

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

WELL API NO.
30-045-09759

5. Indicate Type of Lease
STATE ☐ FEE ☒

6. State Oil & Gas Lease No.
CA-NMNM73777

7. Lease Name or Unit Agreement Name
Hampton D

8. Well Number 01

9. OGRID Number
5380

10. Pool name or Wildcat
Basin Dakota OIL CONS. DIV DIST. 3

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 ☒ Gas Well ☐ Other

2. Name of Operator
XTO Energy Inc.

3. Address of Operator
382 CR 3100, Aztec, NM 87410

4. Well Location

Unit Letter B : 1010 feet from the North line and 1760 feet from the East line
Section 10 Township 30N Range 11W NMPM County San Juan

DEC 20 2016

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
5732' 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 ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

☒ Location is ready for OCD inspection after P&A

- ☒ All pits have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan.
☒ Rat hole and cellar have been filled and leveled. Cathodic protection holes have been properly abandoned.
☒ 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.

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

SIGNATURE Rhonda Smith TITLE Regulatory Clerk DATE 12/14/16

TYPE OR PRINT NAME Rhonda Smith E-MAIL: rhonda_smith@xtoenergy.com PHONE: 505-333-3215
For State Use Onl

APPROVED BY: DENIED DATE _____

Automation and 1" steel cable on location, please resubmit once removed for follow up inspection.

BY: Jonathan Kelly

DATE: 1/4/2017 (505) 334-6178 Ext. 122



XTO Energy Inc.
382 Road 3100
Aztec, New Mexico 87410
Office: 505.333.3100
Fax: 505.333.3280

June 23, 2016

City of Aztec, New Mexico, a Municipal Corporation
201 West Chaco
Aztec, New Mexico 87410

Re: Letter Agreement for
Release of Final Reclamation/Release of Liability
in connection with the Hampton D #1 Well Site
and associated site work surrounding well as shown on
Attached Exhibit "A"
API No. 30-045-09759
NE/4-10-T30N-R11W
San Juan County, New Mexico

Gentlemen:

I am writing in accordance with, and to memorialize, the recent on-site meeting between XTO Energy Inc. representatives and representatives of the City of Aztec, New Mexico, to discuss the plugging and abandoning of the Hampton D #1 Well. Also discussed was the reclamation of the well site, the access road and the pipeline right of way corridor. These are all located on lands owned by the City of Aztec. The following Release of Final Reclamation and Release of Liability sets forth the mutually agreed upon terms and conditions associated with the final reclamation.

RELEASE OF FINAL RECLAMATION

THIS RELEASE OF FINAL RECLAMATION is made and entered into effective 7:00 o'clock A.M., Mountain Time on June 23, 2016 by and between City of Aztec, New Mexico, a Municipal Corporation ("Surface Owner"), with a mailing address of 201 West Chaco, Aztec, New Mexico 87410 and XTO Energy Inc., a Delaware corporation ("XTO"), with a mailing address of 810 Houston Street Fort Worth, Texas 76102-6298.

WHEREAS, XTO is the operator of the Hampton D #1 Well, API No. 30-045-09759 (the "Well") located on land owned by Surface Owner in the NE/4 of Section 10, Township 30 North, Range 11 West, N.M.P.M., San Juan County, New Mexico (the "Land");

WHEREAS, Surface Owner owns and controls said Land;

WHEREAS, XTO has permanently plugged the Well and placed a plugged and abandoned above ground identifying marker at the well bore in accordance with New Mexico Oil Conservation Division ("OCD") Rules;

WHEREAS, on June 23, 2016, Surface Owner and a representative of XTO met at the Well site to discuss reclaiming the Well site, access road and pipeline corridors, associated with XTO's oil and gas operations on the Land; and

WHEREAS, during the June 23, 2016 meeting at the Well site, Surface Owner discussed building a detention pond at the well site to alleviate and impound water coming from lands to the east of said site, and has requested that XTO not reclaim the well site, not remove the Well access road and not reclaim the right of way corridor. In lieu of reclaiming the well site, access road and right of way corridor, XTO agrees to construct the detention pond as designed on the attached Exhibit "A", attached hereto and made part hereof, and to reconstruct the access road(s) to a mutually agreed location and elevation so as to not interfere with the functionality of the detention pond, and is willing to comply with Surface Owner's request, subject to acceptance by the parties to the terms of the following Release of Final Reclamation and the subsequent Release of Liability.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, Surface Owner and XTO hereby agree as follows:

1. As soon as practicable, XTO will level the Well site, remove rig anchors and other surface mounted facilities from the Well site, except the meter run and associated equipment thereto, close all pits and below grade tanks and take other measures necessary or required by the OCD to restore the Well site to a safe and clean condition.
2. Surface Owner relieves, waives and releases XTO of and from any responsibility for the following: a) reclaiming the Well site according the New Mexico Surface Owners Protection Act, HB 827, enacted July 1, 2007 (the "Act") or other New Mexico law, or to Surface Owner's personal specification and end product; b) leaving the Well access road intact, as is, where is; and c) leaving the gas pipeline in the ground, as is, where is, with all of a, b and c in lieu of XTO reclaiming the affected Well site, Well access road(s) to be modified as part of the plan as depicted on the attached Exhibit "A", and pipeline corridors with respect to its oil and gas operations associated with the Hampton D #1 Well as provided for under the Act.
3. Surface Owner hereby releases, indemnifies and holds XTO and its affiliates and its and their successors and assigns harmless from any and all further obligation and liability for any surface damages associated with the Land and from any and all further obligation and liability to reclaim the Land with respect to the Hampton D #1 Well, the Well site area and the associated access road(s) and pipeline(s).
4. The parties hereto agree that the following dimensions related to the Well are as follows: Well site: approximately 200' x 175' and Well access road and pipeline corridor: approximately 50' x 200'.
5. This Release of Final Reclamation shall constitute the entire agreement between the parties hereto regarding the subject matter hereof, and any prior understandings or representations of any kind preceding the execution of this Release shall not be binding upon either party except to the extent incorporated in this Release.
6. This Release of Final Reclamation shall be binding upon and shall inure to the benefit of Surface Owner and XTO, and their affiliates and successors and assigns, and any person or entity that at any time hereafter shall become an owner of any interest in the Land.

City of Aztec, New Mexico
June 23, 2016
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By execution of this Release, Surface Owner in full satisfaction herewith agrees that any surety bond, letter of credit from a banking institution, cash, or a certificate of deposit with a New Mexico surety company or financial institution, as the case may be, which has been deposited by XTO or by XTO's predecessors in interest or by affiliates of XTO for the benefit of Surface Owner under either the Act or OCD rules, shall now be released.

RELEASE OF LIABILITY

THIS RELEASE OF LIABILITY is made and entered into effective 7:00 o'clock A.M., Mountain Time on June 23, 2016 by and between City of Aztec, New Mexico, a Municipal Corporation ("Surface Owner"), with a mailing address of 201 West Chaco, Aztec, New Mexico 87410 and XTO Energy Inc., a Delaware corporation ("XTO"), with a mailing address of 810 Houston Street Fort Worth, Texas 76102-6298.

WHEREAS, the parties desire to address the work to be performed by XTO with respect to the surrounding lands adjacent to the Hampton D #1 well site and regarding the installation of a detention pond, dirt berms and assorted dirt work, as described in Exhibit "A", attached hereto and made part hereof (herein the "Work"), by XTO as well as other potential issues, according to the terms contained herein;

NOW, THEREFORE, for good and valuable consideration to be paid by XTO to the City of Aztec, New Mexico, the sufficiency of which is hereby acknowledged by the parties, the parties agree to the following:


1. With the intention of binding itself and all its administrators, assigns, agents and successors, the City of Aztec, New Mexico hereby releases, acquits and forever fully and finally discharges XTO, and all of its owners, partners, officers, directors, affiliates, servants, agents, insurers, attorneys, employees, contractors, sub-contractors, assigns, and successors in interest (collectively "XTO, *et al.*"), and all others for whom or for which XTO may be vicariously liable, of and from any and all actions, causes of action, claims, demands, damages, and costs, whether based upon the common law or statute, including claims for contractual or tort damages, property damage, punitive or exemplary damages, mental anguish, pain and suffering, medical expenses, loss of life or consortium, loss of earnings and earning capacity, and any and all other damages of every kind, whether same be known or unknown, anticipated or unanticipated, arising out of or in any way connected with the Work and/or damage to the City of Aztec Land or others by XTO, *et al.*, resulting from the Work.

IN WITNESS WHEREOF, this Release of Final Reclamation and Release of Liability, is executed the 3rd day of September, 2016, to be effective for all purposes as of the Effective Date.

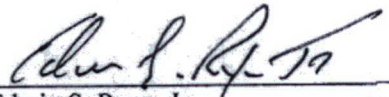
City of Aztec, New Mexico
June 23, 2016
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SURFACE OWNER:

City of Aztec, New Mexico, a Municipal Corporation
By:

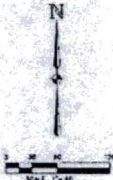

City Manager, Joshua W. Ray
Authorized Representative

XTO ENERGY INC.


Edwin S. Ryan, Jr.
Senior Vice President - Land

ESR
6/26

Exhibit "A"
Attached to and made part of that certain Letter Agreement dated June 23, 2106, by and between the City of Aztec and XTO Energy Inc.



Pond Volume

Flow (feet)	Surface Area (Acres)	Top Volume (CFS)	Total Volume (CFS)	Total Volume (Cubic Feet)
5750	1.27	1.24	6.77	294,680
5749	1.22	1.19	5.52	240,651
5748	1.17	1.15	4.33	186,601
5747	1.13	1.10	3.18	138,509
5746	1.08	1.06	2.07	90,380
5745	1.04	1.01	1.01	44,209
Pond Bottom at	5744	0.99		

Cut/Fill Summary

Name	Cut Factor	Fill Factor	20 Acres	Cut	Fill	Net
POND vs ES	1.000	1.000	78119.49 Sq. Ft.	1477.70 Cu. Yd.	5127.32 Cu. Yd.	3449.62 Cu. Yd. (Fill)
Totals			78119.49 Sq. Ft.	1477.70 Cu. Yd.	5127.32 Cu. Yd.	3449.62 Cu. Yd. (Fill)

Velocity and Capacity of Pipes Flowing Full

PIPE DIAMETER	36 inches
PIPE SLOPE	0.58%
MANHOLE	8.000 ft
VELOCITY	4.92 f/s
Q	34.78 cfs

Volume in a Pipe

Retention Time	30.0 feet
Volume	536.2 cubic feet

Head for Pipes Flowing Full

Manning's Equation

Friction Coefficient (K)	0.90
Friction Loss (ft/100 ft)	0.00
Head Loss (ft/100 ft)	1.23

Pipe Size	Pipe Slope (%)	Velocity (f/s)	Head Loss (ft/100 ft)
36" Dia	0.58%	4.92	1.23



REV	DATE	DESCRIPTION

PROJECT TITLE COA DETENTION POND US 173

DRAWING TITLE PRELIMINARY GRADING PLAN



DESIGNED BY RWE
DRAWN BY RWE
CHECKED BY RWE
DATE JUNE 2016
DRAWING NO C1
SHEET 1 OF 1 TOTAL SHEET