

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. 30-045-28297
5. Indicate Type of Lease STATE ☐ FEE ☐
6. State Oil & Gas Lease No. NMSF-078895
7. Lease Name or Unit Agreement Name: MUDGE A
8. Well Number #181
9. OGRID Number 5380
10. Pool name or Wildcat BASIN FRUITLAND COAL/W. KUTZ PC

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 ☐ Gas Well ☒ Other	7. Lease Name or Unit Agreement Name: MUDGE A
2. Name of Operator XTO Energy Inc.	8. Well Number #181
3. Address of Operator 382 CR 3100 AZTEC, NM 87410	9. OGRID Number 5380
4. Well Location Unit Letter B : 1190 feet from the NORTH line and 1560 feet from the EAST line Section 18 Township 27N Range 11W NMPM NMM County SAN JUAN	10. Pool name or Wildcat BASIN FRUITLAND COAL/W. KUTZ PC
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6124' 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 MAR 7 '12
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 OGD Rule 19.15.12.11 C(2) in the Basin FC (71629, 1771' -1794') and the W. Kutz PC (79680, 1811' - 1937') 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 71% FC 29% Water: PC 84% FC 16%

Ownership is common therefore, it is unnecessary to notify owners. 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 3/6/2012.

DHC 3689AZ

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 Lorri D. Bingham TITLE REGULATORY ANALYST DATE 3/6/12
Type or print name LORRI D. BINGHAM E-mail address: Lorri_bingham@xtoenergy.com PHONE 505-333-3204

For State Use Only

APPROVED BY Charles TITLE SUPERVISOR DISTRICT #3 DATE MAR 09 2012
Conditions of Approval (if any):

Allocations are based on the Mudge A #181's previous 6 months of production, and the results seen from wells in the 9-section area that have had Full Body Make Overs in Pictured Cliffs producers, which is a similar concept to this well replacing previous 1950's-era PC production well with limited depletion.

Monthly Production Rates

	OIL (Bbl/mo.)	GAS (KCF/mo.)	Water (Bbl/mo.)	
Pictured Cliffs	0	6505	73	Average production increase after performing Full-Body Make Over in PC wells
Fruitland Coal	0	2607	13	Previous 6-month average for Fruitland Coal production in Mudge A-181
Total	0	9112	86	

Percent Production			
	OIL	GAS	Water
Pictured Cliffs	100%	71%	84%
Fruitland Coal	0%	29%	16%
Total	100%	100%	100%

Mudge A-181 - Current Fruitland Coal production

	BO/Mo.	KCF/Mo.	BW/Mo.
May-11	0	2645	0
Jun-11	0	2467	0
Jul-11	0	2704	40
Aug-11	0	2700	0
Sep-11	0	2613	40
Oct-11	0	2515	0
AVERAGE	0	2607	13

The 10 wells shown below are Pictured Cliffs wells first produced in the 1950s via an open-hole completion, and were later cased and frac'd (called a Full Body Make Over), and the resulting uplift seen from the FBMO. Mudge A-181 had previous PC production in its 1/4-section and will frack into the same PC rock, with production expectations similar to previous FBMO wells in the 9-section area.

Schwerdtfeger 7 - FBMO uplift

	BO/Mo.	KCF/Mo.	BW/Mo.	Oil	Gas	Water	Oil	Gas	Water
				Pre-FBMO rates			Post-FBMO rates		
Jul-76	0	4959	0	2/28/1990	0	127	0	8/31/2004	0 5037 0
Aug-76	0	3583	360	3/31/1990	0	74	0	9/30/2004	0 3661 360
Sep-76	0	3448	45	4/30/1990	0	27	0	10/31/2004	0 3526 45
Oct-76	0	3166	88	5/31/1990	0	93	0	11/30/2004	0 3244 88
Nov-76	0	3026	150	6/30/1990	0	84	0	12/31/2004	0 3104 150
Dec-76	0	2938	115	7/31/1990	0	63	0	1/31/2005	0 3016 115
AVERAGE	0	3520	126						

Schwerdtfeger 11 - FBMO uplift

	BO/Mo.	KCF/Mo.	BW/Mo.	Oil	Gas	Water	Oil	Gas	Water
				Pre-FBMO rates			Post-FBMO rates		
Aug-98	0	736	80	Aug-98	0	319	0	10/31/2003	0 931 80
Sep-98	0	4144	75	Sep-98	0	352	0	11/30/2003	0 4339 75
Oct-98	0	2196	0	Oct-98	0	173	0	12/31/2003	0 2391 0
Nov-98	0	2377	70	Nov-98	0	21	0	1/31/2004	0 2572 70
Dec-98	0	2108	0	Dec-98	0	165	0	2/29/2004	0 2303 0
Jan-99	0	2146	0	Jan-99	0	142	0	3/31/2004	0 2341 0
AVERAGE	0	2284	38						

Mudge A-2 - FBMO uplift

	BO/Mo.	KCF/Mo.	BW/Mo.	Oil	Gas	Water	Oil	Gas	Water
				Pre-FBMO rates			Post-FBMO rates		
Aug-98	0	7494	310	Mar-97	0	160	0	8/31/1998	0 7646 310
Sep-98	0	9223	216	Apr-97	0	137	0	9/30/1998	0 9375 216
Oct-98	0	10204	167	May-97	0	144	0	10/31/1998	0 10356 167
Nov-98	0	9971	138	Jun-97	0	164	0	11/30/1998	0 10123 138
Dec-98	0	10186	140	Jul-97	0	166	0	12/31/1998	0 10338 140
Jan-99	0	9931	104	Aug-97	0	143	0	1/31/1999	0 10083 104
AVERAGE	0	9501	179						

Mudge A-1 - FBMO uplift

BO/Mo.	KCF/Mo.	BW/Mo.
Aug-98	0	7365 320
Sep-98	0	7291 0
Oct-98	0	6746 135
Nov-98	0	11002 161
Dec-98	0	12308 151
Jan-99	0	12812 137
AVERAGE	0	9587 151

Mudge A-3 - FBMO uplift

BO/Mo.	KCF/Mo.	BW/Mo.
Aug-98	0	10097 0
Sep-98	0	14195 0
Oct-98	0	13990 0
Nov-98	0	14187 0
Dec-98	0	13457 0
Jan-99	0	13290 131
AVERAGE	0	13202 22

Mudge A-6 - FBMO uplift

BO/Mo.	KCF/Mo.	BW/Mo.
Aug-98	0	5305 0
Sep-98	0	10632 325
Oct-98	0	10231 194
Nov-98	0	10601 189
Dec-98	0	8961 121
Jan-99	0	9987 150
AVERAGE	0	9286 163

Oil	Gas	Water
Pre-FBMO rates		
Nov-97	0	198 0
Dec-97	0	289 0
Jan-98	0	113 0
Feb-98	0	96 0
Mar-98	0	228 0
Apr-98	0	123 0

Oil	Gas	Water
Post-FBMO rates		
3/31/1999	0	7539 320
4/30/1999	0	7465 0
5/31/1999	0	6920 135
6/30/1999	0	11176 161
7/31/1999	0	12482 151
8/31/1999	0	12986 137

Oil	Gas	Water
Pre-FBMO rates		
Jul-89	0	22 0
Aug-89	0	23 0
Sep-89	0	71 0
Oct-89	0	140 0
Nov-89	0	117 0
Dec-89	0	26 0

Oil	Gas	Water
Post-FBMO rates		
3/31/1998	0	10163 0
4/30/1998	0	14261 0
5/31/1998	0	14056 0
6/30/1998	0	14253 0
7/31/1998	0	13523 0
8/31/1998	0	13356 131

Oil	Gas	Water
Pre-FBMO rates		
Nov-97	0	165 0
Dec-97	0	539 0
Jan-98	0	275 0
Feb-98	0	295 0
Mar-98	0	201 0
Apr-98	0	150 0

Oil	Gas	Water
Post-FBMO rates		
7/31/1998	0	5576 0
8/31/1998	0	10903 325
9/30/1998	0	10502 194
10/31/1998	0	10872 189
11/30/1998	0	9232 121
12/31/1998	0	10258 150

Yockey 1 - FBMO uplift

BO/Mo.	KCF/Mo.	BW/Mo.
Aug-98	0	1608
Sep-98	0	1682
Oct-98	0	1779
Nov-98	0	1686
Dec-98	0	1752
Jan-99	0	1227
AVERAGE	0	1622

Hancock 1 - FBMO uplift

BO/Mo.	KCF/Mo.	BW/Mo.
Aug-98	0	7529
Sep-98	0	12655
Oct-98	0	8649
Nov-98	0	12216
Dec-98	0	12110
Jan-99	0	11655
AVERAGE	0	10802

Hancock 2 - FBMO uplift

BO/Mo.	KCF/Mo.	BW/Mo.
Aug-98	0	2224
Sep-98	0	4005
Oct-98	0	3679
Nov-98	0	3495
Dec-98	0	3479
Jan-99	0	3097
AVERAGE	0	3330

Hancock 7 - FBMO uplift

BO/Mo.	KCF/Mo.	BW/Mo.
Aug-98	0	1490
Sep-98	0	2474
Oct-98	0	2075
Nov-98	0	1840
Dec-98	0	2052
Jan-99	0	1544
AVERAGE	0	1912

FBMO production increase

BO/Mo.	KCF/Mo.	BW/Mo.
Average Uplift	0	6505

Oil	Gas	Water
Pre-FBMO rates		
Mar-97	0	1447
Apr-97	0	1190
May-97	0	942
Jun-97	0	1455
Jul-97	0	1278
Aug-97	0	1146

Oil	Gas	Water
Pre-FBMO rates		
Apr-97	0	20
May-97	0	20
Jun-97	0	12
Jul-97	0	31
Aug-97	0	19
Sep-97	0	25

Oil	Gas	Water
Pre-FBMO rates		
Sep-00	0	125
Oct-00	0	686
Nov-00	0	685
Dec-00	0	591
Jan-01	0	874
Feb-01	0	625

Oil	Gas	Water
Pre-FBMO rates		
Sep-97	0	1000
Oct-97	0	1056
Nov-97	0	940
Dec-97	0	643
Jan-98	0	833
Feb-98	0	703

Oil	Gas	Water
Post-FBMO rates		
9/30/1997	0	2851
10/31/1997	0	2925
11/30/1997	0	3022
12/31/1997	0	2929
1/31/1998	0	2995
2/28/1998	0	2470

Oil	Gas	Water
Post-FBMO rates		
2/28/2001	0	7550
3/31/2001	0	12676
4/30/2001	0	8670
5/31/2001	0	12237
6/30/2001	0	12131
7/31/2001	0	11676

Oil	Gas	Water
Post-FBMO rates		
3/31/2001	0	2822
4/30/2001	0	4603
5/31/2001	0	4277
6/30/2001	0	4093
7/31/2001	0	4077
8/31/2001	0	3695

Oil	Gas	Water
Post-FBMO rates		
4/30/1998	0	2352
5/31/1998	0	3336
6/30/1998	0	2937
7/31/1998	0	2702
8/31/1998	0	2914
9/30/1998	0	2406