

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB NO. 1004-0137  
Expires July 31, 2010

## SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. <b>FEE</b>
2. Name of Operator <b>XTO ENERGY INC.</b>		6. If Indian, Allottee or Tribe Name
3a. Address <b>382 CR 3100 AZTEC, NM 87410</b>	3b. Phone No. (include area code) <b>505-333-3100</b>	7. If Unit or CA/Agreement, Name and/or No. <b>NMM-73762</b>
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) <b>1570' ENL &amp; 1730' FWL SE1/4 SEC. 25 (E) - T29N-R10W N.M.P.M.</b>		8. Well Name and No. <b>HARE GAS COM C #1E</b>
		9. API Well No. <b>30-045-23566</b>
		10. Field and Pool, or Exploratory Area <b>BASIN DAKOTA/ OTERO CHACRA AZTEC PICTURED CLIFFS</b>
		11. County or Parish, State <b>SAN JUAN NM</b>

## 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>DOWNHOLE</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>COMMINGLE</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

XTO Energy Inc. requests approval per NMCD rule 19.15.12.11 C(2) to DHC production from the Basin Dakota (71599), Otero Chacra (82329) & the Aztec Pictured Cliffs (71280) pools in the Hare Gas Com C #1E. XTO proposes to downhole commingle these pools. Pools are not in the NMCD pre-approved pool combinations for DHC in the San Juan Basin.

Basin Dakota	Gas: 12%	Oil: 100%	Water: 100%
Otero Chacra	Gas: 40%	Oil: 0%	Water: 0%
Aztec Pictured Cliffs	Gas: 48%	Oil: 0%	Water: 0%

RCVD AUG 13 '12  
OIL CONS. DIV.  
DIST. 3

Ownership is diverse, a notification to owners was sent out 7/20/12. DHC will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights. The OCD was notified of our intent to DHC via C-107A on 7/26/2012.

*MUST HAVE APPROVED DHC ORDER FROM STATE BEFORE WORK BEGINS*

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) <b>KRISTEN D. LYNCH</b>		Title <b>REGULATORY ANALYST</b>
Signature <i>Kristen D. Lynch</i>		Date <b>7/31/2012</b>

## THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

Hare Gas Com C #1E (API #30-045-23566) DHC Prod Allocation Data										
FIELD	RESERVOIR	PROD MONTH	OIL (Bbls)	GAS (MCF)	WATER (Bbls)	Comment	AVERAGE PROD LAST 3 FULL MONTHS ON PROD.			
							OIL (Bbls)	GAS (MCF)	WTR (Bbls)	
BASIN	DAKOTA	01/31/09	0	994	0					
BASIN	DAKOTA	02/28/09	0	785	0		CHACRA	0	2,332	0
BASIN	DAKOTA	03/31/09	0	952	0		PICTURED CLIFFS	0	2,756	0
BASIN	DAKOTA	04/30/09	0	479	0		DAKOTA	0	683	0
BASIN	DAKOTA	05/31/09	0	452	0					
BASIN	DAKOTA	06/30/09	0	673	0					
BASIN	DAKOTA	07/31/09	0	1402	0					
BASIN	DAKOTA	08/31/09	0	1298	0					
BASIN	DAKOTA	09/30/09	0	984	0					
BASIN	DAKOTA	10/31/09	0	631	0					
BASIN	DAKOTA	11/30/09	0	382	7					
BASIN	DAKOTA	12/31/09	0	850	0					
BASIN	DAKOTA	01/31/10	0	903	0					
BASIN	DAKOTA	02/28/10	0	722	0					
BASIN	DAKOTA	03/31/10	0	693	0					
BASIN	DAKOTA	04/30/10	0	871	0					
BASIN	DAKOTA	05/31/10	0	764	0					
BASIN	DAKOTA	06/30/10	0	900	0					
BASIN	DAKOTA	07/31/10	0	724	0					
BASIN	DAKOTA	08/31/10	0	719	0					
BASIN	DAKOTA	09/30/10	0	688	0					
BASIN	DAKOTA	10/31/10	0	643	0					
BASIN	DAKOTA	11/30/10	0	312	40	TA'd DK to RC to CH				
BASIN	DAKOTA	12/31/10	0	0	0					
BASIN	DAKOTA	01/31/11	0	0	0					
BASIN	DAKOTA	02/28/11	0	0	0					
BASIN	DAKOTA	03/31/11	0	0	0					
BASIN	DAKOTA	04/30/11	0	0	0					
BASIN	DAKOTA	05/31/11	0	0	0					
BASIN	DAKOTA	06/30/11	0	0	0					
BASIN	DAKOTA	07/31/11	0	0	0					
BASIN	DAKOTA	08/31/11	0	0	0					
BASIN	DAKOTA	09/30/11	0	0	0					
BASIN	DAKOTA	10/31/11	0	0	0					
BASIN	DAKOTA	11/30/11	0	0	0					
BASIN	DAKOTA	12/31/11	0	0	0					
BASIN	DAKOTA	01/31/12	0	0	0					
BASIN	DAKOTA	02/29/12	0	0	0					
BASIN	DAKOTA	03/31/12	0	0	0					
OTERO	CHACRA	12/31/10	0	1036	0	RC to CH				
OTERO	CHACRA	01/31/11	0	5022	0					
OTERO	CHACRA	02/28/11	0	2610	0					
OTERO	CHACRA	03/31/11	0	2351	0					
OTERO	CHACRA	04/30/11	0	2036	0					
OTERO	CHACRA	05/31/11	0	544	0	TA'd CH to RC in PC				
OTERO	CHACRA	06/30/11	0	0	0					
OTERO	CHACRA	07/31/11	0	0	0					
OTERO	CHACRA	08/31/11	0	0	0					
OTERO	CHACRA	09/30/11	0	0	0					
OTERO	CHACRA	10/31/11	0	0	0					
OTERO	CHACRA	11/30/11	0	0	0					
OTERO	CHACRA	12/31/11	0	0	0					
OTERO	CHACRA	01/31/12	0	0	0					
OTERO	CHACRA	02/29/12	0	0	0					
OTERO	CHACRA	03/31/12	0	0	0					
AZTEC	PICTURED CLIFFS	06/30/11	0	649	20	RC to PC				
AZTEC	PICTURED CLIFFS	07/31/11	0	4013	40					
AZTEC	PICTURED CLIFFS	08/31/11	0	3170	40					
AZTEC	PICTURED CLIFFS	09/30/11	0	2557	0					
AZTEC	PICTURED CLIFFS	10/31/11	0	2828	0					
AZTEC	PICTURED CLIFFS	11/30/11	0	2921	0					
AZTEC	PICTURED CLIFFS	12/31/11	0	2910	0					
AZTEC	PICTURED CLIFFS	01/31/12	0	2889	0					
AZTEC	PICTURED CLIFFS	02/29/12	0	2568	0					
AZTEC	PICTURED CLIFFS	03/31/12	0	2812	0					



