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. 30-045-34291

5. Indicate Type of Lease STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

RCVD APR 29 '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.)

7. Lease Name or Unit Agreement Name: RUBY JONES

OIL CONS. DIV.

1. Type of Well: Oil Well ☐ Gas Well ☒ Other

8. Well Number #1E

DIST. 3

2. Name of Operator: XTO Energy Inc.

9. OGRID Number: 5380

3. Address of Operator: 382 CR 3100 AZTEC, NM 87410

10. Pool name or Wildcat: BASIN DAKOTA/BLANCO MESAVERDE

4. Well Location

Unit Letter P : 975 feet from the SOUTH line and 820 feet from the EAST line

Section 7 Township 30N Range 11W NMPM County SAN JUAN

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)* 5595'

Pit or Below-grade Tank Application ☐ or Closure ☐

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	☐	PLUG AND ABANDON	☐	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☐	COMMENCE DRILLING OPNS.	☐	PLUG AND ABANDONMENT	☐
PULL OR ALTER CASING	☐	MULTIPLE COMPLETION	☐	CASING TEST AND CEMENT JOB	☐		
OTHER: DOWNHOLE COMMINGLE	☒			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.

DHC 2875 AZ

XTO Energy Inc. proposes to downhole commingle the Basin Dakota (71599) and the Blanco Mesaverde (72319) upon completion of drilling. Allocations for pools is based upon Dakota & Mesaverde all production from all wells in T30N-R11W. Supporting documentation is attached.

Basin Dakota:	Oil: 73%	Gas: 54%	Water: 81%
Blanco Mesaverde:	Oil: 27%	Gas: 46%	Water: 19%

Ownership is diverse & owners were notified via CRR on 3/14/08. Downhole commingling will offer an economical method of production while guarding against reservoir damage, waste of reserves & protection of correlative rights. Since well is on private land, no notice was given to BLM.

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 _____ TITLE REGULATORY COMPLIANCE TECH DATE 4/28/08

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 _____ TITLE Deputy Oil & Gas Inspector, District #3 DATE APR 30 2008

Conditions of Approval, if any:

Ruby Jones #1E
Allocation Percentages

All wells in T30N R11W which are single zone Dakota or Mesaverde completions were used to calculate the average ultimate recovery of oil, water and gas from each zone. These averages were then used to derive the percentage of production coming from the Dakota and the Mesaverde when commingled.

Proposed Allocation Percentages:

Pool	Oil	Water	Gas
Mesaverde	27%	19%	46%
Dakota	73%	81%	54%

Basin Dakota Pool (Per well avg. est. ultimate gas, oil and water recovery prod.)

BO	BW	MCF
6,401	51,579	1,421,268

Blanco Mesaverde Pool (Per well avg. est. ultimate gas, oil and water recovery prod.)

BO	BW	MCF
2,381	12,129	1,203,457