

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. 30-045-32001
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: STATE GAS COM
8. Well Number #3
9. OGRID Number 5380
10. Pool name or Wildcat AZTEC PC / BASIN FC

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	7. Lease Name or Unit Agreement Name: STATE GAS COM
2. Name of Operator XTO ENERGY INC.	8. Well Number #3
3. Address of Operator 382 CR 3100 AZTEC, NM 87410	9. OGRID Number 5380
4. Well Location Unit Letter <u>P</u> : <u>675</u> feet from the <u>SOUTH</u> line and <u>665</u> feet from the <u>EAST</u> line Section <u>32</u> Township <u>31N</u> Range <u>12W</u> NMPM County <u>SAN JUAN</u>	10. Pool name or Wildcat AZTEC PC / BASIN FC
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5955' 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 MAR 6 '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. Proposes to DHC production from the Basin FC (71629) & the Aztec PC (71280) upon approval of this application. Both pools are in the NMCD pre-approved pool combination in the San Juan Basin. Please see the attachments for allocation justification. Allocations are as follows:

FC/ Gas: 34% Oil: 0% Water: 60% PC/ Gas: 66% Oil: 100% Water: 40%

Ownership is diverse & owners were notified via certified, return receipt mail on 1/21/2013. DHC will offer an economical method of production while protecting against reservoir damage, waste of reserves, & violation of correlative rights. SLO was notified via CRR on 1/25/2013.

DHC 3782 AZ

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 2/11/2013  
Type or print name KRISTEN D. LYNCH E-mail address: kristen\_lynch@xtoenergy.com PHONE 505-333-3100

For State Use Only

APPROVED BY [Signature] TITLE Deputy Oil & Gas Inspector, DATE MAR 07 2013  
Conditions of Approval (if any): AV



Thomas  
Pennington/FTW/CTOC

01/10/2013 10:22 AM

To Brian Bentson/FAR/CTOC@CTOC

cc

bcc

Subject Re: Fw: FARA20207PCL Email 

Brian,

Here are the new allocations based off offset well State GC 2:

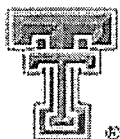
Allocation %	Oil	Gas	Water
Fruitland Coal	0%	34%	60%
Pictured Cliffs	100%	66%	40%

and the spreadsheet:



State GC 3 Allocations.xls

Best Regards,  
Tom Pennington  
Reservoir Engineering  
Office: WTW 1508  
Work: 817-885-1279  
Cell: 404-432-2671  
Brian Bentson/FAR/CTOC



Brian Bentson/FAR/CTOC

01/10/2013 10:41 AM

To Thomas Pennington/FTW/CTOC@CTOC

cc

Subject Fw: FARA20207PCL Email

Here is what Mary came up with and that gave the following allocations:

Pool	Oil	Water	Gas
FC	0%	19%	33%
FS	0%	36%	5%
PC	100%	45%	62%

### Brian Bentson

Production Engineer  
San Juan District  
XTO Energy Inc., a subsidiary of ExxonMobil  
Direct: (505) 333-3715  
Cell: (505) 419-8083  
Brian\_Bentson@xtoenergy.com



<b>Formation</b>	<b>Oil</b>	<b>Gas</b>	<b>Water</b>
<b>Fruitland Coal</b>	0	1,661	31
<b>Pictured Cliffs</b>	0	3,224	21
<b>TOTAL</b>	0	4,885	52

<b>Allocation %</b>	<b>Oil</b>	<b>Gas</b>	<b>Water</b>
<b>Fruitland Coal</b>	0%	34%	60%
<b>Pictured Cliffs</b>	100%	66%	40%

WELL	WELL_NO	RESERVOIR	P_DATE	GAS	WATER	P_COMMENT	OIL
STATE GAS COM 2		FRUITLAND COAL	1/31/2007 0:00	908.9674688	96		0
STATE GAS COM 2		FRUITLAND COAL	2/28/2007 0:00	844.3602827	168		0
STATE GAS COM 2		FRUITLAND COAL	3/31/2007 0:00	937.3039188	96		0
STATE GAS COM 2		FRUITLAND COAL	4/30/2007 0:00	853.7613701	102		0
STATE GAS COM 2		FRUITLAND COAL	5/31/2007 0:00	895.2079883	72		0
STATE GAS COM 2		FRUITLAND COAL	6/30/2007 0:00	721.339904	240	PUMP CHANGE/TREAT W/ WATER	0
STATE GAS COM 2		FRUITLAND COAL	7/31/2007 0:00	1012.875596	114		0
STATE GAS COM 2		FRUITLAND COAL	8/31/2007 0:00	931.8749483	66		0
STATE GAS COM 2		FRUITLAND COAL	9/30/2007 0:00	1025	69		0
STATE GAS COM 2		FRUITLAND COAL	10/31/2007 0:00	1000	48		0
STATE GAS COM 2		FRUITLAND COAL	11/30/2007 0:00	1010	54		0
STATE GAS COM 2		FRUITLAND COAL	12/31/2007 0:00	1075	72		0
STATE GAS COM 2		FRUITLAND COAL	1/31/2008 0:00	1036	12		0
STATE GAS COM 2		FRUITLAND COAL	2/29/2008 0:00	922	126		0
STATE GAS COM 2		FRUITLAND COAL	3/31/2008 0:00	1396	108		0
STATE GAS COM 2		FRUITLAND COAL	4/30/2008 0:00	1233	90		0
STATE GAS COM 2		FRUITLAND COAL	5/31/2008 0:00	1316	60		0
STATE GAS COM 2		FRUITLAND COAL	6/30/2008 0:00	766	24		0
STATE GAS COM 2		FRUITLAND COAL	7/31/2008 0:00	1288	0		0
STATE GAS COM 2		FRUITLAND COAL	8/31/2008 0:00	1431	0	REPLACE COMPRESSOR ENGINE	0
STATE GAS COM 2		FRUITLAND COAL	9/30/2008 0:00	1679	144		0
STATE GAS COM 2		FRUITLAND COAL	10/31/2008 0:00	1541	33		0
STATE GAS COM 2		FRUITLAND COAL	11/30/2008 0:00	1663	48		0
STATE GAS COM 2		FRUITLAND COAL	12/31/2008 0:00	1412	72		0
STATE GAS COM 2		FRUITLAND COAL	1/31/2009 0:00	1694	66		0
STATE GAS COM 2		FRUITLAND COAL	2/28/2009 0:00	1628	48		0
STATE GAS COM 2		FRUITLAND COAL	3/31/2009 0:00	1970	72		0
STATE GAS COM 2		FRUITLAND COAL	4/30/2009 0:00	2022	72		0
STATE GAS COM 2		FRUITLAND COAL	5/31/2009 0:00	1980	0		0
STATE GAS COM 2		FRUITLAND COAL	6/30/2009 0:00	1864	0		0
STATE GAS COM 2		FRUITLAND COAL	7/31/2009 0:00	1501	0		0
STATE GAS COM 2		FRUITLAND COAL	8/31/2009 0:00	2623	48		0
STATE GAS COM 2		FRUITLAND COAL	9/30/2009 0:00	2094	36		0
STATE GAS COM 2		FRUITLAND COAL	10/31/2009 0:00	2455	60		0
