

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. 30-045-31419
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. NMSF081061
7. Lease Name or Unit Agreement Name: LEFKOVITZ GAS COM B
8. Well No. 1F
9. Pool name or Wildcat BLANCO MESAVERDE / BASIN DAKOTA
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 5584'

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 2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401
4. Well Location Unit Letter J : 2240 feet from the SOUTH line and 1340 feet from the EAST line Section 25 Township 29N Range 10W NMPM County SAN JUAN

10. Elevation (Show whether DR, RKB, RT, GR, etc.) 5584'
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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 ☐

SUBSEQUENT REPORT OF:

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

OTHER: **DOWNHOLE COMMINGLE**

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 an exception to Rule 303A to downhole commingle production from the Basin Dakota Pool (71599) and the Blanco Mesaverde Pool (72319). Both pools are included in Division Order R-11363 establishing pre-approved pool combinations for downhole commingling in the San Juan Basin. The APD for this well has been approved but the well has not been spudded. XTO requests approval to DHC both zones on initial completion after drilling is completed. Ownership is common in both of the spacing units. This well is located on a Federal lease. A sundry notice has also been filed w/the BLM. See attachments 1 - 3 for supporting data of the proposed production allocations and owns notification.

Proposed Gas Allocation: Dakota - 55.7% and Mesaverde - 44.3%
Proposed Oil Allocation: Dakota - 57.1% and Mesaverde - 42.9%
Proposed Water Allocation: Dakota - 57.1% and Mesaverde - 42.9%

DHC 1173A2

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

SIGNATURE **Darrin Steed** TITLE **Regulatory Supervisor** DATE **4/1/03**

Type or print name **Darrin Steed**

Telephone No. **505-324-1090**

(This space for State use)

DEPUTY OIL & GAS INSPECTOR, DIST. 3

APPROVED BY **[Signature]** TITLE **DEPUTY OIL & GAS INSPECTOR, DIST. 3** DATE **4/1/03**

Conditions of approval, if any:

Attachment 1
Lefkovitz Gas Com B #1F
Sec 25J, T29W, R10W
API #30-045-31419
C-103 NOI Sundry to DHC
3/31/03

1. The proposed gas and oil production allocation percentages are based on average estimated ultimate recovery (EUR) per completion of the 64 Mesaverde and 52 Dakota completions in the 16 section area around the proposed well location. Water production will be allocated identical to the oil production allocation. See Attachments 2 and 3 for the calculations and supporting data of the proposed production allocation percentages.

Proposed Allocation Percentages:

	GAS	OIL	WATER
Blanco Mesaverde	44.3%	42.9%	42.9%
Basin Dakota	55.7%	57.1%	57.1%

Blanco Mesaverde Pool (Ave. per well est. ultimate gas & oil recovery)

BO	MMCF
6,328	1,064

Basin Dakota Pool (Ave. per well est. ultimate gas & oil recovery)

BO	MMCF
8,423	1,339

2. Working and royalty interest ownership in the Dakota and Mesaverde spacing units in this well is identical. Thus, notification of the owners to downhole commingle was not required.
3. The Dakota and Mesaverde spacing units do not contain state lands or minerals so notification of State Lands Commission is not required. The well is located on a Federal lease thus a Sundry Notice Form 3160-5 to downhole commingle which included a copy of the Form C-103 with attachments has been filed with the BLM.

Attachment 2
Lefkovitz Gas Com B #1F
Sec 25J, T29W, R10W
API #30-045-31419
C-103 NOI Sundry to DHC
3/31/03

SUMMARY OF PRODUCTION ALLOCATION CALCULATIONS

Zone	16 Section Offset Wells Ave. Est. Ult. Rec. (MMCF)	GAS ALLOC. (%)	16 Section Offset Wells Ave. Est. Ult. Rec. (BO)	OIL ALLOC. (%)
Mesaverde	1,064	44.3%	6,328	42.9%
Dakota	1,339	55.7%	8,423	57.1%

Ave. DK/MV Gas EUR (est. ultimate recovery) = See Attachment 5 Table of EUR of individual DK/MV completions

Ave. MV Oil EUR = 405 MBO EUR for MV completions (16 Section area) ÷ 64 MV completions
= 6,328 BO/completion

Ave. DK Oil EUR = 438 MBO EUR for DK completions (16 Section area) ÷ 52 DK completions
= 8,423 BO/completion

MV Gas Allocation % = $1,064 \text{ MMCF} \div (1,064 \text{ MMCF} + 1,339 \text{ MMCF}) \times 100\% = \mathbf{44.3\%}$

DK Gas Allocation % = $1,339 \text{ MMCF} \div (1,064 \text{ MMCF} + 1,339 \text{ MMCF}) \times 100\% = \mathbf{55.7\%}$

MV Oil Allocation % = $6,328 \text{ BO} \div (6,328 \text{ BO} + 8,423 \text{ BO}) \times 100\% = \mathbf{42.9\%}$

DK Oil Allocation % = $8,423 \text{ BO} \div (6,328 \text{ BO} + 8,423 \text{ BO}) \times 100\% = \mathbf{57.1\%}$

Attachment 3

Lefkovitz Gas Com B #1F API #30-045-31419 C-103 NOI Sundry to DHC 3/31/03
EUR (MMCF) FOR INDIVIDUAL COMPLETIONS IN SURROUNDING 16 SECTION AREA
MESAVERDE DAKOTA

