

DATE IN 12/13/2016	SUSPENSE	ENGINEER MAM	LOGGED IN 12/13/2016	TYPE PLC	APP NO. PMAm16348591q
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ABOVE THIS LINE FOR DIVISION USE ONLY

## NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



### ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

#### Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]  
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]  
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]  
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

#### [1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication

☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement

☐ DHC ☐ CTB ☒ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify \_\_\_\_\_

#### [2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

[A] ☒ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO  
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

#### [3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Cherylene L. Weston

Print or Type Name

*Cherylene L. Weston*  
 Signature

Sr. Permitting Analyst

Title

12-13-16

Date

cherylene\_weston@xtoenergy.com

e-mail Address

RECEIVED 000

12/13/2016

- PLC 460  
 - XTO ENERGY, INC  
 5380

Well

- STATE GAS  
 COLUMBIA

30-045-32659

- STATE GAS CO  
 BA# 1

30-045-10759  
 POOL

- AZTEC PICTURED  
 CLIFFS (GAS)

71280

- BLSIN FAIRLAND  
 COAL (GAS)

71629

- BLSIN DUKOTA  
 71599



382 CR 3100, Aztec, NM 87410 PH: (505) 333-3100

December 12, 2016

Mr. Michael McMillan  
1220 South Saint Francis Drive  
Santa Fe, NM 87505

**Subject: Proposed Surface Commingle Application**

State Gas Com N #2 & BA #1  
SW/4 NE/4 Sec. 16, T31N, R12W  
San Juan County, NM

Dear Mr. McMillan:

XTO Energy Inc. (XTO) requests permission for surface commingling of natural gas produced from the following wells: State Gas Com N #2 & State Gas Com BA #1 wells. These wells are located in Section 16, Township 31N, Range 12W, in San Juan County, New Mexico.

XTO plans to produce the commingled gas through a central compressor, thus lowering operating expenses and extending the economic life of the wells. This increases the ultimate recoveries on all leases. The anticipated allocated fuel production and fuel usage for the compressor is noted in the attachments.

Each well will be equipped with allocation meters that will be maintained by XTO in accordance with State and Federal Regulations (Onshore Order No. 5). Produced liquids will not be surface commingled. All interest owners have been notified via certified mail, return receipt, on October 18, 2016.

The following attachments are included with this application:

- Form C107B (application for surface commingle; diverse ownership)
- Map of all wells and their associated leases
- Form C-102 for each well/formation(s)
- Table of well with lease and agreement information, spacing, permits, gravities/BTU, MCF
- Schematic diagram showing all flowlines, compressors & equipment
- Details of allocation formula
- Letter to WI, NRI & ORRI owners & list of owners
- Administrative Application Checklist

Sincerely,

Cherylene L. Weston, CPLTA  
Sr. Permitting Analyst

/clw

District I  
1625 N. French Drive, Hobbs, NM 88240

District II  
811 S. First St., Artesia, NM 88210

District III  
1000 Rio Brazos Road, Aztec, NM 87410

District IV  
1220 S. St Francis Dr, Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107-B  
Revised August 1, 2011

**OIL CONSERVATION DIVISION**  
1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

Submit the original  
application to the Santa Fe  
office with one copy to the  
appropriate District Office.

**APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)**

OPERATOR NAME: XTO Energy Inc.

OPERATOR ADDRESS: 382 Road 3100, Aztec, NM 87410

APPLICATION TYPE:

☐ Pool Commingling ☐ Lease Commingling ☒ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☒ State ☐ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. \_\_\_\_\_

Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling  
☒ Yes ☐ No

**(A) POOL COMMINGLING**

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
Basin Fruitland Coal (71629)					
Basin Dakota (71599)					

(2) Are any wells producing at top allowables? ☐ Yes ☒ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No.

(4) Measurement type: ☒ Metering ☐ Other (Specify)

(5) Will commingling decrease the value of production? ☐ Yes ☒ No If "yes", describe why commingling should be approved

**(B) LEASE COMMINGLING**

Please attach sheets with the following information

(1) Pool Name and Code.

(2) Is all production from same source of supply? ☐ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No

(4) Measurement type: ☐ Metering ☐ Other (Specify)

**(C) POOL and LEASE COMMINGLING**

Please attach sheets with the following information

(1) Complete Sections A and E.

