

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

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

Form C-103
June 19, 2008

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. 30-045-30653
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 type="checkbox"/>
2. Name of Operator XTO Energy Inc.		6. State Oil & Gas Lease No.
3. Address of Operator 382 CR 3100 AZTEC, NM 87410		7. Lease Name or Unit Agreement Name: NAVAJO 13
4. Well Location Unit Letter <u>E</u> 1978 feet from the <u>NORTH</u> line and 1221 feet from the <u>WEST</u> line Section <u>13</u> Township <u>29N</u> Range <u>14W</u> NMPM <u>NMPM</u> County <u>SAN JUAN</u>		8. Well Number 2
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5220 GR		9. OGRID Number 5380
		10. Pool name or Wildcat WEST KUTZ PC/BASIN FRUITLAND COAL
RCVD NOV 15 '11		

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

OIL CONSV. DIV.

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☒

SUBSEQUENT REPORT OF:

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

OTHER: ☐

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 OGD Rule 19.15.12.11 C(2) in the PC (79680, 852'-859') and the FC (71629, 725'-832') upon completion of the FC. Pools are pre-approved per Order R-11363. Please see attached spreadsheets for justification of the following proposed allocations:

West Kutz Pictured Cliffs	Oil: 100%	Gas: 37%	Water: 3%
Basin Fruitland Coal	Oil: 0%	Gas: 63%	Water: 97%

Ownership is diverse & notification was made without protest by CRR on 10/24/2011. DHC will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights. The HIM was notified of our intent to DHC via Form 3160-5 on 11/14/2011.

Spud Date:

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 11/14/2011
Type or print name WANETT MCCAULEY E-mail address: wanett.mccauley@xtoenergy.com PHONE 505-333-3630

For State Use Only

APPROVED BY Charlie TITLE SUPERVISOR DISTRICT # 3 DATE NOV 15 2011

Conditions of Approval (if any):

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The Navajo 13 #2 allocations between the Fruitland Coal and the Pictured Cliffs is based off of the last 6 months average production from the 13-2 well (Pictured Cliffs only) prior to it falling off trend and being shut-in, and the 6-month average production from wells in the 9-section that had the Fruitland Coal added to an existing Pictured Cliffs producer and the corresponding increase in production rate

Monthly Production Rates

	OIL (Bbl/mo.)	GAS (KCF/mo.)	Water (Bbl/mo.)	
Fruitland Coal	0	2190	1498	6-month average production attributable to the FC when added to a PC well in the 9-section
Pictured Cliffs	0	1290	52	Last 6 months average production from Navajo 13-2 PC formation before well fell off of trend
Total	0	3480	1551	

Percent Production			
	OIL	GAS	Water
Fruitland Coal	0%	63%	97%
Pictured Cliffs	100%	37%	3%
Total	100%	100%	100%

Last 6 months production from Navajo 13-2 PC formation before well fell off of trend.

Date	Oil	Gas	Water
12/31/2009	0	1210	32
1/31/2010	0	1525	0
2/28/2010	0	1128	0
3/31/2010	0	1356	0
4/30/2010	0	1247	6
5/31/2010	0	1272	276

The 3 wells below show the effect of adding the Fruitland Coal formation to an existing PC well

Navajo 13-1 - PC Only			
	BO/Mo.	KCF/Mo.	BW/Mo.
Nov-02	0	1106	830
Dec-02	0	3993	945
Jan-03	0	3778	1210
Feb-03	0	2675	1300
Mar-03	0	3390	1440
AVERAGE	0	2988	1145

FRPC 19-2Y - PC only			
	BO/Mo.	KCF/Mo.	BW/Mo.
Jun-05	0	2563	3479
Jul-05	0	2599	2056
Aug-05	0	2922	1433
Sep-05	0	2315	519
Oct-05	0	1699	206
AVERAGE	0	2420	1539

RPC 17-3 - PC only			
	BO/Mo.	KCF/Mo.	BW/Mo.
Aug-02	0	2363	220
Sep-02	0	1532	400
Oct-02	0	3236	1420
Nov-02	0	2261	1500
AVERAGE	0	2348	885

Average Fruitland Coal Contribution			
	Oil	Gas	Water
	0	2190	1498

PC Allocations			
	BO/Mo.	KCF/Mo.	BW/Mo.
Apr-03	0	3419	1605
May-03	0	3259	1520
Jun-03	0	3135	1620
Jul-03	0	3023	1512
Aug-03	0	3156	1480
Sep-03	0	3035	1400

FC only - PC behind CIBP			
	BO/Mo.	KCF/Mo.	BW/Mo.
Nov-05	0	3618	410
Dec-05	0	3671	863
Jan-06	0	1185	1434
Feb-06	0	1783	1828
Mar-06	0	2412	1082
Apr-06	0	2840	999
	0	2585	1103

PC Allocations			
	BO/Mo.	KCF/Mo.	BW/Mo.
Jul-03	0	1339	1302
Aug-03	0	1466	1320
Sep-03	0	1492	1105
Oct-03	0	1433	1238
Nov-03	0	1723	1080
Dec-03	0	1815	1085

FC Allocations			
	BO/Mo.	KCF/Mo.	BW/Mo.
	0	3124	1605
	0	3259	1520
	0	3135	1620
	0	3023	1512
	0	3156	1480
	0	3035	1400

FC Allocations			
	BO/Mo.	KCF/Mo.	BW/Mo.
	0	1286	1302
	0	1408	1320
	0	1434	1105
	0	1376	1238
	0	1656	1080
	0	1743	1085

Total Well Prod			
	BO/Mo.	KCF/Mo.	BW/Mo.
	0	6543	3210
	0	6518	3040
	0	6270	3240
	0	6046	3024
	0	6312	2960
	0	6070	2800
	0	6293	3046
	0	3305	1901
			FC minus PC

Total Well Prod			
	BO/Mo.	KCF/Mo.	BW/Mo.
	0	2625	2604
	0	2874	2640
	0	2926	2210
	0	2809	2476
	0	3379	2160
	0	3558	2170
	0	3029	2377
	0	681	1492
			FC minus PC