Submit 3 Copies To Appropriate District State of New Mexico Form C-103 Office Energy, Minerals and Natural Resources May 27, 2004 District I WELL API NO 1625 N. French Dr., Hobbs, NM 87240 District II 30-039-29788 OIL CONSERVATION DIVISION 1301 W. Grand Ave., Artesia, NM 88210 Indicate Type of Lease 1220 South St. Francis Dr. District III STATE 1000 Rio Brazos Rd., Aztec, NM 87410 Santa Fe, NM 87505 District IV State Oil & Gas Lease No. 1220 S. St. Francis Dr., Santa Fe, NM 87505 SUNDRY NOTICES AND REPORTS ON WELLS Z Lease Name or Unit Agreement Name: (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A 🖫 JICARILLA APACHE DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) 8. Well Number 1. Type of Well: Oil Well Gas Well X Other 13F 2. Name of Operator 9. OGRID Number XTO Energy Inc. 5380 3. Address of Operator 10. Pool name or Wildcat 2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401 BASIN DAKOTA / BLANCO MESAVERDE 4. Well Location 26001 SOUTH Unit Letter feet from the line and 1940' feet from the Township 26N Range 05W **NMPM** County SAN JITAN 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6593' GR 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: _ Below-Grade Tank: Volume _____bbls; Construction Material _ 12. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: PERFORM REMEDIAL WORK PLUG AND ABANDON REMEDIAL WORK ALTERING CASING TEMPORARILY ABANDON CHANGE PLANS COMMENCE DRILLING OPNS. PLUG AND **ABANDONMENT** PULL OR ALTER CASING **MULTIPLE** CASING TEST AND COMPLETION **CEMENT JOB** OTHER: DOWNHOLE COMMINGLING \mathbf{x} 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 requests an exception to NMOCD rule 303A to permit DHC of production from the Basin Dakota pool (71599) and the Blanco Mesaverde pool (72319). 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 72% Oil 55% Water 53% Blanco Mesaverde Gas 28% Oil 45% Water 47% 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 BLM on 2/14/2007 I hereby certify that the information above in true and complete to the best of my knowledge and belief. I further certify that any pit or belowgrade tank has been will be for structed or closed according to NMOCD guidelines _____, a general permit ____or an (attached) alternative OCD-approved plan ____ TITLE REGULATORY COMPLIANCE TECH DATE E-mail address: Regulatory@xtoenergy.com Type or print name HOLLY C. PERKINS Telephone No. 505-324-1090 For State Use Only **SEPUTY OIL & GAS INSPECTOR, 0157, 61** FEB 1 6 2007 APPROVED BY TITLE DATE

Conditions of Approval, if any: