

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. NMSF081078
2. Name of Operator XTO ENERGY INC		6. If Indian, Allottee or Tribe Name
Contact: HOLLY PERKINS E-Mail: Regulatory@xtoenergy.com		7. If Unit or CA/Agreement, Name and/or No. NMMN73876
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. ARMENTA GAS COM C 1R
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 22 T29N R10W SESE 210FSL 1165FEL		9. API Well No. 30-045-32193-00-X1
		10. Field and Pool, or Exploratory BASIN DAKOTA BLANCO MESAVERDE
		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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Subsurface Commingling
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

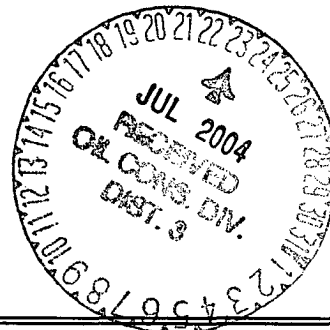
13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths 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 permission to downhole commingle production from the Basin Dakota pool and the Blanco Mesaverde Pool per the attached documents.

**CONDITIONS OF APPROVAL**

Adhere to previously issued stipulations.

DNC 1563 AZ



14. I hereby certify that the foregoing is true and correct. Electronic Submission #30381 verified by the BLM Well Information System For XTO ENERGY INC, sent to the Farmington Committed to AFMSS for processing by MATTHEW HALBERT on 07/14/2004 (04MXH1806SE)	
Name (Printed/Typed) HOLLY PERKINS	Title REGULATORY SPECIALIST
Signature (Electronic Submission)	Date 05/06/2004

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

Approved By <u>[Signature]</u>	Title <u>Petr. Eng</u>	Date <u>7/16/04</u>
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 <u>NMOCB</u>

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.

**\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\***

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

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

Form C-103

Revised May 08, 2003

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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.)		WELL API NO. <b>30-045-</b>
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator <b>XTO Energy Inc</b>		6. State Oil & Gas Lease No.
3. Address of Operator <b>2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401</b>		7. Lease Name or Unit Agreement Name: <b>ARMENTA GAS COM C</b>
4. Well Location  Unit Letter <b>P</b> : <b>210</b> feet from the <b>SOUTH</b> line and <b>1165</b> feet from the <b>EAST</b> line  Section <b>22</b> Township <b>29N</b> Range <b>10W</b> NMPM County <b>SAN JUAN</b>		8. Well Number <b>1R</b>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <b>5594' GR</b>		9. OGRID Number <b>167067</b>
10. Pool name or Wildcat <b>BASIN DAKOTA/BLANCO MESAVERDE</b>		

12. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data			
<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: DOWNHOLE COMMINGLE <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

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 an exception to Rule 303A to downhole commingle production from the Basin Dakota pool (71599) and the Blanco Mesaverde Pool (72319). See attachments 1-3 for supporting documentation. Plats for this well are also included. The APD for this well has not been approved but we expect approval shortly. XTO requests approval to DHC both zones on initial completion. Ownership is common in both zone's spacing units. A sundry notice has been filed with the BLM Farmington office.

Proposed Gas Allocation:	Dakota - 55.7%	Mesaverde - 44.3%
Proposed Oil Allocation:	Dakota - 51.1%	Mesaverde - 48.9%
Proposed Water Allocation:	Dakota - 57.1%	Mesaverde - 42.9%

DHC1563AZ

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 COMPLIANCE TECH DATE 5/6/04

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

(This space for State use)

APPROVED BY [Signature] TITLE \_\_\_\_\_ DATE \_\_\_\_\_

Conditions of approval, if any:

DISTRICT I  
1625 N. French Dr., Hobbs, N.M. 88240

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised August 15, 2000

DISTRICT II  
811 South First, Artesia, N.M. 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION

2040 South Pacheco  
Santa Fe, NM 87505

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number	<sup>2</sup> Pool Code 71599	<sup>3</sup> Pool Name BASIN DAKOTA
<sup>4</sup> Property Code	<sup>4</sup> Property Name ARMENTA GAS COM "C"	<sup>5</sup> Well Number 1R
<sup>7</sup> GRID No.	<sup>8</sup> Operator Name XTO ENERGY INC.	<sup>9</sup> Elevation 5594'

