

Submit One Copy To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., 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

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

Form C-103
Revised November 3, 2011

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.)		WELL API NO. 30-045-24444																				
1. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>																				
2. Name of Operator XTO ENERGY INC.		6. State Oil & Gas Lease No. PCID OCT 6 '14 OIL CONSERV. DIV.																				
3. Address of Operator 382 CR 3100 AZTEC, NM 87410		7. Lease Name or Unit Agreement Name PAYNE A DIST. 3																				
4. Well Location Unit Letter <u>N</u> : <u>530</u> feet from the <u>SOUTH</u> line and <u>2080</u> feet from the <u>WEST</u> line Section <u>19</u> Township <u>29N</u> Range <u>10W</u> NMPM _____ County <u>SAN JUAN</u>		8. Well Number #1E																				
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5476' GR		9. OGRID Number 5380																				
10. Pool name or Wildcat BLANCO MV/OTERO CH/BASIN DK																						
12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data																						
<table border="0"><tr><td colspan="2">NOTICE OF INTENTION TO:</td><td colspan="2">SUBSEQUENT REPORT OF:</td></tr><tr><td>PERFORM REMEDIAL WORK <input type="checkbox"/></td><td>PLUG AND ABANDON <input type="checkbox"/></td><td>REMEDIAL WORK <input type="checkbox"/></td><td>ALTERING CASING <input type="checkbox"/></td></tr><tr><td>TEMPORARILY ABANDON <input type="checkbox"/></td><td>CHANGE PLANS <input type="checkbox"/></td><td>COMMENCE DRILLING OPNS. <input type="checkbox"/></td><td>P AND A <input type="checkbox"/></td></tr><tr><td>PULL OR ALTER CASING <input type="checkbox"/></td><td>MULTIPLE COMPL <input type="checkbox"/></td><td>CASING/CEMENT JOB <input type="checkbox"/></td><td></td></tr><tr><td colspan="2">OTHER: <input type="checkbox"/></td><td colspan="2"><input checked="" type="checkbox"/> Location is ready for OCD inspection after P&A</td></tr></table>			NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:		PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>	TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>		OTHER: <input type="checkbox"/>		<input checked="" type="checkbox"/> Location is ready for OCD inspection after P&A	
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<input checked="" type="checkbox"/> All pits have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan.																						
<input checked="" type="checkbox"/> Rat hole and cellar have been filled and leveled. Cathodic protection holes have been properly abandoned.																						
<input checked="" type="checkbox"/> A steel marker at least 4" in diameter and at least 4' above ground level has been set in concrete. It shows the																						

OPERATOR NAME, LEASE NAME, WELL NUMBER, API NUMBER, QUARTER/QUARTER LOCATION OR UNIT LETTER, SECTION, TOWNSHIP, AND RANGE. ALL INFORMATION HAS BEEN WELDED OR PERMANENTLY STAMPED ON THE MARKER'S SURFACE.

- ☒ The location has been leveled as nearly as possible to original ground contour and has been cleared of all junk, trash, flow lines and other production equipment.
- ☒ Anchors, dead men, tie downs and risers have been cut off at least two feet below ground level.
- ☒ If this is a one-well lease or last remaining well on lease, the battery and pit location(s) have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan. All flow lines, production equipment and junk have been removed from lease and well location.
- ☒ All metal bolts and other materials have been removed. Portable bases have been removed. (Poured onsite concrete bases do not have to be removed.)
- ☒ All other environmental concerns have been addressed as per OCD rules.
- ☒ Pipelines and flow lines have been abandoned in accordance with 19.15.35.10 NMAC. All fluids have been removed from non-retrieved flow lines and pipelines.
- ☒ If this is a one-well lease or last remaining well on lease: all electrical service poles and lines have been removed from lease and well location, except for utility's distribution infrastructure.

-SEE ATTACHED LETTER AGREEMENT

When all work has been completed, return this form to the appropriate District office to schedule an inspection.

SIGNATURE Sherry J. Morrow TITLE REGULATORY ANALYST DATE 10/2/2014

TYPE OR PRINT NAME SHERRY J. MORROW E-MAIL: sherry_morrow@xtoenergy.com PHONE: (505) 333-3630

For State Use Only

APPROVED BY: John Burdick TITLE DEPUTY OIL & GAS INSPECTOR DIST A DATE 21-OCT-2014
Conditions of Approval (if any): AV



HAND DELIVERED

June 23, 2014

Samuel James Gingerich and Joanna S. Gingerich
354 Road 4990
Bloomfield, NM 87413

Re: Letter Agreement for Restoration
Payne A #1E
TOWNSHIP 29 North, Range 10 West, NMPM
SECTION 19
SAN JUAN COUNTY, NEW MEXICO

Dear Mr. and Mrs. Gingerich:

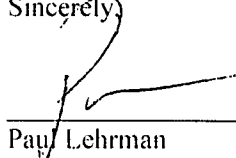
This letter will serve as our agreement for restoration, per our meeting of June 17, 2014.

- XTO will remove all surface equipment, tanks, pits, liners, etc.
- Remove anchors.
- Remove automation equipment as is practical given the rocky nature of the location.
- Leave well site and access road "as is", without removing rock or gravel.
- Leave gravel "mound" on north side of location "as is".
- No reseeding will take place as the road and well pad are all rock.
- Parties hereto agree that nothing will probably grow as there is no top soil to grow any grass or native vegetation.
- Remove aggregate around pit and take to alternate location, unless deemed it more prudent to leave it in place.
- Build up roadway around landowner's pond with appropriate aggregate to prevent landowner's vehicles from sinking into ground. Agreed to at meeting on 6-17.

This letter agreement serves as our agreement for restoration of the existing Payne A #1E well site and access road and conforms with any applicable laws and regulations in effect as of the day of this agreement.

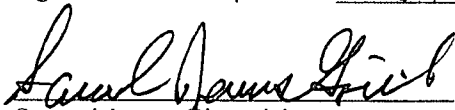
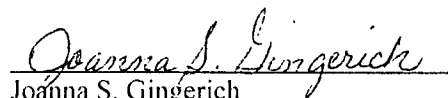
Samuel James Gingerich et ux
June 23, 2014
Page Two

Sincerely,



Paul Lehrman
Sr. Land Surface Coordinator

Agreed to and accepted this 24th day of June, 2014.


Samuel James Gingerich
Joanna S. Gingerich