State of New Mexico Form C-103 Submit 3 Copies To Appropriate District Office Energy, Minerals and Natural Resources Revised May 08, 2003 District I WELL API NO. 1625 N. French Dr., Hobbs, NM 87240 30-045-31604 District II OIL CONSERVATION DIVISION 1301 W. Grand Ave., Artesia, NM 88210 5. Indicate Type of Lease 1220 South St. Francis Dr. District III STATE FEE 1000 Rio Brazos Rd., Aztec, NM 87410 Santa Fe. NM 87505 District IV 6. State Oil & Gas Lease No. 1220 S. St. Francis Dr., Santa Fe, NM 87505 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 UTE INDIANS A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) 8. Well Number 1. Type of Well: Oil Well Gas Well Other 9. OGRID Number 2. Name of Operator 167067 XTO Energy Inc. 3. Address of Operator 10. Pool name or Wildcat BARKER DOME 2700 Farmington Ave., Bldg. K. Ste 1 Farmington 4. Well Location 932 SOUTH Unit Letter feet from the line and feet from the line 27 Township 32N Range 14W **NMPM** Section County SAN JUAN 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 12. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: REMEDIAL WORK PERFORM REMEDIAL WORK PLUG AND ABANDON ALTERING CASING **CHANGE PLANS** COMMENCE DRILLING OPNS. **TEMPORARILY ABANDON PLUG AND ABANDONMENT PULL OR ALTER CASING MULTIPLE** CASING TEST AND COMPLETION **CEMENT JOB** OTHER: CHANGE TO COMMUNICIE ORDER X 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. requests permission for an alternative method of production. The well history provided below provides substantiation for our request: 1/31/04: MIRU PU. Released packer @ 7872'. TOH. 2/5/04: Milled out CTBP @ 8070' above Akah perfs fr/8113' - 8159'. 2/7/04: Milled our CIBP @ 8180' above Upper Barker Creek perfs fr/8288' - 8406'. The parted due to corrosion. First fish: 5 jts 2-7/8" tbg, 4 - 3-1/8 DC's & mill. 2/15/04: Milled over TOF to 7921'; unable to set off hyd hars. Lost tbg rotation. 2/17/04: Tbg parted. 2nd fish: 39 jts 2-7/8" tbg, 4 - 3-1/8" DC's, hyd jars, 4-1/2" x 10' wash pipe & 4-3/4" mill shoe. Impression block shows possible collapsed csg @ 6556'. 2/20/04: Ran downhole video camera. confirmed csg collapse @ 6565' w/2-7/8" tbg pinched in it. 2/24/04: Milled through collapsed csg fr/6556' - 6559'. The parted due to corrosion. 3rd fish: 3-1/2" jts 2-7/8" tbg, 6 DC's, hyd jars & mill. I hereby certify that the information above is true and complete to the best of my knowledge and belief. SIGNATURE. REGULATORY COMPLIANCE TECH DATE Type or print name HOLLY C. PERKINS Telephone No. 505-324-1090 (This space for State use) SEPUTY OIL & GAS INSPECTION, DIST. ONUU APPROVED BY apply to Engineering Bureau Conditions of approval, if any:

XTO Energy Inc.
NOI Alternative Method of Production (Cont'd)
Ute Indians A #36
Page 2; 6/21/04 submittal

2/25/04: Chg'd out tbg string. 2/28/04: TIH & rec 3rd fish.

3/2/04: Dressed bad spot in csg fr/6566' – 6569'. Milled off top of 2^{nd} fish fr/6571' – 6578'. TOH...

3/4/04: TIH w/4-11/16" x 4' OD OS, hyd jars, 6 - 3-1/2" DC's & 2-7/8" tbg. Milled on tight spot @ 6571'. Mill quit. Unable to go deeper. Fishing tool assy parted. 3^{rd} fish: 4-11/16" x 4' OS.

3/5/04: Attempted to rec 3rd fish w/spear. Unsuccessful. Spear grapple parted. 4th fish: 1.5" x 9" piece of grapple.

XTO Energy proposes to land tbg @ 6500' & produce until pressure has depleted. Amended DHC allocations will be sent to NMOCD & BLM. Once pressure has declined, we will set a cmt retainer @ 6500' & sqz w/300 sx Class H cmt.

Wellbore diagram attached.

KB: 5,995' GL: 5,983' CORR: 12'

12-1/4" HOLE 7-7/8" HOLE DV TOOL @ 4,127' TOC @ 5,100' Collapsed csg - 6,565' (WL w/camera). 2nd fish (2/15/04): 39 jts 2-7/8" tbg, 4 - 3-1/8" DCs, hyd jars & FT BHA fr/6,578' - 7,921'. 1st fish (2/7/04): 5 its 2-7/8" tbg, 4 - 3-1/8" DCs & mill @ 8,190' PBTD @ 8,678'

TD @ 8,731'

SET 8-5/8" SURF CSG @ 850'. CMTD CSG W/260 SX TYPE III CMT W/ADDS PLUS 100 SX TYPE III CMT W/ADDS . CIRC 51 BBLS CMT TO SURF.

4th fish (3/5/04): 1.5" x 9" piece off of grapple.

3rd fish (3/4/04): 4-11/16" OD x 4' OS fr/6,570' 6,566'.

ISMAY: 7,716' - 7,854' (100 HOLES)

DESERT CREEK: 7,897' - 8,003' (124 HOLES)

AKAH: 8,113' - 8,159' (38 HOLES)

UPR BARKER CREEK: 8,203' - 8,241' (38 HOLES)

CIBP @ 8,270'

LWR BARKER CREEK: 8,288' - 8,406' (82 HOLES)

CIBP @ 8,480'

ALKALI GULCH: 8,540' - 44' (10 HOLES)

SET 5-1/2" CSG @ 8,729'. CMTD 1ST STG W/770 SX CL H CMT W/ADDS. DID NOT CIRC. CMTD $2^{\rm ND}$ STG W/ 500 SX TYPE III CMT W/ADDS. CIRC 127 BBLS CMT TO SURF.