<sup>10</sup> Surface Location

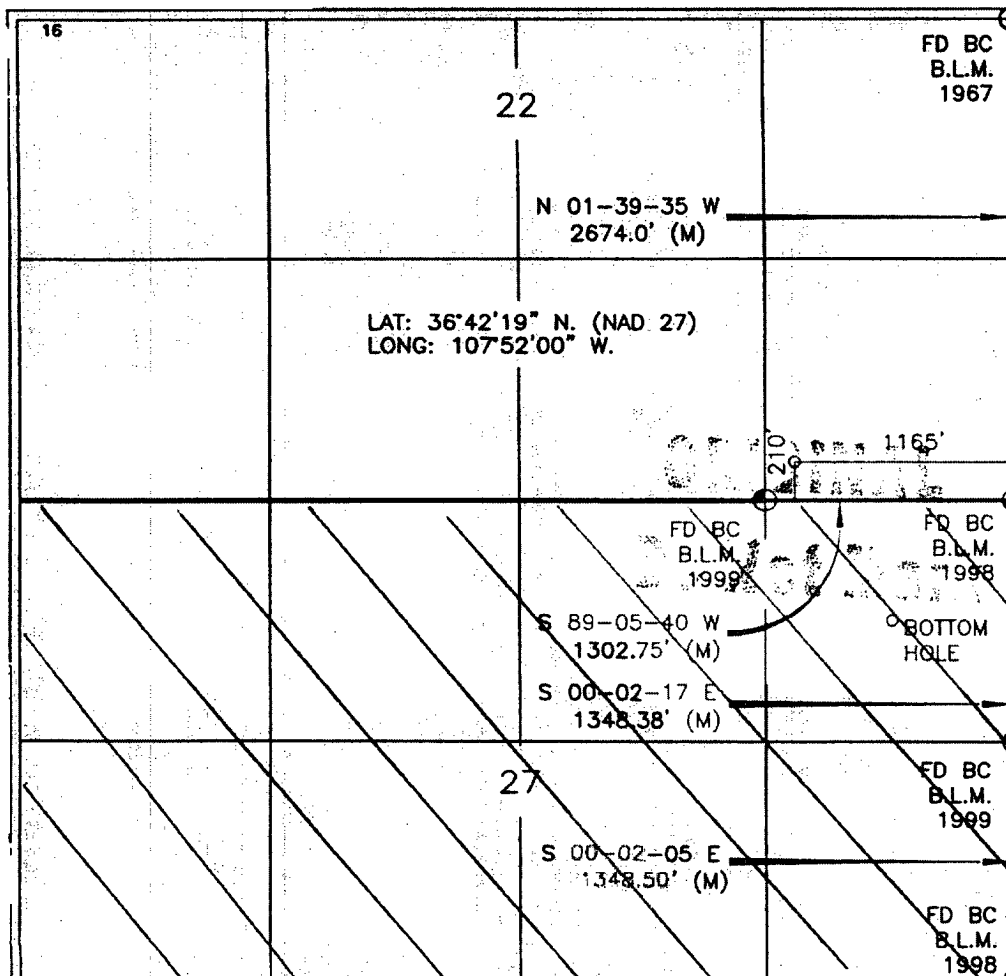
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	22	29-N	10-W		210	SOUTH	1165	EAST	SAN JUAN

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	27	29-N	10-W		660'	NORTH	660'	EAST	SAN JUAN

<sup>12</sup> Dedicated Acres 320 N/2	<sup>13</sup> Joint or Infill I	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
--	------------------------------------	----------------------------------	-------------------------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16		17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature: <u>Jeffrey W. Patton</u> Printed Name: <u>JEFFREY W. PATTON</u> Title: <u>DRILLING ENGINEER</u> Date: <u>2-17-04</u>
		18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.  Date of Survey: <u>12-9-03</u> Signature of Professional Surveyor: <u>David A. Johnson</u> Seal: <u>14827</u> Certificate Number: <u>14827</u>

Attachment 1  
Armenta Gas Com C #1R  
Sec 22P, T29N, R10W  
C-103 NOI Sundry to DHC  
5/6/04

Required conditions per Rule 303C(1):

All other conditions stipulated in Rule 303C (1) a, b, d, e, f, g & h are met.

- (c) Using the NMOCD fracture parting pressure gradient of 0.65 psig per foot of depth, the bottomhole pressure to frac the Mesaverde (est. top perf 3,700') is 2,405 psig and to frac the Dakota (est. top perf 6,340') is 4,121 psig. Because of offset drainage neither zone's current bottom hole pressures (est. 1,200 psig -1,900 psig) are expected to exceed the frac parting pressure of either zone.

