

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

Form C-103
June 19, 2008

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

WELL API NO. 30-045-28836
5. Indicate Type of Lease STATE ☐ FEE ☐
6. State Oil & Gas Lease No. NMSF 078896
7. Lease Name or Unit Agreement Name: FEDERAL 33
8. Well Number #42
9. OGRID Number 5380
10. Pool name or Wildcat WEST KUTZ PC/BASIN FRUITLAND COAL
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6252' GR

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 ☐ Gas Well ☒ Other
2. Name of Operator XTO Energy Inc.
3. Address of Operator 382 CR 3100 AZTEC, NM 87410
4. Well Location Unit Letter H : 1739 feet from the NORTH line and 1021 feet from the EAST line Section 33 Township 27N Range 11W NMPM NMPM County SAN JUAN
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6252' 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: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐
RCVD JUN 1 '10
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 requests approval to DHC production from the PC (79680) & the FC (71629) in this well. XTO will DHC upon completion of the PC. Please see attached spreadsheet for justification of proposed allocations:

Oil: PC 100% FC 0% Gas: PC 84% FC 16% Water: PC 100% FC 0%

Both pools are in the NMOC pre-approved pool combinations for DHC in the SJ Basin. All interest owners were notified by certified, return receipt mail on 5/05/2010. The BLM was notified of our intent to DHC via submission of Form 3160-5 on 5/25/2010. DHC will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights.

DHC 3421 AZ

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 *Wanett McCauley* TITLE REGULATORY COMPLIANCE TECH DATE 5/25/2010

Type or print name WANETT MCCAULEY E-mail address: wanett_mccauley@xtoenergy.com PHONE 505-333-3630

For State Use Only

APPROVED BY *[Signature]* TITLE Deputy Oil & Gas Inspector, DATE JUN 05 2010

Conditions of Approval (if any):

h

Pictured Cliffs: to be added to the Federal 33-42

Remaining Gas in Place in the Pictured Cliffs, from Volumetrics, is 1041 MMCF (page 2)

In adjacent wells in the 9 section area, modern (post 1983) Pictured Cliffs completions when commingled with the Fruitland Coal, average 368 MMCF and 4599 Bbls water (page 3)

Given expected recoverable gas of 365 MMCF and 4600 BW, and using the production profile of adjacent wells with a 12% decline, well is expected to IP at 3900 MCF/mo and 49 BW/mo.

Fruitland Coal

Past 6 mos. production average in Federal 33-42

	Oil	Gas	Water
8/31/2009	0	799	0
9/30/2009	0	613	0
10/31/2009	0	969	0
11/30/2009	0	1081	0
12/31/2009	0	675	0
1/31/2010	0	344	0
Average	0	747	0

Monthly Production

	Oil	Gas	Water
Pictured Cliffs	0	3900	49
Fruitland Coal	0	747	0
Total	0	4647	49

Allocation

	Percent		
	Oil	Gas	Water
Pictured Cliffs	100%	84%	100%
Fruitland Coal	0%	16%	0%
Total	100%	100%	100%

Volumetrics Pictured Cliffs

Federal 33-31									
Pictured Cliffs: 1/4 Section									
Volumetric Method Only									
Reservoir Data:				Calculated Values:				Volumetrics:	
Initial Res Pressure	1100	psia		Z Factor (Initial)	0.870316			Volumetric Method	
Reservoir Temp	110	deg F		Z Factor (Current)				OGIP	1563.5095 MMCF
Standard Pressure	14.7	psia		Z Factor (Aband)	0.993587			GIP at Aband	62.251429 MMCF
Standard Temp	60	deg F						EUR	1501.258 MMCF
Cum Production	460	MMCF		Bg (Initial)	0.012749	cu ft/SCF		Recovery Factor	0.9601848
Res Press at Cum		psia		Bg (Current)		cu ft/SCF		Remaining gas	1041.258 MMCF
Abandonment Press	50	psia		Bg (Aband)	0.320202	cu ft/SCF		Material Balance Method (not calc)	
Net Thickness	22	ft						OGIP	MMCF
Areal Extent	160	acre						GIP at Aband	MMCF
Porosity	20	%						EUR	MMCF
Water Saturation	35	%						Recovery Factor	
Gas Gravity	0.645557							Remaining gas	#VALUE! MMCF

