

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. 30-045-34380
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: KUTZ FEDERAL
8. Well Number #10G
9. OGRID Number 5380
10. Pool name or Wildcat BASIN DAKOTA / RESERVOIR 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 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 **J**; **1600** feet from the **SOUTH** line and **1975** feet from the **EAST** line
 Section **18** Township **28N** Range **10W** NMPM County **SAN JUAN**

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

Pit or Below-grade Tank Application or Closure

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:		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"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	RCVD JUL 9 '08
OTHER: DOWNHOLE COMMINGLE <input checked="" type="checkbox"/>		OTHER:	OIL CONS. DIV. DIST. 3 <input type="checkbox"/>

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 2913A Z

XTO Energy Inc. requests an exception to NMOC rule 303-C to permit DHC of production from the Basin Dakota pool (71599) and the Basin Mancos pool (97232). XTO proposes to DHC the two pools upon completion of the well. Proposed allocations are based on ave prod from a nearby well & are calculated as follows:

Basin Dakota Gas: *50%* Water: *47* Oil: *70%*
 Basin Mancos Gas: *50%* Water: *33* Oil: *25%*

Ownership in pools is diverse & notification was made to owners by certified mail, return receipt on 6/17/08. DHC will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights. Application for DHC was submitted to BLM 7/7/08.

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 7/8/08

Type or print name LORRI D. BINGHAM E-mail address: lorri_bingham@xtoenergy.com Telephone No. 505-333-3100

Deputy Oil & Gas Inspector,
 District #3

For State Use Only
 APPROVED BY *[Signature]* TITLE _____ DATE JUL 10 2008

Conditions of Approval, if any:

[Handwritten mark]



2700 Farmington Avenue
Building K, Suite 1
Farmington, NM 87401

June 17, 2008

Interest Owners

Subject: Notice of Intent to Apply for Downhole Commingling
Kutz Federal #10G
Unit J, Sec 18, 28N, R10W

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 Wildcat Basin Mancos pools in the Kutz Federal #10G. 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 Mancos	Gas: 50%	Water: 33%	Oil: 75%
Basin Dakota	Gas: 50%	Water: 67%	Oil: 25%

NMOCD requires all interest owners be notified of intent to downhole commingle if ownership is different between zones. If you need additional information or have any questions, I may be contacted at (505) 333-3100. 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, appearing to read 'Lorri D. Bingham', written over a white background.

Lorri D. Bingham
Regulatory Compliance Tech

xc: well file