**(D) OFF-LEASE STORAGE and MEASUREMENT**

Please attached sheets with the following information

(1) Is all production from same source of supply? ☐ Yes ☐ No

(2) Include proof of notice to all interest owners.

**(E) ADDITIONAL INFORMATION (for all application types)**

Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.

(3) Lease Names, Lease and Well Numbers, and API Numbers.

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

SIGNATURE: Cherylene L. Weston

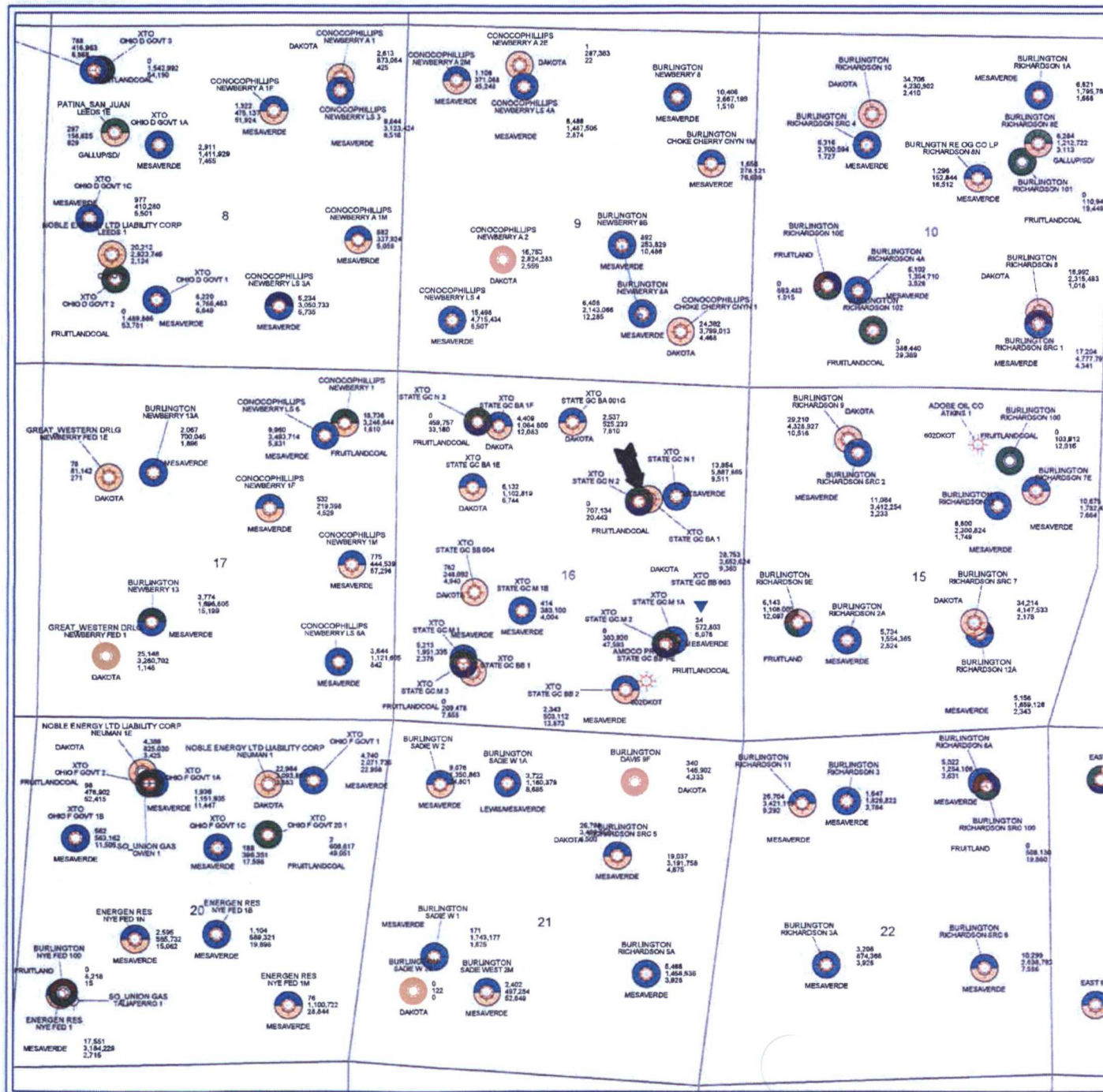
TITLE: Sr. Permitting Analyst

DATE: 12-13-16

TYPE OR PRINT NAME: Cherylene L. Weston

TELEPHONE NO.: 505-333-3190

E-MAIL ADDRESS: cherylene.weston@xtoenergy.com



## XTO ENERGY, INC.

State Gas Com N #2 & State Gas Com BA #1

SJB\_2014.OVL

T31N-R12W-Sec 16

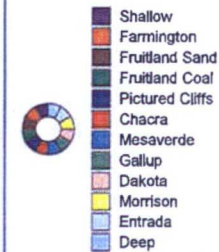
POSTED WELL DATA

Operator  
Well Label

● CUMULATIVE OIL (BBLs)  
● CUMULATIVE GAS (MCF)  
● CUMULATIVE WATER (BBLs)

ProdFM

ATTRIBUTE MAP



WELL SYMBOLS

● Coal Bed Methane  
● Dry Hole  
● Gas Well  
▼ Staked Location

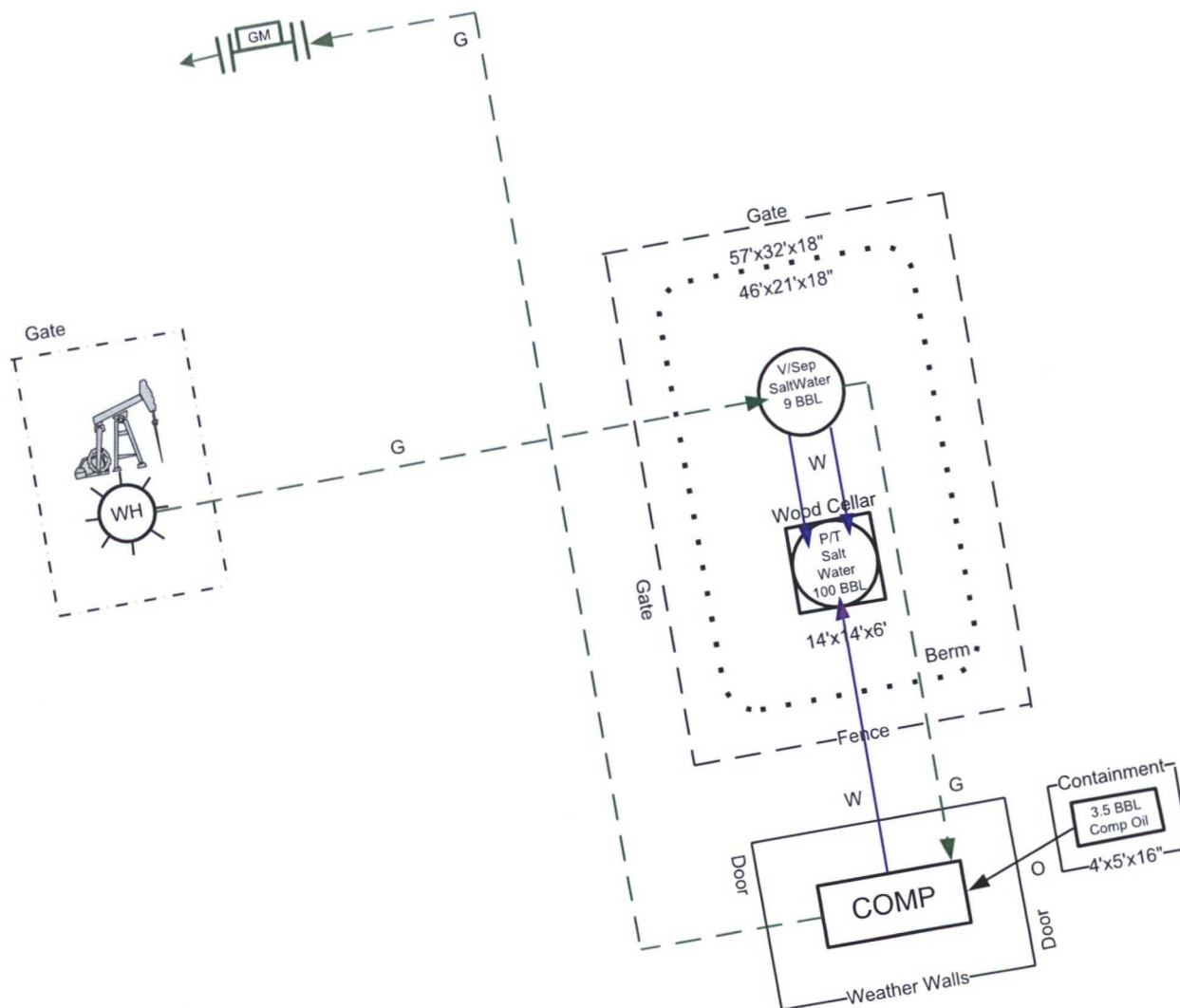


May 18, 2016

# CURRENT

Well Name: State Gas Com N # 2  
 Field: San Juan County NM  
 Lease #: API # 30-045-32659  
 Section: SW/NE Sec. 16 (G), T-31N, R-12W  
 CA # If Applicable : N/A  
 Updated: 1-12-2001

Drainage  
↓



Production  
 Gas  
 Oil  
 Water  
 Equalizing Line  
 Catch Basin-

General sealing of valves, sales by tank gauging  
 Production phase: Drain valve D1 and sales valve S1 sealed closed.  
 Sales phase: Drain valve D1 sealed closed. Sales valve S1 open.  
 Draining phase: Drain valve D1 open. Sales valve S1 closed.

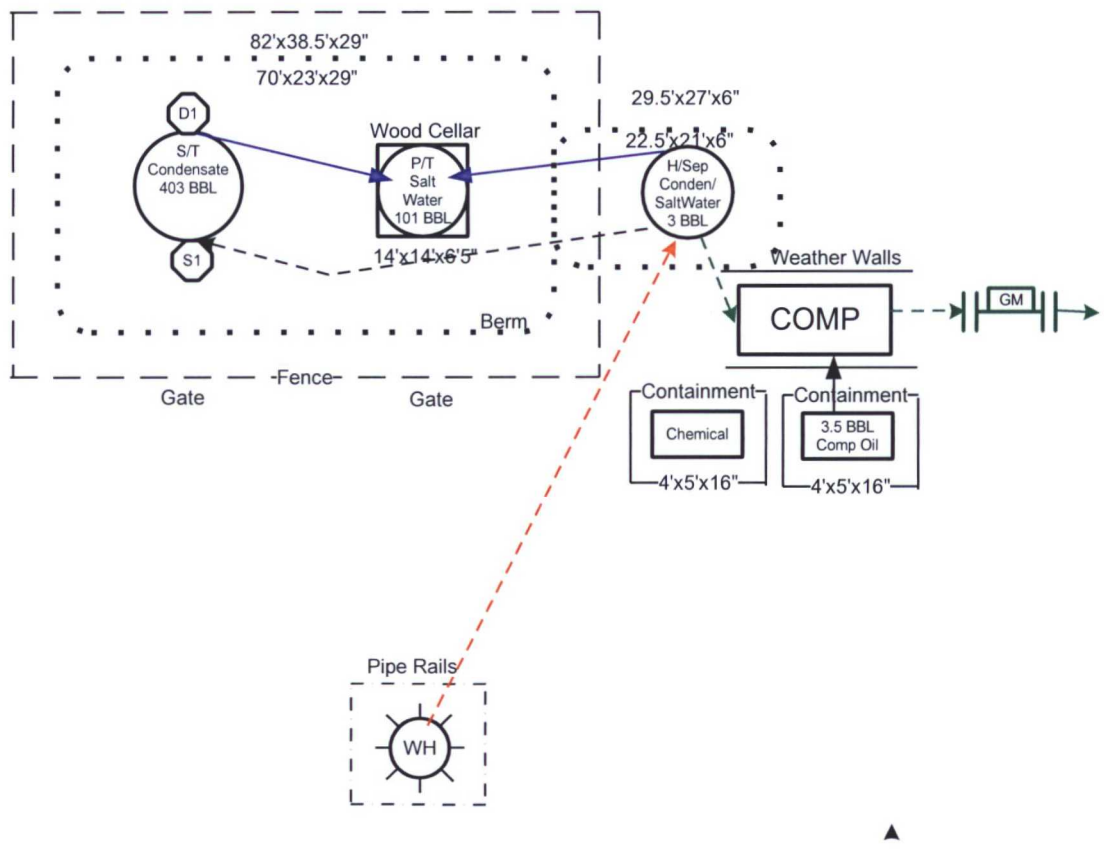
This lease is subject to the site security plan for San Juan Basin Area. The plan is located at:  
 XTO ENERGY INC.  
 382 Road 3100  
 Aztec, NM 87410



Plot Plan/Facility Diagram	
Well Name:	State Gas Com BA # 1
Field:	San Juan County NM
Serial Number:	API # 30-045-10759
Section:	SW/NE Sec. 16 (G), T-31N, R-12W
Updated:	Logan Hixon 2016-3-5



CURRENT



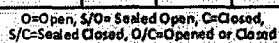
Production	
Gas	
Oil	
Water	
Equalizing Line	
Catch Basin	
Flow Lines	
Buried Flow Lines	

General sealing of valves, sales by tank gauging  
 Production phase: Drain valve D1 and sales valve S1 sealed closed.  
 Sales phase: Drain valve D1 sealed closed. Sales valve S1 open.  
 Draining phase: Drain valve D1 open. Sales valve S1 closed.

This lease is subject to the site security plan for San Juan Basin Area. The plan is located at:  
 XTO ENERGY INC.  
 382 Road 3100  
 Aztec, NM 87410

## PROPOSED SURFACE COMMINGLE

## —Entrance



**STATE GAS COM N2**  
SWNE SEC 16 T31N R12W  
NAD27 Lat: 36.90117 Long: -108.09723  
API # 30-045-32659  
SAN JUAN COUNTY, NEW MEXICO

DISTRICT I  
1826 N. French Dr., Hobbs, N.M. 88240

DISTRICT II  
1501 W. Grand Ave., Artesia, N.M. 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV  
1220 South St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

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

Form C-102  
Revised June 10, 2003  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30045-32659	Pool Code 71629	Pool Name Basin Frontland Coal
Property Code 22829	Property Name STATE GAS COM N	Well Number 2
OCRD No. 11670607	Operator Name XTO ENERGY INC.	Elevation 6126'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	16	31-N	12-W		1790	NORTH	1600	EAST	SAN JUAN

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 320 N/2			Joint or Infill I		Consolidation Code		Order No.		

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>16</p> <p>FD. 3 1/4" BC. B.L.M. 1952</p> <p>N 07-34-04 W 2638.6' (M)</p> <p>1790'</p> <p>1600'</p> <p>FD. 3 1/4" BC. B.L.M. 1951</p> <p>N 0-58-08 E 2682.5' (M)</p> <p>FD. 3 1/4" BC. B.L.M. 1951</p> <p>LAT. 36°53'04"N LONG. 108°05'50"W (NAD 27)</p> <p>NOV 2004</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Deeedy Small</i> Signature Deeedy Small Printed Name Drilling Assistant Title 10/13/04 Date</p> <p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge.</p> <p><i>[Signature]</i> Signature [Stamp] Date of Survey 14831 Certificate Number</p>
--	--



18  FD. 3 1/4" BC. B.L.M. 1952	N 87-34-04 W 2639.6' (M)  1790'  1600'  FD. 3 1/4" BC. B.L.M. 1951	17 <h3 style="text-align: center;">OPERATOR CERTIFICATION</h3> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i></p> <div style="text-align: right; margin-top: 20px;"> </div> <p>Signature <u>STEPHEN W. PATTON</u></p> <p>Printed Name <u>DRILLING ENGINEER</u></p> <p>Title <u>12-14-02</u></p> <p>Date <u>12-14-02</u></p>
16  LAT. 36°53'04"N (NAD 27) LONG. 108°05'50"W (NAD 27)	16  	18 <h3 style="text-align: center;">SURVEYOR CERTIFICATION</h3> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge</i></p> <div style="text-align: right; margin-top: 20px;"> </div> <p>Date of Survey <u>12-14-02</u></p> <p>Signature and Seal of Professional Surveyor: <u>14831</u></p> <p style="text-align: center;"> </p> <p>Certificate Number <u>14831</u></p>

## NEW MEXICO OIL CONSERVATION COMMISSION

Well Location and Acreage Dedication Plat

Section A.

