

District I - (505) 393-6161  
1625 N. French Dr. Hobbs, NM 88240  
District II - (505) 748-1283  
1301 W. Grand Avenue, Artesia, NM 88210  
District III - (505) 334-6178  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV - (505) 476-3440  
1220 So. St. Francis Dr., Santa Fe, NM 87505

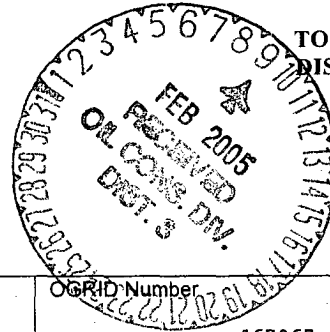
New Mexico  
Energy Minerals and Natural Resources Department

Form C-140  
Revised June 10, 2003

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505  
(505) 476-3440

SUBMIT ORIGINAL  
PLUS 2 COPIES  
TO APPROPRIATE  
DISTRICT OFFICE

APPLICATION FOR  
WELL WORKOVER PROJECT



Operator and Well

|   |                      |                        |                     |                              |                              |                                   |                            |                           |
|---|----------------------|------------------------|---------------------|------------------------------|------------------------------|-----------------------------------|----------------------------|---------------------------|
| Operator name & address<br><b>XTO ENERGY INC.</b><br><b>2700 Farmington Ave, Suite K-1</b><br><b>Farmington, New Mexico 87401</b> |                      |                        |                     |                              |                              | GRID Number<br><b>167067</b>      |                            |                           |
| Contact Party<br><b>MELISSA M OSBORNE, REGULATORY COMPLIANCE TECH</b>   |                      |                        |                     |                              |                              | Phone<br><b>(505) 566-7925</b>    |                            |                           |
| Property Name<br><b>McKENZIE A</b>  |                      |                        |                     | Well Number<br><b>2</b>      |                              | API Number<br><b>30-045-30545</b> |                            |                           |
| UL<br><b>B</b>  | Section<br><b>09</b> | Township<br><b>30N</b> | Range<br><b>12W</b> | Feet From The<br><b>1110</b> | North/South Line<br><b>N</b> | Feet From The<br><b>1790</b>      | East/West Line<br><b>E</b> | County<br><b>SAN JUAN</b> |

Workover

|   |  |
|---|--|
| Date Workover Commenced:<br><b>05/12/2004</b> | Previous Producing Pool(s) (Prior to Workover):<br><b>BASIN FRUITLAND COAL</b> |
| Date Workover Completed:<br><b>05/12/2004</b> |  |

- II. Attach a description of the Workover Procedures performed to increase production.  
V. Attach a production decline curve or table showing at least twelve months of production prior to the workover and at least three months of production following the workover reflecting a positive production increase.

AFFIDAVIT:

State of New Mexico )  
County of San Juan ) ss.  
Melissa M Osborne, being first duly sworn, upon oath states:  
1. I am the Operator, or authorized representative of the Operator, of the above-referenced Well.  
2. I have made, or caused to be made, a diligent search of the production records reasonably available for this Well.  
3. To the best of my knowledge, this application and the data used to prepare the production curve and/or table for this Well are complete and accurate.

Signature Melissa M Osborne Title REGULATORY COMPLIANCE TECH Date 02/07/05

E-mail Address \_\_\_\_\_

SUBSCRIBED AND SWORN TO before me this 07th day of February, 20 05.

My Commission expires: 7/27/08

Notary Public  
Brenda Waller

FOR OIL CONSERVATION DIVISION USE ONLY:

- VI. CERTIFICATION OF APPROVAL:  
This Application is hereby approved and the above-referenced well is designated a Well Workover Project and the Division hereby verifies the data shows a positive production increase. By copy hereof, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval and certifies that this Well Workover Project was completed on 05-12-2004

|   |                                  |                           |
|---|----------------------------------|---------------------------|
| Signature District Supervisor<br><u>Chark Hen</u> | OCD District<br><u>AZTEC III</u> | Date<br><u>02-10-2005</u> |
|---|----------------------------------|---------------------------|

- VII. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT:

Well: MCKENZIE A No.: 2  
 Operator: XTO ENERGY, INC. API: 3004530545  
 Township: 30.0N Range: 12W  
 Section: 9 Unit: B  
 Land Type: P County: San Juan

