

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. 30-045-28297
5. Indicate Type of Lease STATE ☐ FEE ☐
6. State Oil & Gas Lease No. NMSF-078895
7. Lease Name or Unit Agreement Name: MUDGE A
8. Well Number #181
9. OGRID Number 5380
10. Pool name or Wildcat BASIN FRUITLAND COAL/W. 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 ☐ Gas Well ☒ Other	11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6124' GR
2. Name of Operator XTO Energy Inc.	
3. Address of Operator 382 CR 3100 AZTEC, NM 87410	
4. Well Location Unit Letter B : 1190 feet from the NORTH line and 1560 feet from the EAST line Section 18 Township 27N Range 11W NMPM NMM County SAN JUAN	

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 MAR 7 '12
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 approval to DHC this well per OGD Rule 19.15.12.11 C(2) in the Basin FC (71629, 1771' - 1794') and the W. Kutz PC (79680, 1811' - 1937') upon completion of the PC. Pool combinations are pre-approved per Order R-11363. See attached spreadsheets for justification of proposed allocations.

Oil: PC 100% FC 0% Gas: PC 71% FC 29% Water: PC 84% FC 16%

Ownership is common therefore, it is unnecessary to notify owners. DHC will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights. The BLM was notified of our intent to DHC via sundry Form 3160-5 on 3/6/2012.

DHC 3689AZ

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 3/6/12
Type or print name LORRI D. BINGHAM E-mail address: Lorri_bingham@xtoenergy.com PHONE 505-333-3204

For State Use Only

APPROVED BY Charles TITLE SUPERVISOR DISTRICT #3 DATE MAR 09 2012
Conditions of Approval (if any):

Allocations are based on the Mudge A #181's previous 6 months of production, and the results seen from wells in the 9-section area that have had Full Body Make Overs in Pictured Cliffs producers, which is a similar concept to this well replacing previous 1950's-era PC production well with limited depletion.

Monthly Production Rates

	OIL (Bbl/mo.)	GAS (KCF/mo.)	Water (Bbl/mo.)	
Pictured Cliffs	0	6505	73	Average production increase after performing Full-Body Make Over in PC wells
Fruitland Coal	0	2607	13	Previous 6-month average for Fruitland Coal production in Mudge A-181
Total	0	9112	86	

Percent Production			
	OIL	GAS	Water
Pictured Cliffs	100%	71%	84%
Fruitland Coal	0%	29%	16%
Total	100%	100%	100%

Mudge A-181 - Current Fruitland Coal production

	BO/Mo.	KCF/Mo.	BW/Mo.
May-11	0	2645	0
Jun-11	0	2467	0
Jul-11	0	2704	40
Aug-11	0	2700	0
Sep-11	0	2613	40
Oct-11	0	2515	0
AVERAGE	0	2607	13

The 10 wells shown below are Pictured Cliffs wells first produced in the 1950s via an open-hole completion, and were later cased and frac'd (called a Full Body Make Over), and the resulting uplift seen from the FBMO. Mudge A-181 had previous PC production in its 1/4-section and will frack into the same PC rock, with production expectations similar to previous FBMO wells in the 9-section area.

Schwerdtfeger 7 - FBMO uplift

	BO/Mo.	KCF/Mo.	BW/Mo.
Jul-76	0	4959	0
Aug-76	0	3583	360
Sep-76	0	3448	45
Oct-76	0	3166	88
Nov-76	0	3026	150
Dec-76	0	2938	115
AVERAGE	0	3520	126

	Oil	Gas	Water
Pre-FBMO rates			
2/28/1990	0	127	0
3/31/1990	0	74	0
4/30/1990	0	27	0
5/31/1990	0	93	0
6/30/1990	0	84	0
7/31/1990	0	63	0

	Oil	Gas	Water
Post-FBMO rates			
8/31/2004	0	5037	0
9/30/2004	0	3661	360
10/31/2004	0	3526	45
11/30/2004	0	3244	88
12/31/2004	0	3104	150
1/31/2005	0	3016	115

