

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. 30-045-32001
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: STATE GAS COM
8. Well Number #3
9. OGRID Number 5380
10. Pool name or Wildcat AZTEC PICTURED CLIFFS
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5955' 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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other
2. Name of Operator XTO ENERGY INC.
3. Address of Operator 382 CR 3100 AZTEC, NM 87410
4. Well Location Unit Letter P : 675 feet from the SOUTH line and 665 feet from the EAST line Section 32 Township 31N Range 12W NMPM County SAN JUAN
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5955' 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: RECOMPLETE BASIN FRUITLAND COAL ☒

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. intends to recomplete to the Basin Fruitland Coal formation per the attached procedure. Please see also the attached WB Diagram, formation tops & Basin Fruitland Coal C102 Plat.

An application to DHC will be submitted separately. XTO Energy Inc. will obtain the DHC order before commingling.

RCVD OCT 11 '12

OIL CONS. DIV.

DIST. 3

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 Sherry J. Morrow TITLE REGULATORY ANALYST DATE 10/10/2012

Type or print name SHERRY J. MORROW E-mail address: sherry_morrow@xtoenergy.com PHONE 505-333-3630

For State Use Only

APPROVED BY [Signature] TITLE Deputy Oil & Gas Inspector, District #3 DATE OCT 15 2012

Conditions of Approval (if any):

AV

**State Gas Com #3
Sec 32, T31N, R12W
San Juan Co., NM**

Recomplete: Fruitland Coal

Prod Csg: 4-1/2", 10.5#, J-55 csg @ 2,538'
PBTD: 2,495'
Perfs: **PC:** 2,225'- 38' @ 2 JSPF (ttl 26 - 0.34" perfs)
Tbg : 2-3/8" x 31' OEMAJ, 2301 desander, 4' 2-3/8" tbg sub, SN, & 74 jts of
2-3/8" tbg. SN @ 2,289'. EOT @ 2,344'.
Rods: 2" x 1-1/2' x 10' RHBC-Z (DV) pmp & 1" X 1' stnr nip, 91 - 3/4" rods &
1-1/4" x16' PR w/8' lnr
Prod. Method: Rod pump

Fruitland Coal Recomplete Procedure

1. MI & set 9 – 400 bbl frac tanks & 1 flowback tank. Fill frac tanks w/fresh wtr. Note: Have Halliburton run preliminary fluid quality tests & add biocide.
2. MI 5 jts 2-3/8", 4.7#,J-55, EUE tbg.
3. Test anchors. MIRU PU. POH & LD rods & pmp. ND WH. NU BOP. Tag fill. TOH & visually inspect 2-3/8" tubing.
4. Round trip w/csg scpr to 2,240'.
5. MIRU WL. RIH w/CBP. Set CBP @ 2,220'.
6. PT csg to 3,250 psig for 5 min.
7. Perf Fruitland Coal w/3-1/8" csg gun w/Owen HSC-3125-369 charges (15 gm, 0.48" EHD, 11.20" pene) or equiv performance charges @ 3 JSPF 120° phasing. Depths based on GR/CCL log dated May 20, 2004.

Fruitland Coal Perfs	
2,196-2,204'	24

8. ND BOP. NU Frac vlv.
9. MIRU Halliburton Acid & Frac equip.
10. Frac FC perfs fr/2,196' – 2,204' down 4-1/2" csg at 25 BPM w/39,000 gals Delta 140 20# XL frac fluid carrying 77,000# 20/40 sd coated with sandwedge WF & NT. Max TP is 3,250 psig. Flush w/1,471 gals linear gel.

