

| | | | | | |
|--------------|-----------------|-----------------------|-------------------|----------------|------------------------|
| DATE: 4/7/08 | SUSPENSE: _____ | ENGINEER: [Signature] | LOGGED IN: 4/8/08 | DHC TYPE: 4020 | APP NO: 00030809950424 |
|--------------|-----------------|-----------------------|-------------------|----------------|------------------------|

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 ~~X~~ 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.

| | | | |
|-------------------------|--------------------|------------------------------------|---------------|
| <u>LORRI D. BINGHAM</u> | <u>[Signature]</u> | <u>REG. COMPLIANCE TECH</u> | <u>4/7/08</u> |
| Print or Type Name | Signature | Title | Date |
| | | <u>lorri-bingham@xtoenergy.com</u> | |
| | | e-mail Address | |

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires July 31, 2010

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 page 2

| | | |
|--|--|--|
| 1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. NMSE 077952 |
| 2. Name of Operator XTO Energy Inc. | | 6. If Indian, Allottee or Tribe Name |
| 3a. Address 382 CR 3100 Aztec, NM 87410 | 3b. Phone No. (include area code) 505-333-3100 | 7. If Unit or CA/Agreement, Name and/or No. |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1365' FSL & 1790' FEL Sec 23J-T27N-10W | | 8. Well Name and No. JC GORDON D #4F |
| | | 9. API Well No. 30-045-34398 |
| | | 10. Field and Pool, or Exploratory Area BASIN DK/WC BASIN MC |
| | | 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 <u>DOWNHOLE</u> |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | <u>COMMINGLE</u> |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

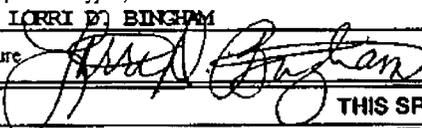
13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths 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.)

XTO Energy Inc. requests approval for an exception to NMCD Rule 303-C permit DHC of production from the Basin Dakota & Wildcat Basin Mancos in the JC Gordon D #4F. XTO proposes to downhole commingle these pools upon completion of this well.

Allocations are based upon a 9-section EUR and are calculated as follows:

| | | | |
|--------------|----------|------------|----------|
| Basin Dakota | Gas: 47% | Water: 43% | Oil: 13% |
| Basin Mancos | Gas: 53% | Water: 57% | Oil: 87% |

Pools are not included in the NMCD pre-approved pool combinations for DHC in the San Juan Basin & a C107-A was sent on 4/7/08. Ownership is common in both zones; therefore, notification to interest owners was not necessary. Downhole commingling will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights.

| | | |
|---|--|--|
| 14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) LORRI D BINGHAM | | Title REGULATORY COMPLIANCE TECH |
| Signature  | | Date 4/7/08 |

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 | |



Matthew Phillips/FAR/CTOC
03/04/2008 03:35 PM

To Lorri Bingham/FAR/CTOC@CTOC
cc
bcc
Subject Fw: Allocations (JC Gordon D # 4F)

Thanks,

Matthew Phillips
Operations Engineer
XTO Energy, Inc.
San Juan Division
(505) 330 - 0775 cell
(505) 333 - 3190 office

----- Forwarded by Matthew Phillips/FAR/CTOC on 03/04/2008 03:35 PM -----



Matthew Phillips/FAR/CTOC
02/25/2008 11:05 AM

To Lorri Bingham/FAR/CTOC
cc
Subject Allocations (JC Gordon D # 4F)

Allocations were determined from the JC Gordon D # 3F which are the same producing intervals in the same section.

| | Gas | Oil | Water |
|----------------------|-----|-----|-------|
| Basin Dakota | 47 | 13 | 43 |
| Wildcat Basin Mancos | 53 | 87 | 57 |

Thanks,

Matthew Phillips
Operations Engineer
XTO Energy, Inc.
San Juan Division
(505) 330 - 0775 cell
(505) 333 - 3190 office

DISTRICT I
1625 N. Fench Dr., Hobbs, N.M. 88240

DISTRICT II
1301 W. Grand Avenue, Artesia, N.M. 88210

DISTRICT III
1000 W. Bruce 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 87504-2068

Form C-102
Revised October 12, 2005

Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | |
|-------------------|-----------------------------------|---------------------|----------------------------|
| *API Number | | *Pool Code 71599 | *Pool Name Basin Danota |
| *Property Code | *Property Name JC GORDON D | | *Well Number 4F |
| *CORD No. 5380 | *Operator Name XTO ENERGY INC. | | *Elevation 6308 |

10 Surface Location

| UL or lot no. | Section | Township | Range | Lot No. | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| J | 23 | 27-N | 10-W | | 1365 | SOUTH | 1790 | EAST | SAN JUAN |

11 Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot No. | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| | | | |
|-----------------------------|---------------|---------------------|------------|
| *Dedicated Acres 212.320 | *Well or Well | *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

| | | | | |
|----|----|--|---|--|
| 16 | 23 | LAT: 36.55721° N. (NAD 83) LONG: 107.86207° W. (NAD 83) LAT: 36°33'25.9" N. (NAD 27) LONG: 107°51'41.2" W. (NAD 27) | FD 2 1/2" BC 1913 GLO | 17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location and has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. <i>Darryl Small</i> 3/20/07 Signature Date Darryl Small Printed Name |
| | | | N 89-55-06 W 2634.7' FD 2 1/2" BC 1913 GLO | |

DISTRICT I
1825 N. Fench Dr., Hobbs, N.M. 88240

DISTRICT II
1301 W. Grand Avenue, Artesia, N.M. 88210

DISTRICT III
1009 Rte Brazos Rd., Artesia, 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 87504-2088

Form C-102

Revised October 12, 2005

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|----------------|-----------------|------------|--|------------|--------------|
| *API Number | | *Pool Code | | *Pool Name | |
| 97232 | | WC BASIN | | MANCOS | |
| *Property Code | *Property Name | | | | *Well Number |
| | JC GORDON D | | | | 4F |
| *OGRO No. | *Operator Name | | | | *Devotion |
| 5380 | XTO ENERGY INC. | | | | 6309 |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
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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 | | *Lot or Inv# | | *Consolidation Code | | *Order No. | | | |
| SE 4 160 | | | | | | | | | |

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