STATE GAS COM 2		FRUITLAND COAL	11/30/2009 0:00	2273	78		0
STATE GAS COM 2		FRUITLAND COAL	12/31/2009 0:00	2325	12		0
STATE GAS COM 2		FRUITLAND COAL	1/31/2010 0:00	2253	78		0
STATE GAS COM 2		FRUITLAND COAL	2/28/2010 0:00	2087	0		0
STATE GAS COM 2		FRUITLAND COAL	3/31/2010 0:00	2263	48		0
STATE GAS COM 2		FRUITLAND COAL	4/30/2010 0:00	2202	48		0
STATE GAS COM 2		FRUITLAND COAL	5/31/2010 0:00	2273	48		0
STATE GAS COM 2		FRUITLAND COAL	6/30/2010 0:00	2125	81		0
STATE GAS COM 2		FRUITLAND COAL	7/31/2010 0:00	2244	48		0
STATE GAS COM 2		FRUITLAND COAL	8/31/2010 0:00	2229	48		0
STATE GAS COM 2		FRUITLAND COAL	9/30/2010 0:00	2139	24		0
STATE GAS COM 2		FRUITLAND COAL	10/31/2010 0:00	2194	72		0
STATE GAS COM 2		FRUITLAND COAL	11/30/2010 0:00	2099	24		0
STATE GAS COM 2		FRUITLAND COAL	12/31/2010 0:00	2093	36		0
STATE GAS COM 2		FRUITLAND COAL	1/31/2011 0:00	2071	60		0
STATE GAS COM 2		FRUITLAND COAL	2/28/2011 0:00	1865	24		0
STATE GAS COM 2		FRUITLAND COAL	3/31/2011 0:00	1997	78		0
STATE GAS COM 2		FRUITLAND COAL	4/30/2011 0:00	2032	36		0
STATE GAS COM 2		FRUITLAND COAL	5/31/2011 0:00	2084	72		0
STATE GAS COM 2		FRUITLAND COAL	6/30/2011 0:00	2003	24		0
STATE GAS COM 2		FRUITLAND COAL	7/31/2011 0:00	2000	30		0
STATE GAS COM 2		FRUITLAND COAL	8/31/2011 0:00	2043	42		0
STATE GAS COM 2		FRUITLAND COAL	9/30/2011 0:00	1898	18		0
STATE GAS COM 2		FRUITLAND COAL	10/31/2011 0:00	1829	0		0
STATE GAS COM 2		FRUITLAND COAL	11/30/2011 0:00	1750	0		0
STATE GAS COM 2		FRUITLAND COAL	12/31/2011 0:00	1697	0		0
STATE GAS COM 2		FRUITLAND COAL	1/31/2012 0:00	2009	66		0
STATE GAS COM 2		FRUITLAND COAL	2/29/2012 0:00	1855	72		0
STATE GAS COM 2		FRUITLAND COAL	3/31/2012 0:00	1984	0		0
STATE GAS COM 2		FRUITLAND COAL	4/30/2012 0:00	1954	36		0
STATE GAS COM 2		FRUITLAND COAL	5/31/2012 0:00	1956	48		0
STATE GAS COM 2		FRUITLAND COAL	6/30/2012 0:00	1805	24		0
STATE GAS COM 2		FRUITLAND COAL	7/31/2012 0:00	1836	24		0
STATE GAS COM 2		FRUITLAND COAL	8/31/2012 0:00	1729	6		0
STATE GAS COM 2		FRUITLAND COAL	9/30/2012 0:00	1618	18		0
STATE GAS COM 2		FRUITLAND COAL	10/31/2012 0:00	1545	48		0
STATE GAS COM 2		FRUITLAND COAL	11/30/2012 0:00	1433	66		0