Single Zone Wells																		
API	LEASE NAME	NO.	RESERVOIR	SEC	LOCATION	FIELD	OPERATOR	1st PROD	LAST PROD	CUM GAS	REM GAS	CUM WATER	EUR OIL	EUR GAS	DLY OIL	DLY GAS	DLY WAT	DECLINE
30045288360000	FEDERAL 33	42	FRUITLAND COAL	33	27 N 11 W	BASIN	XTO ENERGY	19930731	20100101	839,529	28,598	461	0	868,127	0	27.1	0	0.1
30045230310000	BOLACK J	1	FRUITLAND COAL	28	27 N 11 W	BASIN	XTO ENERGY	19940131	20011001	120,474	0	0	0	120,474	0	2.5	0	0.1
30045290140000	SCHWERDTFEGER 28	1	FRUITLAND COAL	28	27 N 11 W	BASIN	XTO ENERGY	19940228	20100101	2,570,011	686,857	5,360	0	3,256,868	0	196.4	0	0.1
30045062410002	DOUTHIT C FEDERAL	2	FRUITLAND COAL	27	27 N 11 W	BASIN	BURLINGTON RESOU	19950201	19990501	9,472	0	0	0	9,472	0	2.9	0	0.1
30045237960001	DELHI TAYLOR D	1E	FRUITLAND COAL	3	26 N 11 W	BASIN	CONOCOPHILLIPS CO	19981201	20091201	338,074	96,571	1,458	0	434,645	0	42.8	0	0.1
30045301840000	DOUTHIT C FEDERAL	100	FRUITLAND COAL	34	27 N 11 W	BASIN	BURLINGTON RES	20030331	20100101	19,181	0	1,511	0	19,181	0	12.3	1.8	0.1
30045063060000	BOLACK	4	FRUITLAND COAL	28	27 N 11 W	BASIN	XTO ENERGY	20040930	20080701	17,243	35,472	673	93	52,715	0	16.8	0.8	0.1
30045305340000	HENDERSON 5	1	FRUITLAND COAL	5	26 N 11 W	KUTZ W	XTO ENERGY	20050430	20080401	38,572	0	934	0	38,572	0	10.2	0.4	0.1
30045320690000	SCHWERDTFEGER 28	2	FRUITLAND COAL	28	27 N 11 W	BASIN	XTO ENERGY	20061130	20090501	1,558	0	0	0	1,558	0	1.8	0	0.1
30045325820000	HENDERSON 5	2	FRUITLAND COAL	5	26 N 11 W	BASIN	XTO ENERGY	20080731	20100101	136,677	0	1,080	0	136,677	0	339.7	1.9	0.1
30045325880000	HENDERSON 5	3	FRUITLAND COAL	5	26 N 11 W	BASIN	XTO ENERGY	20080831	20100101	161,040	0	640	0	161,040	0	330.7	1.1	0.1
Average Post 2000 Single Zone Fruitland Coal										62,379	5,912	806	16	68,291	0	119	1	0.1
30045062970000	SCHWERDTFEGER	2	PICTURED CLIFFS	28	27 N 11 W	KUTZ WE	AZTEC OIL & GAS CO	19510201	19760101	220,997	0	0	0	220,997	0	1.4	0	0.12
30045062400000	SCHWERDTFEGER	6	PICTURED CLIFFS	28	27 N 11 W	KUTZ W	XTO ENERGY	19510531	20091201	591,376	135,827	10,021	0	727,203	0	25.8	2.5	0.12
30045062980000	BOLACK	1	PICTURED CLIFFS	28	27 N 11 W	KUTZ WE	EL PASO NATURAL G	19520101	19590101	216,602	0	0	0	216,602	0	0.7	0	0.12
30045060780000	MEAD B	1	PICTURED CLIFFS	3	26 N 11 W	KUTZ WE	MERRION OIL & GAS C	19591101	20000201	201,409	0	0	0	201,409	0	18.1	0	0.12
30045060010000	NAVAJO	1	PICTURED CLIFFS	3	26 N 11 W	KUTZ WE	MERRION OIL & GAS C	19591101	20030801	150,629	0	60	0	150,629	0	14.4	0	0.12
30045245510000	DOUTHIT A FEDERAL COM	6	PICTURED CLIFFS	27	27 N 11 W	KUTZ W	BURLINGTON RES	19820930	20100101	1,072,146	113,665	567	0	1,185,811	0	54.7	0.3	0.12
30045242690000	FEDERAL 32	41	PICTURED CLIFFS	32	27 N 11 W	KUTZ W	XTO ENERGY	19830131	20100101	1,126,952	59,184	10,592	0	1,186,136	0	32.2	1.7	0.12
30045247950000	FEDERAL 33	11	PICTURED CLIFFS	33	27 N 11 W	KUTZ W	XTO ENERGY	19830131	20100101	777,998	66,462	775	0	844,460	0	22	0	0.12
30045247940000	FEDERAL 33	31	PICTURED CLIFFS	33	27 N 11 W	KUTZ W	XTO ENERGY	19830131	20100101	454,171	94,710	6,416	0	548,881	0	19.3	1.8	0.12
