

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

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.)		WELL API NO. 30-045-29682
1. Type of Well: Oil Well ☐ Gas Well ☒ Other		5. Indicate Type of Lease STATE ☐ FEE ☐
2. Name of Operator XTO Energy Inc.		6. State Oil & Gas Lease No. NCO-C-14-20-3610
3. Address of Operator 382 CR 3100 AZTEC, NM 87410		7. Lease Name or Unit Agreement Name: HUN NE PAH
4. Well Location Unit Letter M : 1190 feet from the SOUTH line and 1180 feet from the WEST line Section 10 Township 25N Range 11W NMPM NMPM County SAN JUAN		8. Well Number 1E
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6,475' GR		9. OGRID Number 5380
		10. Pool name or Wildcat BASIN DAKOTA/BASIN MANCOS

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 Dakota: Oil: 0% Gas: 45% Water: 47%

Basin Mancos: Oil: 100% Gas: 55% Water: 53%

DHC 3535A7

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 HIM 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 505-333-3630

For State Use Only

APPROVED BY [Signature] TITLE Deputy Oil & Gas Inspector, District #3 DATE FEB 21 2011

Conditions of Approval (if any):

Need C-102 to add mancous.

Average Monthly Production

	Oil	Gas	Water
Dakota	1	2130	64
Mancos	477	2650	73
Total	477	4780	137

previous 6 month avg. in Huh Ne Pah 1E

stabilized Mancos Production in 9 section area

% Production

	Oil	Gas	Water
Dakota	0%	45%	47%
Mancos	100%	55%	53%
Total	100%	100%	100%

There have been 2 wells, Canyon 7E and Canyon 19, completed into the Mancos after having established production in the Dakota in this 9 section area of T25N R11W. These wells were used in establishing allocation factors for future commingling. The Canyon 8-E's production was also added since it is another data point and its production has been stable.

Canyon 19

Added the Mancos in April 2006

Stabilized Mancos Only Production			
	BOPM	MCFPM	BWPM
Mancos	OIL	GAS	WATER
9/30/06	497	609	80
10/31/06	392	790	0
11/30/06	612	1095	0
12/31/06	366	904	0
1/31/07	309	777	0
2/28/07	429	760	0
Average	434	823	13

Canyon 8E

Added the Mancos in July 2010

Stabilized Mancos Only Production			
	BOPM	MCFPM	BWPM
Mancos	OIL	GAS	WATER
12/1/10	440	5278	1
11/1/10	931	6335	-24
10/1/10	692	6773	46
9/1/10	530	5474	56
8/1/10	1039	6812	56
7/1/10	783	6266	226
Average	736	6157	60

Canyon 7E

Added the Mancos in Dec 2008

Stabilized Mancos Only Production			
	BOPM	MCFPM	BWPM
Mancos	OIL	GAS	WATER
3/31/09	297	1074	211
4/30/09	363	990	176
5/31/09	258	1029	178
6/30/09	78	258	0
7/31/09	266	1422	192
8/31/09	297	1053	117
Average	260	971	146

Average Mancos		
OIL	GAS	WATER
477	2650	73

CANYON 08E DK						CANYON 08E MC						Total CANYON 8E Production			
	Oil Prod	Oil Sales	Gas Prod	Gas Sales	Water Prod		Oil Prod	Oil Sales	Gas Prod	Gas Sales	Water Prod		Oil Prod	Gas Prod	Water Prod
12/1/2010	0		2513.7	2,513.71	1.3	12/1/2010	440.9	378.96	3617.3	3,617.29	23.8	12/1/2010	440	6,131	25.0
11/1/2010	0		2847.1	2,947.08	0	11/1/2010	930.7	756.59	4240.9	4,240.92	0	11/1/2010	931	7,188	0.0
10/1/2010	0		3126.7	3,126.66	3.5	10/1/2010	692.4	750.39	4499.3	4,499.34	66.5	10/1/2010	692	7,626	70.0
9/1/2010	0		2594.1	2,594.07	4.0	9/1/2010	529.6	564.62	3732.9	3,732.93	76.0	9/1/2010	530	6,327	80.0
8/1/2010	0		3142.7	3,142.65	4.0	8/1/2010	1039.0	945.91	4522.4	4,522.35	76.0	8/1/2010	1,039	7,665	80.0
7/1/2010	0	168.67	2918.8	2,918.79	12.0	7/1/2010	782.6	757.53	4200.2	4,200.21	238.0	7/1/2010	783	7,119	250.0
6/1/2010	0		0		0										
5/1/2010	0		0		0										
4/1/2010	0		0		0										
3/1/2010	0		345.0	345	45.0										
2/1/2010	0		751.0	751	0										
1/1/2010	0		946.0	946	0										
12/1/2009	0		694.0	694	0										
11/1/2009	0		922.0	922	0										
10/1/2009	0		951.0	951	120.0										
9/1/2009	0		174.0	174	86										
8/1/2009	0		123.0	123	0										
7/1/2009	0		276.0	276	0										
6/1/2009	0		41.0	41	0										
5/1/2009	0		528.0	528	80.0										
4/1/2009	0		813.0	813	10.0										
3/1/2009	0		426.0	426	3.3										
2/1/2009	0		473.0	473	1.7										
1/1/2009	0		631.0	631	1.7										
12/1/2008	0		207.0	207	0										
11/1/2008	0		585.0	577	80.0										
10/1/2008	0		742.0	711	0										
9/1/2008	0		446.0	416	0										
8/1/2008	0		579.0	548	0										
7/1/2008	0		533.0	502	16										
6/1/2008	0		526.0	496	0										
5/1/2008	0		558.0	527	0										
4/1/2008	0		579.0	549	0										
3/1/2008	0		732.0	701	80.0										
2/1/2008	0		629.0	600	0										
1/1/2008	0		143.0	112	0										
12/1/2007	1.7		660.0	629	0										
11/1/2007	0		813.0	783	0										
10/1/2007	0		921.0	890	0										
9/1/2007	0		759.0	729	0										
8/1/2007	0		583.0	552	0										
7/1/2007	0		788.0	757	0										
6/1/2007	0		685.0	655	0										
5/1/2007	0		1054.0	1,023	0										
4/1/2007	0		1027.0	997	0										
3/1/2007	0		837.0	806	0										
2/1/2007	0		856.0	828	0										
1/1/2007	73.5		893.0	862	0										
12/1/2006	11.7		550.0	519	0										