

District I  
1625 N. French Dr., Hobbs, NM 88240  
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

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

WELL API NO. 30-045-32234
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 HANYIE
8. Well Number 4
9. OGRID Number 167067
10. Pool name or Wildcat BASIN DAKOTA/BLANCO MESAVERDE

<p><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.)</p>	
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, Suite K-1, Farmington, NM 87401	
4. Well Location Unit Letter <u>D</u> : <u>670</u> feet from the <u>North</u> line and <u>670</u> feet from the <u>West</u> line Section <u>4</u> Township <u>30N</u> Range <u>11W</u> NMPM San Juan County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5820' GR	
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>	
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____	
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<p><b>NOTICE OF INTENTION TO:</b></p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/></p> <p>TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/></p> <p>PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/></p> <p>OTHER: DOWNHOLE COMMINGLE <input checked="" type="checkbox"/></p>	<p><b>SUBSEQUENT REPORT OF:</b></p> <p>REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/></p> <p>COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/></p> <p>CASING/CEMENT JOB <input type="checkbox"/></p> <p>OTHER: <input type="checkbox"/></p>
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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 administrative approval for an exception to Rule 303-C to permit the downhole commingling of production in the referenced well from the Basin Dakota (71599) and the Blanco Mesaverde (72319) pools. Both pools are included in the San Juan Basin pre-approved pools listing. This is a new drill well that will be downhole commingled upon initial completion.

The proposed allocations are based on approved DHC's for two off-set wells; the Aztec Com 4 #1 and the Aztec Com 4 #2. XTO proposes to allocate the commingled production as follows:

Basin Dakota (71599)	Gas 25%	Oil 62%	Water 82%
Blanco Mesaverde (72319)	Gas 75%	Oil 38%	Water 18%

Ownership in this well's pools is common and notification to WI, ORRI and NRI owners is not required. Downhole commingling will offer an economic method of production while protecting against reservoir damage, waste of reserves, and protecting correlative rights. There are no federal lands or state lands related to this well's lease and notification is not required.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Runell A. Seale TITLE: REGULATORY COMPLIANCE TECH DATE 03/02/05

Type or print name: Runell A. Seale for Holly C. Perkins E-mail address: holly\_perkins@xtoenergy.com Telephone No. 505 564-6720  
**For State Use Only**

APPROVED BY: [Signature] TITLE: DEPUTY OIL & GAS INSPECTOR, DIST. 02 DATE: FEB 15 2005  
Conditions of Approval (if any):