Schwerdtfeger 11 - FBMO uplift

	BO/Mo.	KCF/Mo.	BW/Mo.
Aug-98	0	736	80
Sep-98	0	4144	75
Oct-98	0	2196	0
Nov-98	0	2377	70
Dec-98	0	2108	0
Jan-99	0	2146	0
AVERAGE	0	2284	38

	Oil	Gas	Water
Pre-FBMO rates			
Aug-98	0	319	0
Sep-98	0	352	0
Oct-98	0	173	0
Nov-98	0	21	0
Dec-98	0	165	0
Jan-99	0	142	0

	Oil	Gas	Water
Post-FBMO rates			
10/31/2003	0	931	80
11/30/2003	0	4339	75
12/31/2003	0	2391	0
1/31/2004	0	2572	70
2/29/2004	0	2303	0
3/31/2004	0	2341	0

Mudge A-2 - FBMO uplift

	BO/Mo.	KCF/Mo.	BW/Mo.
Aug-98	0	7494	310
Sep-98	0	9223	216
Oct-98	0	10204	167
Nov-98	0	9971	138
Dec-98	0	10186	140
Jan-99	0	9931	104
AVERAGE	0	9501	179

	Oil	Gas	Water
Pre-FBMO rates			
Mar-97	0	160	0
Apr-97	0	137	0
May-97	0	144	0
Jun-97	0	164	0
Jul-97	0	166	0
Aug-97	0	143	0

	Oil	Gas	Water
Post-FBMO rates			
8/31/1998	0	7646	310
9/30/1998	0	9375	216
10/31/1998	0	10356	167
11/30/1998	0	10123	138
12/31/1998	0	10338	140
1/31/1999	0	10083	104

Mudge A-1 - FBMO uplift

	BO/Mo.	KCF/Mo.	BW/Mo.
Aug-98	0	7365	320
Sep-98	0	7291	0
Oct-98	0	6746	135
Nov-98	0	11002	161
Dec-98	0	12308	151
Jan-99	0	12812	137
AVERAGE	0	9587	151

Mudge A-3 - FBMO uplift

	BO/Mo.	KCF/Mo.	BW/Mo.
Aug-98	0	10097	0
Sep-98	0	14195	0
Oct-98	0	13990	0
Nov-98	0	14187	0
Dec-98	0	13457	0
Jan-99	0	13290	131
AVERAGE	0	13202	22

Mudge A-6 - FBMO uplift

	BO/Mo.	KCF/Mo.	BW/Mo.
Aug-98	0	5305	0
Sep-98	0	10632	325
Oct-98	0	10231	194
Nov-98	0	10601	189
Dec-98	0	8961	121
Jan-99	0	9987	150
AVERAGE	0	9286	163

	Oil	Gas	Water
Pre-FBMO rates			
Nov-97	0	198	0
Dec-97	0	289	0
Jan-98	0	113	0
Feb-98	0	96	0
Mar-98	0	228	0
Apr-98	0	123	0

	Oil	Gas	Water
Post-FBMO rates			
3/31/1999	0	7539	320
4/30/1999	0	7465	0
5/31/1999	0	6920	135
6/30/1999	0	11176	161
7/31/1999	0	12482	151
8/31/1999	0	12986	137

	Oil	Gas	Water
Pre-FBMO rates			
Jul-89	0	22	0
Aug-89	0	23	0
Sep-89	0	71	0
Oct-89	0	140	0
Nov-89	0	117	0
Dec-89	0	26	0

	Oil	Gas	Water
Post-FBMO rates			
3/31/1998	0	10163	0
4/30/1998	0	14261	0
5/31/1998	0	14056	0
6/30/1998	0	14253	0
7/31/1998	0	13523	0
8/31/1998	0	13356	131

