

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. <b>30-045-32002</b>
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: <b>STATE GAS COM BP</b>
8. Well Number <b>1G</b>
9. OGRID Number <b>167067</b>
10. Pool name or Wildcat <b>Basin Dakota / Blanco Mesaverde</b>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <b>6097' GR</b>

**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>B</b> : <b>1030</b> feet from the <b>NORTH</b> line and <b>1745</b> feet from the <b>EAST</b> line Section <b>32</b> Township <b>29N</b> Range <b>09W</b> NMPM <b>SAN JUAN</b> County <b>NM</b>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <b>6097' GR</b>

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 COMMINGLING** ☒

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.

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 is a new well which XTO Energy Inc. is currently drilling. The Basin Dakota perforations are estimated from 6800'-7100'. The Blanco Mesaverde perforations are estimated from 4100'-4800'. 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.

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 #1G  
Sec32B, T29N, R09W  
API #30-045-32002  
2/6/04

XTO Energy Inc. proposes to allocate the commingled production as listed in the table below. The proposed allocation percentages are based on the actual production from the State Gas Com BP #1F located approximately 1,500' southeast of the State Gas Com BP #1G location. The State Gas Com BP #1F was completed in the Dakota in March, 2002 then recompleted to Mesaverde in June, 2002. The proposed gas, oil and water allocation percentages are based on each pool's average rates after the production decline stabilized in the State Gas Com BP #1F. The gas allocation percentages are based on the thirty day average gas rate four to five months after completion in each pool. The oil and water 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 prod rates from State GC BP #1F 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