

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

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

Form C-103
May 27, 2004

WELL API NO. 30-045-25246
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. RCOD MAR 20 '08

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: SHIPP GAS COO OIL CONS. DIV.
2. Name of Operator XTO Energy Inc.	8. Well Number #1E DIST. 3
3. Address of Operator 382 CR 3100 Aztec, NM 87410	9. OGRID Number 5380
4. Well Location Unit Letter <u>A</u> : <u>790</u> feet from the <u>NORTH</u> line and <u>1040</u> feet from the <u>EAST</u> line Section <u>1</u> Township <u>27N</u> Range <u>13W</u> NMPM County <u>SAN JUAN</u>	10. Pool name or Wildcat W. KUTZ PC/BASIN FC
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <u>5791'</u>	
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:		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.

DHC 2832 AZ

XTO requests exception to NMOCD rule 303A to permit DHC production from the PC (79680) & the FC (71629).

The allocations have been based upon production (see attachment) and are allocated as follows:

Fruitland Coal Gas: 70% Water: 33% Oil: 0%

Pictured Cliffs Gas: 30% Water: 67% Oil: 100%

Ownership in pools is diverse & notification was made to owners by certified mail, return receipt on 2/20/08. DHC will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights. An application for DHC was submitted to BLM on 3/19/08.

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 NMOCD guidelines ☐ , a general permit ☐ or an (attached) alternative OCD-approved plan ☐

SIGNATURE *Lorri D. Bingham* TITLE REGULATORY COMPLIANCE TECH DATE 3/19/08
E-mail address: Lorri_bingham@xtoenergy.com
Type or print name LORRI D. BINGHAM Telephone No. 505-333-3100

For State Use Only

APPROVED BY *[Signature]* TITLE Deputy Oil & Gas Inspector, District #3 DATE MAR 28 2008
Conditions of Approval, if any: