

Submit 3 Copies To Appropriate District  
Office:  
District I  
1625 N. French Dr., Hobbs, NM 87240  
District II  
811 South First, Artesia, NM 87210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
Revised March 25, 1999

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

WELL API NO. 30-045-30702
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. NMSF 078863

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	7. Lease Name or Unit Agreement Name: Krause WN Federal
2. Name of Operator XTO Energy Inc.	8. Well No. 1R
3. Address of Operator 2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401	9. Pool name or Wildcat
4. Well Location Unit Letter <u>L</u> : <u>1950</u> feet from the <u>South</u> line and <u>1190</u> feet from the <u>West</u> line Section <u>32</u> Township <u>28 N</u> Range <u>11 W</u> NMPM County <u>San Juan</u>	
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 6,026' GL	

11. 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 COMPLETION ☐

OTHER: Downhole Commingle ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐  
CASING TEST AND CEMENT JOB ☐

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 Inc. requests administrative approval to downhole commingle the Basin Dakota and Kutz Gallup upon completion of the well.

DHC 849 A2

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Loren W. Fothergill TITLE Production Engineer DATE 7/26/02

Type or print name LOREN W. FOTHERGILL

Telephone No. 505 324 1090

(This space for State use)

APPROVED BY OFFICIAL TITLE DATE

Conditions of approval, if any:

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0135  
Expires: November 30, 2000

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMSF078863
2. Name of Operator XTO ENERGY INC.		6. If Indian, Allottee or Tribe Name
Contact: HOLLY PERKINS E-Mail: Holly_Perkins@xtoenergy.com		7. If Unit or CA/Agreement, Name and/or No.
3a. Address 2700 FARMINGTON AVE, BLDG K, SUITE 1 FARMINGTON, NM 87401	3b. Phone No. (include area code) Ph: 505.324.1090 Ext: 4020 Fx: 505.564.6700	8. Well Name and No. KRAUSE WN FEDERAL 1R
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 32 T28N R11W NWSW 1950FSL 1190FWL		9. API Well No. 30-045-30702
		10. Field and Pool, or Exploratory BASIN DAKOTA / KUTZ GALLUP
		11. County or Parish, and State SAN JUAN COUNTY, NM

**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION				
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off	
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity	
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Subsurface Commingling	
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon		
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal		

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

XTO Energy Inc. requests administrative approval to downhole commingle the Basin Dakot and Kutz Gallup upon completion of the well.

14. I hereby certify that the foregoing is true and correct. <b>Electronic Submission #13139 verified by the BLM Well Information System For XTO ENERGY INC., sent to the Farmington</b>	
Name (Printed/Typed) LOREN FOTHERGILL	Title OPERATIONS ENGINEER
Signature (Electronic Submission)	Date 07/26/2002

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By _____	Title _____	Date _____
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office _____

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**\*\* ORIGINAL \*\* ORIGINAL \*\* ORIGINAL \*\* ORIGINAL \*\* ORIGINAL \*\* ORIGINAL \*\* ORIGINAL \*\***



July 26, 2002

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

RE: Administrative approval to Downhole Commingle  
Krause WN Federal #1R  
790' FSL & 990' FWL Sec. 32, T 28 N, R 11 W  
San Juan County, New Mexico

Dear Mr. Chavez:

XTO Energy Inc. respectfully requests approval to downhole commingle production from the Basin Dakota and Kutz Gallup pools in the Krause WN Federal #1R. Attached for your reference are the following exhibits:

1. Sundry Notice (NMOCD From C-103)
2. Decline curves used for Production Allocation.

The Krause WN Federal #1R has been approved to drill and complete the Kutz Gallup and Basin Dakota formation. It is proposed to downhole commingle both zones during completion.

Both pools have common interest owners. Commingling will not reduce the ultimate recovery of either pool. Downhole commingling will improve recovery of liquids, eliminating redundant surface equipment and maximize compressor efficiency. Attached is BLM notice of intent to DHC on BLM Form 3160-5.

Based upon the average production for the Kutz Gallup and the Basin Dakota formation, in the 9 section area, the following allocations were determined:

Basin Dakota (71599)	Oil 23.49%	Water 23.49%	Gas 81.50%
Kutz Gallup (36550)	Oil 76.51%	Water 76.51%	Gas 18.50%