

State of New Mexico
Energy, Minerals and Natural Resources

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

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 6-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-045-32528
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator XTO Energy Inc.		6. State Oil & Gas Lease No. NMSF 0047039B
3. Address of Operator 2700 Farmington Ave, Suite K-1, Farmington, NM 87401		7. Lease Name or Unit Agreement Name J F DAY E
4. Well Location Unit Letter <u>N</u> : <u>855</u> feet from the <u>South</u> line and <u>1860</u> feet from the <u>West</u> line Section <u>17</u> Township <u>28N</u> Range <u>10W</u> NMPM San Juan County		8. Well Number <u>2</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5970' GR		9. OGRID Number 167067
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>		10. Pool name or Wildcat BASIN-DAKOTA/OTERO-CHACRA
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 COMPL ☐

OTHER: DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
 COMMENCE DRILLING OPNS. ☐ P AND A ☐
 CASING/CEMENT JOB ☐

OTHER: ☐

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. is requesting an administrative approval for an exemption to Rule 303-C to permit downhole commingling of production from the Basin Dakota pool (71599), the Otero Chacra pool (82329). Both pools are included in the pre-approved pools established by Division Order R-11363. XTO will spud this well in March 2005 and proposes to downhole commingle these pools upon completion of the well. The proposed allocations are based on an individual pool average EUR of wells located in a nine section surrounding area. See attachments for supporting documentation and plats for this well. Based upon the average EUR, XTO proposes to allocate the commingled production as follows:

Pool	Gas	Oil	Water
Basin-Dakota	86%	100%	100%
Otero-Chacra	14%	0%	0%

Ownership in this well's pools is not common and notification by certified mail to WI, ORRI and NRI owners has been completed. No objections were received. Downhole commingling will offer an economic method of production while protecting against reservoir damage, waste of reserves, and protecting correlative rights. A sundry notice of intent to DHC has been filed with the BLM.

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 NMOC guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Holly C. Perkins TITLE: REGULATORY COMPLIANCE TECH DATE 03/07/05

Type or print name Holly C. Perkins E-mail address: holly_perkins@xtoenergy.com Telephone No. 505 564-6720

APPROVED BY: [Signature] TITLE: DEPUTY OIL & GAS INSPECTOR, DIST. 82 DATE: MAR - 9 2005

Conditions of Approval (if any):

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

DISTRICT II
1301 W. Grand Avenue, 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 87504-2088

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number .30-045-32528		2 Pool Code 82329 & 71599		3 Pool Name OTERO CHACRA & BASIN DAKOTA	
4 Property Code 22616		5 Property Name JF DAY E		6 Well Number 2	
7 OGRID No. 167067		8 Operator Name XTO ENERGY INC.		9 Elevation 5970	

10 Surface Location

UL or lot no.	Section	Township	Range	Lot 14n	Feet from the	North/South line	Feet from the	East/West line	County
N	17	28-N	10-W		855	SOUTH	1860	WEST	SAN JUAN

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 14n	Feet from the	North/South line	Feet from the	East/West line	County
12 Dedicated Acres 160 (CH) & 320 (DK)					13 Joint or Infill		14 Consolidation Code		15 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>SEC. CORNER FD 2 1/2" BC GLO 1913 BC</p> <p>N 00-00-25 E 5277.4' (M)</p> <p>Dakota</p> <p>Chacra</p> <p>1860'</p> <p>LAT: 36°39'27" N. (NAD 27) LONG: 107°55'16" W. (NAD 27)</p> <p>855'</p> <p>SEC. CORNER FD 2 1/2" BC 1913 GLO</p> <p>S 89-55-46 E 2643.4' (M)</p> <p>QTR. CORNER FD 5/8" REBAR & SET STONE</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>Brian Wood</i></p> <p>Signature BRIAN WOOD</p> <p>Printed Name CONSULTANT</p> <p>Title AUG. 8, 2004</p> <p>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 belief.</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p><i>[Seal: A. VUKOBICH, NEW MEXICO, REGISTERED PROFESSIONAL SURVEYOR, 14831]</i></p> <p>Certificate Number</p>			

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

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Energy, Minerals & Natural Resources Department

Form C-102

Revised June 10, 2003

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

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Santa Fe, NM 87504-2088

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number .30-045-32528		*Pool Code 82329 & 71599		*Pool Name OTERO CHACRA & BASIN DAKOTA	
*Property Code .22616		*Property Name JF DAY E			*Well Number 2
*OGRID No. 167067		*Operator Name XTO ENERGY INC.			*Elevation 5970

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
N	17	28-N	10-W		855	SOUTH	1860	WEST	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 160 (CH) & 320 (DK)					*Joint or Intell.		*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>SEC. CORNER FD 2 1/2" BC 1913 BC</p> <p>N 00-00-25 E 5277.4' (M)</p> <p>Dakota</p> <p>Chacra</p> <p>1860'</p> <p>855'</p> <p>LAT: 36°39'27" N. (NAD 27) LONG: 107°55'16" W. (NAD 27)</p> <p>SEC. CORNER FD 2 1/2" BC 1913 GLO</p> <p>S 89-55-46 E 2643.4' (M)</p> <p>QTR. CORNER FD 5/8" REBAR & SET STONE</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>B. Wood</i></p> <p>Signature BRIAN WOOD</p> <p>Printed Name CONSULTANT</p> <p>Title AUG. 8, 2004</p> <p>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 belief.</p> <p>Date of Survey</p> <p>Signature and Seal of Registered Professional Surveyor</p> <p><i>[Signature]</i></p> <p>Certificate Number</p>	



2700 Farmington Ave, K-1 Farmington, NM 87401
Phone: (505) 324-1090 FAX: (505) 564-6700

February 2, 2005

RE: Notice of Intent to Apply for Downhole Commingling

JF Day E #2
Sec 17N, T28N, R10W; 855' FSL & 1860' FWL
San Juan County, NM

To: All working interest, royalty interest and overriding royalty interest owners.

XTO Energy Inc. is applying for permission to downhole commingle the Basin Dakota and the Otero Chacra Pools in the JF Day E #2. This well will spud in March. We propose to downhole commingle production from both pools on initial completion. NMOCDC requires all interest owners be notified of intent to downhole commingle if ownership is different between pools.

The proposed allocations are based on individual pool average EUR's in the area. Based upon this data, XTO Energy Inc. proposes to allocate the commingled production as follows:

Pool	Oil	Water	Gas
Basin Dakota	100%	100%	86%
Otero Chacra	0%	0%	14%

If you need additional information or have any questions, I can be contacted at (505) 324-1090. If you are opposed to commingling production from these two pools please respond in writing within 20 days of the date of this letter to XTO Energy Inc., 2700 Farmington Avenue, Suite K-1, Farmington, NM 87401.

Sincerely,

Teena Cosper

Teena Cosper
Production Clerk

xc: Well File
FW Land Dept.