

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. 30-045-21291
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. NOOC14203622
7. Lease Name or Unit Agreement Name: GALLEGOS
8. Well Number 4
9. OGRID Number 5380
10. Pool name or Wildcat BASIN DAKOTA/BASIN MANCOS

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 <u>O</u> : <u>950</u> feet from the <u>SOUTH</u> line and <u>2205</u> feet from the <u>EAST</u> line Section <u>33</u> Township <u>26N</u> Range <u>11W</u> NMPM <u>NMPM</u> County <u>SAN JUAN</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6,283' 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 FEB 11 '11
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 requests an exception to NMCD Rule 19.15.12.9 to permit DHC of the Basin DK (71599) & the Basin MC (97232), both are pre-approved per order R-12984-A, upon completion of the Mancos. Please see the attached spreadsheet for justification of proposed allocations.

Basin Mancos:	Oil: 100%	Gas: 71%	Water: 88%
Basin Dakota:	Oil: 0%	Gas: 29%	Water: 12%

DHC 3534 AZ

Ownership is common in both zones; therefore, there are no owners to notify. DHC will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights. The ELM was notified of our intent to DHC via Form 3160-5 on 2/10/2011.

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 2/10/2011
Type or print name WANETT MCCAULEY E-mail address: wanett_mccauley@xtoenergy.com PHONE 505-333-3100

For State Use Only

APPROVED BY Charlie TITLE Deputy Oil & Gas Inspector, District #3 DATE FEB 21 2011
Conditions of Approval (if any):

Expected Mancos Production:

Based on opening the Mancos in the Gallegos 4E in this section, well is expected to have similar production response.

Stabilized production after 1 yr of production when Gallup added to Gallegos 4E

	OIL	GAS	WATER
2/29/2008	272	1240	57
3/31/2008	138	1244	57
4/30/2008	102	861	57
5/31/2008	159	1048	57
6/30/2008	140	1013	57
7/31/2008	195	1206	57
Average	168	1102	57

Current Dakota Production:

	OIL	GAS	WATER
8/31/2009	0	487	0
9/30/2009	0	468	0
10/31/2009	0	472	45
11/30/2009	0	446	0
12/31/2009	0	318	0
1/31/2010	0	557	0
Average	0	458	8

Allocation:

	Percent		
	OIL	GAS	WATER
Mancos	100%	71%	88%
Dakota	0%	29%	12%
Total	100%	100%	100%