

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 87240
District II
811 South First, Artesia, NM 87210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised March 25, 1999

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

WELL API NO. 30-045-07378
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: J. F. Day D
8. Well No. 1
9. Pool name or Wildcat Otero Charca / Basin Dakota

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: J. F. Day D
2. Name of Operator XTO Energy Inc.	8. Well No. 1
3. Address of Operator 2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401	9. Pool name or Wildcat Otero Charca / Basin Dakota
4. Well Location Unit Letter B : 790 feet from the North line and 1850 feet from the East line Section 20 Township 28N Range 10W NMPM County San Juan	
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 6026' GR 6038' RKB	

11. 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"/>
OTHER: Downhole commingle <input checked="" type="checkbox"/>	OTHER: <input type="checkbox"/>

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 an exception to Rule 303A to downhole commingle production from the Otero Charca Pool and Basin Dakota Pool. These pools are included in the NMOC pre-approved pool combinations for downhole commingling in the San Juan Basin (Order R-11363). Attached is the information required by Rule 303C.

DHC 708A2

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

SIGNATURE Ray Martin TITLE Operations Engineer DATE 03/06/02

Type or print name Ray Martin Telephone No. 505-324-1090

(This space for State use) **Original Signed by** **DEPUTY OIL & GAS INSPECTOR** **MAR - 7 2002**

APPROVED BY _____ TITLE _____ DATE _____
Conditions of approval, if any:

Attachment 1
J. F. Day D #1
C-103 Request to DHC
03/06/02

Additional information per Rule 303C(3)(b):

- (i) Division Order R-11363 established pre-approved pool combinations for downhole commingling.
- (ii) Basin Dakota Pool (71599)
Otero Chacra Pool (82329)
- (iii) Otero Chacra perforations: 3,070'-3,180'
Basin Dakota perforations: 6,547'-6,592'
- (iv) The proposed production allocation formula is based on a ratio of the two Pools production rates.

Proposed Allocation Formula

	OIL	WATER	GAS
Basin Dakota	100%	17%	30%
Otero Chacra	0%	83%	70%

Basin Dakota Pool (ave. last 6 months gas sales prior to recompletion to CH)

BOPD	BWPD	MCFD
0.4	0.4	62

Otero Chacra Pool (current stabilized gas sales after recompletion)

BOPD	BWPD	MCFD
0	2	146

- (v) Downhole commingling will not reduce the value of the total remaining production. Increased ultimate recovery is expected due to a lower economic production limit for each pool resulting lower operating cost per zone due to the combined production. Also, the reserves will be recovered in less time by downhole commingling.
- (vi) Ownership is identical in both Pools thus no co-owner notification was required.
- (vii) I have filed a NOI Sundry Form 3160-5 to downhole commingle outlining the procedure with the BLM with a copy of this C-102 attached. A copy of BLM Sundry is attached.

Attachment 2
J. F. Day D #1
C-103 Request to DHC
03/06/02

Required conditions per Rule 303C(1):

- (a) The fluids from both pools are compatible. These pools have been commingled together in other wells without fluid compatibility or formation damage problems and the two pools have been pre-approved for downhole commingling..
- (b) No secondary recovery operations are planned for this well.
- (c) Using the NMOCD fracture parting pressure gradient of 0.65 psig per foot of depth, the calculated bottomhole pressure to frac the Chacra is 1,996 psig and to frac the Dakota is 4,256 psig. Neither zone's current bottom hole pressures exceed the frac parting pressure of either zone.
- (d) The well will be produced until both zones are at economic depletion, thus no permanent loss of reserves will occur due to cross-flow in the wellbore.
- (e) Neither zone is sensitive to produced fluids from the other zone. These pools are commonly downhole commingled.
- (f) XTO Energy, Inc will maintain the prorated production below top allowable or other rate restriction set by the NMOCD for each Pool.
- (g) Downhole commingling will not reduce the value of the total remaining production. Increased ultimate recovery is expected due to a lower economic production limit for each pool resulting lower operating cost per zone due to the combined production. Also, the reserves will be recovered in less time by downhole commingling.
- (h) Correlative rights will not be violated by downhole commingling. The only open zones will be the Dakota and Chacra. The production will be allocated between the Dakota and Chacra per the allocation formula on Attachment #1.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an
abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
XTO Energy Inc.

3a. Address 3b. PhoneNo. (include area code)
2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401 364-1090

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
790' FNL & 1,850' FEL, UL B, Sec 20, T28N, R10W

5. Lease Serial No.

NMSF-047039A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
J. F. Day D #1

9. API Well No.
30-045-07378

10. Field and Pool, or Exploratory Area
Otero Chacra / Basin Dakota

11. County or Parish, State
San Juan NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize <input type="checkbox"/> Deepen <input type="checkbox"/> Production (Start/Resume) <input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing <input type="checkbox"/> Fracture Treat <input type="checkbox"/> Reclamation <input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair <input type="checkbox"/> New Construction <input type="checkbox"/> Recomplete <input checked="" type="checkbox"/> Other Downhole
	<input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon <u>Commingled</u>
	<input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back <input type="checkbox"/> Water Disposal

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximated duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

1. MIRU pulling unit. Install BOP. TOH w/tbg.
2. TIH w/bit.
3. Drill out CIGR @ 3,262'.
4. Drill out CIBP @ 6,450'.
5. Clean out to 6,625' PBTD.
6. TOH w/bit
7. TIH w/2-3/8" prod tbg to +/- 6,575'.
8. Remove BOP.
9. RDMO pulling unit.
10. Return well to production as downhole commingled Chacra/Dakota producer w/Chacra perfs fr/3,070'-3,180' & Dakota perfs fr/6,547'-6,592'.

NOTE: XTO Energy Inc. has applied to the NMOCD for permission to downhole commingle the Otero Chacra and Basin Dakota Pools. These two pools are on the NMOCD pre-approved list of pool combinations for downhole commingling in the San Juan Basin. Attached is a copy of the Sundry Form C-103 filed with the NMOCD.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)
RAY MARTIN

Title
OPERATIONS ENGINEER

Date 3/5/02

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.