WELL	EUR (MMCF)	WELL	EUR (MMCF)
Conoco Hamner #3A	759	Conoco Hammer #3E	638
Simmons DJ Co LV Hamner B #1B	829	Conoco Hammer #3A	851
ConocoHamner #3	602	XTO Gerk Gas Com B #1	579
Simmons DJ Co LV Hamner B #1A	1744	Burlington Resources Cain #16E	521
Simmons DJ Co LV Hamner B #1	348	Burlington Resources Cain #16	948
XTO Energy Gerk Gas Com #1	1245	Burlington Resources Cain #22	286
Burlington Resources Cain #3R	732	Burlington Resources Cain #15	2723
Aztec Oil & Gas Cain #3	1007	Burlington Resources Cain #15M	1030
Burlington Resources Cain #15	205	XTO Energy State Gas Com BP #1	1940
Burlington Resources Cain #22	847	Conoco State N #1M	1021
Burlington Resources Cain #15M	628	XTO Energy State Gas Com BP #1E	752
Conoco State Com C #4	417	Conoco State N #1	1393
XTO Energy State Gas Com O #1	933	BP America WD Heath A #10	968
Conoco State N #1	843	BP America WD Heath A #8E	564
Conoco State Com N #1M	950	BP America WD Heath A #10E	275
BP America WD Heath A #3X	4890	BP America WD Heath A #8	1074
BP America WD Heath A #3A	890	BP America Valencia Gas Com B #1	1127
BP America WD Heath A #2	2553	BP America Valencia Gas Com B #1M	569
BP America WD Heath A #2A	1384	XTO Energy Snyder Gas Com B #1	816
BP America Valencia Gas Com #1	2753	XTO Energy Gerk Gas Com B #1M	435
BP America Valencia Gas Com B #1M	593	BP America Hamner #1	121
BP America Valencia Gas Com B #1	709	Burlington Resources Lively #16	234
BP America Sammons Gas Com B #1	2417	Burlington Resources Neudecker #7	2500
XTO Energy Gerk Gas Com B #1M	448	Burlington Resources Reid A SRC #1	4333
XTO Energy Snyder Gas Com #1A	904	Burlington Resources Reid A SRC#1M	818
XTO Energy Snyder Gas Com #1	3827	Burlington Resources Hare #20	4201
Conoco Hamner #1A	2114	Burlington Resources Neudecker #6	2950
Pan American Grambling B #1	1012	Burlington Resources Neudecker #6E	975
Conoco Hamner #1	2143	Burlington Resources Hare #19	3182
Burlington Resources El Paso #1	1731	XTO Energy Chavez Gas Com C #1M	514
Burlington Resources El Paso #1B	1180	Burlington Resources Hare #19E	461
Burlington Resources Lively #16	297	XTO Energy Chavez Gas Com C #1R	794
Burlington Resources El Paso #1A	1513	Burlington Resources Martinez Gas Com F #1	2519
Burlington Resources Neudecker #7	631	XTO Energy Martinez Gas Com G #1E	1739
Burlington Resources Reid A #2R	980	XTO Energy Martinez Gas Com F #1E	1057
Burlington Resources Reid A SRC #1M	1189	XTO Energy Martinez Gas Com G #1	3410
Burlington Resources Reid A SRC #1	1721	XTO Energy Hare Gas Com C #1E	852
Burlington Resources Neudecker #6E	615	XTO Energy Lefkovitz Gas Com B #1E	352
Burlington Resources Hare #22A	698	XTO Energy Hare Gas Com C #1	1624
Burlington Resources Hare #22	662	XTO Energy Lefkovitz Gas Com B #1	1249
El Paso Natural Gas Neudecker #1	23	XTO Energy McDaniel Gas Com B #1	2135
Burlington Resources Hare #19E	806	BP America Beach Com #1	1330
XTO Energy Moss Federal Gas Com A #1	205	XTO Energy Morris Gas Com C #1E	840
Burlington Resources Hare #19	675	XTO Energy McDaniel Gas Com B #1R	783
XTO Energy Chavez Gas Com C #1M	1200	XTO Energy McDaniel Gas Com B #1E	384
XTO Energy Martinez Gas Com I #1A	411	Burlington Resources Zachry #17E	835
XTO Energy Martinez Gas Com G #1E	1243	Conoco Hamner Federal #1	2021
XTO Energy Martinez Gas Com I #1	752	Burlington Resources Zachry #17	2324
XTO Energy Martinez Gas Com G #1	1900	Conoco State Com AG #29	3360
XTO Energy Lefkovitz Gas Com B #1A	549	Conoco State Com AG #29E	751
XTO Energy Abrams Gas Com J #1	732	Conoco State Com AF #28E	336
XTO Energy Lefkovitz Gas Com B #1E	1082	Conoco State Com AF #28	2118
XTO Energy Baca Gas Com A #1A	488		
XTO Energy McDaniel Gas Com B #1R	752		
XTO Energy Baca Gas Com A #1	629		
XTO Energy Abrams L #1	440		
XTO Energy Abrams L #1A	1367		
Burlington Resources Zachry #50	362		
Burlington Resources Zachry #43	832		
Burlington Resources Zachry #51	257		
Conoco State Com AG #29E	1229		
Conoco State Com AF #28	943		
Conoco State Com AG #29	455		
Conoco State Com AF #28E	803		
TOTAL	68,078	TOTAL	69,612
AVERAGE	1,064	AVERAGE	1,339