

Sent Copies To Appropriate District Office  
District I  
1625 N. French Dr., Hobbs, NM 88240  
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. 30-045-32305
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. NMSF081239
7. Lease Name or Unit Agreement Name LITTLE STINKER
8. Well Number #3
9. OGRID Number 167067
10. Pool name or Wildcat BASIN DAKOTA & BLANCO MESAVERDE

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, SUITE K-1, FARMINGTON, NM 87401	
4. Well Location Unit Letter <u>L</u> : <u>1970</u> feet from the <u>SOUTH</u> line and <u>660</u> feet from the <u>EAST</u> line Section <u>11</u> Township <u>30N</u> Range <u>12W</u> NMPM County <u>SAN JUAN</u>	
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 COMPL ☐

OTHER: DOWNHOLE COMMINGLE

X

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/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. requests approval for an exception to Rule 303-C to permit the downhole commingling of production from the Basin Dakota and the Blanco Mesaverde pools in the Little Stinker #3. It is proposed to downhole commingle production upon completion of this well. Allocations for each pool are proposed as follows:

Basin Dakota (71599)	43% Oil	97% Water	34% Gas
Blanco Mesaverde (723190)	57% Oil	3% Water	66% Gas

Both of these pools are included in the New Mexico Oil Conservation Division pre-approved pool combinations for downhole commingling in the San Juan Basin. Working interest, net royalty interest and overriding royalty interest owners have been notified by certified, return receipt mail on October 27, 2004, of XTO's intent to downhole commingle this well upon completion. The BLM has been notified of our intent to downhole commingle. Downhole commingling will offer an economic method of production while protecting against reservoir damage, waste of reserved, and violation of correlative rights.

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 10/26/04  
Type or print name HOLLY C. PERKINS E-mail address: Holly.perkins@xtoenergy.com Telephone No. 505-324-1090

For State Use Only

APPROVED BY: [Signature] TITLE \_\_\_\_\_ DATE OCT 20 2004  
Conditions of Approval (if any):



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

October 26, 2004

RE: Notice of Intent to Apply for Downhole Commingling

Little Stinker #3  
Sec 11L, T30N, R12W; 1970' FSL & 660' FEL  
San Juan County, NM

To: All working interest, royalty interest and overriding royalty interest owners.

XTO Energy Inc. is applying for permission to downhole commingle the Basin Dakota and the Blanco Mesaverde Pools in the Little Stinker #3. This well is a new drill for 2004 and drilling is in progress at this time. We propose to downhole commingle production from both pools on initial completion. NMOCD requires all interest owners be notified of intent to downhole commingle if ownership is different between pools.

Both of these pools are included in the New Mexico Oil Conservation Division pre-approved pool combinations for downhole commingling in the San Juan Basin. The proposed oil, water and gas production allocation percentages for each pool are based on individual pool production in the area. Based on individual pool production tests from this well, XTO Energy Inc. proposes to allocate the commingled production as follows:

Pool	Oil	Water	Gas
Basin Dakota	43%	97%	34%
Blanco Mesaverde	57%	3%	66%

If you need additional information or have any questions, I can be contacted at (505) 324-1090. If you are opposed to commingling production from these two pools please respond in writing within 20 days of the date of this letter to XTO Energy Inc., 2700 Farmington Avenue, Suite K-1, Farmington, NM 87401.

Sincerely,

A handwritten signature in cursive script that reads 'Holly C. Perkins'.

Holly C. Perkins  
Regulatory Compliance Tech

xc: Well File  
FW Land Dept.