

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. 30-045-32001
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: STATE GAS COM
8. Well Number #3
9. OGRID Number 5380
10. Pool name or Wildcat AZTEC PC / BASIN FC

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
 382 CR 3100 AZTEC, NM 87410

4. Well Location
 Unit Letter P : 675 feet from the SOUTH line and 665 feet from the EAST line
 Section 32 Township 31N Range 12W NMPM County SAN JUAN

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
 5955' GR

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	RCVD MAR 6 '13 OIL CONS. DIV. DIST. 3
DOWNHOLE COMMINGLE <input checked="" type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

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. Proposes to DHC production from the Basin FC (71629) & the Aztec PC (71280) upon approval of this application. Both pools are in the NMCD pre-approved pool combination in the San Juan Basin. Please see the attachments for allocation justification. Allocations are as follows:

FC/ Gas: 34% Oil: 0% Water: 60% PC/ Gas: 66% Oil: 100% Water: 40%

Ownership is diverse & owners were notified via certified, return receipt mail on 1/21/2013. DHC will offer an economical method of production while protecting against reservoir damage, waste of reserves, & violation of correlative rights. SLO was notified via CRR on 1/25/2013.

DHC 3782 AZ

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 Kristen D Lynch TITLE REGULATORY ANALYST DATE 2/11/2013
 Type or print name KRISTEN D. LYNCH E-mail address: kristen_lynch@xtoenergy.com PHONE 505-333-3100

For State Use Only
 APPROVED BY [Signature] TITLE Deputy Oil & Gas Inspector, District #3 DATE MAR 07 2013
 Conditions of Approval (if any): AV



Thomas Pennington/FTW/CTOC
01/10/2013 10:22 AM

To Brian Bentson/FAR/CTOC@CTOC
cc
bcc
Subject Re: Fw: FARA20207PCL Email

Brian,

Here are the new allocations based off offset well State GC 2:

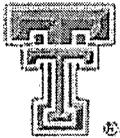
Allocation %	Oil	Gas	Water
Fruitland Coal	0%	34%	60%
Pictured Cliffs	100%	66%	40%

and the spreadsheet:



State GC 3 Allocations.xls

Best Regards,
Tom Pennington
Reservoir Engineering
Office: WTW 1508
Work: 817-885-1279
Cell: 404-432-2671
Brian Bentson/FAR/CTOC



Brian Bentson/FAR/CTOC
01/10/2013 10:41 AM

To Thomas Pennington/FTW/CTOC@CTOC
cc
Subject Fw: FARA20207PCL Email

Here is what Mary came up with and that gave the following allocations:

Pool	Oil	Water	Gas
FC	0%	19%	33%
FS	0%	36%	5%
PC	100%	45%	62%

Brian Bentson

Production Engineer
San Juan District
XTO Energy Inc., a subsidiary of ExxonMobil
Direct: (505) 333-3715
Cell: (505) 419-8083
Brian_Bentson@xtoenergy.com



Formation	Oil	Gas	Water
Fruitland Coal	0	1,661	31
Pictured Cliffs	0	3,224	21
TOTAL	0	4,885	52

Allocation %	Oil	Gas	Water
Fruitland Coal	0%	34%	60%
Pictured Cliffs	100%	66%	40%

