

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

| | | |
|--|--|---|
| 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.) | | WELL API NO. 30-045-31285 |
| 1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other | | 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> |
| 2. Name of Operator XTO ENERGY INC. | | 6. State Oil & Gas Lease No. |
| 3. Address of Operator 2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401 | | 7. Lease Name or Unit Agreement Name: Gerk Gas Com B |
| 4. Well Location Unit Letter F : 1785 feet from the North line and 855 feet from the West line Section 30 Township 29N Range 09W NMPM County San Juan | | 8. Well No. 1G |
| 10. Elevation (Show whether DR, RKB, RT, GR, etc.) 5613' GR | | 9. Pool name or Wildcat Blanco Mesaverde / Basin Dakota |

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.

XTO Energy Inc. requests an exception to Rule 303A to downhole commingle production from the Basin Dakota Pool (71599) and the Blanco Mesaverde Pool (72319). Both pools are included in Division Order R-11363 establishing pre-approved pool combinations for downhole commingling in the San Juan Basin. The APD for this well has been approved and the well has been spudded. XTO requests approval to DHC both zones on initial completion after drilling is completed. See Attachments 1 - 3 for supporting data of the proposed production allocations and owners notification.

Proposed Gas Allocation: Dakota - 55.7% and Mesaverde - 44.3%
Proposed Oil Allocation: Dakota - 57.1% and Mesaverde - 42.9%
Proposed Water Allocation: Dakota - 57.1% and Mesaverde - 42.9%

DHC 1106 AZ

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

SIGNATURE *Darrin Steed* TITLE REGULATORY SUPERVISOR DATE 2/12/02

Type or print name **DARRIN STEED**

Telephone No. **(505) 324-1090**

(This space for State use)

APPROVED BY *R. C. Hughes* TITLE DEPUTY OIL & GAS INSPECTOR, ASST. #3 DATE FEB 13 2003
Conditions of approval, if any:

Attachment 1
Gerk Gas Com B #1G
Sec 30F, T29W, R09W
API #30-045-31285
C-103 NOI Sundry to DHC
2/12/03

1. The proposed gas and oil production allocation percentages are based on average estimated ultimate recovery (EUR) per completion of the 64 Mesaverde and 52 Dakota completions in the 16 section area around the proposed well location. Water production will be allocated identical to the oil production allocation. See Attachments 2 and 3 for the calculations and supporting data of the proposed production allocation percentages.

Proposed Allocation Percentages:

| | GAS | OIL | WATER |
|------------------|-------|-------|-------|
| Blanco Mesaverde | 44.3% | 42.9% | 42.9% |
| Basin Dakota | 55.7% | 57.1% | 57.1% |

Blanco Mesaverde Pool (Ave. per well est. ultimate gas & oil recovery)

| BO | MMCF |
|-------|-------|
| 6,328 | 1,064 |

Basin Dakota Pool (Ave. per well est. ultimate gas & oil recovery)

| BO | MMCF |
|-------|-------|
| 8,423 | 1,339 |

2. Working and royalty interest ownership in the Dakota and Mesaverde spacing units in this well is identical. Thus, notification of the owners to downhole commingle was not required.
3. The Dakota and Mesaverde spacing units do not contain State lands or minerals, but do contain Federal minerals. Thus, a copy of the Form C-103 with attachments was sent to the BLM using sundry notice form 3160-5.

Attachment 2
 Gerk Gas Com B #1G
 Sec 30F, T29W, R09W
 API #30-045-31285
 C-103 NOI Sundry to DHC
 2/12/03

SUMMARY OF PRODUCTION ALLOCATION CALCULATIONS

| Zone | 16 Section Offset Wells Ave. Est. Ult. Rec. (MMCF) | GAS ALLOC. (%) | 16 Section Offset Wells Ave. Est. Ult. Rec. (BO) | OIL ALLOC. (%) |
|-----------|---|-------------------|---|-------------------|
| Mesaverde | 1,064 | 44.3% | 6,328 | 42.9% |
| Dakota | 1,339 | 55.7% | 8,423 | 57.1% |

