

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

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.)		WELL API NO. 30-045-24955
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 checked="" type="checkbox"/>
2. Name of Operator XTO Energy Inc.		6. State Oil & Gas Lease No.
3. Address of Operator 382 CR 3100 AZTEC, NM 87410		7. Lease Name or Unit Agreement Name: ABRAMS GAS COM G
4. Well Location Unit Letter <u>I</u> : <u>1820</u> feet from the <u>SOUTH</u> line and <u>900</u> feet from the <u>EAST</u> line Section <u>30</u> Township <u>29N</u> Range <u>10W</u> NMPM County <u>SAN JUAN</u>		8. Well Number #1
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5524'		9. OGRID Number 5380
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 _____		10. Pool name or Wildcat OTERO CH/ W <u>Aztec</u>

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"/>	RCVD MAR 27 '08 OIL CONS. DIV. DIST. 3
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.

Aztec
XTO Energy proposes to DHC production from the Otero Chacra (82329) & the ~~OTERO~~ PC (71280) upon approval of this application. Both pools are in the NMOC pre-approved pool combinations for DHC in the SJ Basin. Please see the attachments for allocation justification calculated as follows:
CH: Oil: 100% Water: 15% Gas: 35% PC: Oil: 0% Water: 85% Gas: 65%
Ownership is diverse & owners were notified via certified, return-receipt mail on 3/6/2008. DHC will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights.

DHC 2839AZ

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 Lorri D. Bingham TITLE REGULATORY COMPLIANCE TECH DATE 3/26/08
Type or print name LORRI D. BINGHAM E-mail address: Lorri_bingham@xtoenergy.com Telephone No. 505-333-3204

For State Use Only

APPROVED BY [Signature] TITLE Deputy Oil & Gas Inspector, District #3 DATE APR 02 2008
Conditions of Approval, if any: [Signature]



382 CR 3100
Building A-2
Aztec, NM 87410

March 6, 2008

Interest Owners

Subject: Notice of Intent to Apply for Downhole Commingling
Abrams Gas Com G#1
Unit I, Sec 30, 29N, R10W

XTO Energy Inc is submitting an application to the New Mexico Oil Conservation Division (NMOCD) to downhole commingle production from the Otero Chacra and the West Kutz Pictured Cliffs pools in the Abrams Gas Com G #1. The Proposed gas production allocation percentages are based on remaining reserves estimated from production decline calculation. The water production allocations percentages are based on average production rates. Neither zone has reported oil production. In the event any oil is produced it will be allocated 100% to the Chacra. Production plots are attached for reference. The well is dually completed in the Pictured Cliffs & Chacra with gas production being surface commingled. The Chacra zone began loading and production quickly dropped and is now unable to effectively run a plunger under the packer. XTO proposes to pull the dual production tubing and fish out the production packer. A single tubing string will be re-ran and both zones returned to production downhole commingled. Commingling of these pools will minimize operating costs associated with annual packer tests, add reserves and improve economics of the well.

Average oil and water production rates & calculated remaining gas:

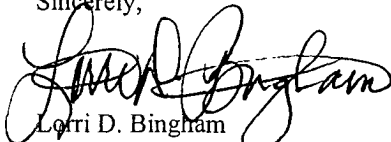
<u>Pool</u>	<u>Gas</u>	<u>Water</u>	<u>Oil</u>
Otero Chacra	168 MMCF	100 bbl/year	0 bbl
West Kutz Pictured Cliffs	302 MMCF	573 bbl/year	0 bbl

The proposed allocation percentages for each pool are as follows:

Otero Chacra	Gas: 35%	Water: 15%	Oil: 100%
West Kutz Pictured Cliffs	Gas: 65%	Water: 85%	Oil: 0%

NMOCD requires all interest owners be notified of intent to downhole commingle if ownership is different between zones. If you need additional information or have any questions, I may be contacted at (505) 333-3100. If you have any objections to our application, please contact me within twenty (20) days of the date of this letter.

Sincerely,


Lorri D. Bingham
Regulatory Compliance Tech

xc: well file

Abrams Gas Com G #1

The Proposed gas production allocation percentages are based on remaining reserves estimated from production decline calculation. The water production allocations percentages are based on average production rates. Neither zone has reported oil production. In the event any oil is produced it will be allocated 100% to the Chacra. Estimated gross gas reserves for the Chacra and Pictured Cliffs are 168 MMCF and 302 MMCF respectively. Production plots are attached for reference.

Average oil and water production rates & calculated remaining gas:

<u>Pool</u>	<u>Gas</u>	<u>Water</u>	<u>Oil</u>
Otero Chacra	168 MMCF	100 bbl/year	0 bbl
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