

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. 30-045-33441
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. NMSF-081239
7. Lease Name or Unit Agreement Name: LC KELLY
Well Number #20
9. GRID Number 167067
10. Pool name or Wildcat Blanco Mesaverde / Basin Dakota
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5812
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>
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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> 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 N : 815 feet from the SOUTH line and 2515 feet from the West line Section 3 Township 30N Range 12W NMPM County SAN JUAN
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5812			
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>			
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 2342 A2

XTO Energy Inc. requests an exception to Rule 303A to DHC production from the Basin Dakota (71599) and the Blanco Mesaverde (72319) upon completion of drilling. Both pools are included in the NMOC pre-approved pool combinations for DHC in the San Juan Basin. Proposed allocations are based upon individual pool average EUR of wells located in a 9-section surrounding area. Based on this, XTO proposes allocations as: Basin DK: Water: 94.8% Oil: 57.6% Gas: 30.4% & Blanco MV: Water: 5.2% Oil: 42.4% Gas: 69.6%. Ownership is common between pools; therefore, no notice is necessary to owners. The DHC will offer an economical method of production, protections against reservoir damage, waste of reserves & correlative rights. The BLM has been notified of our intent by filing of 3160-5 on 7/7/06.

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

SIGNATURE Lorri D. Bingham TITLE REGULATORY COMPLIANCE TECH DATE 7/7/06
E-mail address: Regulatory@xtoenergy.com
Type or print name LORRI D. BINGHAM Telephone No. (505) 324-1090

For State Use Only

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 3 DATE JUL 10 2006
Conditions of Approval, if any: [Signature]