

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

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, NM 87505

Form C-103

Revised March 25, 1999

WELL API NO.

30-045-30612

5. Indicate Type of Lease

STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name:

McDANIEL GAS COM B

8. Well No.

1R

9. Pool name or Wildcat

BASIN DAKOTA / Blanco Mesquite

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 ☐ Gas Well ☒ 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 A : 665 feet from the NORTH line and 840 feet from the EAST line

Section 26 Township 29N Range 10W NMPM County SAN JUAN

10. Elevation (Show whether DR, RKB, RT, GR, etc.)

5,524' GR 5,536' KB

11. 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 COMMINGLE ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

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.

1. MIRU PU.
2. ND WH. NU BOP.
3. POH w/tbg.
4. TIH w/3-7/8" bit, DC's & tbg.
5. Drill out CIBP @ 5,000'.
6. POH w/tbg. LD DC's & bit.
7. Run 2-3/8" production tbg to +/- 6,350'.
8. ND BOP. NU WH.
9. RDMO PU.
10. Return well to production.

DHC 647A2

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

SIGNATURE Gary J. Markstad TITLE VP - OPERATIONS DATE 1/24/02

Type or print name GARY MARKSTAD Telephone No. 505-324-1090

(This space for State use)

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, E&N DATE JAN 25 2002

Conditions of approval, if any

PSNN 0203239927



January 20, 2002

Mr. Frank Chavez
New Mexico Oil Conservation Commission
1100 Rio Brazos Rd.
Altec, NM 87410

RE: Administrative Approval to Downhole Commingle
McDaniel Gas Conn. B #1R
663' ENL & 840' ENL Unit A, 36S 27E T29N, R10W 144PM
San Juan County, NM

Dear Mr. Chavez:

XTO Energy Inc. respectfully requests approval to downhole commingle production from the Basin Dakota and Blanco Mesaverde pools in the referenced wellbore.

The McDaniel Gas Conn. B #1R well was drilled by XTO Energy Inc. and completed as a Basin Dakota gas well through perforations from 5,270' to 6,422' on July 26, 2001. This well was subsequently completed into the Blanco Mesaverde pool through perforations from 3,737' to 4,383' on September 30, 2001.

Production from the Basin Dakota pool immediately prior to recompleting to the Blanco Mesaverde pool was 281 MCFGPD, 2.7 BOPD and 3.3 BWPD. Current production from the Blanco Mesaverde pool from this well is 270 MCFGPD, 1.2 BOPD and 0.8 BWPD. Based on these production tests, XTO Energy Inc. proposes the following production allocation:

Pool	Gas Allocation	Oil Allocation	Water Allocation
Basin Dakota	69%	69%	80%
Blanco Mesaverde	31%	31%	20%

Interest ownership is common in both pools. Commingling of production from both pools will not reduce the ultimate recovery from either pool. Both pools are included in the pre-approved pools established by order R-11363.

XTO Energy Inc. respectfully requests administrative approval to downhole commingle production from the Basin Dakota and Blanco Mesaverde pools in the

McDaniel Gas Com B #1R wellbore based on the above information. Should you require additional information please contact me at (505) 324-1090.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary L. Markestad". The signature is fluid and cursive, with the first name "Gary" and last name "Markestad" clearly distinguishable.

Gary L. Markestad
Vice President – Operations
San Juan District

