

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. 30-045-25352
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: STATE GAS COM BA
8. Well Number #1E
9. OGRID Number 5380
10. Pool name or Wildcat BASIN DAKOTA/BLANCO MESAVERDE

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: STATE GAS COM BA
2. Name of Operator XTO Energy Inc.	8. Well Number #1E
3. Address of Operator 382 CR 3100 AZTEC, NM 87410	9. OGRID Number 5380
4. Well Location Unit Letter E : 1690 feet from the NORTH line and 1150 feet from the WEST line Section 16 Township 31N Range 12W NMPM County SAN JUAN	10. Pool name or Wildcat BASIN DAKOTA/BLANCO MESAVERDE
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6170' GR	

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: DOWNHOLE COMMINGLE

☒

SUBSEQUENT REPORT OF:

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

7 NOV 19 08
OIL CONS. DIV.
DIST. 3

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. proposes to downhole commingle the Basin Dakota (71599) and the Blanco Mesaverde (72319) upon completion of the MV pool. Allocations are based upon average production for the DK; the MV is based on wells in the 9 section area (see attached data). Allocations are proposed as follows:

Dakota: Oil: 50% Water: 29% Gas: 37%

Mesaverde: Oil: 50% Water: 71% Gas: 63%

Ownership between pools is diverse & certified notification was sent to owners 10/28/08. Downhole commingling will offer an economical method of production while guarding against reservoir damage, waste of reserves & protection of correlative rights. No notice to BLM was necessary.

Spud Date:

Rig Release Date:

DHC2964 AZ

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Lorri D. Bingham TITLE REGULATORY COMPLIANCE TECH DATE 11/17/08

Type or print name LORRI D. BINGHAM E-mail address: Lorri_bingham@xtoenergy.com PHONE 505-333-3100

For State Use Only

APPROVED BY [Signature] TITLE Deputy Oil & Gas Inspector, District #3 DATE NOV 21 2008

Conditions of Approval (if any):



382 CR 3100 Aztec, NM 87410
(505) 333-3100 FAX: (505) 333-3280

November 18, 2008

New Mexico State Land Office
Patrick Lyons
Commissioner for Public Lands
P.O. Box 1148
Santa Fe, NM 87504-1148

RE: Request to Downhole Commingle
State Gas Com BA #1E
Sec 16E, T31N, R12W
San Juan County, NM

Dear Mr. Lyons,

XTO Energy, Inc. requests permission to downhole commingle the Basin Dakota and the Blanco Mesaverde Pools in the State Gas Com BA #1E upon completion of the Mesaverde pool. The pools to be downhole commingled are included in the New Mexico Oil Conservation Division (NMOCD) pre-approved pool combinations for downhole commingling in the San Juan Basin. Attached is XTO energy's \$30.00 check for the application fee.

Attached are a list of owners and the letter notifying them of downhole commingling, form C-103 (Sundry Notice) that was filed with the NMOCD requesting permission to downhole commingle and economic and production allocation information.

If you need additional information or have any questions, I may be contacted at (505) 333-3100.

Sincerely,


Lorri D. Bingham
Regulatory Compliance Tech

xc: Tim Welch, Ft. Worth Land

XTO ENERGY, INC.

PH: 505-333-3100
382 ROAD 3100
AZTEC, NM 87410

2636

 EcoShield® Check Fraud
Protection for Business

95-32-1070

DATE 11-18-08

PAY TO THE ORDER OF NM State Land Office
Thirty dollars and no cents

\$ 30.00

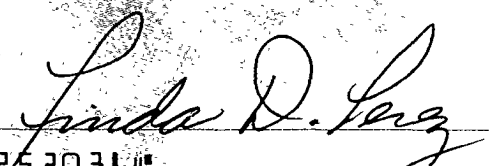
DOLLARS

BANK OF AMERICA

ACH R/T: 107000327

FOR

Application Fee (State Gas Com BA #1E)



MP