

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

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

May 27, 2004

WELL API NO.

30-045-32638

5. Indicate Type of Lease

STATE ☐ FEE ☐

6. State Oil & Gas Lease No.

NMSF047039B

7. Lease Name or Unit Agreement Name

FEDERAL E

8. Well Number 1F

9. OGRID Number

167067

10. Pool name or Wildcat

BASIN-DAKOTA/OTERO-CHACRA

SUNDRY NOTICES AND REPORTS ON

(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-01) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☐ Gas Well ☐ 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 B : 675 feet from the North line and 1770 feet from the East line
Section 17 Township 28N Range 10W NMPM San Juan County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

5797' GR

Pit or Below-grade Tank Application ☐ or Closure ☐

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐TEMPORARILY ABANDON ☐ CHANGE PLANS ☐PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐OTHER: DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐COMMENCE DRILLING OPNS. ☐ P AND A ☐CASING/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. 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 Otero Chacra pool (82329). Both pools are included in the pre-approved pools established by Division Order R-11363. XTO will spud this well in March 2005 and proposes to downhole commingle these pools upon completion of the well. The proposed allocations are based on an individual pool average EUR of wells located in a nine section surrounding area. See attachments for supporting documentation and plats for this well. Based upon the average EUR, XTO proposes to allocate the commingled production as follows:

Pool	Gas	Oil	Water
Basin-Dakota	86%	100%	100%
Otero-Chacra	14%	0%	0%

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. Downhole commingling will offer an economic method of production while protecting against reservoir damage, waste of reserves, and protecting correlative rights. A sundry notice of intent to DHC has been filed with the BLM.

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 03/07/05Type or print name Holly C. Perkins E-mail address: holly_perkins@xtoenergy.com Telephone No. 505 564-6720

For State Use Only

DEPUTY OIL & GAS INSPECTOR, DIST. 3

MAR 9 2005

APPROVED BY: [Signature] TITLE _____ DATE _____

Conditions of Approval (if any):

Certificate Number:

DISTRICT I
1825 St. Francis Dr., Hobbs, N.M. 88240

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State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102

Revised June 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

APN Number 30-045-32638		Pool Code 71599	Pool Name Basin Dakota
Property Code	Property Name Federal E		Well Number 1F
Order No. 1107067	Operator Name XTO ENERGY INC.		Elevation 5797'

10 Surface Location

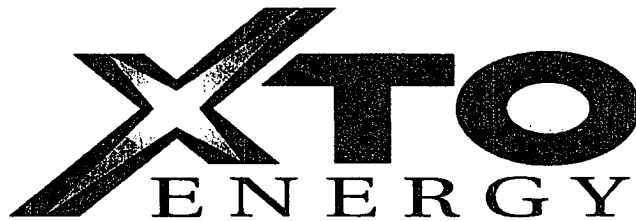
UL or lot no.	Section	Township	Range	Lot No.	Feet from the	North/South line	Feet from the	East/West line	County
B	17	28-N	10-W		875	NORTH	1770	EAST	SAN JUAN

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot No.	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres E12 320.00		Joint or well		Consolidation Code		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

<p>16</p> <p>UTR. CORNER FD 3/8" REBAR NO CAP</p> <p>N 89-59-48 W 2846.5' (M)</p> <p>675'</p> <p>1770'</p> <p>LAT: 36°40'04" N. (RAD 27) LONG: 107°54'55" W. (RAD 27)</p> <p>17</p> <p>S 00-02-48 W 2840.0' (M)</p> <p>UTR. CORNER FD 2 1/2" BC U.S.G.L.S. 1913</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and correct to the best of my knowledge and belief.</p> <p><u>Gregory J. Miller</u> Signature</p> <p><u>Gregory J. Miller</u> Drilling Assistant</p> <p><u>9/17/04</u> Date</p>
	<p>18 SURVEYOR CERTIFICATION</p> <p>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 the same is true and correct to the best of my knowledge and belief.</p> <p><u>Frank V. Vondrich</u> Signature</p> <p><u>14831</u> Certificate Number</p>



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

February 2, 2005

RE: Notice of Intent to Apply for Downhole Commingling

Federal E #1F
Sec 17, T28N, R10W; 675' FNL & 1770' FEL
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 Otero Chacra Pools in the Federal E #1F. This well will spud in March. We propose to downhole commingle production from both pools on initial completion. NMOCD 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 average EUR's in the area. Based upon this data, XTO Energy Inc. proposes to allocate the commingled production as follows:

Pool	Oil	Water	Gas
Basin Dakota	100%	100%	86%
Otero Chacra	0%	0%	14%

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.