

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. 30-045-31623
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. NMSF081239
7. Lease Name or Unit Agreement Name CHRISMAN GAS COM
8. Well Number #3
9. OGRID Number 167067
10. Pool name or Wildcat BLANCO MV / BASIN DK

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 2700 Farmington Ave., Bldg K, Suite 1, Farmington, NM 87401	
4. Well Location Unit Letter <u>F</u> : <u>1750</u> feet from the <u>NORTH</u> line and <u>2015</u> feet from the <u>WEST</u> line Section <u>11</u> Township <u>30N</u> Range <u>12W</u> NMPM County <u>SAN JUAN</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5911' GR	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data	
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>
OTHER: DOWNHOLE COMMINGLE <input checked="" type="checkbox"/>	OTHER: <input type="checkbox"/>

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. requests an exception to Rule 303A to downhole commingle (DHC) production from the Blanco Mesaverde (72319) and the Basin Dakota (71599) pools. Division Order R-11363 established these pools as pre-approved pool combinations for DHC in the San Juan Basin. This well is a new drill well which we want to DHC on initial completion. The DK perms are est fr/6600' - 7000'. The MV perms are est fr/3700' - 4700'. See the attached sheet for the production allocation method. DHC will not reduce the value of the total remaining prod. We expect DHC to increase recovery due to a lower economic prod limit for each pool resulting from the combined prod. Ownership is not identical in the proration units for both pools. All interest owners have been notified in writing of our plans. Notification letters were sent by certified mail, return receipt requested, on September 17, 2003. It has been more than twenty days since the notices were mailed and XTO Energy Inc. has not received any objections to the application to DHC. The well is located on a Federal Lease (SF-081139). This application was also filed with the BLM Farmington Field Office for approval. There is no State Lands ownership in this well.

DHC 1318A2

Proposed Allocation Percentages

Pool	Oil	Water	Gas
Basin Dakota	42.9%	97.1%	34.3%
Blanco Mesaverde	57.1%	2.9%	65.7%
Total	100%	100%	100%

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 10/14/03
Type or print name Darrin Steed Telephone No. (505) 324-1090
(This space for State use) DEPUTY OIL & GAS INSPECTOR, DIST. 13

APPROVED BY [Signature] TITLE _____ DATE OCT 15 2003
Conditions of approval, if any:

Attachment
C-103 NOI Sundry to DHC
Chrisman Gas Com #3
Sec 11F, T30N, R12W
API #30-045-31625

The proposed gas, oil and water production allocation percentages are based on individual pool production from an offset well. This well is the Little Sinker #1M located in Unit Letter A, Section 11, T30N, R12W approximately 2,600' east of the Chrisman Gas Com #3. XTO Energy Inc. finished drilling the Little Stinker #1M in November 2001. It was initially completed in the Basin Dakota pool in January 2002. It produced from the Dakota pool from January 20002 to March 2002 at which time it was recompleted to the Blanco Mesaverde pool. It produced from the Mesaverde pool from March 2002 until July 2002 at which time the Dakota and Mesaverde were downhole commingled. The gas production rates from the Little Sinker #1M used in the calculation of the proposed allocation percentages are the 7 day average rates from each pool 4 weeks after first delivery of gas sales in that pool. The oil and water rates used are stabilized average rates at approximately the same time. These are the same rates and production allocation percentages approved for the Little Stinker #1M DHC application. See the allocation table below.

Proposed Allocation Percentages:

Pool	Oil	Water	Gas
Basin Dakota	42.9%	97.1%	34.3%
Blanco Mesaverde	57.1%	2.9%	65.7%
Total	100%	100%	100%

7 day average production rates used in calculation of the allocation percentages:

Pool	BOPD	BWPD	MCFD
Basin Dakota	1.5	33.0	236
Blanco Mesaverde	2.0	1.0	453
Total	3.5	34.0	689