Date NOVEMBER 11, 1964

Operator PAN AMERICAN PETROLEUM CORPORATION Lease STATE GAS UNIT "BA"  
 Well No. 1 Unit Letter G Section 16 Township 31 NORTH Range 12 WEST NMPM  
 Located 1760 Feet From NORTH Line, 1450 Feet From EAST Line  
 County SAN JUAN G. L. Elevation REPORT LATER Dedicated Acreage 320 Acres  
 Name of Producing Formation DAKOTA Pool BASIN DAKOTA

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below?  
 Yes        No X
2. If the answer to question one is "no", have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes X No       . If answer is "yes", type of Consolidation Communitization  
 circulating for signature--all parties have agreed to join in well. agreements
3. If the answer to question two is "no", list all the owners and their respective interests below:

OwnerLand Description

## Section B.

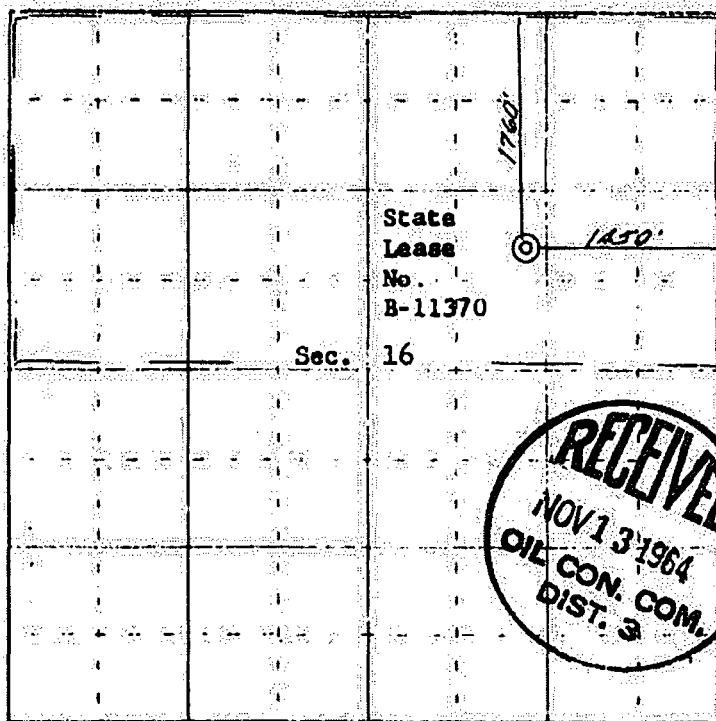
This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

PAN AMERICAN PETROLEUM CORP.F. H. Hollingsworth (Operator)F. H. Hollingsworth  
(Representative)P. O. Box 480

(Address)

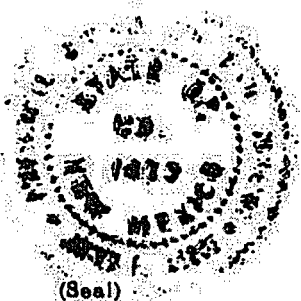
Farmington, New Mexico

Note: All distances must be from outer boundaries of section



Scale 4 inches equal 1 mile

Ref: GLO plat dated 18 November 1953



(Seal)

Farmington, New Mexico

This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

Date Surveyed October 26, 1964

James P. Leese  
 Registered Professional Engineer and/or Land Surveyor  
 James P. Leese, N. Mex. Reg. No. 1463

## WELL INFORMATION

[illegible]

Compressor Information		
Location:	State Gas Com N 2 CDP	
Property #	68714	
XTO Compressor #	2221SC	
Lat/Long:	36.90117	-108.09723
Manufacturer:	Elgi	
Engine:	G6X00958	
Horse Power:	145	
Fuel Usage:	21.6	mcf/d
DK	40	mcf/d
FC / PC	220	mcf/d

	Pumping Unit		Separator(s)		
Well	Engine	Fuel Usage (mcf/d)	Burners (y/n)	Fuel Usage (mcf/d)	Vented Gas (mcf/d)
State Gas Com N 2	None - Plunger Lift	0	Y	5.7	0.0
State Gas Com BA 1	Arrow C-46	2.6	Y	2.3	0.0

Well	State Gas Com N 2	State Gas Com BA 1
Formation	FC / PC	Basin Dakota
Average 2016 Production (mcf/d)		
June	214	20
July	216	27
August	217	28
September	218	30
October	216	31
November	218	34

## State Gas Com N 2 CDP

### *Proposed Allocation Procedure*

#### Base Data:

W = Gas Volume (Mcf) from allocation meters at individual wells during allocation period

X = Gas Volume (Mcf) from CDP Sales Meter during allocation period

Y = BTU's from CDP Sales Meter during allocation period

Allocation Period is typically a calendar month and will be the same for all wells.

