

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
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-045-32873
5. Indicate Type of Lease STATE ☒ FEE ☐
6. State Oil & Gas Lease No. NMSF077383
7. Lease Name or Unit Agreement Name: FEDERAL GAS COM
8. Well Number 3
9. OGRID Number 167067
10. Pool name or Wildcat BASIN DAKOTA / OTERO CHACRA
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6006'
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 _____

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 ☐ Gas Well ☒ Other _____
2. Name of Operator XTO Energy Inc.
3. Address of Operator 2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401
4. Well Location Unit Letter E : 665 feet from the NORTH line and 690 feet from the WEST line Section 27 Township 28N Range 10W NMPM NM County SAN JUAN
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6006'
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 COMPLETION ☐
OTHER: **DOWNHOLE COMMINGLE** ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND 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.

DHC 2204 AZ

XTO Energy Inc. requests approval to DHC production fr/Basin Dakota (71599) & Otero Chacra (82329) in the Federal Gas Com #3 upon completion. Allocations are based upon a 9-section EUR & calculated as follows:

Basin Dakota:	Oil: 99%	Gas: 86%	Water: 99%
Otero Chacra:	Oil: 1%	Gas: 14%	Water: 1%

Both pools are in the NMOCD pre-approved pool combinations for DHC in SJ Basin. All interest owners were notified by certified, return receipt mail on January 30, 2006. DHC will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights. New Mexico BLM was notified of our intent to DHC by submittal of form 3160-5 on 4/7/06.

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 Holly C. Perkins TITLE REGULATORY COMPLIANCE TECH DATE 4/6/2006
Type or print name **HOLLY C. PERKINS** E-mail address: Holly_perkins@xtoenergy.com Telephone No. 505-324-1090

For State Use Only

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 1 DATE APR 10 2006
Conditions of Approval, if any:

DISTRICT I
1923 N. French Dr., Hobbs, N.M. 88240

DISTRICT II
1321 W. Grand Ave., Artesia, N.M. 88210

DISTRICT III
1000 N. Brown Rd., Aztec, N.M. 87410

DISTRICT IV
1229 South 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 June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*APP Number 30-045-32813		*Foot Cont 71599	*Pool Name Basin Dakota
*Property Code	*Property Name FEDERAL GAS COM		*Well Number 3
*GROSS Acre 16.7067	*Operator Name XTO ENERGY INC.		*Direction 6045°

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
E	27	28-N	10-W		1365	NORTH	740	WEST	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
D	27	28-N	10-W		665	NORTH	670	WEST	SAN JUAN
*Dedicated Acres 320 W12		*Joint or hole I		*Completions 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

	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Debbie L. Small Debbie L. Small Drilling Assistant Date: 10/27/04
	18 SURVEYOR CERTIFICATION 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 and correct to the best of my belief. Certificate Number: 11

DISTRICT I
1835 N. French Dr., Santa Fe, N.M. 87505

DISTRICT II
1301 E. Grand Ave., Artesia, N.M. 88200

DISTRICT III
1600 E. Broadway Rd., Aztec, N.M. 87410

DISTRICT IV
1220 South 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 June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-32873		*Well Code 82329	*Well Name Otero Chacra
*Property Code	*Property Name FEDERAL GAS CO.		*Well Number 3
*Cased No. 1107067	*Operator Name XTO ENERGY INC.		*Division 9008

Surface Location

UL or lot no.	Section	Township	Range	Lot No.	Feet from line	North/South line	Feet from line	East/West line	County
E	27	28-N	10-W		1365	NORTH	740	WEST	SAN JUAN

Bottom Hole Location if Different From Surface

UL or lot no.	Section	Township	Range	Lot No.	Feet from line	North/South line	Feet from line	East/West line	County
D	27	28-N	10-W		665	NORTH	690	WEST	SAN JUAN

*Borehole Acres 160 NW/4	*Joint or well	*Competition Code	*Order No.
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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

	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <u>Deeey K Small</u> <u>Deeey K Small</u> Drilling Assistant 10/27/04
	18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of record surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Date of Survey: 10/27/04 Signature of Surveyor: <u>[Signature]</u> Certificate Number: <u>61</u>