Ave. DK/MV Gas EUR (est. ultimate recovery) = See Attachment 5 Table of EUR of individual DK/MV completions

Ave. MV Oil EUR = 405 MBO EUR for MV completions (16 Section area) ÷ 64 MV completions
 = 6,328 BO/completion

Ave. DK Oil EUR = 438 MBO EUR for DK completions (16 Section area) ÷ 52 DK completions
 = 8,423 BO/completion

MV Gas Allocation % = $1,064 \text{ MMCF} \div (1,064 \text{ MMCF} + 1,339 \text{ MMCF}) \times 100\% = \mathbf{44.3\%}$

DK Gas Allocation % = $1,339 \text{ MMCF} \div (1,064 \text{ MMCF} + 1,339 \text{ MMCF}) \times 100\% = \mathbf{55.7\%}$

MV Oil Allocation % = $6,328 \text{ BO} \div (6,328 \text{ BO} + 8,423 \text{ BO}) \times 100\% = \mathbf{42.9\%}$

DK Oil Allocation % = $8,423 \text{ BO} \div (6,328 \text{ BO} + 8,423 \text{ BO}) \times 100\% = \mathbf{57.1\%}$

Attachment 3

Gerk Gas Com B #1G API #30-045-31285 C-103 NOI Sundry to DHC 2/12/03

**EUR (MMCF) FOR INDIVIDUAL COMPLETIONS IN SURROUNDING 16 SECTION AREA
MESAVERDE DAKOTA**

| WELL | EUR (MMCF) | WELL | EUR (MMCF) |
|--------------------------------------|---------------|--|---------------|
| Conoco Hamner #3A | 759 | Conoco Hammer #3E | 638 |
| Simmons DJ Co LV Hamner B #1B | 829 | Conoco Hammer #3A | 851 |
| ConocoHamner #3 | 602 | XTO Gerk Gas Com B #1 | 579 |
| Simmons DJ Co LV Hamner B #1A | 1744 | Burlington Resources Cain #16E | 521 |
| Simmons DJ Co LV Hamner B #1 | 348 | Burlington Resources Cain #16 | 948 |
| XTO Energy Gerk Gas Com #1 | 1245 | Burlington Resources Cain #22 | 286 |
| Burlington Resources Cain #3R | 732 | Burlington Resources Cain #15 | 2723 |
| Aztec Oil & Gas Cain #3 | 1007 | Burlington Resources Cain #15M | 1030 |
| Burlington Resources Cain #15 | 205 | XTO Energy State Gas Com BP #1 | 1940 |
| Burlington Resources Cain #22 | 847 | Conoco State N #1M | 1021 |
| Burlington Resources Cain #15M | 628 | XTO Energy State Gas Com BP #1E | 752 |
| Conoco State Com C #4 | 417 | Conoco State N #1 | 1393 |
| XTO Energy State Gas Com O #1 | 933 | BP America WD Heath A #10 | 968 |
| Conoco State N #1 | 843 | BP America WD Heath A #8E | 564 |
| Conoco State Com N #1M | 950 | BP America WD Heath A #10E | 275 |
| BP America WD Heath A #3X | 4890 | BP America WD Heath A #8 | 1074 |
| BP America WD Heath A #3A | 890 | BP America Valencia Gas Com B #1 | 1127 |
| BP America WD Heath A #2 | 2553 | BP America Valencia Gas Com B #1M | 569 |
| BP America WD Heath A #2A | 1384 | XTO Energy Snyder Gas Com B #1 | 816 |
| BP America Valencia Gas Com #1 | 2753 | XTO Energy Gerk Gas Com B #1M | 435 |
| BP America Valencia Gas Com B #1M | 593 | BP America Hamner #1 | 121 |
| BP America Valencia Gas Com B #1 | 709 | Burlington Resources Lively #16 | 234 |
| BP America Sammons Gas Com B #1 | 2417 | Burlington Resources Neudecker #7 | 2500 |
| XTO Energy Gerk Gas Com B #1M | 448 | Burlington Resources Reid A SRC #1 | 4333 |
