

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

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

Form C-103

June 19, 2008

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)		WELL API NO. 30-045-29667
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator XTO Energy Inc.		6. State Oil & Gas Lease No.
3. Address of Operator 382 CR 3100 AZTEC, NM 87410		7. Lease Name or Unit Agreement Name: ARNIE
4. Well Location Unit Letter N : 1005 feet from the NORTH line and 1520 feet from the EAST line Section 33 Township 30N Range 13W NMPM County SAN JUAN		8. Well Number #1
		9. OGRID Number 5380
		10. Pool name or Wildcat BASIN FC/FULCHER KUTZ PC
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5512'		

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 FEB 5 '09
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 proposes to DHC production from the Basin FC (71629) & the Fulcher Kutz PC (77200) upon approval of this application. Both pools are in the NMOC pre-approved pool combinations for DHC in the SJ Basin. Please see the attachments for allocation justification calculated as follows:

FC: Gas: 99% Water: 3% Oil: 0% PC: Gas: 1% Water: 97% Oil: 100%

Ownership is common & owner notification was not necessary. DHC will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights. The BLM was notified via submission of Form 3160-5 on 2/4/2009.

DHC 2390AZ

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 SR REGULATORY COMPLIANCE TECH DATE 2/4/09

Lorri_bingham@xtoenergy.com

Type or print name LORRI D. BINGHAM

E-mail address: Lorri_bingham@xtoenergy.com PHONE 505-333-3204

For State Use Only

APPROVED BY

[Signature]

Deputy Oil & Gas Inspector,
TITLE District #3 DATE FEB 23 2009

Conditions of Approval (if any):

48

Arnie #1
Allocation Percentages

The proposed gas, oil, and water production allocation percentages are based on three month test periods. The Pictured Cliffs was opened June of 2006 and put on test for three month with a pump.

Proposed Allocation Percentages:

Pool	Oil	Water	Gas
Pictured Cliffs	100%	97%	1%
Fruitland Coal	0%	3%	99%

Aztec Pictured Cliffs (Test gas, oil and water prod.)

BOPM	BWPM	MCFM
0	1135	54

Basin Fruitland Coal (Test gas, oil and water prod.)

BO	BW	MCF
0	30	6665

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

FEB 05 2009

FORM APPROVED
OMB NO. 1004-0137
Expires July 31, 2010

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.

Bureau of Land Management
Farmington Field Office

5. Lease Serial No.

NMSF-078214

6. (If Indian, Allottee or Tribe Name)

SUBMIT IN TRIPLICATE - Other instructions on page 2

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

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.

ARNIE #1

2. Name of Operator

XTO Energy Inc.

9. API Well No.

30-045-29667

3a. Address

382 CR 3100 AZTEC, NM 87410

3b. Phone No. (include area code)

505-333-3100

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

1005' FNL & 1520' FEL SEC. 33B-T30N-R13W

10. Field and Pool, or Exploratory Area

BASIN FRUITLAND COAL

FULCHER KUTZ PICTURED CLIFFS

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

TYPE OF ACTION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

- ☐ Acidize ☐ Deepen ☐ Production (Start/Resume) ☐ Water Shut-Off
☐ Alter Casing ☐ Fracture Treat ☐ Reclamation ☐ Well Integrity
☐ Casing Repair ☐ New Construction ☐ Recomplete ☒ Other DOWNHOLE
☐ Change Plans ☐ Plug and Abandon ☐ Temporarily Abandon COMMINGLED
☐ Convert to Injection ☐ Plug Back ☐ Water Disposal

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. proposes to downhole commingle production from the Basin Fruitland Coal (71629) and the Fulcher Kutz Pictured Cliffs (77200). Both pools are in the NMOC pre-approved pool combinations for DHC in the SJ Basin. Allocations are based on a stabilized 3-month test period (please see attached documentation for further explanation) and are calculated as follows:

Fruitland Coal	Oil: 0%	Water: 3%	Gas: 99%
Pictured Cliffs	Oil: 100%	Water: 97%	Gas: 1%

Ownership is common and notification to owners was not necessary. Downhole commingling will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights. The NMOC was notified of our intent to DHC via submission of Form C103 on 2/4/2009.

RCVD FEB 9 '09
OIL CONS. DIV.
DIST. 2

14 I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

LORRI D. BINGHAM

Title SR. REGULATORY COMPLIANCE TECH

Signature

Date 2/4/09

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Joe Herth

Title

Geo

Date

2-6-09

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

FFD

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.

NMOC

Arnie #1
Allocation Percentages

The proposed gas, oil, and water production allocation percentages are based on three month test periods. The Pictured Cliffs was opened June of 2006 and put on test for three month with a pump.

Proposed Allocation Percentages:

Pool	Oil	Water	Gas
Pictured Cliffs	100%	97%	1%
Fruitland Coal	0%	3%	99%

Aztec Pictured Cliffs (Test gas, oil and water prod.)

BOPM	BWPM	MCFM
0	1135	54

Basin Fruitland Coal (Test gas, oil and water prod.)

BO	BW	MCF
0	30	6665

Year: 2006 PC Fracd in June and tested for three months on Pump.

Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)
January	0	4587	0
February	0	5922	119
March	0	6828	37
April	0	6405	30
May	0	6763	23
June	0	923	274
July	0	62	930
August	0	40	770
September	0	60	1704
October	0	1633	446
November	0	2377	129
December	0	2315	6

	Wtr	Gas
FC tst	30	6665
PC Tst	1135	54
	1165	6719

	Water	Gas	Oil
FC	3%	99%	0%
PC	97%	1%	100%