

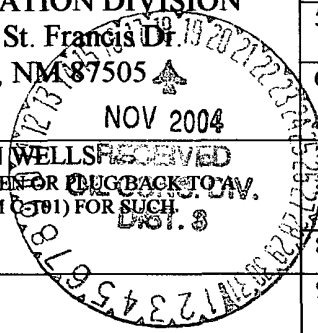
Submit 3 Copies To Appropriate District Office  
 District I  
 1625 N. French Dr., Hobbs, NM 88240  
 District II  
 1301 W. Grand Ave., Artesia, NM 88210  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 1220 S. St. Francis Dr., Santa Fe, NM 87505

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

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|--|
| WELL API NO.<br>30-045-06295   |
| 5. Indicate Type of Lease<br>STATE <input type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No.   |
| 7. Lease Name or Unit Agreement Name<br>JACK FROST B                                     |
| 8. Well Number 2   |
| 9. OGRID Number<br>167067  |
| 10. Pool name or Wildcat<br>BASIN DK / ANGEL PEAK GP                                     |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.)                                       |



**SUNDRY NOTICES AND REPORTS ON WELLS**  
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR DIG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM O-701) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well  Gas Well  Other

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 D : 930 feet from the NORTH line and 1040 feet from the WEST line  
 Section 27 Township 27N Range 10W NMPM County SAN JUAN

Pit or Below-grade Tank Application  or Closure

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

|  |   |
|--|---|
| <b>NOTICE OF INTENTION TO:</b><br>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/><br>TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/><br>PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/><br>OTHER: DOWNHOLE COMMINGLE <input checked="" type="checkbox"/> | <b>SUBSEQUENT REPORT OF:</b><br>REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/><br>COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/><br>CASING/CEMENT JOB <input type="checkbox"/><br>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. requests approval to downhole commingle production from the Basin Dakota (71599) and the Angel Peak Gallup (02170). Attached as supporting documentation are the 9-section EUR's used for production allocation and the 3160-5 sundry to the BLM regarding our DHC application. Based upon the 9-section EUR's for the Basin Dakota and the Angel Peak Gallup, XTO proposes allocation of commingled production as follows:

|                   |            |              |           |
|-------------------|------------|--------------|-----------|
| Basin Dakota      | Oil 53.96% | Water 53.96% | Gas 51.5% |
| Angel Peak Gallup | Oil 46.04% | Water 46.04% | Gas 48.5% |

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. Ownership in this well's pools is not common and notification to WI, ORRI and NRI owners has been done. Downhole commingling will offer an economic method of production while protecting against reservoir damage, waste of reserves 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 .

*DHC 1712 AZ*

SIGNATURE Holly C. Perkins TITLE REGULATORY COMPLIANCE TECH DATE 11/17/04  
 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 DEPUTY OIL & GAS INSPECTOR, DIST. 8 DATE NOV 18 2004  
 Conditions of Approval (if any):



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

November 17, 2004

RE: Notice of Intent to Apply for Downhole Commingling

Jack Frost B #2  
Sec 27D, T27N, R10W; 930' FNL & 1040' FWL  
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 (71599) and the Angel Peak Gallup (02170) pools in the Jack Frost B #2. We propose to downhole commingle production from both pools upon approval from the NMOCD. 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. Based upon the 9-section EUR's for the Basin Dakota and Angel Peak Gallup, XTO Energy Inc. proposes allocation of commingled production as follows:

| Pool              | Oil    | Water  | Gas    |
|-------------------|--------|--------|--------|
| Basin Dakota      | 53.96% | 53.96% | 51.50% |
| Angel Peak Gallup | 46.04% | 46.04% | 48.50% |

If you need additional information or have any questions, I may 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,

Holly C. Perkins  
Regulatory Compliance Tech

xc: Well File  
FW Land Dept.