WELL	WELL_NO	RESERVOIR	P_DATE	GAS	WATER	P_COMMENT	OIL
STATE GAS COM 2	2	FRUITLAND COAL	1/31/2007 0:00	908.9674688	96		0
STATE GAS COM 2	2	FRUITLAND COAL	2/28/2007 0:00	844.3602827	168		0
STATE GAS COM 2	2	FRUITLAND COAL	3/31/2007 0:00	937.3039188	96		0
STATE GAS COM 2	2	FRUITLAND COAL	4/30/2007 0:00	853.7613701	102		0
STATE GAS COM 2	2	FRUITLAND COAL	5/31/2007 0:00	895.2079883	72		0
STATE GAS COM 2	2	FRUITLAND COAL	6/30/2007 0:00	721.339904	240	PUMP CHANGE/TREAT W/ WATER	0
STATE GAS COM 2	2	FRUITLAND COAL	7/31/2007 0:00	1012.875596	114		0
STATE GAS COM 2	2	FRUITLAND COAL	8/31/2007 0:00	931.8749483	66		0
STATE GAS COM 2	2	FRUITLAND COAL	9/30/2007 0:00	1025	69		0
STATE GAS COM 2	2	FRUITLAND COAL	10/31/2007 0:00	1000	48		0
STATE GAS COM 2	2	FRUITLAND COAL	11/30/2007 0:00	1010	54		0
STATE GAS COM 2	2	FRUITLAND COAL	12/31/2007 0:00	1075	72		0
STATE GAS COM 2	2	FRUITLAND COAL	1/31/2008 0:00	1036	12		0
STATE GAS COM 2	2	FRUITLAND COAL	2/29/2008 0:00	922	126		0
STATE GAS COM 2	2	FRUITLAND COAL	3/31/2008 0:00	1396	108		0
STATE GAS COM 2	2	FRUITLAND COAL	4/30/2008 0:00	1233	90		0
STATE GAS COM 2	2	FRUITLAND COAL	5/31/2008 0:00	1316	60		0
STATE GAS COM 2	2	FRUITLAND COAL	6/30/2008 0:00	766	24		0
STATE GAS COM 2	2	FRUITLAND COAL	7/31/2008 0:00	1288	0		0
STATE GAS COM 2	2	FRUITLAND COAL	8/31/2008 0:00	1431	0	REPLACE COMPRESSOR ENGINE	0
STATE GAS COM 2	2	FRUITLAND COAL	9/30/2008 0:00	1679	144		0
STATE GAS COM 2	2	FRUITLAND COAL	10/31/2008 0:00	1541	33		0
STATE GAS COM 2	2	FRUITLAND COAL	11/30/2008 0:00	1663	48		0
STATE GAS COM 2	2	FRUITLAND COAL	12/31/2008 0:00	1412	72		0
STATE GAS COM 2	2	FRUITLAND COAL	1/31/2009 0:00	1694	66		0
STATE GAS COM 2	2	FRUITLAND COAL	2/28/2009 0:00	1628	48		0
STATE GAS COM 2	2	FRUITLAND COAL	3/31/2009 0:00	1970	72		0
STATE GAS COM 2	2	FRUITLAND COAL	4/30/2009 0:00	2022	72		0
STATE GAS COM 2	2	FRUITLAND COAL	5/31/2009 0:00	1980	0		0
STATE GAS COM 2	2	FRUITLAND COAL	6/30/2009 0:00	1864	0		0
STATE GAS COM 2	2	FRUITLAND COAL	7/31/2009 0:00	1501	0		0
STATE GAS COM 2	2	FRUITLAND COAL	8/31/2009 0:00	2623	48		0
STATE GAS COM 2	2	FRUITLAND COAL	9/30/2009 0:00	2094	36		0
STATE GAS COM 2	2	FRUITLAND COAL	10/31/2009 0:00	2455	60		0
STATE GAS COM 2	2	FRUITLAND COAL	11/30/2009 0:00	2273	78		0
STATE GAS COM 2	2	FRUITLAND COAL	12/31/2009 0:00	2325	12		0
STATE GAS COM 2	2	FRUITLAND COAL	1/31/2010 0:00	2253	78		0
STATE GAS COM 2	2	FRUITLAND COAL	2/28/2010 0:00	2087	0		0
STATE GAS COM 2	2	FRUITLAND COAL	3/31/2010 0:00	2263	48		0
STATE GAS COM 2	2	FRUITLAND COAL	4/30/2010 0:00	2202	48		0
STATE GAS COM 2	2	FRUITLAND COAL	5/31/2010 0:00	2273	48		0
STATE GAS COM 2	2	FRUITLAND COAL	6/30/2010 0:00	2125	81		0
STATE GAS COM 2	2	FRUITLAND COAL	7/31/2010 0:00	2244	48		0
STATE GAS COM 2	2	FRUITLAND COAL	8/31/2010 0:00	2229	48		0
STATE GAS COM 2	2	FRUITLAND COAL	9/30/2010 0:00	2139	24		0
STATE GAS COM 2	2	FRUITLAND COAL	10/31/2010 0:00	2194	72		0
STATE GAS COM 2	2	FRUITLAND COAL	11/30/2010 0:00	2099	24		0
STATE GAS COM 2	2	FRUITLAND COAL	12/31/2010 0:00	2093	36		0
STATE GAS COM 2	2	FRUITLAND COAL	1/31/2011 0:00	2071	60		0
STATE GAS COM 2	2	FRUITLAND COAL	2/28/2011 0:00	1865	24		0
STATE GAS COM 2	2	FRUITLAND COAL	3/31/2011 0:00	1997	78		0
STATE GAS COM 2	2	FRUITLAND COAL	4/30/2011 0:00	2032	36		0
STATE GAS COM 2	2	FRUITLAND COAL	5/31/2011 0:00	2084	72		0
STATE GAS COM 2	2	FRUITLAND COAL	6/30/2011 0:00	2003	24		0
STATE GAS COM 2	2	FRUITLAND COAL	7/31/2011 0:00	2000	30		0
STATE GAS COM 2	2	FRUITLAND COAL	8/31/2011 0:00	2043	42		0
STATE GAS COM 2	2	FRUITLAND COAL	9/30/2011 0:00	1898	18		0
STATE GAS COM 2	2	FRUITLAND COAL	10/31/2011 0:00	1829	0		0
STATE GAS COM 2	2	FRUITLAND COAL	11/30/2011 0:00	1750	0		0
STATE GAS COM 2	2	FRUITLAND COAL	12/31/2011 0:00	1697	0		0
STATE GAS COM 2	2	FRUITLAND COAL	1/31/2012 0:00	2009	66		0
STATE GAS COM 2	2	FRUITLAND COAL	2/29/2012 0:00	1855	72		0
STATE GAS COM 2	2	FRUITLAND COAL	3/31/2012 0:00	1984	0		0
STATE GAS COM 2	2	FRUITLAND COAL	4/30/2012 0:00	1954	36		0
STATE GAS COM 2	2	FRUITLAND COAL	5/31/2012 0:00	1956	48		0
STATE GAS COM 2	2	FRUITLAND COAL	6/30/2012 0:00	1805	24		0
STATE GAS COM 2	2	FRUITLAND COAL	7/31/2012 0:00	1836	24		0
STATE GAS COM 2	2	FRUITLAND COAL	8/31/2012 0:00	1729	6		0
STATE GAS COM 2	2	FRUITLAND COAL	9/30/2012 0:00	1618	18		0
STATE GAS COM 2	2	FRUITLAND COAL	10/31/2012 0:00	1545	48		0
STATE GAS COM 2	2	FRUITLAND COAL	11/30/2012 0:00	1433	66		0

