

Submit 3 Copies To Appropriate District Office  
District I  
1625 N. French Dr., Hobbs, NM 88240  
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

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

Form C-103  
Revised May 08, 2003

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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.)		WELL API NO. 30-045-31692
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator XTO Energy Inc.		6. State Oil & Gas Lease No. NMSF 077384
3. Address of Operator 2700 Farmington Ave., Bldg K, Ste. 1, Farmington, NM 87401		7. Lease Name or Unit Agreement Name Kutz J Federal
4. Well Location Unit Letter <u>H</u> : 2,095 feet from the <u>North</u> line and <u>785</u> feet from the <u>East</u> line Section <u>6</u> Township <u>27N</u> Range <u>10W</u> NMPM County <u>San Juan</u>		8. Well Number 3
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5,838' GR		9. OGRID Number 167067
		10. Pool name or Wildcat Basin Dakota/Kutz Gallup

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 is requesting permission to downhole commingle this well. It is located in the pre-approved pool area established by Division Order R-11363. The pools to be commingled are the Basin Dakota (71599) and the Kutz-Gallup (36550). The perforated interval for the Basin Dakota is 6,120' - 6,450' and the Kutz-Gallup is 5,272' - 6,062'. The attached spreadsheet shows the allocation method that will be used. This is based on estimated ultimate gas production and cumulative oil production in a nine section area surrounding this well. Water is being allocated the same as oil. Commingling of these zones will not reduce the value of the total remaining production. All interest owners have been notified in writing by certified mail (return receipt) of this project. This application has also been sent to the BLM for approval since it is a Federal Lease.

DHC 1307 AZ

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Darrin Steed TITLE Regulatory Supervisor DATE 9/15/2003

Type or print name Darrin Steed Telephone No. (505) 324-1090

(This space for State use)

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 88 DATE SEP 17 2003  
Conditions of approval, if any:

Kutz J Federal #3 NE/4 Section 6, T-27-N R-10-W								
Lease	Well #	Sec	Twp	Rng	Gallup		Dakota	
					EUR MMCF	CUM MBO	EUR MMCF	CUM MBO
E.H. Pipkin	6E	36	28N	11W			2,182	10.0
E.H. Pipkin	5	36	28N	11W			2,713	36.0
E.H. Pipkin	5E	36	28N	11W			873	5.0
E.H. Pipkin	6	36	28N	11W			2,776	31.0
Knauff B	1	31	28N	10W			1,733	19.0
Knauff B	1E	31	28N	10W			350	4.0
Martin Gas Com B	1	31	28N	10W			3,868	36.0
Martin Gas Com B	1E	31	28N	10W			1,029	6.0
MN Galt J	2	6	27N	10W			1,091	9.0
Kutz J Fed	2	6	27N	11W			1,820	18.0
E.H. Pipkin	10E	1	27N	11W			299	3.0
E.H. Pipkin	10	1	27N	11W			2,207	21.0
E.H. Pipkin	8X	1	27N	11W			551	7.0
E.H. Pipkin	8E	1	27N	11W			109	0.0
E.H. Pipkin	12E	12	27N	11W			861	10.0
E.H. Pipkin	12	12	27N	11W			2,673	28.0
E.H. Pipkin	11	12	27N	11W			487	3.0
E.H. Pipkin	11E	12	27N	11W			1,005	6.0
E.H. Pipkin	26	12	27N	11W	332	14		
Pipkin Gas Com A	1E	7	27N	10W			851	8.0
Pipkin Gas Com A	1	7	27N	10W			1,483	10.0
PO Pipkin	5	7	27N	10W			1,138	12.0
PO Pipkin	5E	7	27N	10W			234	1.0
CA McAdams C	1	5	27N	10W			2,507	35
CA McAdams C	1E	5	27N	10W			1,348	11
CA McAdams C	2	5	27N	10W			2,811	22
CA McAdams C	2E	5	27N	10W			1,106	10
PO Pipkin	1	8	27N	10W			2,355	25
PO Pipkin	1E	8	27N	10W			1,149	7
PO Pipkin	2	8	27N	10W			1,258	12
PO Pipkin	2E	8	27N	10W			1,448	7
Fred Feasel L	1	32	27N	10W			5,260	47
Fred Feasel L	1E	32	27N	10W			1,479	6
Federal A	1	32	27N	10W	158	7	5,069	43
Federal A	1E	32	27N	10W			699	3
<b>Totals</b>					<b>490</b>	<b>21</b>	<b>56,822</b>	<b>511</b>
<b>Average</b>					<b>245</b>	<b>11</b>	<b>1,671</b>	<b>15</b>

Proposed Allocations

	Gas %	Oil %	Wtr%
Gallup	13%	41%	41%
Dakota	87%	59%	59%