Form C-103 State of New Mexico Submit 3 Copies To Appropriate District Office Energy, Minerals and Natural Resources Revised March 25, 1999 District 1 WELL API NO. 1625 N. French Dr., Hobbs, NM 87240 30-045-31082 District II OIL CONSERVATION DIVISION 811 South First, Artesia, NM 87210 5. Indicate Type of Lease 2040 South Pacheco District III STATE FEE 1000 Rio Brazos Rd., Aztec, NM 87410 Santa Fe, NM 87505 District IV 6. State Oil & Gas Lease No. 2040 South Pacheco, Santa Fe, NM 87505 NMNM03380 SUNDRY NOTICES AND REPORTS ON WELLS 7. Lease Name or Unit Agreement Name: (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.) FLORANCE D 1. Type of Well: Gas Well X Oil Well Other 2. Name of Operator 8. Well No. #4B XTO Energy Inc. 3. Address of Operator 9. Pool name or Wildcat 2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401 OTERO CHACRA / BLANCO MESAVERDE 4. Well Location 2350 __ feet from the_ Unit Letter _ feet from the line and line Range 08W **NMPM** County SAN JUAN 20 Township 27N Section 10. Elevation (Show whether DR, RKB, RT, GR, etc.) 11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: PERFORM REMEDIAL WORK PLUG AND ABANDON REMEDIAL WORK ALTERING CASING **CHANGE PLANS** COMMENCE DRILLING OPNS. PLUG AND TEMPORARILY ABANDON **ABANDONMENT** X CASING TEST AND **MULTIPLE** PULL OR ALTER CASING CEMENT JOB COMPLETION OTHER: OTHER: 12. 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 recompilation. XTO Energy plans to downhole commingle this well in the following manner: Perforate, acidize & frac the Blanco Mesaverde from approximately 4,500' - 5,150' Set a composite bridge plug @ 4,100'. Perforate, azidize & frac the Otero Chacra from approximately 3,700' - 3,800'. TIH & DO CBP @ 4,100'. Turn well to sales. I hereby certify that the information above is true and complete to the best of my knowledge and belief. TITLE OPERATIONS ENGINEER __ DATE ______ **7/12/02**__ **SIGNATURE** Telephone No. Type or print name DARRIN STEED 505-324-1090 THE PROPERTY AND A SECURITARY SECURITION OF THE PROPERTY OF TH (This space for Sacrated Same by APPROVED BY_ DATE _ TITLE Conditions of approval, if any:



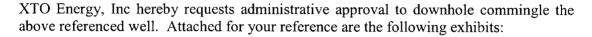
July 12, 2002

Mr. Frank Chavez New Mexico Oil Conservation Division 1000 Rio Brazos Rd. Aztec, New Mexico 87410

RE: Administrative Approval to Downhole Commingle Florance D #4B 2,350' FSL & 1,150' FEL

> Unit I, Section 20, T-27-N, R-8-W San Juan County, New Mexico

Dear Mr. Chavez:



- 1. Sundry Notice (NMOCD Form C-103)
- 2. Tabular and Graphical Production History used for Production Allocation

This well is currently permitted as a Blanco Mesaverde (72319) and Otero Chacra (82329). Both zones are included in the pre-approved pools established by Division Order R-11363. The Blanco Mesaverde and Otero Chacra will be completed from approximately 4,500' – 5,150' and 3,700' – 3,800'. Based on production analysis of wells located in a nine section surrounding area the following allocation was determined:

Otero Chacra (82329)	Oil – 0%	Gas – 24%
Blanco Mesaverde (72319)	Oil – 100%	Gas – 76%

Both pools have common interest owners. Commingling both zones will not reduce the ultimate recovery of either pool. Downhole commingling will improve recovery of liquids, eliminate redundant surface equipment and maximize productivity. Once NMOCD approval has been received notice will be filed with the BLM on Form 3160-5 concerning this matter.