

June 19, 2008

Office
1211
25 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

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

WELL API NO. 30-045-32314
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. NMSF0078841A
7. Lease Name or Unit Agreement Name: HAMPTON
8. Well Number #2
9. OGRID Number 5380
10. Pool name or Wildcat BLANCO MESAVERDE/BASIN DAKOTA

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: HAMPTON
2. Name of Operator XTO Energy Inc.	8. Well Number #2
3. Address of Operator 382 CR 3100 AZTEC, NM 87410	9. OGRID Number 5380
4. Well Location Unit Letter A : 805 feet from the North line and 660 feet from the East line Section 10 Township 30N Range 11W NMPM NMPM County SAN JUAN	10. Pool name or Wildcat BLANCO MESAVERDE/BASIN DAKOTA
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5789' GR	

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 COMPL ☐
DOWNHOLE COMMINGLE ☐

OTHER: **DOWNHOLE COMMINGLE** ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

REC'D OCT 9 '08

OIL CONS. DIV.

DIST. 3 ☐

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.

XTO Energy proposes to downhole commingle production from the Blanco MV (72319) & the Basin DK (71599) upon approval of this application. Both pools are in the NMOC pre-approved pool combinations for DHC in the SJ Basin. Allocations are based on average production & are calculated as follows:

MV: Gas: 79.6% Water: 4.3% Oil: 96.2% DK: Gas: 20.4% Water: 95.7% Oil: 3.8%

Ownership is diverse & owners were notified via certified, return-receipt mail on 8/22/08. DHC will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights. The BLM was notified of our intent to DHC via Form 3160-5 on 10/8/08.

DHC 2942A2

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE  TITLE REGULATORY COMPLIANCE TECH DATE 10/8/08

Type or print name LORRI D. BINGHAM E-mail address: Lorri_bingham@xtoenergy.com PHONE 505-333-3100

For State Use Only

APPROVED BY  TITLE Deputy Oil & Gas Inspector, DATE OCT 24 2008

Conditions of Approval (if any):