

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

June 19, 2008

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

WELL API NO. 30-045-27552
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. NMSF-078019
7. Lease Name or Unit Agreement Name: EH PIPKIN 36
8. Well Number 2
9. OGRID Number 5380
10. Pool name or Wildcat

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 382 CR 3100 AZTEC, NM 87410
4. Well Location Unit Letter B : 1118 feet from the NORTH line and 1413 feet from the EAST line Section 36 Township 28N Range 11W NMPM NMPM County SAN JUAN
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5679 GR

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 ☐
DOWNHOLE COMMINGLE ☒

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐
**RCVD DEC 23'11
OIL CONS. DIV.
DIST. 3**

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 requests approval to DHC this well per OCD Rule 19.15.12.11 C(2) in the Basin FC (71629, 1427' -1618') and the Fulcher Kutz PC (77200, 1625' - 1697') upon completion of the PC. Pool combinations are pre-approved per Order R-11363. See attached spreadsheets for justification of proposed allocations.

Oil: PC 100% FC 0% Gas: PC 76% FC 24% Water: PC 3% FC 97%

Ownership is common therefore, there are no owners to notify. DHC will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights. The BLM was notified of our intent to DHC via sundry Form 3160-5 on 12/22/2011.

Spud Date:

DHC 3683 A2

Rig Release Date:

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

SIGNATURE Wanett McCauley TITLE REG COMPLIANCE TECHNICIAN DATE 12/22/2011
wanett_mccauley@xtoenergy.com
Type or print name WANETT MCCAULEY E-mail address: wanett_mccauley@xtoenergy.com PHONE 505-333-3100

For State Use Only

APPROVED BY Charles SUPERVISOR DISTRICT # 3 DATE 1-12-12
Conditions of Approval (if any): A

Allocations are based off the well's current Fruitland Coal production and Pictured Cliffs production in the 9-section area where a 1950's-era well had minimal production and a later Pictured Cliffs producer redeveloped the area.

Monthly Production Rates

	OIL (Bbl/mo.)	GAS (KCF/mo.)	Water (Bbl/mo.)	
Pictured Cliffs	0	4701	0	Average production increase after adding replacement PC wells in 9-section
Fruitland Coal	0	1508	13	Previous 6-month average for Fruitland Coal production in EH Pipkin 36-2
Total	0	6209	14	

Percent Production			
	OIL	GAS	Water
Pictured Cliffs	100%	76%	3%
Fruitland Coal	0%	24%	97%
Total	100%	100%	100%

EH Pipkin 36-2 - Current Fruitland Coal production

	BO/Mo.	KCF/Mo.	BW/Mo.	
May-11	0	1758	0	
Jun-11	0	1109	0	
Jul-11	0	1302	0	
Aug-11	0	1187	0	
Sep-11	0	1759	0	
Oct-11	0	1932	80	
AVERAGE	0	1508	13	

The 3 wells shown below lie in the 9-section around the EH Pipkin 36-2 well where the Pictured Cliff formation as originally produced from a 1950s-era well with minimal production, and was later redeveloped with another wellbore.

Knauff 2

	BO/Mo.	KCF/Mo.	BW/Mo.
Jul-76	0	5687	0
Aug-76	0	4445	0
Sep-76	0	1861	0
Oct-76	0	4780	0
Nov-76	0	6266	0
Dec-76	0	6030	0
AVERAGE	0	4845	0

Martin GC B-1E - PC only

	BO/Mo.	KCF/Mo.	BW/Mo.
Jan-84	0	5225	0
Feb-84	0	6099	0
Mar-84	0	5052	0
Apr-84	0	357	0
May-84	0	6150	5
Jul-84	0	4614	3
AVERAGE	0	4583	1

	Oil	Gas	Water	Oil	Gas	Water	Oil	Gas	Water	Oil	Gas	Water
	Pictured Cliffs Allocated			Dakota Allocated			Total Allocated			Last Dakota production before PC add		
1/31/1984		6996		40	7542		40	14538	0	7/31/1983	101	13344
2/29/1984		7390		67	8022		67	15412	0	8/31/1983	70	9817
3/31/1984		6820		80	7545		80	14365	0	9/30/1983	74	9293
4/30/1984		4719		67	4951		67	9670	0	10/31/1983	38	7992
5/31/1984		7023	5	72	8440		72	15463	5	11/30/1983	59	8425
7/31/1984		7174	3	62	6753	4	62	13927	7	12/31/1983	30	7009

Martin 5R

	BO/Mo.	KCF/Mo.	BW/Mo.
Aug-99	0	5664	0
Sep-99	0	4809	0
Oct-99	0	4777	0
Nov-99	0	4406	0
Dec-99	0	4365	0
Jan-00	0	4031	0
AVERAGE	0	4675	0