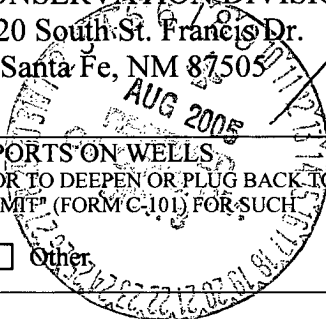


Submit 3 Copies To Appropriate District  
Office  
District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Ave., Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM  
87505

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. <b>3004532662</b>
5. Indicate Type of Lease <b>STATE</b> <input checked="" type="checkbox"/> <b>FEE</b> <input type="checkbox"/>
6. State Oil & Gas Lease No. <b>State Gas Com M # 3</b>
7. Lease Name or Unit Agreement Name <b>State Gas Com M</b>
8. Well Number <b># 3</b>
9. OGRID Number <b>167067</b>
10. Pool name or Wildcat <b>Aztec Pictured Cliffs</b>

**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 ☐ **X Gas Well** ☐ Other ☐

2. Name of Operator  
**XTO Energy Inc.**

3. Address of Operator  
**2700 Farmington Avenue Bldg. E Suite 1 Farmington, New Mexico**

4. Well Location  
Unit Letter **M** : **880** feet from the **South** line and **1040** feet from the **West** line  
Section **16 M** Township **31N** Range **12W** NMPM **San Juan** County

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

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:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input checked="" type="checkbox"/>
	P AND A <input type="checkbox"/>
	CASING/CEMENT JOB <input type="checkbox"/>
OTHER: <input type="checkbox"/>	OTHER: <b>Unexpected release of Hydrogen Sulfide Gas</b> <input checked="" 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.

Hydrogen Sulfide Gas was encountered while air drilling the State Gas Com M # 3 just north of Aztec, New Mexico in San Juan County. At a depth of 843 feet a concentration tube was taken to help try and identify whether or not H2S was indeed present. Personnel were evacuated to obtain sample and a briefing area was then established. A concentration of 1150 PPM was observed. Operations were shut down by Jeff Clement (EH&S Manager / San Juan Basin). All personnel were evaluated for training to be capable of working in hazardous (IDLH) environments. Jacobs Engineering of Cortez, Colorado was called in to perform H2S on-site safety. Monitors were strategically placed on the well pad (i.e. BOP, Flow line, Floor of Rig, Perimeter of location at 300 feet and also at 500 feet. Mud pits were brought in and the drilling crew mudded up to kill well and to establish an isolation barrier (wall cake) on the entire open face of the drilled / drilling interval. Well was opened up. A measured concentration of 450 PPM H2S was observed; mud was introduced into the well, killing the flow of gas to the surface. Drill Pipe was tripped, drill bit was changed out and drilling continued to TD without further evidence of a measurable concentration of H2S. Production casing was ran to TVD and cemented to surface. No further problems were present.

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

SIGNATURE \_\_\_\_\_ TITLE **EH&S Manager San Juan Basin** DATE **8/3/2005**

Type or print name \_\_\_\_\_ E-mail address: **jeff.clement@xtoenergy.com** Telephone No. \_\_\_\_\_  
**For State Use Only**

APPROVED BY: **Chad R.** TITLE **SUPERVISOR DISTRICT # 3** DATE **AUG - 8 2005**  
Conditions of Approval (if any): \_\_\_\_\_