Fruitland Coal Schedule					
Stage	BPM	Fluid	Gal	Prop	Cum. Prop
Acid	0-10	15% HCl Acid	1,000		
Pad	10-25	Water	5,000		
Pad	25	Delta 140	3,000		
0.5	25	Delta 140	4,000	2,000# 20/40	2,000#
1	25	Delta 140	9,000	9,000# 20/40	11,000#
2	25	Delta 140	9,000	18,000# 20/40	29,000#
3	25	Delta 140	8,000	24,000# 20/40	53,000#
4	25	Delta 140	6,000	24,000# 20/40	77,000#
Flush	25	Linear Gel	1,471		
TOTAL	39,000 Gal		77,000# 20/40		

Record ISIP, 5", 10", & 15" SIP's.

11. RIH & Set CBP @ 2,170'.

12. Perf Fruitland Coal w/3-1/8" csg gun w/Owen HSC-3125-369 charges (15 gm, 0.48" EHD, 11.20" pene) or equiv performance charges @ 3 JSPF 120° phasing.

Fruitland Coal Perfs	
2,145-49'	12
2,112-14'	6
2,105-09'	12

Ttl = 30

13. Frac FC perfs fr/2,105' – 49' down 4-1/2" csg at 35 BPM w/26,000 gals Delta 140 20# XL frac fluid carrying 49,000# 20/40 sd coated with sandwedge WF & NT. Max TP is 3,250 psig. Flush w/1,368 gals linear gel.

Fruitland Coal Schedule					
Stage	BPM	Fluid	Gal	Prop	Cum. Prop
Acid	0-10	15% HCl	1,000		
Pad	10-35	Water	4,000		
Pad	35	Delta 140	2,000		
0.5	35	Delta 140	4,000	2,000# 20/40	2,000#
1	35	Delta 140	6,000	6,000# 20/40	8,000#
2	35	Delta 140	5,000	10,000# 20/40	18,000#
3	35	Delta 140	5,000	15,000# 20/40	33,000#
4	35	Delta 140	4,000	16,000# 20/40	49,000#
Flush	35	Linear Gel	1,368		
TOTAL	26,000 Gal		49,000# 20/40		

Record ISIP, 5", 10", & 15" SIP's. SWI.

14. ND frac vlv. NU BOP.
15. TIH w/3-7/8" bit & 2-3/8", J-55 tbg.
16. MIRU AFU. DO CBP @ 2,170' & CBP @ 2,220'.
17. CO fill to PBTD @ 2,495'. Circ & CO until sd cleans up. Tg for fill & CO as necessary. TOH & LD bit.
18. TIH w/2-3/8" x 31' OPMA, 2301 desander, 4' 2-3/8" tbg sub, SN, & 74 jts of 2-3/8" tbg. SN @ 2,289'. EOT @ 2,344'. ND BOP. NU WH.
19. TIH w/2" x 1-1/2' x 10' RHBC-Z (DV) pmp & 1" X 1' stnr nip, 91 - 3/4" rods & 1-1/4" x16' PR w/8' lnr
20. PT tbg to 500 psig. LS pmp to chk PA.
21. HWO & RDMO PU. Start PU ppg @ 5 SPM X 42" SL.
22. RWTP. Report daily gas & water volumes. Shoot FL after well stabilizes.

Regulatory Requirements

DHC Approval

NOI

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

District II
811 South First, 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 & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 19, 2009
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-32001	² Pool Code 71629	³ Pool Name BASIN FRUITLAND COAL
⁴ Property Code 29675	⁵ Property Name STATE GAS COM	⁶ Well Number 3
⁷ OGRID No. 5380	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 5955' GL

¹⁰ Surface Location

UL or lot no. P	Section 32	Township 31N	Range 12W	Lot Idn	Feet from the 675	North/South line SOUTH	Feet from the 665	East/West line EAST	County SAN JUAN
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. SAME	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres FC. 320 ACRES	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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