Federal Gas Com #3 - Allocation

Well	No	Operator	Sec	Unit	Twn	Rng	Reservoir	Cum Gas (mmcf)	Cum Oil (mbo)	EUR Gas (mmcf)	EUR Oil (mbo)
Basin Dakota											
DAVIDSON GAS COM G	1	XTO ENERGY INCORPORATED	21	H	28N	10W	DAKOTA	7,569	79	8,041.7	80.8
DAVIDSON GAS COM G	1E	XTO ENERGY INCORPORATED	21	O	28N	10W	DAKOTA	1,143	7	1,436.5	7.2
KUTZ FEDERAL	12	XTO ENERGY INCORPORATED	21	M	28N	10W	DAKOTA	6,901	65	7,392.3	65.2
KUTZ FEDERAL	12E	XTO ENERGY INCORPORATED	21	D	28N	10W	DAKOTA	1,432	.0	2,634.2	0.5
KUTZ FEDERAL	14Y	XTO ENERGY INCORPORATED	21	E	28N	10W	DAKOTA	908	6	1,240.0	6.0
DAVIDSON GAS COM H	1	XTO ENERGY INCORPORATED	22	H	28N	10W	DAKOTA	6,837	65	7,326.9	67.2
DAVIDSON GAS COM H	1E	XTO ENERGY INCORPORATED	22	C	28N	10W	DAKOTA	1,066	7	1,252.3	7.9
KUTZ CANYON	1	QUESTAR EXPLORATION & PRODUCTION CO	22	M	28N	10W	DAKOTA	5,209	53	2,794.0	25.9
KUTZ CANYON	1E	QUESTAR EXPLORATION & PRODUCTION CO	22	P	28N	10W	DAKOTA	553	3	626.3	3.5
OMLER A	1	CONOCOPHILLIPS COMPANY	26	G	28N	10W	DAKOTA	1,709	16	1,709.0	15.9
OMLER A	3	CONOCOPHILLIPS COMPANY	26	M	28N	10W	DAKOTA	2,388	24	2,660.2	26.2
OMLER A	1E	CONOCOPHILLIPS COMPANY	26	F	28N	10W	DAKOTA	424	3	424.0	2.9
OMLER A	3E	CONOCOPHILLIPS COMPANY	26	O	28N	10W	DAKOTA	574	4	600.0	4.4
FEDERAL GAS COM	2	XTO ENERGY INCORPORATED	27	M	28N	10W	DAKOTA	8,595	99	9,564.8	99.4
FEDERAL GAS COM	2E	XTO ENERGY INCORPORATED	27	F	28N	10W	DAKOTA	99	0	459.4	0.3
KUTZ DEEP GAS COM D	1	XTO ENERGY INCORPORATED	27	A	28N	10W	DAKOTA	3,644	46	3,987.9	46.7
KUTZ DEEP GAS COM D	1E	XTO ENERGY INCORPORATED	27	I	28N	10W	DAKOTA	596	4	671.2	4.1
DAVIDSON GAS COM F	1	XTO ENERGY INCORPORATED	28	M	28N	10W	DAKOTA	3,482	46	3,852.7	45.7
DAVIDSON GAS COM F	1E	XTO ENERGY INCORPORATED	28	F	28N	10W	DAKOTA	903	6	1,254.9	6.2
FEDERAL GAS COM	1	XTO ENERGY INCORPORATED	28	A	28N	10W	DAKOTA	4,237	44	4,632.9	45.8
FEDERAL GAS COM	1E	XTO ENERGY INCORPORATED	28	J	28N	10W	DAKOTA	219	1	920.4	3.1
FRED FEASEL H	1	XTO ENERGY INCORPORATED	33	H	28N	10W	DAKOTA	3,855	37	4,149.0	39.1
FRED FEASEL H	1E	XTO ENERGY INCORPORATED	33	O	28N	10W	DAKOTA	1,157	8	1,168.5	8.2
KUTZ FEDERAL	13	XTO ENERGY INCORPORATED	33	K	28N	10W	DAKOTA	2,715	27	2,715.0	27.0
KUTZ FEDERAL	13E	XTO ENERGY INCORPORATED	33	C	28N	10W	DAKOTA	104	0	842.8	1.8
FRED FEASEL J	1	XTO ENERGY INCORPORATED	34	G	28N	10W	DAKOTA	4,239	77	4,606.6	76.5
FRED FEASEL J	1E	XTO ENERGY INCORPORATED	34	O	28N	10W	DAKOTA	1,000	8	1,272.0	7.6
MCLEOD	2	CONOCOPHILLIPS COMPANY	34	L	28N	10W	DAKOTA	3,836	27	4,164.2	29.2
MCLEOD	2E	CONOCOPHILLIPS COMPANY	34	E	28N	10W	DAKOTA	468	2	467.5	2.1
COLE A	1	CONOCOPHILLIPS COMPANY	35	L	28N	10W	DAKOTA	2,820	27	3,155.7	29.7
COLE A	1E	CONOCOPHILLIPS COMPANY	35	I	28N	10W	DAKOTA	520	2	652.1	2.9
OMLER A	2	CONOCOPHILLIPS COMPANY	35	G	28N	10W	DAKOTA	1,955	21	1,654.6	21.4
OMLER A	2E	CONOCOPHILLIPS COMPANY	35	D	28N	10W	DAKOTA	483	3	559.9	3.8
Average										2,694	25

