

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

June 19, 2008

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

WELL API NO. 30-045-32107
5. Indicate Type of Lease STATE ☐ FEE ☒
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: GRACIA STATE 32 0
8. Well Number #4
9. OGRID Number 5380
10. Pool name or Wildcat BASIN FC/WEST KUTZ PICTURED CLIFFS
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6,263' GR

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 382 CR 3100 AZTEC, NM 87410
4. Well Location Unit Letter O : 1200 feet from the SOUTH line and 1800 feet from the EAST line Section 32 Township 26N Range 11W NMPM County SAN JUAN
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6,263' 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 COMPL ☐
DOWNHOLE COMMINGLE ☒

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐ RCVD JUN 10'11
OIL CONS. DIV.
DIST. 3

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 requests approval to DHC this well per OCD Rule 19.15.12.11 C(2) in the Basin FC (71629, 1261' to 1276') & the W. Kutz PC (79680, 1310' to 1350') upon completion of the PC. Pool combination is pre-approved per Order R-11363. Please see attached spreadsheet for justification of proposed allocations.

Basin Fruitland Coal	Oil: 0%	Gas: 30%	Water: 8%
West Kutz Pictured Cliffs	Oil: 100%	Gas: 70%	Water: 92%

Ownership is diverse & notification was made by CRR (without protest) on 5/19/2011. DHC will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights. DHC 3611A2

Spud Date:

Rig Release Date:

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

SIGNATURE Wanett McCauley TITLE REGULATORY COMPLIANCE TECH DATE 6/09/2011
Type or print name WANETT MCCAULEY E-mail address: wanett_mccauley@xtoenergy.com PHONE 505-333-3630

For State Use Only

APPROVED BY [Signature] Deputy Oil & Gas Inspector, District #3 DATE JUN 17 2011

Conditions of Approval (if any):

AV

Since there are no Pictured Cliffs producers in the 9-section, XTO averaged out the first 6 months of production from all 13 PC wells in the township to break out the difference between the current Fruitland Coal zone and the new interval.

Monthly Production Rates

	OIL (Bbl/mo.)	GAS (KCF/mo.)	Water (Bbl/mo.)
Fruitland Coal	0	945	20
Pictured Cliffs	0	2169	242
Total	0	3115	262

Average production for last 6 months in Gracia State 32-O-4
6-month average of initial PC production in township

Percent Production			
	OIL	GAS	Water
Fruitland Coal	0%	30%	8%
Pictured Cliffs	100%	70%	92%
Total	100%	100%	100%

Date	Oil	Gas	Water
7/31/2007	0	1055	0
8/31/2007	0	826	40
9/30/2007	0	1105	0
10/31/2007	0	838	80
11/30/2007	0	923	0
12/31/2007	0	924	0

Alternative Rock 1

Pictured Cliffs Initial Production

	BO/Mo.	KCF/Mo.	BW/Mo.
Mar-01	0	155	1850
Apr-01	0	755	1340
May-01	0	2571	1190
Jun-01	0	1081	880
Jul-01	0	1793	1445
Aug-01	0	2192	2120
AVERAGE	0	1425	1471

Navajo 1R

Pictured Cliffs Initial Production

	BO/Mo.	KCF/Mo.	BW/Mo.
Dec-03	0	242	80
Jan-04	0	217	150
Feb-04	0	302	150
Mar-04	0	365	450
Apr-04	0	427	135
May-04	0	559	150
AVERAGE	0	352	186

Huerfano Unit 9

Pictured Cliffs Initial Production

	BO/Mo.	KCF/Mo.	BW/Mo.
Sep-52	0	1300	0
Oct-52	0	2045	0
Nov-52	0	11774	0
Dec-52	0	10350	0
Jan-53	0	5062	0
Feb-53	0	4202	0
AVERAGE	0	5789	0

OH Randel 8

Pictured Cliffs Initial Production

	BO/Mo.	KCF/Mo.	BW/Mo.
Aug-85	0	2774	0
Sep-85	0	2028	23
Oct-85	0	624	6
Nov-85	0	1987	30
Dec-85	0	1503	0
Jan-86	0	844	0
AVERAGE	0	1627	10

Krause 1

Pictured Cliffs Initial Production

	BO/Mo.	KCF/Mo.	BW/Mo.
Mar-00	0	961	0
Apr-00	0	845	74
May-00	0	727	46
Jun-00	0	942	53
Jul-00	0	814	51
Aug-00	0	884	41
AVERAGE	0	862	44

Western Federal 6

Pictured Cliffs Initial Production

	BO/Mo.	KCF/Mo.	BW/Mo.
May-76	0	338	0
Jun-76	0	1320	0
Jul-76	0	796	0
Aug-76	0	602	0
Sep-76	0	396	0
Oct-76	0	787	0
AVERAGE	0	707	0

Mead B-1

Pictured Cliffs Initial Production

	BO/Mo.	KCF/Mo.	BW/Mo.
Nov-59	0	692	0
Dec-59	0	1714	0
Jan-60	0	470	0
Feb-60	0	392	0
Mar-60	0	1296	0
Apr-60	0	1300	0
AVERAGE	0	977	0

Western Federal 8Y

Pictured Cliffs Initial Production

	BO/Mo.	KCF/Mo.	BW/Mo.
May-82	0	412	0
Jun-82	0	786	0
Jul-82	0	695	0
Aug-82	0	1069	0
Sep-82	0	857	0
Oct-82	0	974	0
AVERAGE	0	799	0

Gracia State 32-O-4

Mead B-1R

Pictured Cliffs Initial Production

	BO/Mo.	KCF/Mo.	BW/Mo.
Mar-00	0	5392	0
Apr-00	0	4822	0
May-00	0	5326	0
Jun-00	0	5107	0
Jul-00	0	5247	0
Aug-00	0	5240	0
AVERAGE	0	5189	0

Western Federal 9

Pictured Cliffs Initial Production

	BO/Mo.	KCF/Mo.	BW/Mo.
Oct-80	0	2652	15
Nov-80	0	3290	15
Dec-80	0	3809	16
Jan-81	0	3876	16
Feb-81	0	2862	14
Mar-81	0	2458	15
AVERAGE	0	3158	15

Monroe 1

Pictured Cliffs Initial Production

	BO/Mo.	KCF/Mo.	BW/Mo.
Jan-02	0	5161	2180
Feb-02	0	5311	1370
Mar-02	0	6607	1560
Apr-02	0	6277	1030
May-02	0	6121	1450
Jun-02	0	3740	900
AVERAGE	0	5536	1415

Wininger State 1

Pictured Cliffs Initial Production

	BO/Mo.	KCF/Mo.	BW/Mo.
Mar-55	0	886	0
Apr-55	0	1269	0
May-55	0	768	0
Jun-55	0	1968	0
Jul-55	0	1456	0
Aug-55	0	1260	0
AVERAGE	0	1268	0

Navajo 1

Pictured Cliffs Initial Production

	BO/Mo.	KCF/Mo.	BW/Mo.
Nov-59	0	276	0
Dec-59	0	897	0
Jan-60	0	189	0
Feb-60	0	187	0
Mar-60	0	555	0
Apr-60	0	987	0
AVERAGE	0	515	0