

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  
May 27, 2004

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

WELL API NO. <b>30-045-33405</b>
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. <b>SF-047039B</b>
7. Lease Name or Unit Agreement Name <b>Kutz Federal</b>
8. Well Number <b>#10F</b>
9. OGRID Number <b>167067</b>
10. Pool name or Wildcat <b>Basin Dakota/Otero Chacra</b>

**APR 2006 RECEIVED**  
**OIL CONSERVATION DIV.**  
**DIST. 3**  
**678**

**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
2. Name of Operator <b>XTO Energy Inc.</b>
3. Address of Operator <b>2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401</b>
4. Well Location Unit Letter <b>A</b> : <b>720</b> feet from the <b>North</b> line and <b>805</b> feet from the <b>East</b> line Section <b>18</b> Township <b>28N</b> Range <b>10W</b> NMPM County <b>SAN JUAN</b>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <b>5850'</b>
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/> Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____ Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

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 COMPLETION ☐  
OTHER: **DOWNHOLE COMMINGLE** ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐  
CASING TEST AND 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.

**DHC 2232 AZ**  
XTO Energy Inc. requests an exception to NMOC rule 303-C to permit DHC of production from the Basin Dakota pool (71599) and the Otero Chacra pool (82329). XTO proposes to DHC the two pools upon completion of the well. Proposed allocations are based on a 9-section EUR & recommended allocations are:

Basin Dakota	Gas: 100%	Water: 88%	Oil: 57%
Otero Chacra	Gas: 0%	Water: 12%	Oil: 43%

Ownership in pools is diverse & notification was made to owners by certified mail, return receipt on 3/31/06. DHC will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights. An application for DHC was submitted on 4/18/06.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOC guidelines ☐ , a general permit ☐ or an (attached) alternative OCD-approved plan ☐

SIGNATURE **Lorri D. Bingham** TITLE **Regulatory Compliance Tech** DATE **4/18/06**  
Type or print name **LORRI D. BINGHAM** E-mail address: **REGULATORY@XTOENERGY.COM** Telephone No. **505-324-1090**

For State Use Only

APPROVED BY **[Signature]** TITLE **DEPUTY OIL & GAS INSPECTOR, DIST. 3** DATE **APR 21 2006**  
Conditions of Approval, if any: **BIM must be notified and reported here per Rule 303C**