Otero Chacra

DAVIDSON GAS COM H	1E	XTO ENERGY INCORPORATED	22	C	28N	10W	CHACRA	247	0.1	839.3	0.1
KUTZ FEDERAL B	1	XTO ENERGY INCORPORATED	22	H	28N	10W	CHACRA	542	0.2	884.9	0.2
OMLER A	11	CONOCOPHILLIPS COMPANY	26	L	28N	10W	CHACRA	98	0.0	98.2	0.0
OMLER A	17	CONOCOPHILLIPS COMPANY	26	B	28N	10W	CHACRA	199	0.0	203.0	0.0
OMLER A	3E	CONOCOPHILLIPS COMPANY	26	O	28N	10W	CHACRA	265	1.0	278.7	1.0
KUTZ DEEP GAS COM D	1E	XTO ENERGY INCORPORATED	27	I	28N	10W	CHACRA	82	0.0	369.0	0.0
KUTZ FEDERAL C	1	XTO ENERGY INCORPORATED	27	G	28N	10W	CHACRA	186	0.0	310.4	0.0
COLE A	1E	CONOCOPHILLIPS COMPANY	35	I	28N	10W	CHACRA	282	0.0	328.1	0.0
OMLER A	1E	CONOCOPHILLIPS COMPANY	35	I	28N	10W	CHACRA	775	0.6	820.9	0.7
OMLER A	2E	CONOCOPHILLIPS COMPANY	35	D	28N	10W	CHACRA	365	0.0	384.7	0.0
Average										452	0

	Gas	Oil
Otero Chacra Allocation	14%	1%
Basin Dakota Allocation	86%	99%

MMS – Notify BLM

George K. Serovy Life Estate
Remainderman: William A. Serovy
2827 Greensboro Drive
Ames, IA 50014-4530

Gwendolyn Rankin
2221 S 90th Street
Omaha, Ne 68124

Jean D. Yocum &
Sunny J. Yocum, Jtros
1633 W. Charleston Ave.
Phoenix, AZ 85023-2506

Mathias Family Trust dated 9/9/81
Barbara J. Mathias & Carol J.
Hopper Co-Trustees
3233 Spring Ln
Falls Church, Va 22041-2607

Virginia L. Mullin
2500 Cherry Creek S. Drive Apt. 504
Denver, CO 80209

Helen M. Dapper & Mary Jo Welsh,
Joint Tenants
611 8th Avenue SE
Cedar Rapids, IA 52401

Leon M. Ducharme Marital Trust
Rita Mae Ducharme & Joyce J.
Neville, Co-Trustees
2617 S. Wadsworth Circle
Lakewood, CO 80227-3220

B.B.L., Ltd.
P.O. Box 911
Breckenridge, TX 76424-0911

Keg, a Texas Partnership
C/O Eric K. Hanson, Partner
P.O. Box 1212
Midland, TX 79702

Chateau Energy Inc.
10440 N Central Expressway
Suite 1475
Dallas, TX 75231-2221

William L. Floyd, Jr.
16 East 77th Steet, Apt. 5A
New York, NY 10021

Federal GC #3

Rita Treasa Floyd
C/O Comerica Bank -TX Trustee
Attn: John W. Lowrie
P.O. Box 4167 (Mail Code 6605)
Houston, TX 77210-4167

Rita Mae Ducharme
2617 S Wadsworth Circle
Lakewood, Co 80227-3220

Onalee R. Borgus
5659 S Scarlet Oak Terrace
Homosassa, Fl 34446

Glenda Jane Barber
8792 Route 408
Nunda, NY 14517

Patricia F. Miller
5224 Shriver Ave.
Des Moines, IA 50312

Judith M. Tigner Trust
Judith M. Tigner, Trustee
104 East Kendrick Street
Rawlins, WY 82301

Dr. Bernard Hyde Living Trust
dated 4-6-88
Dr. Bernard Hyde, Trustee
28242 Yanez
Mission Viejo, CA 92692-1836

Richard P. Shooshan
686 E. Union Street
Pasadena, CA 91101-1820

Legacy Royalties Ltd
P.O. Box 1360
Tyler, TX 75710-1360

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires March 31, 2007

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 reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

XTO Energy Inc.

3a. Address

2700 Farmington Ave., Bldg. K, Ste 1 Farmington,

3b. Phone No. (include area code)

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1365' FNL & 740' FWL SEC 27-T28N-R10W

5. Lease Serial No.

NMSF077383

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

FEDERAL GAS COM #3

9. API Well No.

30-045-32873

10. Field and Pool, or Exploratory Area

BASIN DAKOTA

OTERO CHACRA

11. County or Parish, State

SAN JUAN

NM

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

TYPE OF SUBMISSION

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

TYPE OF ACTION

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☒ Other **DOWNHOLE**

COMMINGLE

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 recompleat 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 recompleat 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 to downhole commingle production from the Basin Dakota (71599) and the Otero Chacra (82329) upon completion. Allocations are based upon a 9-section EUR & calculated as follows:

Basin Dakota:	Oil: 99%	Gas: 86%	Water: 99%
Otero Chacra:	Oil: 1%	Gas: 14%	Water: 1%

Both pools are in the NMCD pre-approved pool combinations for DHC in San Juan Basin. All interest owners were notified by certified, return receipt mail on January 30, 2006. Downhole commingling will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights. The New Mexico Oil Conservation Division was notified of our intent by submittal of Form C103 on 4/7/2006.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

HOLLY C. PERKINS

Title

REGULATORY COMPLIANCE TECH

Date

4/7/2006

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

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.