

submit 3 Copies To Appropriate District Office  
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

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
May 27, 2004

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

WELL API NO. 30-045-31305 <b>32641</b>
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. B-11240-96; E-9989-6; E-9895-6
7. Lease Name or Unit Agreement Name <b>STATE J COM</b>
8. Well Number <b>1E</b>
9. OGRID Number 167067
10. Pool name or Wildcat BASIN DAKOTA/GALLEGOS GALLUP

<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.)	
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	
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 <b>K</b> : <b>1955</b> feet from the <b>South</b> line and <b>1970</b> feet from the <b>West</b> line Section <b>16</b> Township <b>26N</b> Range <b>11W</b> NMPM San Juan County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <b>6269' GR</b>	
Pit or Below-grade Tank Application axx or Closure <input type="checkbox"/>	
Pit type <b>Workover</b> Depth to Groundwater <b>&gt;500'</b> Distance from nearest fresh water well <b>&gt;1000'</b> Distance from nearest surface water <b>&gt; 1 mi</b>	
Pit Liner Thickness: <b>12</b> mil	

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"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <b>DOWNHOLE COMMINGLE</b> <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. is requesting an administrative approval for an exemption to Rule 303-C to permit downhole commingling of production from the Basin Dakota pool (71599), the Gallegos Gallup pool (26980). Both pools are included in the pre-approved pools established by Division Order R-11363. XTO proposes to downhole commingle these pools upon completion of the well. The proposed allocations are based on an individual pool average production of wells located in a nine section surrounding area. See attachments for supporting documentation and plats for this well. Based upon the average production, XTO proposes to allocate the commingled production as follows:

Pool	Gas	Oil	Water
Basin-Dakota	83%	40%	57%
Gallegos Gallup	17%	60%	43%

Ownership in this well's pools is not common and notification by certified mail to WI, ORRI and NRI owners has been completed. No objections were received during the 20 day objection period. Downhole commingling will offer an economic method of production while protecting against reservoir damage, waste of reserves, and protecting correlative rights. A notice of intent to DHC has been filed with the Commissioner of public lands.

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 NMOC guidelines ☐ a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Holly C. Perkins TITLE: REGULATORY COMPLIANCE TECH DATE 03/02/05

Type or print name 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. 88 DATE: MAR 10 2005

Conditions of Approval (if any):

DISTRICT I  
1825 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  
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 30-045-31305	<sup>2</sup> Pool Code 26980 & 71599	<sup>3</sup> Pool Name GALLEGOS GALLUP & BASIN DAKOTA
<sup>4</sup> Property Code 23353	<sup>5</sup> Property Name STATE "J" COM	<sup>6</sup> Well Number 1E
<sup>7</sup> OGED No. 167067	<sup>8</sup> Operator Name KTO ENERGY INC.	<sup>9</sup> Elevation 6269'

