

Submit 3 Copies To Appropriate District Office
District I
625 N. French Dr., Hobbs, NM 88240
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
May 27, 2004

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

WELL API NO.
30-045-33142
5. Indicate Type of Lease
STATE ☐ FEE ☐
6. State Oil & Gas Lease No.
SF 081061

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-103) 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 B : 665' feet from the North line and 1,600' feet from the East line
Section 25 Township 29N Range 10W NMPM San Juan County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
5,546

Lease Name or Unit Agreement Name

LEFKOVITZ GAS COM B

8. Well Number 2

9. OGRID Number
167067

10. Pool name or Wildcat
Basin Dakota/Blanco Mesa Verde

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.

XTO Energy Inc. requests approval for exception to Rule 303-C to permit DHC of Production from the Basin Dakota (71599) & the Blanco Mesa Verde (72319) XTO Energy Inc. proposes to downhole commingle these pools upon completion of this well.

Allocations are based upon a 16 section EUR and are calculated as follows:

Basin Dakota:	Gas 55.7%	Oil 57.1%
Blanco Mesa Verde	Gas 44.3%	Oil 42.9%

Both pools are included in the NMOCD pre-approved pool combinations for DHC in the San Juan Basin. Ownership is common in both of these zones. 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 Tech DATE 07/01/2005
Type or print name Melissa M Osborne E-mail address: Regulatory@xtoenergy.com Telephone No. 505-566-7925

For State Use Only

APPROVED BY: [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 4 DATE 7/1/05 - 8 2005
Conditions of Approval (if any):

Lefkovitz Gas Com B #1F
J, Sec 25, T29N-R10W
API # 30-045-33142

SUMMARY OF PRODUCTION ALLOCATION CALCULATIONS

Zone	16 Section Offset Wells Ave. Est. Ult. Rec. (MMCF)	GAS ALLOC. (%)	16 Section Offset Wells Ave. Est. Ult. Rec. (BO)	OIL ALLOC. (%)
Mesaverde	1,064	44.3%	6,328	42.9%
Dakota	1,339	55.7%	8,423	57.1%

Ave. DK/MV Gas EUR (est. ultimate recovery) = See Attachment 5 Table of EUR of individual DK/MV completions

Ave. MV Oil EUR = 405 MBO EUR for MV completions (16 Section area) ÷ 64 MV completions
= 6,328 BO/completion

Ave. DK Oil EUR = 438 MBO EUR for DK completions (16 Section area) ÷ 52 DK completions
= 8,423 BO/completion

MV Gas Allocation % = $1,064 \text{ MMCF} \div (1,064 \text{ MMCF} + 1,339 \text{ MMCF}) \times 100\% = 44.3\%$

DK Gas Allocation % = $1,339 \text{ MMCF} \div (1,064 \text{ MMCF} + 1,339 \text{ MMCF}) \times 100\% = 55.7\%$

MV Oil Allocation % = $6,328 \text{ BO} \div (6,328 \text{ BO} + 8,423 \text{ BO}) \times 100\% = 42.9\%$

DK Oil Allocation % = $8,423 \text{ BO} \div (6,328 \text{ BO} + 8,423 \text{ BO}) \times 100\% = 57.1\%$