

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. <u>2</u> <u>30-045-34003</u>
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No. N/A
7. Lease Name or Unit Agreement Name: MADSEN GAS COM
8. Well Number #1E
9. OGRID Number 5380
10. Pool name or Wildcat BASIN DAKOTA/BASIN MANCOS
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5,405' GL

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: MADSEN GAS COM
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>D</u> : <u>1170</u> feet from the <u>NORTH</u> line and <u>1190</u> feet from the <u>WEST</u> line Section <u>28</u> Township <u>29N</u> Range <u>11W</u> NMPM <u>NMPM</u> County <u>SAN JUAN</u>	10. Pool name or Wildcat BASIN DAKOTA/BASIN MANCOS
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5,405' GL	

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 APR 5 '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 requests an exception to OCD Rule 19.15.12.9 to permit DHC of the Basin DK (71599) & the Basin MC (97232), both are pre-approved per order R-12984B, upon approval of this application. Please see attached spreadsheet for justification of proposed allocations.

Basin Dakota Gas: 30% Oil: 1% Water: 4% Basin Mancos Gas: 70% Oil: 99% Water: 96%
Ownership is diverse & notification was made without protest by CRR on 2/22/13. DHC will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights.

DHC 3822 A2

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 4/3/2013
Type or print name KRISTEN D. LYNCH E-mail address: kristen_lynch@xtoenergy.com PHONE 505-333-3206

For State Use Only

APPROVED BY [Signature] TITLE Deputy Oil & Gas Inspector, DATE APR 11 2013

Conditions of Approval (if any):

Deputy Oil & Gas Inspector,
District #3

Ca



382 CR 3100
Aztec, NM 87410

February 22, 2013

Interest Owners

Subject: Notice of Intent to Apply for Downhole Commingling
Masden Gas Com #1E
Unit D, Sec 28, T29N, R11W

XTO Energy Inc is submitting an application to the New Mexico Oil Conservation Division (NMOCD) to downhole commingle production from the, Basin Dakota and the Basin Mancos pools in the Masden Gas Com #1E 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 Dakota	Gas: 30 %	Water: 4%	Oil: 1%
Basin Mancos	Gas: 70%	Water: 96%	Oil: 99%

NMOCD requires that all interest owners be notified of our intent to downhole commingle, if ownership is different between formations. 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". The signature is fluid and cursive.

Kristen D. Lynch
Regulatory Analyst

Masden GC #1E Mancos/Dakota DHC Allocations											
	OIL	GAS	WATER								
Mancos Allocation	99%	70%	96%								
Dakota Allocation	1%	30%	4%								
DHC Alloc %'s noted in the table above are based on the estimated MMCS Reserves & remaining DK Reserves in the Masden GC #1E											
	Oil (BBLS)	Gas (MMCF)	Wtr (BBLS)								
Mancos Est Reserves	8,431	199	2,225								
DK Remaining Reserves	67	87	97								
Total	8,498	286	2,322								
				Cum Prod - Dec 2011			Est. Ultimate Reserves*				
Mancos Offset Wells	API #	Pool	LOCATION	OIL (BBLS)	GAS (MMCF)	WTR (BBLS)	OIL (BBLS)	GAS (MMCF)	WTR (BBLS)		
Eaton A #1R	30-045-34457	Armenta Gallup	S25 - T29N - R11W, San Juan Co, NM	1,933	13	72	15,559	170	128		
Davis Gas Com F #1R	30-045-30833	Armenta Gallup	S27 - T29N - R11W, San Juan Co, NM	3,866	46	8,671	3,866	47	8,671		
Masden Gas Com #1Y	30-045-34641	Basin Mancos	S28 - T29N - R11W, San Juan Co, NM	3,096	53	65	10,942	284	101		
State Com AD #26E	30-045-23744	Armenta Gallup	S36 - T29N - R11W, San Juan Co, NM	1,877	177	0	3,358	293	0		
Average				2,693	72	2,202	8,431	199	2,225		
				Cum Prod - May 2012			Est. Remaining Reserves*				
Existing DK Zone				OIL (BBLS)	GAS (MMCF)	WTR (BBLS)	OIL (BBLS)	GAS (MMCF)	WTR (BBLS)		
Masden Gas Com #1E	30-045-24003	Basin Dakota	S28 - T29N - R11W, San Juan Co, NM	4,819	783	6,978	67	87	97		
										*estimated by prod decline analysis	