382 CR 3100  
Aztec, NM 87410

July 20, 2012

Interest Owners

Subject: Notice of Intent to Apply for Downhole Commingling  
Hare Gas Com C #1E  
Unit F, Sec 25, T29N, R10W

XTO Energy Inc is submitting an application to the New Mexico Oil Conservation Division (NMOCD) to downhole commingle production from the, Basin Dakota , Aztec Pictured Cliffs, and the Otero Chacra, pools in the Hare Gas Com C #1E. Commingling of these pools will minimize operating costs, add reserves and improve economics of the well.

The proposed allocation percentages for each pool are as follows:

Basin Dakota	Gas: 12%	Water: 100%	Oil: 100%
Aztec Pictured Cliffs	Gas: 48%	Water: 0%	Oil: 0%
Otero Chacra	Gas: 40%	Water: 0%	Oil: 0%

NMOCD requires all interest owners be notified of intent to downhole commingle if ownership is different between zones. If you need additional information or have any questions, I may be contacted at (505) 333-3206. If you have any objections to our application, please contact me within twenty (20) days of the date of this letter.

Sincerely,

A handwritten signature in cursive script that reads 'Sherry J. Morrow'.

Sherry J. Morrow  
Regulatory Analyst

DISTRICT I  
1625 N French Dr., Hobbs, NM 88240  
DISTRICT II  
1301 W Grand Avenue, 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, New Mexico 87505

Form C-107A  
Revised June 10, 2003

APPLICATION TYPE

☒ Single Well

☐ Establish Pre-Approved Pools

EXISTING WELLBORE

☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

XTO Energy Inc.  
Operator

382 CR 3100, Aztec, NM 87410  
Address

HARE GAS COM C

1E

F

SEC 25

T29N

R10W

SAN JUAN

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 5380 Property Code 22734 API No. 30-045-23566 Lease Type: ☐ Federal ☐ State ☒ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	AZTEC PICTURED CLIFFS	OTERO CHACRA	BASIN DAKOTA
Pool Code	71280	82329	71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	1,875' - 1,910'	2,883' - 2,988'	6,269' - 6,494'
Method of Production (Flowing or Artificial Life)	FLOWING	FLOWING	FLOWING
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)			RCVD AUG 13 '12 OIL CONS. DIV. DIST. 3
Oil Gravity or Gas BTU (Degree API or Gas BTU)			
Producing, Shut-In or New Zone	Producing	Shut-In	Shut-In
Date and Oil/Gas/Water Rates of Last Production (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data)	Date: 5/1/2012 Rates: BO 0/ BW 0 / MCF 2595	Date: 5/1/2011 Rates: BO 0/ BW 0 / MCF 544	Date: 11/1/2010 Rates: BO 0/ BW 40 / MCF 312
	Date: Rates:	Date: Rates:	Date: Rates:
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required)	Oil: 0 % Gas: 48 %	Oil: 0 % Gas: 40 %	Oil: 100 % Gas: 12 %

Are all working, overriding, and royalty interests identical in all commingled zones?  
If not, have all working, overriding, and royalty interests been notified by certified mail?

Yes ☐ No ☒  
Yes ☒ No ☐

Are all produced fluids from all commingled zones compatible with each other?

Yes ☒ No ☐

Will commingling decrease the value of production?

Yes ☐ No ☒

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application?

Yes ☒ No ☐

NMOCD Reference Case No. applicable to this well: \_\_\_\_\_

ATTACHMENTS:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of all offset operators
- Notification list of working, overriding, and royalty interests for uncommon interest cases.
- Any additional statements, data, or documents required to support commingling.

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data
- I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Kristen D. Lynch TITLE REGULATORY ANALYST DATE 7/26/2012

TYPE OR PRINT NAME KRISTEN D. LYNCH TELEPHONE NO. ( 505 ) 333-3206

E-MAIL kristen\_lynch@xtoenergy.com