#### 1. Individual Well Gas Production = A + B + C + D + E

A = Allocated Sales Volume, Mcf =  $(W / \text{SUM } W) \times X$

(individual well volume divided by the sum of the well volumes; multiplied by total from CDP)

B = On lease fuel usage, Mcf. Determined from equipment specifications and operating conditions.

C = Purged and/or vented gas from well and/or lease equipment, Mcf. Calculated using equipment specifications and pressures.

D = Allocated fuel from gathering system equipment. The total fuel required to operate gathering system equipment will be allocated to the individual wells benefiting from the equipment using allocation factors determined by  $W / \text{SUM } W$  for the wells involved.

E = Allocated volume of gas lost and/or vented from the gathering system and/or gathering system equipment, Mcf. The total volume will be determined using industry accepted procedures for the conditions existing at the time of the loss. All volumes corresponding to liquid condensation within the gathering system will also be determined. The total volume lost and/or vented will be allocated to the individual wells affected using factors determined by  $W / \text{SUM } W$ .

#### 2. Allocated Individual Well BTU's = $((W \times \text{Individual well BTW} / \text{SUM } (@ \times \text{individual well BTU})) \times$

Y. Individual well gas heating values to be determined in accordance with BLM regulations (currently Onshore Order #5).





XTO Energy Inc.  
382 Road 3100  
Aztec, New Mexico 87410  
Office: 505.333.3100  
Fax: 505.333.3280

October 18, 2016

RE: Notice to Working and Royalty Interest Owners  
Application to Surface Commingle Gas Production  
SW/4 NE/4 Sec. 16, T31N, R12W  
San Juan County, New Mexico

Dear Interest Owner:

XTO Energy Inc. is applying to the New Mexico Oil Conservation Division (NMOCD) and Bureau of Land Management (BLM) for approval to surface commingle gas production from the State Gas Com N #2 and State Gas Com BA #1 wells. NMOCD requires that all interest owners be notified of plans to surface commingle when ownership is different between wells and formations.

Produced gas from each well will be measured separately prior to being commingled. We plan to produce the commingled gas through a shared compressor. Produced liquids will not be surface commingled. In the future, additional wells, pools, and acreage may be added to this surface commingle or this gathering system.

If you need additional information, or have any questions, please contact me at (505) 333-3190. If you object to our application, you must file a protest in writing to the NMOCD, Santa Fe office at 1220 South Saint Francis Drive, Santa Fe, NM 87505 within 20 days from the date of this letter. If there are no objections raised, an application will be submitted to NMOCD at that time.

Sincerely,

A handwritten signature in cursive script that reads 'Cherylene L. Weston'.

Cherylene L. Weston, CPLTA  
Sr. Permitting Analyst

xc: Well Files  
FTW Land Department  
NMOCD, Aztec

**State Gas Com N 2 – Basin Fruitland Coal, Aztec Pictured Cliffs  
State Gas Com BA 1 – Basin Dakota**

**Interest Owners**

BLEDSON LIV TRUST

BURLINGTON RESOURCES O&G CO LP

ELIZABETH TURNER CALLOWAY, ROBERT WILBURN GUARDIAN

EVKO DEVELOPMENT COMPANY

FRED E TURNER

J GLENN TURNER, JR

JOHN L TURNER

M BEATRICE CLASS

M R SCHALK LLC

MARY FRANCES TURNER JR TRUST C/O JPMORGAN CHASE BANK NA

MIRIAM ELISE GULICK

NEW MEXICO COMMISSIONER OF PUBLIC LANDS

SOUTHWEST PETROLEUM CO LP

SOUTHWEST PETROLEUM COMPANY LP

VICTORIA WEBB PENDERGRASS

XTO ENERGY INC

State Gas Com N 2 and State Gas Com BA 1  
Working, Royalty and Overriding Royalty Interest Owners  
Notice Date: October 18, 2016

Owner Name	Address 1	Address 2	City	State	Zip Code	Certified Mail Article #
BLED SOE LIV TRUST	BILL L BLED SOE TTEE	5615 NETHERLAND CT	DALLAS	TX	75229	701001870 0003 3184 4261
BURLINGTON RSCS O&G CO LP	PO BOX 4289	ATTN: BEN MITCHELL	FARMINGTON	NM	87499-4289	701001870 0003 3184 4278
ELIZABETH TURNER CALLOWAY, ROBERT WILBURN GUARDIAN	PO BOX 191767		DALLAS	TX	75219-1767	701001870 0003 3184 4285
EVKO DEVELOPMENT COMPANY	PO BOX 245		SAUSALITO	CA	94966-0245	7010 1870 0003 3184 4292
FRED E TURNER	4925 GREENVILLE AVENUE	ONE ENERGY SQUARE SUITE 852	DALLAS	TX	75206-4079	7010 1870 0003 3184 4308
J GLENN TURNER, JR	4809 COLE AVE STE 212		DALLAS	TX	75205	7010 1870 0003 3184 4315
JOHN L TURNER	525 GILMER ST #108		SULPHUR SPRINGS	TX	75482	7010 1870 0003 3184 4322
M BEATRICE CLASS	192 CUTTER CIR		BLUFFTON	SC	29909	7010 1870 0003 3184 4339
M R SCHALK LLC	PO BOX 25825		ALBUQUERQUE	NM	87125-0825	7010 1870 0003 3184 4346
MARY FRANCES TURNER JR TRUST C/O JPMORGAN CHASE BANK NA	MAIL CODE TX1-1318	PO BOX 2605	FORT WORTH	TX	76113-9919	7010 1870 0003 3184 4353
MIRIAM ELISE GULICK	192 CUTTER CIR		BLUFFTON	SC	29909	7010 1870 0003 3184 4360
NEW MEXICO COMM OF PUBLIC LANDS	NEW MEXICO STATE LAND OFFICE	310 OLD SANTA FE TRAIL	SANTA FE	NM	76102-6223	7010 1870 0003 3184 4377
SOUTHWEST PETROLEUM CO LP	DBA SOUTHWEST PETROLEUM CO	PO BOX 702377	DALLAS	TX	75370-2377	7010 1870 0003 3184 4384
VICTORIA WEBB PENDERGRASS	11023 SNOW WHITE DR		DALLAS	TX	75229	7010 1870 0003 3184 4391
XTO ENERGY INC	810 HOUSTON		FORT WORTH	TX	76102	N/A - Applicant

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  
May 27, 2004

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

WELL API NO.

30-045-32659

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name:

STATE GAS COM N

RCUD MAY 30 07

8. Well Number

OIL CONS. DIV.

#2

9. OGRID Number

DIST. 3

5380

10. Pool name or Wildcat

AZTEC PICTURED CLIFFS/BASIN FC

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 G: 1790 feet from the NORTH line and 1600 feet from the EAST line

Section 16 Township 31N Range 12W NMPM County SAN JUAN

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

6126'

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type \_\_\_\_\_ Depth to Groundwater \_\_\_\_\_ Distance from nearest fresh water well \_\_\_\_\_ Distance from nearest surface water \_\_\_\_\_

Pit Liner Thickness: \_\_\_\_\_ mil Below-Grade Tank: Volume \_\_\_\_\_ bbls; Construction Material \_\_\_\_\_

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: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER: DHC ALLOCATIONS ☒

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. previously received permission to downhole the Fruitland Coal (71629) and the Pictured Cliffs (71280) pools in this well per DHC order #DHC1871AZ. Please see the attachments for allocation details for this well.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been, will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐

SIGNATURE Holly C. Perkins TITLE REGULATORY COMPLIANCE TECH DATE 5/29/07

Type or print name HOLLY C. PERKINS

E-mail address: holly\_perkins@xtoenergy.com

Telephone No. 505-324-1090

For State Use Only

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 3 DATE JUN 06 2007

Conditions of Approval, if any:

## State Gas Com M #2

The gas DHC allocation percentages were determined by individual zone well tests. The Picture Cliff (PC) formation ending average test rate was 40 MCFD prior to recompletion to the Fruitland Coal (FC). The ending average test rate for the FC formation was 89 MCFD (Please see attached graphs). Based on these ending test rates, we calculated the gas allocation percentages of 31% for the PC and 69% for the FC. No oil was produced from either zone during the production tests, but if any is produced, 100% will be allocated to the PC. Water allocation will be 20% to the PC and 80% to the FC based the same well test.

Pool	Oil	Water	Gas
FC	0%	80%	69%
PC	100%	20%	31%