| XTO Energy Snyder Gas Com #1A | 904 | Burlington Resources Reid A SRC#1M | 818 |
| XTO Energy Snyder Gas Com #1 | 3827 | Burlington Resources Hare #20 | 4201 |
| Conoco Hamner #1A | 2114 | Burlington Resources Neudecker #6 | 2950 |
| Pan American Grambling B #1 | 1012 | Burlington Resources Neudecker #6E | 975 |
| Conoco Hamner #1 | 2143 | Burlington Resources Hare #19 | 3182 |
| Burlington Resources El Paso #1 | 1731 | XTO Energy Chavez Gas Com C #1M | 514 |
| Burlington Resources El Paso #1B | 1180 | Burlington Resources Hare #19E | 461 |
| Burlington Resources Lively #16 | 297 | XTO Energy Chavez Gas Com C #1R | 794 |
| Burlington Resources El Paso #1A | 1513 | Burlington Resources Martinez Gas Com F #1 | 2519 |
| Burlington Resources Neudecker #7 | 631 | XTO Energy Martinez Gas Com G #1E | 1739 |
| Burlington Resources Reid A #2R | 980 | XTO Energy Martinez Gas Com F #1E | 1057 |
| Burlington Resources Reid A SRC #1M | 1189 | XTO Energy Martinez Gas Com G #1 | 3410 |
| Burlington Resources Reid A SRC #1 | 1721 | XTO Energy Hare Gas Com C #1E | 852 |
| Burlington Resources Neudecker #6E | 615 | XTO Energy Lefkovitz Gas Com B #1E | 352 |
| Burlington Resources Hare #22A | 698 | XTO Energy Hare Gas Com C #1 | 1624 |
| Burlington Resources Hare #22 | 662 | XTO Energy Lefkovitz Gas Com B #1 | 1249 |
| El Paso Natural Gas Neudecker #1 | 23 | XTO Energy McDaniel Gas Com B #1 | 2135 |
| Burlington Resources Hare #19E | 806 | BP America Beach Com #1 | 1330 |
| XTO Energy Moss Federal Gas Com A #1 | 205 | XTO Energy Morris Gas Com C #1E | 840 |
| Burlington Resources Hare #19 | 675 | XTO Energy McDaniel Gas Com B #1R | 783 |
| XTO Energy Chavez Gas Com C #1M | 1200 | XTO Energy McDaniel Gas Com B #1E | 384 |
| XTO Energy Martinez Gas Com I #1A | 411 | Burlington Resources Zachry #17E | 835 |
| XTO Energy Martinez Gas Com G #1E | 1243 | Conoco Hamner Federal #1 | 2021 |
| XTO Energy Martinez Gas Com I #1 | 752 | Burlington Resources Zachry #17 | 2324 |
| XTO Energy Martinez Gas Com G #1 | 1900 | Conoco State Com AG #29 | 3360 |
| XTO Energy Lefkovitz Gas Com B #1A | 549 | Conoco State Com AG #29E | 751 |
| XTO Energy Abrams Gas Com J #1 | 732 | Conoco State Com AF #28E | 336 |
| XTO Energy Lefkovitz Gas Com B #1E | 1082 | Conoco State Com AF #28 | 2118 |
| XTO Energy Baca Gas Com A #1A | 488 | | |
| XTO Energy McDaniel Gas Com B #1R | 752 | | |
| XTO Energy Baca Gas Com A #1 | 629 | | |
| XTO Energy Abrams L #1 | 440 | | |
| XTO Energy Abrams L #1A | 1367 | | |
| Burlington Resources Zachry #50 | 362 | | |
| Burlington Resources Zachry #43 | 832 | | |
| Burlington Resources Zachry #51 | 257 | | |
| Conoco State Com AG #29E | 1229 | | |
| Conoco State Com AF #28 | 943 | | |
| Conoco State Com AG #29 | 455 | | |
| Conoco State Com AF #28E | 803 | | |
| TOTAL | 68,078 | TOTAL | 69,612 |
| AVERAGE | 1,064 | AVERAGE | 1,339 |