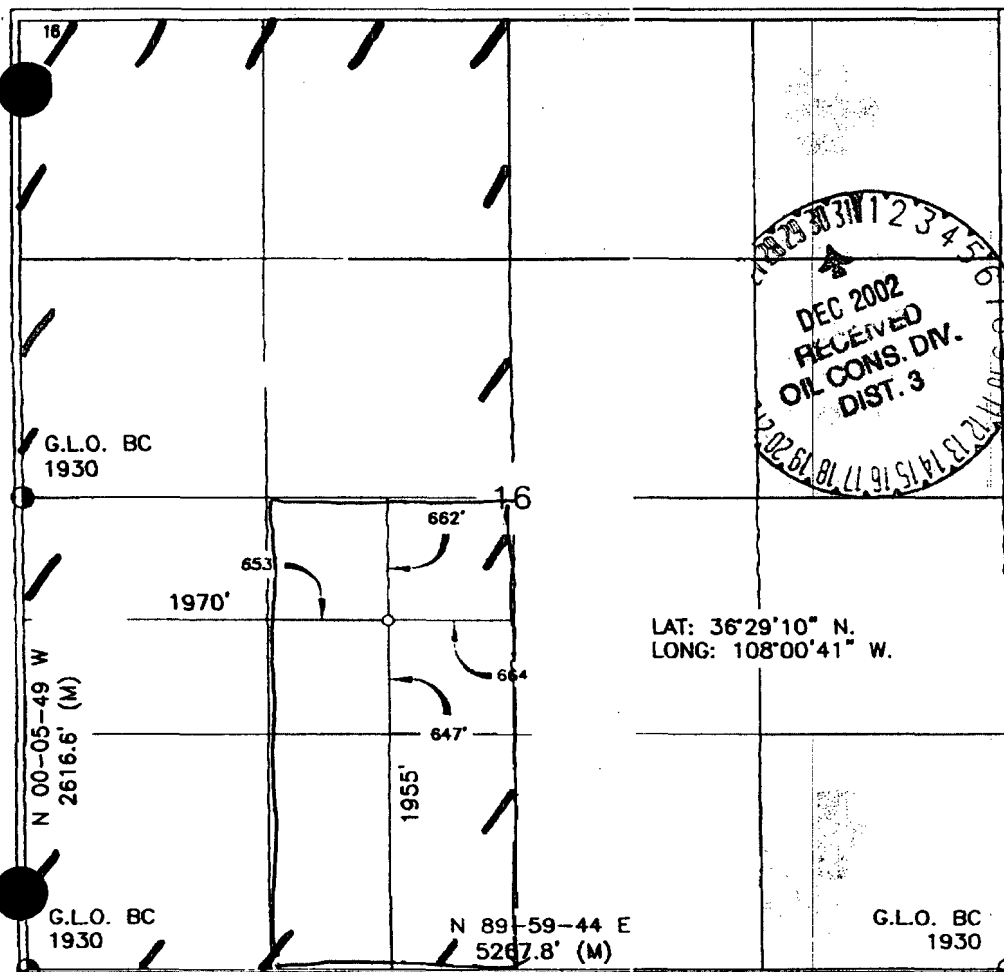
<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K.	16	26-N	11-W	-	1955'	SOUTH	1970'	WEST	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
<sup>12</sup> Dedicated Acres 80-911P 320- Dakota					<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code C		<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



17 OPERATOR CERTIFICATION

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

*Brian Wood*  
Signature  
BRIAN WOOD  
Printed Name  
CONSULTANT  
Title  
DEC. 24, 2002  
Date

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

APR 19 2002  
Date of Survey  
Signature and Seal of Professional Surveyor  
14827  
Certificate Number

State J Com #1E			
	Cum	Cum	Cum
	Oil	Gas	Water
	(bbls)	(mcf)	(bbls)
Dakota	382,892	49,690,318	50,117
Gallup	572,460	10,212,539	38,393
	955,352	59,902,857	88,510
	Oil	Gas	Water
Dakota %	40%	83%	57%
Gallup %	60%	17%	43%
Based on 9 section area surrounding this well.			



2700 Farmington Ave, K-1 Farmington, NM 87401  
Phone: (505) 324-1090 FAX: (505) 564-6700

February 9, 2005

RE: Notice of Intent to Apply for Downhole Commingling  
State J Com #1E  
Sec 16, T26N, R11W; 1955' FSL & 1970' FWL  
San Juan County, NM

To: All working interest, royalty interest and overriding royalty interest owners.

XTO Energy Inc. is applying for permission to downhole commingle the Basin Dakota and the Gallegos Gallup Pools in the State J Com #1E. This well is a new drill for 2005 and drilling was completed earlier this month. We propose to downhole commingle production from both pools on initial completion. NMOCDC requires all interest owners be notified of intent to downhole commingle if ownership is different between pools.

The proposed allocations are based on individual pool cumulatives in the surrounding 9 section area. Based upon this data, XTO Energy Inc. proposes to allocate the commingled production as follows:

Pool	Oil	Water	Gas
Basin Dakota	40%	57%	83%
Gallegos Gallup	60%	43%	17%

If you need additional information or have any questions, I can be contacted at (505) 324-1090. If you are opposed to commingling production from these two pools please respond in writing within 20 days of the date of this letter to XTO Energy Inc., 2700 Farmington Avenue, Suite K-1, Farmington, NM 87401.

Sincerely,

*Teena Cosper*

Teena Cosper  
Production Clerk

xc: Well File  
FW Land Dept.  
Commissioner of Public Lands

RECEIVED  
2005 FEB 11 AM  
STATE LAND COM  
SANTA FE, NM