30045251670000	DOUTHIT A FEDERAL COM	7	PICTURED CLIFFS	27	27 N 11 W	KUTZ WE	BURLINGTON RESOU	19831101	19890701	66,364	0	0	0	66,364	0	20.7	0	0.12
Average Post 1980 Single Zone Pictured Cliff Wells										699,526	66,804	3,670	0	766,330	0	30	1	0.12
Commingled PCCF/FLDC																		
API	LEASE NAME	NO.	RESERVOIR	SEC	LOCATION	FIELD	OPERATOR	1st PROD	LAST PROD	CUM GAS	REM GAS	CUM WATER	EUR OIL	EUR GAS	DLY OIL	DLY GAS	DLY WAT	DECLINE
30045247670000	MUDGE B	1	FRUITLAND COAL	29	27 N 11 W	BASIN	XTO ENERGY	19910531	20100101	954,562	97,039	1,811	0	1,051,601	0	106.5	0.3	0.1
30045247670000	FEDERAL 29	23	FRUITLAND COAL	29	27 N 11 W	BASIN	XTO ENERGY	19970930	20100101	479,102	255,332	5,200	0	734,434	0	81.2	2.7	0.1
30045247680000	FEDERAL 32	21	FRUITLAND COAL	32	27 N 11 W	BASIN	XTO ENERGY	19980930	20031201	110,364	0	276	0	110,364	0	0.9	0	0.1
30045247680000	FEDERAL 33	24	FRUITLAND COAL	33	27 N 11 W	BASIN	XTO ENERGY	19990331	20100101	414,176	141,250	5,750	0	555,426	0	54.7	3.1	0.1
30045247920000	MEAD B	1R	FRUITLAND COAL	3	26 N 11 W	BASIN	THOMPSON ENGINEE	20000301	20091201	21,117	0	4,284	0	21,117	0	4.5	0	0.1
30045247920000	FEDERAL 29	33	FRUITLAND COAL	29	27 N 11 W	BASIN	XTO ENERGY	20020731	20100101	141,360	131,066	20,245	0	272,426	0	41.3	1.8	0.1
30045247930000	FEDERAL 29	22	FRUITLAND COAL	29	27 N 11 W	BASIN	XTO ENERGY	20040131	20100101	206,425	458,650	200	0	665,075	0	45.9	0	0.1
30045247930000	FEDERAL 33	44	FRUITLAND COAL	33	27 N 11 W	BASIN	XTO ENERGY	20060430	20100101	75,540	437,938	216	0	513,478	0	23.8	0	0.1
30045249780000	NAVAJO	1R	FRUITLAND COAL	3	26 N 11 W	BASIN	THOMPSON ENGINEE	20090601	20091201	6,351	52,802	955	0	59,153	0	30.2	4.5	0.1
Average Post 2000 Commingled Coal Wells										90,159	216,091	5,180	0	306,250	0	29	1	0.1
30045249780000	MUDGE B	1	PICTURED CLIFFS	29	27 N 11 W	KUTZ WE	DEKALB ENERGY CO	19520501	19800901	882,859	0	0	0	882,859	0	0.3	0	0.12
30045249670000	FEDERAL 29	23	PICTURED CLIFFS	29	27 N 11 W	KUTZ WE	DOMINION OKLAHOM	19830101	19941201	28,330	0	492	0	28,330	0	1.9	0.1	0.12
30045249670000	FEDERAL 32	21	PICTURED CLIFFS	32	27 N 11 W	KUTZ WE	DOMINION OKLAHOM	19830101	19980501	57,803	0	1,139	0	57,803	0	3.3	0.1	0.12
30045298720000	FEDERAL 29	22	PICTURED CLIFFS	29	27 N 11 W	KUTZ W	XTO ENERGY	19830131	20100101	50,788	28,491	3,092	0	79,279	0	1.4	0	0.12
30045298720000	FEDERAL 29	33	PICTURED CLIFFS	29	27 N 11 W	KUTZ W	XTO ENERGY	19830131	20100101	478,080	35,175	3,700	0	513,255	0	0.8	0	0.12
30045063010000	FEDERAL 33	24	PICTURED CLIFFS	33	27 N 11 W	KUTZ W	XTO ENERGY	19830131	20100101	319,594	0	6,042	0	319,594	0	9.7	0.5	0.12
30045063010000	FEDERAL 33	44	PICTURED CLIFFS	33	27 N 11 W	KUTZ W	XTO ENERGY	19830131	20100101	430,056	0	5,251	0	430,056	0	10.7	0.5	0.12
30045313730000	MEAD B	1R	PICTURED CLIFFS	3	26 N 11 W	KUTZ WE	THOMPSON ENGINEE	20000301	20091201	454,910	266,268	869	0	721,178	0	108	0.5	0.12
30045313730001	NAVAJO	1R	PICTURED CLIFFS	3	26 N 11 W	KUTZ WE	THOMPSON ENGINEE	20031101	20091201	56,985	89,901	8,638	0	146,886	0	46.4	6.6	0.12
Average Post 1980 Commingled Pictured Cliff Wells										298,402	69,973	4,599	0	368,375	0	30	1	0.12