WELL	WELL_NO	RESERVOIR	P_DATE	GAS	WATER	P_COMMENT	OIL
STATE GAS COM 2	2	PICTURED CLIFFS	1/31/2007 0:00	1764.466263	64		0
STATE GAS COM 2	2	PICTURED CLIFFS	2/28/2007 0:00	1639.052314	112		0
STATE GAS COM 2	2	PICTURED CLIFFS	3/31/2007 0:00	1819.472313	64		0
STATE GAS COM 2	2	PICTURED CLIFFS	4/30/2007 0:00	1657.301483	68		0
STATE GAS COM 2	2	PICTURED CLIFFS	5/31/2007 0:00	1737.756683	48		0
STATE GAS COM 2	2	PICTURED CLIFFS	6/30/2007 0:00	1400.248049	160	PUMP CHANGE/TREAT W/ WATER	0
STATE GAS COM 2	2	PICTURED CLIFFS	7/31/2007 0:00	1966.170275	76		0
STATE GAS COM 2	2	PICTURED CLIFFS	8/31/2007 0:00	1808.933723	44		0
STATE GAS COM 2	2	PICTURED CLIFFS	9/30/2007 0:00	1990	46		0
STATE GAS COM 2	2	PICTURED CLIFFS	10/31/2007 0:00	1942	32		0
STATE GAS COM 2	2	PICTURED CLIFFS	11/30/2007 0:00	1961	36		0
STATE GAS COM 2	2	PICTURED CLIFFS	12/31/2007 0:00	2087	48		0
STATE GAS COM 2	2	PICTURED CLIFFS	1/31/2008 0:00	2010	8		0
STATE GAS COM 2	2	PICTURED CLIFFS	2/29/2008 0:00	1789	84		0
STATE GAS COM 2	2	PICTURED CLIFFS	3/31/2008 0:00	2710	72		0
STATE GAS COM 2	2	PICTURED CLIFFS	4/30/2008 0:00	2393	60		0
STATE GAS COM 2	2	PICTURED CLIFFS	5/31/2008 0:00	2554	40		0
STATE GAS COM 2	2	PICTURED CLIFFS	6/30/2008 0:00	1486	16		0
STATE GAS COM 2	2	PICTURED CLIFFS	7/31/2008 0:00	2499	0		0
STATE GAS COM 2	2	PICTURED CLIFFS	8/31/2008 0:00	2778	0	REPLACE COMPRESSOR ENGINE	0
STATE GAS COM 2	2	PICTURED CLIFFS	9/30/2008 0:00	3260	96		0
STATE GAS COM 2	2	PICTURED CLIFFS	10/31/2008 0:00	2990	22		0
STATE GAS COM 2	2	PICTURED CLIFFS	11/30/2008 0:00	3228	32		0
STATE GAS COM 2	2	PICTURED CLIFFS	12/31/2008 0:00	2741	48		0
STATE GAS COM 2	2	PICTURED CLIFFS	1/31/2009 0:00	3287	44		0
STATE GAS COM 2	2	PICTURED CLIFFS	2/28/2009 0:00	3160	32		0
STATE GAS COM 2	2	PICTURED CLIFFS	3/31/2009 0:00	3824	48		0
STATE GAS COM 2	2	PICTURED CLIFFS	4/30/2009 0:00	3926	48		0
STATE GAS COM 2	2	PICTURED CLIFFS	5/31/2009 0:00	3843	0		0
STATE GAS COM 2	2	PICTURED CLIFFS	6/30/2009 0:00	3618	0		0
STATE GAS COM 2	2	PICTURED CLIFFS	7/31/2009 0:00	2913	0		0
STATE GAS COM 2	2	PICTURED CLIFFS	8/31/2009 0:00	5092	32		0
STATE GAS COM 2	2	PICTURED CLIFFS	9/30/2009 0:00	4065	24		0
STATE GAS COM 2	2	PICTURED CLIFFS	10/31/2009 0:00	4766	40		0
STATE GAS COM 2	2	PICTURED CLIFFS	11/30/2009 0:00	4413	52		0
STATE GAS COM 2	2	PICTURED CLIFFS	12/31/2009 0:00	4512	8		0
STATE GAS COM 2	2	PICTURED CLIFFS	1/31/2010 0:00	4374	52		0
STATE GAS COM 2	2	PICTURED CLIFFS	2/28/2010 0:00	4052	0		0
STATE GAS COM 2	2	PICTURED CLIFFS	3/31/2010 0:00	4392	32		0
STATE GAS COM 2	2	PICTURED CLIFFS	4/30/2010 0:00	4275	32		0
STATE GAS COM 2	2	PICTURED CLIFFS	5/31/2010 0:00	4412	32		0
STATE GAS COM 2	2	PICTURED CLIFFS	6/30/2010 0:00	4126	54		0
STATE GAS COM 2	2	PICTURED CLIFFS	7/31/2010 0:00	4355	32		0
STATE GAS COM 2	2	PICTURED CLIFFS	8/31/2010 0:00	4327	32		0
