

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  
June 19, 2008

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

WELL API NO. <b>30-045-29180</b>
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. <b>NMSF-078089</b>
7. Lease Name or Unit Agreement Name: <b>SCOTT E FEDERAL 24</b>
8. Well Number <b>#21</b>
9. OGRID Number <b>5380</b>
10. Pool name or Wildcat <b>BASIN FC/W. KUTZ PC</b>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <b>6216' GR</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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other
2. Name of Operator <b>XTO Energy Inc.</b>
3. Address of Operator <b>382 CR 3100 AZTEC, NM 87410</b>
4. Well Location Unit Letter <b>C</b> : <b>1190</b> feet from the <b>NORTH</b> line and <b>1850</b> feet from the <b>WEST</b> line Section <b>24</b> Township <b>27N</b> Range <b>11W</b> NMPM <b>NMPM</b> County <b>SAN JUAN</b>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <b>6216' GR</b>

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 type="checkbox"/>
DOWNHOLE COMMINGLE <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>
OTHER: DOWNHOLE COMMINGLE <input checked="" type="checkbox"/>	OTHER: <input 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.

XTO Energy requests an exception to NMOC rule 303A to permit DHC of production from the Basin FC pool (71629) and the W. Kutz PC pool (79680). XTO proposes to DHC the two pools upon completion of the FC. Proposed allocations are based on a test info & recommended allocations are:

Basin FC: Gas: 15% Water: 0% Oil: 0%  
Blanco PC: Gas: 85% Water: 100% Oil: 100%


Ownership in pools is diverse & notification was made to owners by certified mail, return receipt on 9/18/08. DHC will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights. BLM was notified on 11/14/08

Spud Date:

Rig Release Date:

**DHC 2965 AZ**

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE  TITLE REGULATORY COMPLIANCE TECH DATE 11/14/08  
Type or print name LORRI D. BINGHAM E-mail address: lorri\_bingham@xtoenergy.com PHONE 505-333-3204

For State Use Only

APPROVED BY  TITLE Deputy Oil & Gas Inspector DATE NOV 21 2008  
Conditions of Approval (if any): District #3