

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. 30-045-21384
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. NOOC14203616
7. Lease Name or Unit Agreement Name: CANYON RCUD SEP 23 '14 OIL CONS. DIV.
8. Well Number #8
9. OGRID Number DIST. 3 5380
10. Pool name or Wildcat BASIN DAKOTA/BASIN MANCOS

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: CANYON RCUD SEP 23 '14 OIL CONS. DIV.
2. Name of Operator XTO Energy Inc.	8. Well Number #8
3. Address of Operator 382 CR 3100 AZTEC, NM 87410	9. OGRID Number DIST. 3 5380
4. Well Location Unit Letter G : 1650 feet from the NORTH line and 2508 feet from the EAST line Section 14 Township 25N Range 11W NMPM NMPM County SAN JUAN	10. Pool name or Wildcat BASIN DAKOTA/BASIN MANCOS
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6490' 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 ☐

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) & Basin MC (97232) upon completion. Pools are pre-approved per Order R-12984-B. Please see attached spreadsheet for justification of the proposed allocations:

Basin Dakota: Oil: 6% Gas: 63% Water: 43%
Basin Mancos: Oil: 94% Gas: 37% Water: 57%

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. BLM was notified of our intent to DHC via Form 3160-5 on 9/22/2014.

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 Sherry J. Morrow TITLE REGULATORY ANALYST DATE 9/22/2014

Type or print name SHERRY J. MORROW E-mail address: sherry_morrow@xtoenergy.com PHONE 505-333-3630

For State Use Only

APPROVED BY [Signature] TITLE SUPERVISOR DISTRICT # 3 DATE NOV 13 2014

Conditions of Approval (if any):

fv

Canyon #8 Allocation Calculation

Average production based on offset 9-section wells.

	Canyon 6			Canyon 7E			Canyon 8E			Canyon 11			Canyon 19			Hun Ne Pah 1E		
	GAS	OIL	WTR	GAS	OIL	WTR	GAS	OIL	WTR	GAS	OIL	WTR	GAS	OIL	WTR	GAS	OIL	WTR
rate prior to adding pay (Dakota only)	2500	10	0	2000	5	48	700	0	3	1200	5	20	1800	12	6	2000	4	60
rate after adding pay (Dakota + Mancos)	7,000	200	1	2,800	150	79	1,800	100	43	3,000	400	25	2,000	60	34	2,000	80	63
calculated Mancos prod	4,500	190	1	800	145	31	1,100	100	40	1,800	395	5	200	48	28	0	76	3
% Dakota	36	5	0	71	3	61	39	0	7	40	1	80	90	20	18	100	5	95
% Mancos	64	95	100	29	97	39	61	100	93	60	99	20	10	80	82	0	95	5

AVERAGE

	GAS	OIL	WTR
% Dakota	63	6	43
% Mancos	37	94	57