STATE GAS COM 2	2	PICTURED CLIFFS	9/30/2010 0:00	4153	16		0
STATE GAS COM 2	2	PICTURED CLIFFS	10/31/2010 0:00	4260	48		0
STATE GAS COM 2	2	PICTURED CLIFFS	11/30/2010 0:00	4075	16		0
STATE GAS COM 2	2	PICTURED CLIFFS	12/31/2010 0:00	4062	24		0
STATE GAS COM 2	2	PICTURED CLIFFS	1/31/2011 0:00	4019	40		0
STATE GAS COM 2	2	PICTURED CLIFFS	2/28/2011 0:00	3620	16		0
STATE GAS COM 2	2	PICTURED CLIFFS	3/31/2011 0:00	3877	52	REPLACE RECIP COMP W/ SCREW COMP	0
STATE GAS COM 2	2	PICTURED CLIFFS	4/30/2011 0:00	3945	24		0
STATE GAS COM 2	2	PICTURED CLIFFS	5/31/2011 0:00	4046	48		0
STATE GAS COM 2	2	PICTURED CLIFFS	6/30/2011 0:00	3888	16		0
STATE GAS COM 2	2	PICTURED CLIFFS	7/31/2011 0:00	3881	20		0
STATE GAS COM 2	2	PICTURED CLIFFS	8/31/2011 0:00	3966	28		0
STATE GAS COM 2	2	PICTURED CLIFFS	9/30/2011 0:00	3684	12		0
STATE GAS COM 2	2	PICTURED CLIFFS	10/31/2011 0:00	3551	0		0
STATE GAS COM 2	2	PICTURED CLIFFS	11/30/2011 0:00	3396	0		0
STATE GAS COM 2	2	PICTURED CLIFFS	12/31/2011 0:00	3360	0		0
STATE GAS COM 2	2	PICTURED CLIFFS	1/31/2012 0:00	3900	44		0
STATE GAS COM 2	2	PICTURED CLIFFS	2/29/2012 0:00	3601	48		0
STATE GAS COM 2	2	PICTURED CLIFFS	3/31/2012 0:00	3852	0		0
STATE GAS COM 2	2	PICTURED CLIFFS	4/30/2012 0:00	3794	24		0
STATE GAS COM 2	2	PICTURED CLIFFS	5/31/2012 0:00	3796	32		0
STATE GAS COM 2	2	PICTURED CLIFFS	6/30/2012 0:00	3503	16		0
STATE GAS COM 2	2	PICTURED CLIFFS	7/31/2012 0:00	3564	16		0
STATE GAS COM 2	2	PICTURED CLIFFS	8/31/2012 0:00	3356	4		0
STATE GAS COM 2	2	PICTURED CLIFFS	9/30/2012 0:00	3141	12		0
STATE GAS COM 2	2	PICTURED CLIFFS	10/31/2012 0:00	2998	32		0
STATE GAS COM 2	2	PICTURED CLIFFS	11/30/2012 0:00	2782	44		0



382 CR 3100
Aztec, NM 87410

January 21, 2013

Interest Owners

Subject: Notice of Intent to Apply for Downhole Commingling
State Gas Com #3
Unit P, Sec 32, T31N, R12W

XTO Energy Inc is submitting an application to the New Mexico Oil Conservation Division (NMOCD) to downhole commingle production from the Basin Fruitland Coal and the Aztec Pictured Cliffs pools in the State Gas Com #3 gas well. Commingling of these pools will minimize operating costs, add reserves and improve economics of the well.

The proposed allocation percentages for each pool are as follows:

Basin Fruitland Coal	Gas: 34%	Water: 60%	Oil: 0%
Aztec Pictured Cliffs	Gas: 66%	Water: 40%	Oil: 100%

NMOCD requires all interest owners be notified of intent to downhole commingle if ownership is different between zones. If you need additional information or have any questions, I may be contacted at (505) 333-3206. If you have any objections to our application, please contact me within twenty (20) days of the date of this letter.

Sincerely,

A handwritten signature in black ink that reads 'Kristen D. Lynch'.

Kristen D. Lynch
Regulatory Analyst