

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. 30-045-30814
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. NMSF 078643A
7. Lease Name or Unit Agreement Name: Farmington
8. Well Number 2
9. OGRID Number 5380
10. Pool name or Wildcat Basin Fruitland Coal/Fulcher Kutz PC

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
2. Name of Operator XTO Energy Inc.
3. Address of Operator 382 CR 3100 AZTEC, NM 87410
4. Well Location Unit Letter B 735 feet from the NORTH line and 1705 feet from the EAST line Section 4 Township 29N Range 13W NMPM NMEM County SAN JUAN
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5717' 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 NOV 16 '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 Energy Inc. requests an exception to NMCD Rule 303A to permit DHC of production from the Basin FC (71629) pool & the Fulcher Kutz PC (79680) pool. XTO proposes to DHC the two pools upon completion of the PC & OAP of the FC. Proposed allocations are based on a 9-section EUR & recommended allocations are:

FC:	Gas: 38%	Water: 21%	Oil: 0%
PC:	Gas: 62%	Water: 79%	Oil: 100%

Ownership in pools is common and owner notification is not necessary. Downhole commingling will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights.

DHC 3490 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 Lorri D. Bingham TITLE REGULATORY ANALYST DATE 11/15/10
Type or print name LORRI D. BINGHAM E-mail address: lorri_bingham@xtoenergy.com PHONE 505-333-3204

For State Use Only

APPROVED BY Chun H. TITLE SUPERVISOR DISTRICT # 3 DATE DEC 21 2010
Conditions of Approval (if any):



FARMINGTON #2
735' FNL & 1,705' FEL, Section 4, T 29 N, R 13 W
San Juan County, New Mexico
API 30-045-30814

Proposed Down-hole Commingled Allocation Percentages

The Farmington #2 is currently completed in the Basin Fruitland Coal only. XTO Energy proposes to complete the Fulcher Kutz Pictured Cliffs and produce the well as a down-hole commingled Fruitland Coal and Pictured Cliffs well. Proposed allocation percentages were calculated based on the estimated ultimate recovery of all Fruitland Coal and Pictured Cliffs wells in the surrounding nine sections. Ownership in the two zones is common, and down-hole commingling will not decrease the value of the well. Please see the attached spreadsheet for data and calculations.

Average EUR for wells in surrounding sections:

AVERAGE EUR		
	FC	PC
Gas	511,756	822,885
Water	54,184	200,224
Oil	0	0

Proposed allocation percentages based on average EUR:

PROPOSED ALLOCATIONS		
	FC	PC
Gas	38%	62%
Water	21%	79%
Oil	0%	100%

WELL INFORMATION					CUM (MCF)		EUR (MCF)		CUM (BW)		EUR (BW)	
API	NAME	NUMBER	OPERATOR		FC	PC	FC	PC	FC	PC	FC	PC
3004532127	Picway	1	XTO		-	343,959	-	635,071	-	63,015	-	116,348
3004529507	Tiger	3	XTO		-	937,480	-	1,017,939	-	167,986	-	182,403
3004529521	Tiger	4	XTO		-	729,703	-	729,703	-	123,573	-	123,573
3004528992	Northridge	1	XTO		-	1,602,137	-	1,646,042	-	123,733	-	127,124
3004529294	Northridge	2	XTO		-	2,151,936	-	2,589,500	-	197,026	-	237,088
3004533266	Ruby	1	McElvain		-	76,484	-	464,297	-	48,052	-	291,700
3004531995	F-RPC 4	1	XTO		-	290,951	-	728,965	-	289,322	-	724,884
3004534564	Picway	2	XTO		51,462	-	297,489	-	7,590	-	43,876	-
3004534459	Picway	3	XTO		39,007	-	564,240	-	4,480	-	64,804	-
3004534468	Picway	4	XTO		32,045	-	598,983	-	5,627	-	105,180	-
3004532156	Arnie	1T	XTO		119,990	-	314,845	-	2,871	-	7,533	-
3004529618	Tiger	7	XTO		777,146	-	778,039	-	75,839	-	75,926	-
3004529544	Tiger	8	XTO		399,004	-	399,173	-	14,599	-	14,605	-
3004529951	Tiger	14	XTO		251,517	-	296,181	-	11,415	-	13,442	-
3004533793	Northridge	3	XTO		21,203	-	21,203	-	29,517	-	29,517	-
3004530814	Farmington	2	XTO		69,319	-	69,607	-	6,999	-	7,028	-
3004533419	F-LOG 5	3	XTO		311,755	-	1,658,652	-	23,916	-	127,242	-
3004533543	F-LOG 5	4	XTO		143,367	-	686,420	-	15,827	-	75,777	-
3004529667	Arnie	1	XTO		601,385	23	601,883	23	12,657	93	12,667	93
3004533422	Wildwood	1	McElvain		85,766	33,352	693,491	269,690	7,701	7,704	62,269	62,296
3004534318	Wildwood	3	McElvain		10,540	7,323	184,371	147,620	6,786	6,783	118,704	136,734
					511,756		822,885		54,184		200,224	
					1,334,641				254,408			
					0.38		0.62		0.21		0.79	

AVERAGE EUR		
	FC	PC
Gas	511,756	822,885
Water	54,184	200,224
Oil	0	0

PROPOSED ALLOCATIONS		
	FC	PC
Gas	38%	62%
Water	21%	79%
Oil	0%	100%