

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. 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. 30-045-32661
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 M
8. Well Number #2
9. OGRID Number 5380
10. Pool name or Wildcat BASIN FC / AZTEC 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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	7. Lease Name or Unit Agreement Name: STATE GAS COM M
2. Name of Operator XTO Energy Inc.	8. Well Number #2
3. Address of Operator 2700 Farmington Ave., Bldg. K, Ste 1 Farmington, NM 87401	9. OGRID Number 5380
4. Well Location Unit Letter I ; 1335 feet from the SOUTH line and 1220 feet from the EAST line Section 16 Township 31N Range 12W NMPM County SAN JUAN	10. Pool name or Wildcat BASIN FC / AZTEC FC
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6100' 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: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐

OTHER: **DHC ALLOCATIONS** ☒

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. previously received permission to downhole the Fruitland Coal (71629) and the Pictured Cliffs (71280) pools in this well under DHC order #DHC1875AZ. Please see the attachments for allocation details for this well.

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 Holly C. Perkins TITLE REGULATORY COMPLIANCE TECH DATE 5/29/07
E-mail address: holly_perkins@xtoenergy.com
Type or print name HOLLY C. PERKINS Telephone No. 505-324-1090

For State Use Only

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE JUN 06 2007
Conditions of Approval, if any:

State Gas Com N #2

The gas DHC allocation percentages were determined by individual zone well tests. The Picture Cliff (PC) formation ending average test rate was 83 MCFD prior to recompletion to the Fruitland Coal (FC). The ending average test rate for the FC formation was 193 MCFD (Please see attached graphs). Based on these ending test rates, we calculated the gas allocation percentages of 30% for the PC and 70% for the FC. No oil was produced from either zone during the production tests, but if any is produced, 100% will be allocated to the PC. Water allocation will be 33% to the PC and 67% to the FC based the same well test.

Pool	Oil	Water	Gas
FC	0%	67%	70%
PC	100%	33%	30%