WELL	WELL_NO	RESERVOIR	P_DATE	GAS	WATER	P_COMMENT	OIL
STATE GAS COM 2	2	PICTURED CLIFFS	1/31/2007 0:00	1764.466263	64		0
STATE GAS COM 2	2	PICTURED CLIFFS	2/28/2007 0:00	1639.052314	112		0
STATE GAS COM 2	2	PICTURED CLIFFS	3/31/2007 0:00	1819.472313	64		0
STATE GAS COM 2	2	PICTURED CLIFFS	4/30/2007 0:00	1657.301483	68		0
STATE GAS COM 2	2	PICTURED CLIFFS	5/31/2007 0:00	1737.756683	48		0
STATE GAS COM 2	2	PICTURED CLIFFS	6/30/2007 0:00	1400.248049	160	PUMP CHANGE/TREAT W/ WATER	0
STATE GAS COM 2	2	PICTURED CLIFFS	7/31/2007 0:00	1966.170275	76		0
STATE GAS COM 2	2	PICTURED CLIFFS	8/31/2007 0:00	1808.933723	44		0
STATE GAS COM 2	2	PICTURED CLIFFS	9/30/2007 0:00	1990	46		0
STATE GAS COM 2	2	PICTURED CLIFFS	10/31/2007 0:00	1942	32		0
STATE GAS COM 2	2	PICTURED CLIFFS	11/30/2007 0:00	1961	36		0
STATE GAS COM 2	2	PICTURED CLIFFS	12/31/2007 0:00	2087	48		0
STATE GAS COM 2	2	PICTURED CLIFFS	1/31/2008 0:00	2010	8		0
STATE GAS COM 2	2	PICTURED CLIFFS	2/29/2008 0:00	1789	84		0
STATE GAS COM 2	2	PICTURED CLIFFS	3/31/2008 0:00	2710	72		0
STATE GAS COM 2	2	PICTURED CLIFFS	4/30/2008 0:00	2393	60		0
STATE GAS COM 2	2	PICTURED CLIFFS	5/31/2008 0:00	2554	40		0
STATE GAS COM 2	2	PICTURED CLIFFS	6/30/2008 0:00	1486	16		0
STATE GAS COM 2	2	PICTURED CLIFFS	7/31/2008 0:00	2499	0		0
STATE GAS COM 2	2	PICTURED CLIFFS	8/31/2008 0:00	2778	0	REPLACE COMPRESSOR ENGINE	0
STATE GAS COM 2	2	PICTURED CLIFFS	9/30/2008 0:00	3260	96		0
STATE GAS COM 2	2	PICTURED CLIFFS	10/31/2008 0:00	2990	22		0
STATE GAS COM 2	2	PICTURED CLIFFS	11/30/2008 0:00	3228	32		0
STATE GAS COM 2	2	PICTURED CLIFFS	12/31/2008 0:00	2741	48		0
STATE GAS COM 2	2	PICTURED CLIFFS	1/31/2009 0:00	3287	44		0
STATE GAS COM 2	2	PICTURED CLIFFS	2/28/2009 0:00	3160	32		0
STATE GAS COM 2	2	PICTURED CLIFFS	3/31/2009 0:00	3824	48		0
STATE GAS COM 2	2	PICTURED CLIFFS	4/30/2009 0:00	3926	48		0
STATE GAS COM 2	2	PICTURED CLIFFS	5/31/2009 0:00	3843	0		0
STATE GAS COM 2	2	PICTURED CLIFFS	6/30/2009 0:00	3618	0		0
STATE GAS COM 2	2	PICTURED CLIFFS	7/31/2009 0:00	2913	0		0
STATE GAS COM 2	2	PICTURED CLIFFS	8/31/2009 0:00	5092	32		0
STATE GAS COM 2	2	PICTURED CLIFFS	9/30/2009 0:00	4065	24		0
STATE GAS COM 2	2	PICTURED CLIFFS	10/31/2009 0:00	4766	40		0
STATE GAS COM 2	2	PICTURED CLIFFS	11/30/2009 0:00	4413	52		0
STATE GAS COM 2	2	PICTURED CLIFFS	12/31/2009 0:00	4512	8		0
STATE GAS COM 2	2	PICTURED CLIFFS	1/31/2010 0:00	4374	52		0
STATE GAS COM 2	2	PICTURED CLIFFS	2/28/2010 0:00	4052	0		0
STATE GAS COM 2	2	PICTURED CLIFFS	3/31/2010 0:00	4392	32		0
STATE GAS COM 2	2	PICTURED CLIFFS	4/30/2010 0:00	4275	32		0
STATE GAS COM 2	2	PICTURED CLIFFS	5/31/2010 0:00	4412	32		0
STATE GAS COM 2	2	PICTURED CLIFFS	6/30/2010 0:00	4126	54		0
STATE GAS COM 2	2	PICTURED CLIFFS	7/31/2010 0:00	4355	32		0
STATE GAS COM 2	2	PICTURED CLIFFS	8/31/2010 0:00	4327	32		0
