

Submit One Copy To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 811 S. First St., 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
 Revised November 3, 2011

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

WELL API NO. 30-045-24444
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No. PCID OCT 6 '14 OIL CONSERV. DIV.
7. Lease Name or Unit Agreement Name PAYNE A DIST. 3
8. Well Number #1E
9. OGRID Number 5380
10. Pool name or Wildcat BLANCO MV/OTERO CH/BASIN DK

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 N : 530 feet from the SOUTH line and 2080 feet from the WEST line
 Section 19 Township 29N Range 10W NMPM _____ County SAN JUAN

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
5476' 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

SUBSEQUENT REPORT OF:

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

OTHER:

Location is ready for OCD inspection after P&A

- All pits have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan.
- Rat hole and cellar have been filled and leveled. Cathodic protection holes have been properly abandoned.
- A steel marker at least 4" in diameter and at least 4' above ground level has been set in concrete. It shows the

OPERATOR NAME, LEASE NAME, WELL NUMBER, API NUMBER, QUARTER/QUARTER LOCATION OR UNIT LETTER, SECTION, TOWNSHIP, AND RANGE. ALL INFORMATION HAS BEEN WELDED OR PERMANENTLY STAMPED ON THE MARKER'S SURFACE.

- The location has been leveled as nearly as possible to original ground contour and has been cleared of all junk, trash, flow lines and other production equipment.
- Anchors, dead men, tie downs and risers have been cut off at least two feet below ground level.
- If this is a one-well lease or last remaining well on lease, the battery and pit location(s) have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan. All flow lines, production equipment and junk have been removed from lease and well location.
- All metal bolts and other materials have been removed. Portable bases have been removed. (Poured onsite concrete bases do not have to be removed.)
- All other environmental concerns have been addressed as per OCD rules.
- Pipelines and flow lines have been abandoned in accordance with 19.15.35.10 NMAC. All fluids have been removed from non-retrieved flow lines and pipelines.
- If this is a one-well lease or last remaining well on lease: all electrical service poles and lines have been removed from lease and well location, except for utility's distribution infrastructure.

-SEE ATTACHED LETTER AGREEMENT

When all work has been completed, return this form to the appropriate District office to schedule an inspection.

SIGNATURE Sherry J. Morrow TITLE REGULATORY ANALYST DATE 10/2/2014

TYPE OR PRINT NAME SHERRY J. MORROW E-MAIL: sherry_morrow@xtoenergy.com PHONE: (505) 333-3630

For State Use Only

APPROVED BY: [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 3 DATE 21-OCT-2014
 Conditions of Approval (if any): AV



HAND DELIVERED

June 23, 2014

Samuel James Gingerich and Joanna S. Gingerich
354 Road 4990
Bloomfield, NM 87413

Re: Letter Agreement for Restoration
Payne A #1E
TOWNSHIP 29 North, Range 10 West, NMPM
SECTION 19
SAN JUAN COUNTY, NEW MEXICO

Dear Mr. and Mrs. Gingerich:

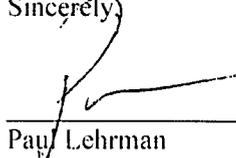
This letter will serve as our agreement for restoration, per our meeting of June 17, 2014.

- XTO will remove all surface equipment, tanks, pits, liners, etc.
- Remove anchors.
- Remove automation equipment as is practical given the rocky nature of the location.
- Leave well site and access road "as is", without removing rock or gravel.
- Leave gravel "mound" on north side of location "as is".
- No reseeding will take place as the road and well pad are all rock.
- Parties hereto agree that nothing will probably grow as there is no top soil to grow any grass or native vegetation.
- Remove aggregate around pit and take to alternate location, unless deemed it more prudent to leave it in place.
- Build up roadway around landowner's pond with appropriate aggregate to prevent landowner's vehicles from sinking into ground. Agreed to at meeting on 6-17.

This letter agreement serves as our agreement for restoration of the existing Payne A #1E well site and access road and conforms will any applicable laws and regulations in effect as of the day of this agreement.

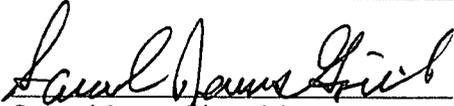
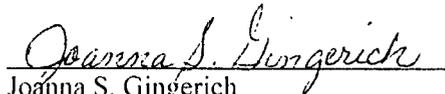
Samuel James Gingerich et ux
June 23, 2014
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Sincerely,



Paul Lehrman
Sr. Land Surface Coordinator

Agreed to and accepted this 24th day of June, 2014.


Samuel James Gingerich
Joanna S. Gingerich