

Submit One Copy To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., 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

Form C-103
Revised November 3, 2011

WELL API NO. 30-045-28825	
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>	
6. State Oil & Gas Lease No. CA# NMNM91231	
7. Lease Name or Unit Agreement Name ROPCO FEE FC 15	
8. Well Number #2.	
9. OGRID Number 5380	
10. Pool name or Wildcat BASIN FRUITLAND COAL	
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: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input 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 <u>G</u> : <u>1845</u> feet from the <u>NORTH</u> line and <u>1405</u> feet from the <u>EAST</u> line Section <u>15</u> Township <u>29N</u> Range <u>12W</u> NMPM _____ County <u>SAN JUAN</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5614' GR	
12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data	
<div style="display: flex; justify-content: space-between;"><div>NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> OTHER: <input type="checkbox"/></div><div>SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> DIST. 3 <input checked="" type="checkbox"/> Location is ready for OCD inspection after P&A</div></div>	
<input checked="" type="checkbox"/> All pits have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan. <input checked="" type="checkbox"/> Rat hole and cellar have been filled and leveled. Cathodic protection holes have been properly abandoned. <input checked="" type="checkbox"/> A steel marker at least 4" in diameter and at least 4' above ground level has been set in concrete. It shows the	

OPERATOR NAME, LEASE NAME, WELL NUMBER, API NUMBER, QUARTER/QUARTER LOCATION OR UNIT LETTER, SECTION, TOWNSHIP, AND RANGE. All INFORMATION HAS BEEN WELDED OR PERMANENTLY STAMPED ON THE MARKER'S SURFACE.

- ☒ The location has been leveled as nearly as possible to original ground contour and has been cleared of all junk, trash, flow lines and other production equipment.
☒ Anchors, dead men, tie downs and risers have been cut off at least two feet below ground level.
☒ If this is a one-well lease or last remaining well on lease, the battery and pit location(s) have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan. All flow lines, production equipment and junk have been removed from lease and well location.
☒ All metal bolts and other materials have been removed. Portable bases have been removed. (Poured onsite concrete bases do not have to be removed.)
☒ All other environmental concerns have been addressed as per OCD rules.
☒ Pipelines and flow lines have been abandoned in accordance with 19.15.35.10 NMAC. All fluids have been removed from non-retrieved flow lines and pipelines.
☒ If this is a one-well lease or last remaining well on lease: all electrical service poles and lines have been removed from lease and well location, except for utility's distribution infrastructure.

-SEE ATTACHED LETTER AGREEMENT

When all work has been completed, return this form to the appropriate District office to schedule an inspection.

SIGNATURE Sherry J. Morrow TITLE REGULATORY ANALYST DATE 10/2/2014

TYPE OR PRINT NAME SHERRY J. MORROW E-MAIL: sherry_morrow@xtoenergy.com PHONE: (505) 333-3630

For State Use Only

APPROVED BY: John D. [Signature] TITLE SENIOR OIL & GAS INSPECTOR, DIST. 4 DATE 21 OCT 2014
Conditions of Approval (if any): AV

March 17, 2014

The Barnyard, LLC
550 Road 350
La Plata, New Mexico 87401

Re: Agreement/Release of Final Reclamation
Ropco Fee 15 #2 Well
Township 29 North, Range 12 West, NMPM
Section 15: SW/4NE/4
API No. 30-045-28825
San Juan County, New Mexico

Gentlemen:

The following Agreement and Release of Final Reclamation sets forth the mutually agreed upon terms and conditions associated with the final reclamation of the referenced well, associated well site, access road and pipeline:

AGREEMENT AND RELEASE OF FINAL RECLAMATION

THIS AGREEMENT AND RELEASE OF FINAL RECLAMATION (herein "Release"), is made and entered into by and between the The Barnyard, LLC, ("Surface Owner"), with a mailing address of 550 Road 350, Farmington, New Mexico 87401, and XTO Energy Inc., a Delaware corporation ("XTO"), with a mailing address of 810 Houston Street Fort Worth, Texas 76102-6298.

WHEREAS, XTO is the operator of the Ropco 15 #2 Well, API No. 30-045-28825 (the "Well") located on land owned by Surface Owner in the SW/4NE/4 of Section 15, Township 29 North, Range 12 West, N.M.P.M., San Juan County, New Mexico (the "Land");

WHEREAS, Surface Owner owns and controls said Land;

WHEREAS, XTO is permanently plugging the Well and will place a plugged and abandoned above ground identifying marker at the surface location of the well bore in accordance with New Mexico Oil Conservation Division ("OCD") Rules;

WHEREAS, Surface Owner has requested that the Well site be left in a graded condition as herein provided for future use by Surface Owner for storage of storage buildings and/or other items or equipment at the Well pad site, and a representative of XTO met at the Well site to discuss not reclaiming the Well site and the Well access road and pipeline corridors, associated with and affected by oil and gas operations on the Land; and

NOW, THEREFORE, in consideration of the mutual covenants herein contained and XTO providing consideration in the form of grading the surface of the land at the Well pad site, and providing 15 loads of ¾" minus gravel to Surface Owner, said consideration for land damages and being a one-time act and deed, and full and final consideration under this Release by XTO to Surface Owner, the receipt and adequacy of which is hereby acknowledged and confessed, Surface Owner and XTO hereby agree as follows:

1. As soon as practical, and after the well is plugged and abandoned, XTO shall level the Well site, remove well anchors and other surface mounted facilities from the Well site, close all pits and below grade tanks and take other measures necessary or required by the OCD to restore the Well site to a safe and clean condition.

2. Surface Owner relieves XTO of any responsibility for, and agrees to: a) use the Well site area for building storage or other storage, but no permanent inhabitable structures may be built on said well site; b) leave the Well access road intact, as is, where is; and c) leave the gas pipeline in the ground, as is, where is, with all of a, b and c in lieu of XTO reclaiming the affected Well site, Well access road and pipeline corridors with respect to its oil and gas operations associated with the Ropco 15 #2 Well as provided for under the New Mexico Surface Owners Protection Act (the "Act"), HB 827, enacted July 1, 2007.
3. Surface Owner hereby releases, indemnifies and holds XTO and its affiliates and its and their successors and assigns harmless from any and all further obligation and liability for any surface damages associated with the Land and from any and all further obligation and liability to reclaim the Land with respect to the Ropco 15 #2 Well, the Well site area and the associated access road(s) and pipeline(s).
4. The parties hereto agree that the following dimensions related to the Well are approximately as follows: Well site: 200' x 175' and Well access road and pipeline corridor: 50' x 300'.
5. This Release shall constitute the entire agreement between the parties hereto regarding the subject matter hereof, and any prior understandings or representations of any kind preceding the execution of this Release shall not be binding upon either party except to the extent incorporated in this Release. XTO acknowledges the Well is no longer producing and it is not operating the pipeline and soon intends to plug and abandon the Well and thereafter conduct no further operations with the Well, access road and the associated pipeline.
6. This Release shall be binding upon and shall inure to the benefit of Surface Owner and XTO, and its and their affiliates and successors and assigns, and any person or other entity that at any time hereafter shall become an owner of any interest in the Land.
7. By execution of this Release, Surface Owner in full satisfaction herewith agrees that any surety bond, letter of credit from a banking institution, cash, or a certificate of deposit with a New Mexico surety company or financial institution, as the case may be, which has been deposited by XTO or by XTO's predecessors in interest for the benefit of Surface Owner under either the Act or OCD rules, shall now be released.
8. The terms and conditions of this Release shall remain confidential between Surface Owner and XTO.

IN WITNESS WHEREOF, this Release is executed the 11th day of March, 2014, to be effective as of said date, as well as effective upon completion of the plugging and abandonment of the Well set forth in 5 above and completion of the items set forth in 1 above.

SURFACE OWNER:

The Barnyard, LLC

By:

Daniel Kahns

Printed Name: Daniel Kahns

XTO Energy Inc.

By:

Tim Welch

Vice President - Land