	Oil	Gas	Water
Pre-FBMO rates			
Nov-97	0	165	0
Dec-97	0	539	0
Jan-98	0	275	0
Feb-98	0	295	0
Mar-98	0	201	0
Apr-98	0	150	0

	Oil	Gas	Water
Post-FBMO rates			
7/31/1998	0	5576	0
8/31/1998	0	10903	325
9/30/1998	0	10502	194
10/31/1998	0	10872	189
11/30/1998	0	9232	121
12/31/1998	0	10258	150

Yockey 1 - FBMO uplift

BO/Mo.	KCF/Mo.	BW/Mo.
Aug-98	0	1608
Sep-98	0	1682
Oct-98	0	1779
Nov-98	0	1686
Dec-98	0	1752
Jan-99	0	1227
AVERAGE	0	1622

Hancock 1 - FBMO uplift

BO/Mo.	KCF/Mo.	BW/Mo.
Aug-98	0	7529
Sep-98	0	12655
Oct-98	0	8649
Nov-98	0	12216
Dec-98	0	12110
Jan-99	0	11655
AVERAGE	0	10802

Hancock 2 - FBMO uplift

BO/Mo.	KCF/Mo.	BW/Mo.
Aug-98	0	2224
Sep-98	0	4005
Oct-98	0	3679
Nov-98	0	3495
Dec-98	0	3479
Jan-99	0	3097
AVERAGE	0	3330

Hancock 7 - FBMO uplift

BO/Mo.	KCF/Mo.	BW/Mo.
Aug-98	0	1490
Sep-98	0	2474
Oct-98	0	2075
Nov-98	0	1840
Dec-98	0	2052
Jan-99	0	1544
AVERAGE	0	1912

FBMO production increase

BO/Mo.	KCF/Mo.	BW/Mo.
Average Uplift	0	6505

Oil Gas Water

	Oil	Gas	Water
Pre-FBMO rates			
Mar-97	0	1447	31
Apr-97	0	1190	30
May-97	0	942	28
Jun-97	0	1455	30
Jul-97	0	1278	31
Aug-97	0	1146	31

Oil Gas Water

	Oil	Gas	Water
Post-FBMO rates			
9/30/1997	0	2851	30
10/31/1997	0	2925	31
11/30/1997	0	3022	30
12/31/1997	0	2929	31
1/31/1998	0	2995	31
2/28/1998	0	2470	28

Oil Gas Water

	Oil	Gas	Water
Pre-FBMO rates			
Apr-97	0	20	0
May-97	0	20	0
Jun-97	0	12	0
Jul-97	0	31	0
Aug-97	0	19	0
Sep-97	0	25	0

Oil Gas Water

	Oil	Gas	Water
Post-FBMO rates			
2/28/2001	0	7550	0
3/31/2001	0	12676	0
4/30/2001	0	8670	0
5/31/2001	0	12237	0
6/30/2001	0	12131	0
7/31/2001	0	11676	0

Oil Gas Water

	Oil	Gas	Water
Pre-FBMO rates			
Sep-00	0	125	0
Oct-00	0	686	0
Nov-00	0	685	0
Dec-00	0	591	0
Jan-01	0	874	0
Feb-01	0	625	0

Oil Gas Water

	Oil	Gas	Water
Post-FBMO rates			
3/31/2001	0	2822	0
4/30/2001	0	4603	0
5/31/2001	0	4277	0
6/30/2001	0	4093	0
7/31/2001	0	4077	0
8/31/2001	0	3695	0

Oil Gas Water

	Oil	Gas	Water
Pre-FBMO rates			
Sep-97	0	1000	0
Oct-97	0	1056	0
Nov-97	0	940	0
Dec-97	0	643	0
Jan-98	0	833	0
Feb-98	0	703	0

Oil Gas Water

	Oil	Gas	Water
Post-FBMO rates			
4/30/1998	0	2352	0
5/31/1998	0	3336	0
6/30/1998	0	2937	0
7/31/1998	0	2702	101
8/31/1998	0	2914	106
9/30/1998	0	2406	80