

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
Revised May 08, 2003

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

WELL API NO. 30-045-32107
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: GRACIA STATE 32 0
8. Well Number #4
9. OGRID Number 167067
10. Pool name or Wildcat Basin Fruitland Coal

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	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 O : 1,200' feet from the SOUTH line and 1,800' feet from the EAST line Section 32 Township 26N Range 11W NMPM County SAN JUAN
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6,263'	

12. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>
OTHER: <input type="checkbox"/>	

SUBSEQUENT REPORT OF:

REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: SPUD <input checked="" type="checkbox"/>	

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.

Spudded 9-7/8" hole @ 12:00 a.m. 04/13/04. Drld to 227' KB. TIH w/5 jts, 7", 20.0#, J-55, ST&C csg to 226' KB. Cmt'd csg w/87 sx Type III cmt w/3% CaCl2 & 1/4#/sx celloflake (mixed @ 14.5 ppg, 1.42 cuft/sx). Circ 7 bbls cmt to surf. PT BOPE & surf csg to 850 psig for 30 mins. Held OK.

DRLG AHEAD.....

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

SIGNATURE Jeff W. Patton TITLE Drilling Engineer DATE 04/14/04

Type or print name Jeff W. Patton Telephone No. 505-324-1090

(This space for State use)

APPROVED BY Chuck H TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #7 DATE APR 14 2004

Conditions of approval, if any: