

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

Form C-103  
Revised May 08, 2003

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

70-045-31691

Indicate Type of Lease

STATE ☐ FEE ☐

State Oil & Gas Lease No.

NMSF 077384

7. Lease Name or Unit Agreement Name

M.N. Galt J

8. Well Number

# 3

9. OGRID Number

167067

10. Pool name or Wildcat

Basin Dakota/Kutz Gallup

SUNDRY NOTICES AND REPORTS ON WELLS  
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK 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

2700 Farmington Ave., Bldg K, Ste. 1, Farmington, NM 87401

4. Well Location

Unit Letter F; 1880 feet from the NORTH line and 2030 feet from the WEST line

Section 6 Township 27N Range 10W NMPM County San Juan

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

5781' 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 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.

*OH C 1315A2*

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

SIGNATURE Loren W Fothergill TITLE OPERATIONS ENGINEER DATE 9/19/03

Type or print name LOREN FOTHERGILL

Telephone No. (505) 324-1090

(This space for State use)

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 13

Conditions of approval, if any:

DATE

*SEP 23 2003*

MN Galt.J #3 NW/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>

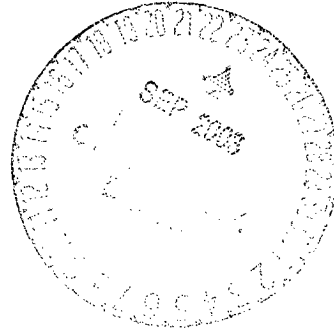
Proposed Allocations

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



September 19, 2003

Mr. Frank Chavez  
New Mexico Oil Conservation Division  
1000 Rio Brazos Rd.  
Aztec, New Mexico 87410



30-045-31691

RE: Administrative approval to Downhole Commingle  
MN Galt J #3  
1,880' FNL & 2,030' FWL Unit F, Sec. 6, T 27 N, R 10 W  
San Juan County, New Mexico

Dear Mr. Chavez:

XTO Energy Inc. respectfully request approval to downhole commingle production from the Basin Dakota and Kutz Gallup pools in the MN Galt J #3. Attached for your reference are the following exhibits:

1. Sundry Notice (NMOCD From C-103)
2. Production data for the Basin Dakota and Kutz Gallup pools in a 9 section area and the allocation formula.

The MN Galt J #3 is in the process of being drilled by XTO Energy, Inc as a Basin Dakota / Kutz Gallup well. It is proposed to downhole commingle both zones during completion.

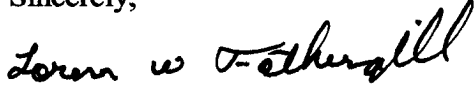
Based upon the average production for the last year for Kutz Gallup and the Basin Dakota formation, in the 9 section area, the following allocations were determined:

Basin Dakota (71599)	Oil 59 %	Water 59%	Gas 87 %
Kutz Gallup (36650)	Oil 41 %	Water 41 %	Gas 13%

The working and royalty interest are not the same for the Gallup and Dakota formations. The interest owners have been notified and no objection were received within the 20 day limit. Commingling both zones will not reduce the ultimate recovery of either pool. Downhole commingling will improve recovery of liquids, eliminating redundant surface equipment and maximize compressor efficiency. Attached is BLM approval on Form 3160-5 concerning this matter.

XTO Energy Inc. request your Administrative Approval to downhole commingle the Gallup and Dakota pools based upon the above information. Should you need any additional information please contact me at (505) 324 1090.

Sincerely,

A handwritten signature in black ink, appearing to read "Loren W. Fothergill". The signature is fluid and cursive, with the first name "Loren" being more prominent.

Loren W. Fothergill  
Production Engineer

Enclosures

Cc: GLM

LWF

George Cox – FTW Land  
Well File