Form C-103 State of New Mexico Submit 3 Copies To Appropriate District Revised March 25, 1999 Energy, Minerals and Natural Resources Office District I WELL API NO. 1625 N. French Dr., Hobbs, NM 87240 30-045-31020 OIL CONSERVATION DIVISION District II 811 South First, Artesia, NM 87210 5. Indicate Type of Lease 2040 South Pacheco District III STATE [] FEE 1000 Rio Brazos Rd., Aztec, NM-8/410 Santa Fe, NM 87505 District IV 6. State Oil & Gas Lease No. 2040 South Pacheco, Santa Fe, NM 87505 NMSF 079232 SUNDRY NOTICES AND REPORTS ON WELLS 7. Lease Name or Unit Agreement Name: (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.) Bolack C 1. Type of Well: Oil Well Gas Well X Other 8. Well No. 2. Name of Operator #10C XTO Energy Inc 9. Pool name or Wildcat 3. Address of Operator Otero Chacra/Blanco Mesaverde 2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401 4. Well Location 1,805 feet from the line 795 feet from the line and Unit Letter **NMPM** County San Juan Township Range 8W 10. Elevation (Show whether DR, RKB, RT, GR etc.) 6,082' GR 11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data SUBSEQUENT REPORT OF: NOTICE OF INTENTION TO: ALTERING CASING PERFORM REMEDIAL WORK REMEDIAL WORK PLUG AND ABANDON PLUG AND COMMENCE DRILLING OPNS. **CHANGE PLANS** TEMPORARILY ABANDON **ABANDONMENT** CASING TEST AND X PULL OR ALTER CASING MULTIPLE COMPLETION **CEMENT JOB** OTHER: OTHER: 12. 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 recompilation. XTO Energy Inc requests approval to downhole commingle this well in the following manner: 1. Perforate, acidize and frac the Blanco Mesaverde from approximately 4,500' - 4,700'. 2. Set RBP @ 4,400'. 3. Perforate, acidize and frac the Otero Chacra from approximately 3,100' - 3,250'. 4. TIH and pull RBP @ 4,400'. 5. TIH w/prod tbg. Swab well to flowing and turn to sales. I hereby certify that the information above is true and complete to the best of my knowledge and belief. TITLE Operations Engineer 4/26/02 _DATE ___ Telephone No. 505-324-1090 Type or print name Darrin Steed SETTING & GAS POST RECEIVED A PR 2 9 2002 (This space for the space of th __ TITLE__ APPROVED BY Conditions of approval, if any:



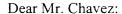
April 26, 2002

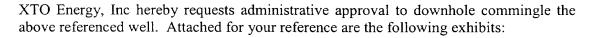
Mr. Frank Chavez New Mexico Oil Conservation Division 1000 Rio Brazos Rd. Aztec, New Mexico 87410

RE: Administrative Approval to Downhole Commingle Bolack C #10C

795' FNL & 1,805' FEL

Unit B, Section 28, T-27-N, R-8-W San Juan County, New Mexico





- 1. Sundry Notice (NMOCD Form C-103)
- 2. Tabular and Graphical Production History used for Production Allocation

The above captioned well is currently being drilled. This well is currently permitted as a Blanco Mesaverde (72319). Offset logs analysis and economics show that the Otero Chacra (82329) will also be completed. Both zones are included in the pre-approved pools established by Division Order R-11363. The Blanco Mesaverde and Otero Chacra will be completed from approximately 4,500' – 4,700' and 3,100' – 3,250'. Based on production analysis of wells located in a nine section surrounding area the following allocation was determined:

Otero Chacra (82329)	Oil – 0%	Gas – 33%
Blanco Mesaverde (72319)	Oil – 100%	Gas – 67%

Both pools have common interest owners. Commingling both zones will not reduce the ultimate recovery of either pool. Downhole commingling will improve recovery of liquids, eliminate redundant surface equipment and maximize productivity. Once NMOCD approval has been received notice will be filed with the BLM on Form 3160-5 concerning this matter.

C:\Work\Bolack C #10C\DHC Application.doc