STATE GAS COM 2	2	PICTURED CLIFFS	9/30/2010 0:00	4153	16		0
STATE GAS COM 2	2	PICTURED CLIFFS	10/31/2010 0:00	4260	48		0
STATE GAS COM 2	2	PICTURED CLIFFS	11/30/2010 0:00	4075	16		0
STATE GAS COM 2	2	PICTURED CLIFFS	12/31/2010 0:00	4062	24		0
STATE GAS COM 2	2	PICTURED CLIFFS	1/31/2011 0:00	4019	40		0
STATE GAS COM 2	2	PICTURED CLIFFS	2/28/2011 0:00	3620	16		0
STATE GAS COM 2	2	PICTURED CLIFFS	3/31/2011 0:00	3877	52	REPLACE RECIP COMP W/ SCREW COMP	0
STATE GAS COM 2	2	PICTURED CLIFFS	4/30/2011 0:00	3945	24		0
STATE GAS COM 2	2	PICTURED CLIFFS	5/31/2011 0:00	4046	48		0
STATE GAS COM 2	2	PICTURED CLIFFS	6/30/2011 0:00	3888	16		0
STATE GAS COM 2	2	PICTURED CLIFFS	7/31/2011 0:00	3881	20		0
STATE GAS COM 2	2	PICTURED CLIFFS	8/31/2011 0:00	3966	28		0
STATE GAS COM 2	2	PICTURED CLIFFS	9/30/2011 0:00	3684	12		0
STATE GAS COM 2	2	PICTURED CLIFFS	10/31/2011 0:00	3551	0		0
STATE GAS COM 2	2	PICTURED CLIFFS	11/30/2011 0:00	3396	0		0
STATE GAS COM 2	2	PICTURED CLIFFS	12/31/2011 0:00	3360	0		0
STATE GAS COM 2	2	PICTURED CLIFFS	1/31/2012 0:00	3900	44		0
STATE GAS COM 2	2	PICTURED CLIFFS	2/29/2012 0:00	3601	48		0
STATE GAS COM 2	2	PICTURED CLIFFS	3/31/2012 0:00	3852	0		0
STATE GAS COM 2	2	PICTURED CLIFFS	4/30/2012 0:00	3794	24		0
STATE GAS COM 2	2	PICTURED CLIFFS	5/31/2012 0:00	3796	32		0
STATE GAS COM 2	2	PICTURED CLIFFS	6/30/2012 0:00	3503	16		0
STATE GAS COM 2	2	PICTURED CLIFFS	7/31/2012 0:00	3564	16		0
STATE GAS COM 2	2	PICTURED CLIFFS	8/31/2012 0:00	3356	4		0
STATE GAS COM 2	2	PICTURED CLIFFS	9/30/2012 0:00	3141	12		0
STATE GAS COM 2	2	PICTURED CLIFFS	10/31/2012 0:00	2998	32		0
STATE GAS COM 2	2	PICTURED CLIFFS	11/30/2012 0:00	2782	44		0



382 CR 3100  
Aztec, NM 87410

January 21, 2013

Interest Owners

Subject: Notice of Intent to Apply for Downhole Commingling  
**State Gas Com #3**  
Unit P, Sec 32, T31N, R12W

XTO Energy Inc is submitting an application to the New Mexico Oil Conservation Division (NMOCD) to downhole commingle production from the, Basin Fruitland Coal and the Aztec Pictured Cliffs pools in the State Gas Com #3 gas well. Commingling of these pools will minimize operating costs, add reserves and improve economics of the well.

The proposed allocation percentages for each pool are as follows:

Basin Fruitland Coal	Gas: 34%	Water: 60%	Oil: 0%
Aztec Pictured Cliffs	Gas: 66%	Water: 40%	Oil: 100%

NMOCD requires all interest owners be notified of intent to downhole commingle if ownership is different between zones. If you need additional information or have any questions, I may be contacted at (505) 333-3206. If you have any objections to our application, please contact me within twenty (20) days of the date of this letter.

Sincerely,

A handwritten signature in black ink that reads 'Kristen D. Lynch'.

Kristen D. Lynch  
Regulatory Analyst