

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. 30-045-32878
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: RIDDLE GAS COM
8. Well Number #2S
9. OGRID Number 5380
10. Pool name or Wildcat BASIN FC/BLANCO PC <i>South</i>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6459' GR

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 382 CR 3100 AZTEC, NM 87410
4. Well Location Unit Letter <u>I</u> : <u>1455</u> feet from the <u>SOUTH</u> line and <u>870</u> feet from the <u>EAST</u> line Section <u>9</u> Township <u>27N</u> Range <u>9W</u> NMPM <u>NMPM</u> County <u>SAN JUAN</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6459' GR

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 COMPL ☐
DOWNHOLE COMMINGLE ☐

OTHER: DOWNHOLE COMMINGLE ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐
RCVD DEC 3 '08
OIL CONS. DIV.
DIST. 3

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.

XTO Energy requests an exception to NMOC rule 303A to permit DHC of production from the Basin FC pool (71629) and the Blanco PC ^{South} pool (71639). XTO proposes to DHC the two pools upon completion of the PC. Proposed allocations are based on a 9-section EUR & recommended allocations are:

Basin FC: Gas: 70% Water: 53% Oil: 0%
Blanco PC ^{South}: Gas: 30% Water: 47% Oil: 100%

Ownership in pools is diverse & notification was made to owners by certified mail, return receipt on 11/10/08. DHC will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights.

DHC 2971-AZ

Spud Date:

Rig Release Date:

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

SIGNATURE *Lorri D. Bingham* TITLE REGULATORY COMPLIANCE TECH DATE 12/1/08
Type or print name LORRI D. BINGHAM E-mail address: lorri_bingham@xtoenergy.com PHONE 505-333-3204

For State Use Only

Deputy Oil & Gas Inspector,
District #3

APPROVED BY *[Signature]* TITLE Deputy Oil & Gas Inspector, District #3 DATE DEC 04 2008
Conditions of Approval (if any):

8/12/08

Riddle Gas Com #2S DHC Allocations

XTO plans to plug & abandon the Bruce Sullivan #1, a producing Pictured Cliffs well. Upon plugging the Bruce Sullivan #1, XTO will recomplete to the Pictured Cliffs in the Riddle Gas Com #2S and downhole commingle the Pictured Cliffs with the existing Fruitland Coal. Allocation percentage were calculated using an average EUR from wells within a nine section radius of the Riddle Gas Com #2S and subtracting cumulative production of both wells from the respective zone's EUR. Neither zone has reported oil production. In the event any oil is produced it will be allocated 100% to the Pictured Cliffs.

Estimated Remaining Reserves after subtracting cum production of the PC & FC:

Pool	Cum gas	Average EUR	ERR (MMCF)	Oil	Water (MBW)
PCCF	484	871	387	0	309
FRLDC	38	939	901	0	341

Allocation percentages based on estimated remaining reserves:

Allocation	Gas	Oil	Water
PCCF	30%	100%	47%
FRLDC	70%	0%	53%