

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

May 27, 2004

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

WELL API NO. 30-045-30352
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: FEDERAL E
8. Well Number #1E
9. OGRID Number 167067
10. Pool name or Wildcat Basin Dakota

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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	7. Lease Name or Unit Agreement Name: FEDERAL E
2. Name of Operator XTO Energy Inc.	8. Well Number #1E
3. Address of Operator 2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401	9. OGRID Number 167067
4. Well Location Unit Letter O : 1285 feet from the SOUTH line and 1900 feet from the EAST line Section 17 Township 28N Range 10W NMPM County SAN JUAN	10. Pool name or Wildcat Basin Dakota
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5926' GR	
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/> 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 COMPLETION ☐
OTHER: **DOWNHOLE COMMINGLE** ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND 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 an exception to NMOC rule 303A to permit DHC of production from the Basin Dakota pool (71599) and the Otero Chacra pool (82329). XTO proposes to DHC the two pools upon completion of the well. Proposed allocations are based on a 9-section EUR & recommended allocations are:

Basin Dakota: Gas 38.7% Water 52.2% Oil 100%
Otero Chacra: Gas 61.3% Water 47.8% Oil 0%

Ownership in pools is common & notification was not necessary. DHC will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights. An application for DHC was submitted to ELM on 8/17/06. **DHC 2383 A2**

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

SIGNATURE *Lorri D. Bingham* TITLE REGULATORY COMPLIANCE TECH DATE 8/17/2006
Type or print name **LORRI D. BINGHAM** E-mail address: lorri_bingham@xtoenergy.com
Telephone No. **505-324-1090**

For State Use Only

APPROVED BY *[Signature]* TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 8 DATE AUG 21 2006
Conditions of Approval, if any:

Well:	FEDERAL E	No.:	001E
Operator:	XTO ENERGY, INC.	API:	3004530352
Township:	28.0N	Range:	10W
Section:	17	Unit:	O
Land Type:	F	County:	San Juan
		True Vertic	6976

Year:	2001
Pool Name:	BASIN DAKOTA (PRORATED GAS)
Month	Oil(BBLS) Gas(MCF) Water(BBL Days Prod Accum. Oil Accum. Gas(MCF)
January	0 0 0 0 0 0
February	0 0 0 0 0 0
March	0 0 0 0 0 0
April	0 0 0 0 0 0
May	3 350 486 29 3 350
June	0 435 400 29 3 785
July	12 1988 467 31 15 2773
August	20 2671 265 31 35 5444
September	17 3229 313 30 52 8673
October	30 3539 358 31 82 12212
November	12 2346 276 30 94 14558
December	25 3219 279 31 119 17777
Total	119 17777 2844 242

Year:	2002
Pool Name:	BASIN DAKOTA (PRORATED GAS)
Month	Oil(BBLS) Gas(MCF) Water(BBL Days Prod Accum. Oil Accum. Gas(MCF)
January	11 1607 220 30 130 19384
February	7 2032 230 28 137 21416
March	22 2815 172 31 159 24231
April	14 2061 86 30 173 26292
May	12 2206 215 23 185 28498
June	19 2799 169 30 204 31297
July	25 3307 133 31 229 34604
August	8 2069 85 31 237 36673
September	13 2098 112 30 250 38771
October	27 2505 0 31 277 41276
November	29 2680 97 30 306 43956
December	13 2961 47 31 319 46917
Total	200 29140 1566 356

Year: 2003

Pool Name: BASIN DAKOTA (PRORATED GAS)

Month	Oil(BBLS)	Gas(MCF)	Water(BBL)	Days Prod	Accum. Oil	Accum. Gas(MCF)
January	17	2611	47	31	336	49528
February	15	3170	0	27	351	52698
March	25	5364	93	30	376	58062
April	18	3359	152	19	394	61421
May	15	3810	0	24	409	65231
June	13	4539	93	30	422	69770
July	17	3396	93	31	439	73166
August	13	3897	93	31	452	77063
September	10	3411	77	30	462	80474
October	12	2290	0	31	474	82764
November	13	3177	80	30	487	85941
December	1	3584	80	31	488	89525
Total	169	42608	808	345		

Year: 2004

Pool Name: BASIN DAKOTA (PRORATED GAS)

Month	Oil(BBLS)	Gas(MCF)	Water(BBL)	Days Prod	Accum. Oil	Accum. Gas(MCF)
January	21	3303	0	31	509	92828
February	25	2590	80	29	534	95418
March	6	2947	80	30	540	98365
April	5	3326	80	30	545	101691
May	5	2965	0	30	550	104656
June	9	2847	80	30	559	107503
July	6	3079	0	31	565	110582
August	9	2964	80	31	574	113546
September	6	2600	0	28	580	116146
October	9	2423	0	30	589	118569
November	5	2487	80	30	594	121056
December	6	2278	80	26	600	123334
Total	112	33809	560	356		

Year: 2005

Pool Name: BASIN DAKOTA (PRORATED GAS)

Month	Oil(BBLS)	Gas(MCF)	Water(BBL)	Days Prod	Accum. Oil	Accum. Gas(MCF)
January	9	2308	0	29	609	125642
February	9	2265	30	28	618	127907
March	10	2439	80	31	628	130346
April	6	2241	0	29	634	132587
May	7	2749	80	31	641	135336
June	10	2891	80	30	651	138227
July	4	3078	80	31	655	141305
August	6	2855	80	31	661	144160
September	8	3016	0	30	669	147176
October	4	2694	160	31	673	149870
November	9	2177	0	30	682	152047
December	0	1636	0	31	682	153683
Total	82	30349	590	362		

Year: 2006

Pool Name: BASIN DAKOTA (PRORATED GAS)

Month	Oil(BBLS)	Gas(MCF)	Water(BBL)	Days Prod	Accum. Oil	Accum. Gas(MCF)
January	6	1932	120	31	688	155615
February	0	0	0	0	688	155615
March	0	0	0	0	688	155615
April	0	0	0	0	688	155615
May	0	0	0	0	688	155615
June	0	0	0	0	688	155615
July	0	0	0	0	688	155615
August	0	0	0	0	688	155615
September	0	0	0	0	688	155615
October	0	0	0	0	688	155615
November	0	0	0	0	688	155615
December	0	0	0	0	688	155615
Total	6	1932	120	31		

Pool Name: OTERO CHACRA (GAS)

Month	Oil(BBLS)	Gas(MCF)	Water(BBL)	Days Prod	Accum. Oil	Accum. Gas(MCF)
January	0	0	0	0	688	155615
February	8	2654	80	28	696	158269
March	0	6570	180	31	696	164839
April	0	3566	8	30	696	168405
May	0	3065	110	31	696	171470
June	0	0	0	0	696	171470
July	0	0	0	0	696	171470
August	0	0	0	0	696	171470
September	0	0	0	0	696	171470
October	0	0	0	0	696	171470
November	0	0	0	0	696	171470
December	0	0	0	0	696	171470
Total	8	15855	378	120		

Allocation based on January 2006 for Dakota and May 2006 for Chacra

	Gas	Water	Oil
DK	38.70%	52.20%	100%
CH	61.30%	47.80%	