

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

June 19, 2008

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-045-24210
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. NMSF078863
7. Lease Name or Unit Agreement Name: KRAUSE WN FEDERAL
8. Well Number #1E
9. OGRID Number 5380
10. Pool name or Wildcat BASIN DAKOTA / KUTZ GALLUP

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 NOTE: NSL# 6723	7. Lease Name or Unit Agreement Name: KRAUSE WN FEDERAL
2. Name of Operator XTO Energy Inc.	8. Well Number #1E
3. Address of Operator 382 CR 3100 AZTEC, NM 87410	9. OGRID Number 5380
4. Well Location Unit Letter <u>C</u> : <u>790'</u> feet from the <u>NORTH</u> line and <u>1520'</u> feet from the <u>WEST</u> line Section <u>32</u> Township <u>28N</u> Range <u>11W</u> NMPM <u>NMPM</u> County <u>SAN JUAN</u>	10. Pool name or Wildcat BASIN DAKOTA / KUTZ GALLUP
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5898' GR	

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 ☐
DOWNHOLE COMMINGLE ☒

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐
RCVD FEB 25 '13
OIL CONS. DIV.
DIST. 3 ☐

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 to DHC this well per the OCD Rule 19.15.12.11 C(2) in the Basin DK (71599) & the Kutz GA (36550) upon completion. Pools are pre-approved per Order R-11363. Please see attached spreadsheet for justification of the following proposed allocations:

DK:	Oil:	2%	Gas:	34%	Water:	55%
GA:	Oil:	98%	Gas:	66%	Water:	45%

Ownership is common in both zones; therefore notification was not necessary. 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 to DHC via Form 3160-5 on 2/21/13.

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Kristen D. Lynch TITLE REGULATORY ANALYST DATE 2/21/2013
Type or print name KRISTEN D. LYNCH E-mail address: kristen_lynch@xtoenergy.com PHONE 505-333-3206

For State Use Only

APPROVED BY Walt J. Hays TITLE Deputy Oil & Gas Inspector, District #3 DATE MAR 05 2013
Conditions of Approval (if any): AY

Monthly Production Rates

	OIL (Bbl/mo.)	GAS (KCF/mo.)	Water (Bbl/mo.)
Gallup	526	6264	20
Dakota	9	3272	25
Total	535	9536	44

Average production increase after adding Gallup in offset 9-section wells
Last 6 month average of Dakota production in Krause WN Fed 1E

Percent Production			
	OIL	GAS	Water
Gallup	98%	66%	45%
Dakota	2%	34%	55%
Total	100%	100%	100%

Krause WN Fed 1E - Dakota Only

	BO/Mo.	KCF/Mo.	BW/Mo.
Mar-12	22	3358	0
Apr-12	1	3091	67
May-12	13	3248	0
Jun-12	7	3382	0
Jul-12	7	2996	0
Aug-12	5	3557	80
AVERAGE	9	3272	25