

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
Revised May 08, 2003

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

WELL API NO. 30-045-31151
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 BP
8. Well Number 1F
9. OGRID Number 167067
10. Pool name or Wildcat Basin Dakota / Blanco Mesaverde
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6107' GR

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 XTO Energy Inc.	
3. Address of Operator 2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401	
4. Well Location Unit Letter I : 2430 feet from the SOUTH line and 760 feet from the EAST line Section 32 Township 29N Range 09W NMPM SAN JUAN County NM	
12. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data	
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/> OTHER: DOWNHOLE COMMINGLING <input checked="" type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> CASING TEST AND CEMENT JOB <input type="checkbox"/> OTHER: <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.

XTO Energy Inc. requests an exception to Rule 303A to DHC production from the Blanco Mesaverde (72319) & Basin Dakota (71599) pools. Division Order R-11363 established these pools as pre-approved pool combinations for downhole commingling in San Juan County. This well is currently producing from the Blanco Mesaverde perms from 4334'-4838'. The Basin Dakota perforations from 6812'-6990' are under a bridge plug. We plan to drill out the plug & DHC production. See the attachment for the production allocation method. Downhole commingling will not reduce the value of the total remaining production. A longer productive life is expected due to a lower economic limit for each pool resulting from the combined production. The ownership is not identical in the spacing units for both pools. Owners were notified by certified mail, return receipt, of our intent to DHC. No objections were received within 20 days of sending the notice. There are no Federal minerals ownership in spacing units so BLM notification is not required. There is New Mexico State Lands ownership in the spacing units. A copy of Form C103 was sent to the Commissioner of Public Lands for the State of New Mexico.

DHC 1410 AZ

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

SIGNATURE Holly C. Perkins TITLE REGULATORY SPECIALIST DATE 2/6/04

Type or print name HOLLY C. PERKINS Telephone No. 505-324-1090

(This space for State use)

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE FEB 10 2004
Conditions of approval, if any:

Attachment
C-103 NOI Sundry to DHC
State Gas Com BP #1F
Sec32I, T29N, R09W
API #30-045-31151
2/6/04

This well was drilled in December, 2002 and initially completed in the Basin Dakota Pool. It produced from the Dakota from March, 2002 to June, 2002. In June, 2002 a bridge plug was set over the Dakota and the well was recompleted to the Blanco Mesaverde Pool. It currently is producing from the Mesaverde. XTO Energy Inc. proposes to allocate the commingled production as listed in the table below. The proposed gas production allocation percentages are based on the thirty day average gas rate from each pool when the production decline stabilized four to five months after initial completion. The proposed oil and water production allocation percentages are based on the three month average production rate during the 2nd through 4th month after completion in each pool. See the production rate and allocation tables below.

Proposed Allocation Percentages:

Pool	Oil	Water	Gas
Basin Dakota	50.0%	100%	43.0%
Blanco Mesaverde	50.0%	0%	57.0%
Total	100%	100%	100%

Stabilized production rates used in calculation of the allocation percentages:

Pool	BOPD	BWPD	MCFD
Basin Dakota	3.4	0.9	204
Blanco Mesaverde	3.4	0	270
Total	6.8	0.9	474