

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
Revised May 08, 2003

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.

30-045-31656

5. Indicate Type of Lease

STATE ☐ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name:

BERGER

8. Well Number

3E

9. OGRID Number

167067

10. Pool name or Wildcat

BASIN DAKOTA/GALLUP GALLEGOS

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

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 L : 1900 feet from the SOUTH line and 990 feet from the WEST line

Section 22 Township 26N Range 11W NMPM County SAN JUAN

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

6265' GR

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 COMPLETION ☐

OTHER: DOWNHOLE COMMINGLE ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

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 Inc. is requesting permission to downhole commingle this well. It is located in the pre-approved pool area established by Division Order R-11363. The pools to be commingled are the Basin Dakota (71599) and the Gallegos Gallup (26980). The perforated interval for the Basin Dakota is 6060'-6140' and the Gallegos Gallup is 5183'-5335'. The attached graphs show the allocation method that will be used. This is based on estimated ultimate gas production and cumulative oil production in a nine section area surrounding this well. Water is being allocated the same as oil. Commingling of these zones will not reduce the value of the total remaining production. All interest owners are common in the Basin Dakota and the Gallegos Gallup intervals. This application has also been sent to the BIM for approval since it is a Federal lease.

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

SIGNATURE Holly C. Perkins TITLE REGULATORY SPECIALIST DATE 3/30/04

Type or print name HOLLY C. PERKINS Telephone No. 505-324-1090

(This space for State use)

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 3 DATE MAY - 3 2004

Conditions of approval, if any:



March 29, 2004

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



Re: Request for Exception to Rule 303-C - Downhole Commingling

Berger #3E – 1,900' FSL & 990' FWL, Sec 22L, T-26-N, R-11-W
Basin Dakota (71599) & Gallegos Gallup (26980)
San Juan County, New Mexico

Dear Mr. Chavez:

XTO Energy Inc. requests administrative approval for an exception to Rule 303-C to permit the downhole commingling of production in the aforementioned well from the Basin Dakota and Gallegos Gallup pools in the Berger #3E. Attached for your reference are the following exhibits:

1. NMOCD Form C-103
2. Production data for Basin Dakota and Gallegos Gallup pools in a nine section area .

The Berger #3E is in the process of being completed by XTO Energy, Inc as a Basin Dakota/Gallegos Gallup well. It is proposed to downhole commingle both zones during completion.

Based upon the cumulative production for each pool, in the nine section area, the following allocations were determined:

Basin Dakota (71599)	Oil 60 %	Water 60 %	Gas 83 %
Gallegos Gallup (26980)	Oil 40 %	Water 40 %	Gas 17 %

The ownership (WI, NRI and ORRI) of these pools are identical in this wellbore. Downhole commingling in this manner will offer an economic method of production while protecting against reservoir damage, waste of reserves and violation of correlative rights.

Should you require any additional information please contact me at (505) 324-1090.

Sincerely,

Trenis Sondresen
Operations Engineer

Enclosures
Cc: George Cox – FTW Land
Well File