

625 N. French Dr., Hobbs, NM 88240

1301 W. Grand Ave., Artesia, NM 88210

1000 Rio Brazos Rd., Aztec, NM 87410

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103

May 27, 2004

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

WELL API NO.

30-045-33037

5. Indicate Type of Lease

STATE ☐ FEE ☐

6. State Oil &amp; Gas Lease No.

SF 047039-B

7. Lease Name or Unit Agreement Name

KUTZ FEDERL

8. Well Number 15

9. OGRID Number

167067

10. Pool name or Wildcat

Basin Dakota/Otero Chacra

## 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

2. Name of Operator

XTO ENERGY INC.

3. Address of Operator

2700 FARMINGTON AVE, SUITE K-1, FARMINGTON, NM 87401

4. Well Location

Unit Letter P : 990' feet from the South line and 660' feet from the East lineSection 18 Township 28N Range 10W NMPM San Juan County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

5,906

Pit or Below-grade Tank Application ☐ or Closure ☐

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.

DHC 1927 A2

XTO Energy Inc. requests approval for exception to Rule 303-C to permit DHC of Production from the Basin Dakota (71599) &amp; the Otero Chacra (82329) XTO Energy Inc. proposes to downhole commingle these pools upon completion of this well. Allocations are based upon a 9 section EUR and are calculated as follows:

Basin Dakota:

Gas 90%

Oil 100%

Otero Chacra

Gas 10%

Oil 0%

Both pools are included in the NMOCD pre-approved pool combinations for DHC in the San Juan Basin. Working interest, net royalty interest and overriding royalty interest owners have been notified by certified, return receipt mail on June 28, 2005 2005. The BLM has been notified with form 3160-5 of our intent to DHC. Downhole commingling will offer an economical method of production while protecting against reservoir damage, waste of reserves and violation of correlative rights.

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

SIGNATURE

*Melissa M Osborne*TITLE Regulatory Compliance TechDATE 06/29/2005Type or print name Melissa M OsborneE-mail address: Regulatory@xtoenergy.com Telephone No. 505-566-7925

For State Use Only

APPROVED BY:

*[Signature]*

TITLE

DEPUTY OIL &amp; GAS INSPECTOR, DIST. 6

DATE

JUL - 5 2005

Conditions of Approval (if any):



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

June 29, 2005

RE: Notice of Intent to Apply for Downhole Commingling

Kutz Federal #15  
P Sec 18, T28N, R10W; 990' FSL & 660' FEL  
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 (71599) and the Otero Chacra (82329) pools in the Kutz Federal #15. We propose to downhole commingle production from both pools after this well is drilled and upon approval from the NMOCD. NMOCD requires all interest owners be notified of intent to downhole commingle if ownership is different between pools.

Both of these pools are included in the New Mexico Oil Conservation Division pre-approved pool combinations for downhole commingling in the San Juan Basin. Based upon the 9-section EUR's for the Basin Dakota and Otero Chacra, XTO Energy Inc. proposes allocation of commingled production as follows:

Pool	Oil	Gas
Basin Dakota	100%	90%
Otero Chacra	0%	10%

If you need additional information or have any questions, I may be contacted at (505) 566-7925. 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,

A handwritten signature in cursive script that reads 'Melissa M Osborne'.

Melissa M Osborne  
Regulatory Compliance Tech

xc: Well File  
FW Land Dept.