Additional information per Rule 303C(3)(b):

- (i) Division Order R-11363 established the pre-approved pool combination for downhole commingling these pools.
- (ii) The pools to be commingled are:  
Blanco Mesaverde Pool (72319)  
Basin Dakota Pool (71599).
- (iii) Blanco Mesaverde perforations: 3,700' – 4,450' (est. perf interval)  
Basin Dakota perforations: 6,340' – 6,550' (est. perf interval)
- (iv) The proposed gas and oil production allocation percentages are based on average estimated ultimate recovery per completion of the 64 Mesaverde and 52 Dakota completions in a 16 section area offsetting the well location. Water production will be allocated identical to the oil production allocation. See Attachment 2 and 3 for the calculations and supporting data of the proposed production allocation percentages.

**Proposed Allocation Percentages:**

	<b>GAS</b>	<b>OIL</b>	<b>WATER</b>
<b>Blanco Mesaverde</b>	<b>44.3%</b>	<b>42.9%</b>	<b>42.9%</b>
<b>Basin Dakota</b>	<b>55.7%</b>	<b>57.1%</b>	<b>57.1%</b>

- (v) Downhole commingling will not reduce the value of the total remaining production. Increased ultimate recovery is expected due to a lower economic production limit for each pool resulting lower operating cost per zone due to the combined production. Also, the reserves will be recovered in less time by downhole commingling.
- (vi) Working and royalty interest ownership in the Dakota and Mesaverde spacing units in this well are identical. XTO Energy Inc. was not required to notify the owners of our plans to downhole commingle by certified mail
- (vii) The Dakota and Mesaverde spacing units (N/2, Sec 27) do not contain State lands or minerals so a copy of the Form C-103 was not sent to them. The well is located on a Federal lease. A copy of the Form C-103 with attachments was sent to the BLM using Sundry Notice Form 3160-5.

Attachment 2  
Armenta Gas Com C #1R  
Sec 22P, T29N, R10W  
C-103 NOI Sundry to DHC  
5/6/04

**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 3 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 (See Attachment 4 MV summary prod. decline curve)

Ave. DK Oil EUR = 438 MBO EUR for DK completions (16 Section area) + 52 DK completions  
= 8,423 BO/completion (See Attachment 5 DK summary prod. decline curve)

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

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

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

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

## Attachment 3

Armenta Gas Com C #1R

**INDIVIDUAL COMPLETIONS EST. ULT. GAS RECOVERY (MMCF)**  
**MESAVERDE** **DAKOTA**

WELL	EUR (MMCF)	WELL	EUR (MMCF)
Conoco Hamner #3A	759	Conoco Hammer #3E	
Simmons DJ Co LV Hamner B #1B	829	Conoco Hammer #3A	
	602	XTO Gerk Gas Com B #1	
Simmons DJ Co LV Hamner B #1A	1744	Burlington Resources Cain #16E	521
	348	Burlington Resources Cain #16	948
	1245	Burlington Resources Cain #22	
Burlington Resources Cain #3R	732	Burlington Resources Cain #15	
Aztec Oil & Gas Cain #3	1007	Burlington Resources Cain #15M	
	205	XTO Energy State Gas Com BP #1	
	847	Conoco State N #1M	
Burlington Resources Cain #15M	628	XTO Energy State Gas Com BP #1E	
Conoco State Com C #4	417	Conoco State N #1	
XTO Energy State Gas Com O #1	933	BP America WD Heath A #10	
Conoco State N #1	843	BP America WD Heath A #8E	
	950	BP America WD Heath A #10E	
	4890	BP America WD Heath A #8	
	890	BP America Valencia Gas Com B #1	
	2553	BP America Valencia Gas Com B #1M	
	1384	XTO Energy Snyder Gas Com B #1	816
	2753	XTO Energy Gerk Gas Com B #1M	
	593	BP America Hamner #1	
	709	Burlington Resources Lively #16	234
	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	
Pan American Gambling B #1	1012	Burlington Resources Neudecker #6E	
	2143	Burlington Resources Hare #19	
	1731	XTO Energy Chavez Gas Com C #1M	
Burlington Resources El Paso #1B	1180	Burlington Resources Hare #19E	
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	
Burlington Resources Reid A SRC #1	1721	XTO Energy Hare Gas Com C #1E	
Burlington Resources Neudecker #6E	615	XTO Energy Lefkovitz Gas Com B #1E	
	698	XTO Energy Hare Gas Com C #1	
	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