of Production (Flowing or Artificial Lift)	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, applicants shall be required to attach production estimates and supporting data.)	Date: Rates:	Date: Rates:	Date: Rates:
	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: 66.67 % Gas: 29.86 %	Oil: % Gas: %	Oil: 33.33 % Gas: 70.14 %

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 commingled 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 ☒

NMDCD 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 construct allocation method or formula.

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 30-045-33640
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. SF-077875
7. Lease Name or Unit Agreement Name: PO Pipkin
8. Well Number #1F
9. OGRID Number 167067
10. Pool name or Wildcat Basin Dakota/Basin Mancos

Pit or Below-grade Tank Application ☒ or Closure ☐
Pit type DRILL Depth to Groundwater >100 Distance from nearest fresh water well < 1000 Distance from nearest surface water >1000
Pit Liner Thickness: 12 mil Below-Grade Tank: Volume bbls; Construction Material

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 <input type="checkbox"/>
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>G</u> <u>1405</u> feet from the <u>North</u> line and <u>1945</u> feet from the <u>East</u> line Section <u>8</u> Township <u>27N</u> Range <u>10W</u> NMPM <u>NMPM</u> County <u>SAN JUAN</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <u>5979' Ground Elevation</u>

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. proposes to downhole commingle production from the Basin Dakota (71599) and the Wildcat Basin Mancos (97232) upon completion of drilling. Allocations are based on the daily production numbers from the Federal H #1F after testing:

Mancos: Oil 66.67%, Water 60%, Gas 29.86% Dakota: Oil 33.33%, Water 40%, Gas 70.14%.

Ownership in this well's pools is common and no notice is needed to owners. Downhole commingling will offer an economical method of production while guarding against reservoir damage, waste of reserves and protection of correlative rights. The BLM was notified of our intent to DHC via submittal of form 3160-5 on 7/30/2007.

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 or 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 7/30/2007
E-mail address: holly_perkins@xtoenergy.com
Type or print name HOLLY C. PERKINS 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, N.M. 88240

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

DISTRICT III
1000 Rio Brazos Rd., Artesia, 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

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

APL Number 30-045-33640		Foot Code 97232		Foot Name BASIN MANCOS	
Property Code 167067		Property Name P O RIPPIN		Well Number 1F	
OCRID No.		Operator Name XTO ENERGY INC.		Elevation 5979'	

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from line	North/South line	Feet from line	East/West line	County
G	8	27-N	10-W		1405	NORTH	1945	EAST	SAN JUAN

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from line	North/South line	Feet from line	East/West line	County

Dedicated Acres NE 1/4 160	Joint or Infill	Consolidation Code	Order No.
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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>QTR. CORNER FD 2 1/2" BC U.S.G.L.O. 1913</p> <p>N 89-55-57 W 2639.8' (M) U.S.G.L.O. 1913</p> <p>1405'</p> <p>1945'</p> <p>8</p> <p>QTR. CORNER FD 2 1/2" BC U.S.G.L.O. 1913</p> <p>30-01-04 W 2639.7' (M)</p> <p>LAT: 36°35'35.4" N (NAD 27) LONG: 107°54'57.3" W (NAD 27)</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>Kyla Vaughan</i> Signature <i>Kyla Vaughan</i> Printed Name Regulatory Compliance Title 3/8/05 Date</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 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>JOHN A. VUKOBICH</i> Signature NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR 14831 Certificate Number</p>
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DISTRICT I
1525 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

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

API Number 30-045-33640		Pool Code 71599	Pool Name BASIN DAKOTA
Property Code 167067	Property Name P. O. PIPKIN		Well Number 1F
COORD. No.	Operator Name XTO ENERGY INC.		Elevation 5979

10 Surface Location									
UL or lot no.	Section	Township	Range	Lot No.	Feet from the	North/South line	Feet from the	East/West line	County
G	B	27-N	10-W		1405	NORTH	1945	EAST	SAN JUAN

11 Bottom Hole Location if Different From Surface									
UL or lot no.	Section	Township	Range	Lot No.	Feet from the	North/South line	Feet from the	East/West line	County
12 Dedicated Acres E/2 320			Joint or Initial		Consolidation Code		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		QTR. CORNER FD 2 1/2" BC U.S.G.L.O. 1913		N 89-55-37 W SEC. CORNER FD 2 1/2" BC 2639.8 (M) U.S.G.L.O. 1913					
		405		1945					
		8		S 89-01-04 W FD 2 1/2" BC 2639.7 (M)					
		QTR. CORNER FD 2 1/2" BC U.S.G.L.O. 1913							
		LAT: 36°35'35.4" N. (NAD 27) LONG: 107°54'57.3" 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.									
Signature: Kyla Vaughan									
Printed Name: Kyla Vaughan									
Title: Regulatory Compliance									
Date: 3/8/06									
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 knowledge and belief.									
Date of Survey: 3/8/06									
Signature: JOHN A. VUKONICH									
Printed Name: JOHN A. VUKONICH									
Title: REGISTERED PROFESSIONAL SURVEYOR									
Certificate Number: 14831									

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0187
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. SP-077875
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) 1405' FNL & 1945' FEL SWNE SEC 8-T27N-R10W		8. Well Name and No. PO PIPKIN #1F
		9. API Well No. 30-045-33640
		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

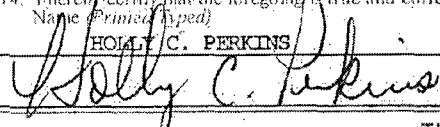
TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> 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 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 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/DIA. 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 proposes to downhole commingle the Basin Dakota (71599) and the Wildcat Basin Mancos (97232) upon completion of drilling. Allocations for pools is based upon daily production testing on the Federal H #1F. The Mancos and Dakota were tested separately and allocations proposed as follows:

Basin Dakota:	Oil: 33.33%	Water: 40%	Gas: 70.14%
Wildcat Basin Mancos:	Oil: 66.67%	Water: 60%	Gas: 29.86%

Ownership in these pools is common and notice to owners was unnecessary. Downhole commingling will offer an economical method of production while guarding against reservoir damage, waste of reserves and protection of correlative rights. The NMOC was notified of our intent to downhole commingle via submittal of form C103 and C107A.

14. I hereby certify that the foregoing is true and correct Name (Printed typed) HOLLY 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 3212, 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.