

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

WELL API NO. 30-045-24953
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: BERK GAS COM B
8. Well Number 1M
9. OGRID Number 167067
10. Pool name or Wildcat Basin Dakota / Blanco Mesaverde

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 N : 160 feet from the SOUTH line and 790 feet from the WEST line Section 19 Township 29N Range 09W NMPM 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:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐

OTHER: **DOWNHOLE COMMINGLING** ☒

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. requests an exception to Rule 303A to DHC production from the Blanco Mesaverde (72319) and the Basin Dakota (71599) pools. Division Order R-11363 established these pools as pre-approved pool combinations for DHC in the San Juan Basin. This well is currently a dual completion. The MV perfs are fr/3590' - 4326'. The DK perfs are fr/3700' - 4700'. Both zones are partially depleted so the well's SI pressures after DHC will not exceed either zone's frac gradient. The proposed oil & wtr allocations are based on each pool's cumulative production and the gas allocations are based on each pool's estimated remaining production (see attachments). DHC will not reduce the value of the total remaining production. We expect downhole commingling to increase ultimate recovery due to a lower economic production limit per pool resulting fr/shared operating cost. Ownership is common for both pools in this well. Thus, this application was also filed with the BLM Farmington field Office. There is no State Land ownership in this well.

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 7/19/04

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. 4 DATE JUL 23 2004
Conditions of approval, if any:

Attachment
C-103 NOI Sundry to DHC
Gerk Gas Com B #1M
Sec 19, T29N, R09W
API #30-045-24953

This well is a dual DK and MV completion. The proposed oil and water production allocation percentages are based on the Jan '04 cumulative production from each pool. The proposed gas production allocation percentages are based on the estimated remaining production from each pool. See the allocation calculations below.

Proposed Allocation Percentages:

Pool	Oil	Water	Gas
Basin Dakota	69.3%	64.5%	26.9%
Blanco Mesaverde	30.7%	35.5%	73.1%
Total	100%	100%	100%

Oil and Wtr Cum Prod fr/Dwights through Jan '04 & Gas Est Remaining Prod:

Pool	BO	BW	MCF
Basin Dakota	1,701	4,837	78,348
Blanco Mesaverde	752	2,658	213,459
Total	2,453	7,495	291,807

$$\text{DK oil allocation \%} = (1,701 \text{ BO} \div 2,453 \text{ BO}) \times 100\% = \mathbf{69.3\%}$$

$$\text{MV oil allocation \%} = (752 \text{ BO} \div 2,453 \text{ BO}) \times 100\% = \mathbf{30.7\%}$$

$$\text{DK wtr allocation \%} = (4,837 \text{ BW} \div 7,495 \text{ BW}) \times 100\% = \mathbf{64.5\%}$$

$$\text{MV wtr allocation \%} = (2,658 \text{ BW} \div 7,495 \text{ BW}) \times 100\% = \mathbf{35.5\%}$$

$$\text{DK Gas Allocation \%} = (78,348 \text{ MCF} \div 291,807 \text{ MCF}) \times 100\% = \mathbf{26.9\%}$$

$$\text{MV Gas Allocation \%} = (213,459 \text{ MCF} \div 291,807 \text{ MCF}) \times 100\% = \mathbf{73.1\%}$$