

12/7/07 DATE IN	SUSPENSE	Senior ENGINEER	12/7/07 LOGGED IN	DHC TYPE 3974	PKUR0734155933 APP NO.
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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.

<u>Holly C. Perkins</u> Print or Type Name	<u>Holly C. Perkins</u> Signature	<u>Regulatory Compliance Tech</u> Title	<u>12-3-07</u> Date
		<u>Holly C. Perkins@xtenergy.com</u> e-mail Address	

2007 DEC 7 PM 3:04

RECEIVED

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

RECEIVED
State of New Mexico
Energy, Minerals and Natural Resources
2007 NOV 30 PM 2 18
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
May 27, 2004

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 382 CR 3100 AZTEC, NM 87410 (505) 333-3100 4. Well Location Unit Letter <u>C</u> : <u>670</u> feet from the <u>NORTH</u> line and <u>1345</u> feet from the <u>WEST</u> line Section <u>8</u> Township <u>27N</u> Range <u>10W</u> NMPM <u>NMPM</u> County <u>SAN JUAN</u> 5. Elevation (Show whether DR, RKB, RT, GR, etc.) <u>6083' GROUND ELEVATION</u> 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 _____		WELL API NO. <u>30-045-34169</u> 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/> 6. State Oil & Gas Lease No. 7. Lease Name or Unit Agreement Name: <u>PO PIPKIN</u> 8. Well Number <u>#2G</u> 9. OGRID Number <u>5380</u> 10. Pool name or Wildcat <u>Basin Dakota/Basin Mancos</u>
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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 proposes to DHC production from the Basin Dakota (71599) & Wildcat Basin Mancos (97232) upon completion of drilling. Allocations are based upon the average daily rates of both pools; each pool was tested separately. Below are the average daily rates per pool & allocation percentages:

Basin Dakota: Oil: 33.3% (1.5 BOPD) Water: 40% (4 BWPD) Gas: 70.14% (155 MCFD)

Basin Mancos: Oil: 66.67% (3 BOPD) Water: 60% (6 BWPD) Gas: 29.86% (66 MCFD)

Common ownership between pools makes notifying owners of our intent to DHC unnecessary. DHC will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights. The BLM was notified of our intent via submittal of 3160-5 on 11/6/07.

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 NMOCD guidelines ☐ , a general permit ☐ or an (attached) alternative OCD-approved plan ☐

SIGNATURE Holly C. Perkins TITLE Regulatory Compliance Tech DATE 11/6/2007

Type or print name HOLLY C. PERKINS

E-mail address: holly_perkins@xtoenergy.com
Telephone No. 505-333-3100

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 Grande Rd., Aztec, NM 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 October 12, 2005

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number		*Pool Code 71599		*Pool Name Basin Dakota	
*Property Code		*Property Name P O PIPKIN			*Well Number 26
*ORDER No 167067		*Operator Name XTO ENERGY INC.			*Elevation 5083

10 Surface Location

UL or lot no. C	Section B	Township 27-N	Range 10-W	Lot 100	Feet from the 670	North/South line NORTH	Feet from the 1345	East/West line WEST	County SAN JUAN
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11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 100	Feet from the	North/South line	Feet from the	East/West line	County
*Dedicated Acres W/2 320					*Joint or Well		*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

FD. 2 1/2" BC 1913 C.L.O.		S 89-56-43 E 2639.04' (M)		FD. 2 1/2" BC 1913 C.L.O.		17 OPERATOR CERTIFICATION	
570'		1345'		LAT: 36.59519° N. (NAD 83) LONG: 107.92332° W. (NAD 83) LAT: 36.3542.7° N. (NAD 27) LONG: 107.5521.7° W. (NAD 27)		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 an undivided interest in the land underlying 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 by a voluntary pooling agreement or a compulsory pooling order heretofore entered by the Division.	
S 00-00-37 E 2638.75' (M)		8				Signature: <u>Healy Smith</u> Date: <u>10/20/06</u> Printed Name: <u>Healy Smith</u>	
FD. 2 1/2" BC 1913 C.L.O.						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 belief.	
						Date of Survey: <u>10/20/06</u> Signature: <u>[Signature]</u> Surveyor: Printed Name: <u>[Name]</u>	
						Certificate Number: <u>125 06</u>	

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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-101
Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

APN Number		91232	Basin Mancos
Property Code	P O PIPKIN		Well Number 2G
ACRD No. 167067	Operator Name XTO ENERGY INC.		Elevation 6083

10 Surface Location

UL or lot no.	Section	Township	Range	Lot no.	Feet from line	North/South line	Feet from line	East/West line	County
C	B	27-N	10-W		670	NORTH	1345	WEST	SAN JUAN

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot no.	Feet from line	North/South line	Feet from line	East/West line	County
Dedicated Acre NW 1/4 1600		Joint or wife		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

<p>16</p> <p>FD. 2 1/2" BC. 1913 G.L.O.</p> <p>570'</p> <p>1345'</p> <p>S 00-00-37 E 2639.73' (M)</p> <p>8</p> <p>LAT: 36.59519° N. (NAD 83) LONG: 107.92332° W. (NAD 83) LAT: 36.35'42.7" N. (NAD 27) LONG: 107.55'21.7" W. (NAD 27)</p> <p>FD. 2 1/2" BC. 1913 G.L.O.</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, and that this information 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 on this location pursuant to a contract with an owner of such a mineral or working interest, or to a royalty pooling agreement or a comparable pooling order heretofore entered by the division.</p> <p><i>James Small</i> James Small 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 belief.</p> <p>Date of Survey Signature and Seal of Surveyor</p> <p><i>James Small</i> James Small Date</p> <p>CONFIRMED BY LAND SURVEYOR 25-06</p> <p>Confidence number</p>		

UNDERSEAL
171717, Grand Ave., Albuquerque, NM 87106
DISTRICT II
1501 W. Grand Avenue, Albuquerque, NM 87106
DISTRICT III
1000 Rio Hondo 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

APPLICATION FOR DOWNHOLE COMMINGLING

XTO Energy Inc.
Operator

382 CR 3100 Aztec, NM 87410
Address

DHC-3974

PO PIPKIN
16890

2G

NEW

8

27N

10W

SAN JUAN

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 5380

Property Code

API No. 30-045-34169

Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	WILDCAT BASIN MANDOS		BASIN DAKOTA
Pool Code	97232		71599
Top and Bottom of Pay Section (Indicated on Open Hole Interval)	5646' 5939'		6375' 6637'
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)	0.60/1000.0		0.60/1000.0
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, operator 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: 66.67 % Gas: 29.86 %	Oil: % Gas: %	Oil: 33.3 % 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 ☐

NMCD 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 other 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 for 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 TEC DATE 11/2/2007

TYPE OR PRINT NAME HOLLY C. PERKINS

TELEPHONE NO. (505) 333-3100

E-MAIL holly.perkins@xtoenergy.com