<div style="text-align: center;"> <p>BASIN FRUITLAND COAL</p> <p>32</p> </div>		¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true & complete to the best of my knowledge & belief and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division</i>
		Signature
		Printed Name SHERRY J. MORROW
		Title REGULATORY ANALYST
<div style="text-align: center;"> <p>32</p> </div>		Date 10/10/2012
<div style="text-align: center;"> <p>32</p> </div>		¹⁸ SURVEYOR CERTIFICATION <i>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 & correct to the best of my belief.</i>
<div style="text-align: center;"> <p>32</p> </div>		Date of Survey 6/23/1984
<div style="text-align: center;"> <p>32</p> </div>		Original Survey Signed By: John A. Vukonich
<div style="text-align: center;"> <p>32</p> </div>		Certificate Number 14831

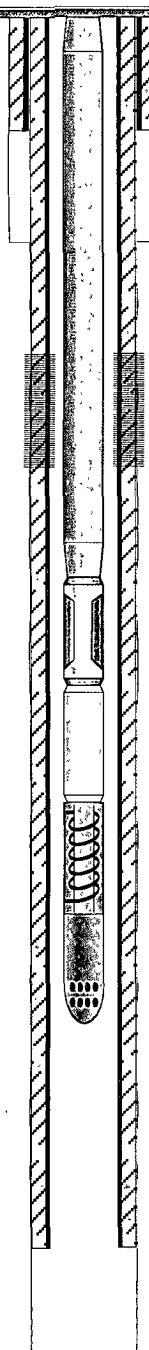


XTO - Wellbore Diagram

Well Name: State Gas Com 03

API/UWI	E/W Dist (ft)	E/W Ref	N/S Dist (ft)	N/S Ref	Location	Field Name	County	State
30045320010000	665.0	FEL	675.0	FSL	T31N-R12W-S32		San Juan	New Mexico
Well Configuration Type	XTO ID B	Ong KB Elev (ft)	Gr Elev (ft)	KB-Grd (ft)	Spud Date	PBTD (All) (ftKB)	Total Depth (ftKB)	Method Of Production
Vertical	68875	5,961.00	5,949.00	12.00	4/22/2004	Original Hole - 2495.0	2,554.0	Beam

Well Config: Vertical - Original Hole, 1/13/2010 2:28:27 PM

Schematic - Actual		Incl	ftKB (TVD)	ftKB (MD)	Zone		Top (ftKB)		Btm (ftKB)					
														

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 25 through 29 shall be reported for each zone. The form is to be filed in triplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico		Northeastern New Mexico	
T. Anly	T. Canyon	T. Ojo Alamo 493	T. Penn. "B"
T. Salt	T. Strawn	T. Kirtland-Fruitland 579	T. Penn. "C"
B. Salt	T. Atoka	T. Pictured Cliffs 2225	T. Penn. "D"
T. Yates	T. Miss	T. Cliff House	T. Leadville
T. 7 Rivers	T. Devonian	T. Menefee	T. Madison
T. Queen	T. Silurian	T. Point Lookout	T. Elbert
T. Grubb	T. Montoya	T. Mancos	T. McCracken
T. San Andres	T. Simpson	T. Gallup	T. Ignacio Ortiz
T. Gloria	T. McKee	Base Greenhorn	T. Granite
T. Paddock	T. Ellenburger	T. Dakota	T. FRUITLAND FMT 1890
T. Bluebird	T. Gr. Wash	T. Morrison	T. IRR FRUITLAND COAL 2076
T. Tubb	T. Delaware Sand	T. Todilto	T. LEWIS SHALE 2374
T. Drinkard	T. Bone Springs	T. Entrada	T.
T. Abo	T.	T. Wingate	T.
T. Wolfcamp	T.	T. Chinle	T.
T. Penn	T.	T. Permian	T.
T. Cisco (Bough C)	T.	T. Penn "A"	T.

OIL OR GAS
SANDS OR ZONES

No. 1, from	to	No. 3, from	to
No. 2, from	to	No. 4, from	to

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from	to	feet
No. 2, from	to	feet
No. 3, from	to	feet

LITHOLOGY RECORD (Attach additional sheet if necessary)

[illegible]