

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. 30-039-29697
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. NMM-14922
7. Lease Name or Unit Agreement Name: VALENCIA CANYON UNIT
8. Well Number 45C
9. OGRID Number 5380
10. Pool name or Wildcat BASIN FC / S BLANCO PC

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
2. Name of Operator XTO Energy Inc.
3. Address of Operator 382 CR 3100 AZTEC, NM 87410 505-333-3100
4. Well Location Unit Letter O : 1200 feet from the SOUTH line and 1925 feet from the EAST line Section 34 Township 28N Range 04W NMPM County RIO ARriba
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 7197' 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: ☐  
RCVD OCT 11 '07  
OIL CONS. DIV.  
DIST. 3

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. proposes to downhole commingle production from the Basin Fruitland Coal (71629) and the ~~Basin~~ Pictured Cliffs (7436) upon completion of the well. Allocations for pools is based upon stabilized daily gas & water rates. No oil has been produced from either zone but if any is produced it will share the same allocation as gas: PC: Oil 63.16% Water 71.43% Gas 63.16% FC: Oil 36.84% Water 28.57% Gas 36.84% Ownership is diverse between pools & owners were notified on 10/8/2007 via certified, return-receipt US mail. DHC will offer an economical method of production while guarding against reservoir damage, waste of reserves & protection of correlative rights. The ~~NMOC~~ was notified of our intent to DHC via submittal of Form 3160-5 on 10/8/2007.

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 10/8/2007  
E-mail address: holly\_perkins@xtoenergy.com  
Type or print name HOLLY C. PERKINS Telephone No. 505-333-3100

For State Use Only

APPROVED BY [Signature] TITLE Deputy Oil & Gas Inspector, District #3 DATE OCT 25 2007  
Conditions of Approval, if any: