State of New Mexico Form C-103 Submit 3 Copies To Appropriate District Office Energy, Minerals and Natural Resources May 27, 2004 District I WELL API NO. 1625 N French Dr., Hobbs, NM 87240 30-045-34125 District II OIL CONSERVATION DIVISION 1301 W. Grand Ave., Artesia, NM 88210 5. Indicate Type of Lease 1220 South St. Francis Dr. District III STATE FEE [] 1000 Rio Brazos Rd, Aztec, NM 87410 Santa Fe, NM 87505 District IV 6. State Oil & Gas Lease No. 1220 S. St. Francis Dr, Santa Fe, NM 87505 NMSF078641 SUNDRY NOTICES AND REPORTS ON WELLS 7. Lease Name or Unit Agreement Name: (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A BERGER DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) 8. Well Number 1. Type of Well: Oil Well Gas Well X Other 2. Name of Operator 9. OGRID Number XTO Energy Inc. 5380 3. Address of Operator 10. Pool name or Wildcat BASIN DAKOTA / GALLEGOS GALLUP 2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401 4. Well Location Unit Letter 900 feet from the NORTH line and 1665 feet from the_ line Township 26N Range 11W SAN JUAN The same The parties. 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6470' GR Pit or Relow-grade Tank Application or Closure Pit type. __ Depth to Groundwater __ _ Distance from nearest fresh water well _____ Distance from nearest surface water Pit Liner Thickness: _ Below-Grade Tank: Volume____bbls; Construction Material 12. Check Appropriate Box to Indicate, Nature of Notice, Report, or Other Data SUBSEQUENT REPORT OF: NOTICE OF INTENTION TO: PLUG AND ABANDON PERFORM REMEDIAL WORK REMEDIAL WORK ALTERING CASING ... TEMPORARILY ABANDON **CHANGE PLANS** COMMENCE DRILLING OPNS. PLUG AND **ABANDONMENT** CASING TEST AND PULL OR ALTER CASING **MULTIPLE** 70' 27 RCVD AUG COMPLETION **CEMENT JOB** OIL CONS. DIV. \mathbf{x} OTHER: DOWNHOLE COMMINGLE 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. CLUKIAZ XTO Energy Inc. requests approval to DHC production from the Basin Dakota (71599) and the Gallegos Gallup (26980) upon completion of this new well. Allocations are based upon the avg monthly production based upon the commingled GP/DK wells in the T26N-R11W: Basin Dakota: Gas 36%, Oil 5%, Water 30% Gallegos Gallup: Gas 64%, Oil 95%, Water 70% Both pools are in the NMOCD pre-approved pool combinations for DHC in the SJ Basin. Ownership is common in both pools; therefore no notice of interest owners is necessary. DHC will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights. BLM was notified of our intent to DHC via submission of form 3160-4 on 8/24/2007.

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 belowgrade tank has been/will be/constructed or Flosed according/to NMOCD guidelines 🔲 , a general permit 🔲 or an (attached) alternative OCD-approved plan 🛭 TITLE REGULATORY COMPLIANCE TECH DATE _ SIGNATURE E-mail address: holly perkins@xtoenergy.com Telephone No. 505-324-1090

Type or print name HOLLY C. PERKINS

For State Use Only

Conditions of Approval, if any:

APPROVED BY_

Deputy Oil & Gas Inspector.

District #3 TITLE

SEP 0 7 2007 DATE