Year: 2001

Pool Name BASIN FRUITLAND COAL (GAS)

| Month     | Oil(BBLS) | Gas(MCF) | Water(BBL) | Days Produced |
|-----------|-----------|----------|------------|---------------|
| January   | 0         | 0        | 0          | 0             |
| February  | 0         | 0        | 0          | 0             |
| March     | 0         | 0        | 0          | 0             |
| April     | 0         | 0        | 0          | 0             |
| May       | 0         | 0        | 0          | 0             |
| June      | 0         | 0        | 0          | 0             |
| July      | 0         | 0        | 0          | 0             |
| August    | 0         | 206      | 1460       | 10            |
| September | 0         | 1006     | 1560       | 30            |
| October   | 0         | 1521     | 1510       | 31            |
| November  | 0         | 1318     | 1348       | 30            |
| December  | 0         | 1473     | 1250       | 30            |
| Total     | 0         | 5524     | 7128       | 131           |

Year: 2002

Pool Name BASIN FRUITLAND COAL (GAS)

| Month     | Oil(BBLS) | Gas(MCF) | Water(BBL) | Days Produced |
|-----------|-----------|----------|------------|---------------|
| January   | 0         | 2216     | 1190       | 31            |
| February  | 0         | 2382     | 990        | 28            |
| March     | 0         | 2970     | 1035       | 31            |
| April     | 0         | 4310     | 960        | 30            |
| May       | 0         | 2270     | 880        | 31            |
| June      | 0         | 2281     | 940        | 30            |
| July      | 0         | 2063     | 960        | 31            |
| August    | 0         | 2111     | 560        | 31            |
| September | 0         | 2003     | 720        | 30            |
| October   | 0         | 1834     | 800        | 31            |
| November  | 0         | 2506     | 610        | 30            |
| December  | 0         | 3031     | 880        | 31            |
| Total     | 0         | 29977    | 10525      | 365           |

Year: 2003

Pool Name BASIN FRUITLAND COAL (GAS)

| Month     | Oil(BBLS) | Gas(MCF) | Water(BBL) | Days Produced |
|-----------|-----------|----------|------------|---------------|
| January   | 0         | 2605     | 530        | 30            |
| February  | 0         | 2788     | 1170       | 28            |
| March     | 0         | 3701     | 710        | 31            |
| April     | 0         | 3815     | 1710       | 30            |
| May       | 0         | 4151     | 600        | 31            |
| June      | 0         | 3280     | 200        | 29            |
| July      | 0         | 4601     | 240        | 31            |
| August    | 0         | 4872     | 520        | 30            |
| September | 0         | 5807     | 685        | 30            |
| October   | 0         | 6415     | 160        | 29            |
| November  | 0         | 7190     | 515        | 30            |
| December  | 0         | 7774     | 280        | 29            |
| Total     | 0         | 56999    | 7320       | 358           |

76634 12 MTHS PROD  
 AVG MTH  
 6386.166667

Year: 2004

Pool Name BASIN FRUITLAND COAL (GAS)

| Month     | Oil(BBLS) | Gas(MCF) | Water(BBL) | Days Produced |
|-----------|-----------|----------|------------|---------------|
| January   | 0         | 8628     | 160        | 31            |
| February  | 0         | 8274     | 240        | 29            |
| March     | 0         | 7509     | 120        | 31            |
| April     | 0         | 8133     | 160        | 30            |
| May       | 0         | 10099    | 160        | 31            |
| June      | 0         | 1115     | 255        | 30            |
| July      | 0         | 10424    | 160        | 25            |
| August    | 0         | 11239    | 160        | 30            |
| September | 0         | 14134    | 80         | 30            |
| October   | 0         | 0        | 0          | 0             |
| November  | 0         | 0        | 0          | 0             |
| December  | 0         | 0        | 0          | 0             |
| Total     | 0         | 78440    | 1240       | 237           |

22778 3 MTHS PROD  
 AVG MTH  
 7592.666667

INCREASE/DECREASE  
 1206.5

**XTO Energy Inc.**  
**MCKENZIE A #2**  
**UPGRADE COMPRESSOR**

5/12/04 SWD. Disconn & removed recip compr (Arrow VRG-330, 2 stg,) MI. Built pad & set recip compr (Cat 3306, 3 stg). Inst & conn 3" S40 FB welded suct ln. Inst & conn 2" S40 FB welded disch ln. Tied into exist 3 ball mnfd off of sep. Conn to exist 2" S40 T&C dump ln to pit tk. Conn to exist 2" S40 T&C recirc ln. FTP 295 psig, SICP 310 psig. Prep compr for st up. Opnd csg & std WH recip compr (Cat 3306, 3stg) & RWTP @ 4:00 p.m., 5/11/04.