

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

Submit 3 Copies To Appropriate District
Office
District I
5 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

WELL API NO. 30-045-30601
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: ROPCO 8
8. Well Number #2
9. OGRID Number 5380
10. Pool name or Wildcat BASIN FC/TWIN MOUNDS PC

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	7. Lease Name or Unit Agreement Name: ROPCO 8
2. Name of Operator XTO Energy Inc.	8. Well Number #2
3. Address of Operator 382 CR 3100 AZTEC, NM 87410	9. OGRID Number 5380
4. Well Location Unit Letter E : 1438 feet from the NORTH line and 1210 feet from the WEST line Section 8 Township 29N Range 14W NMPM County SAN JUAN	10. Pool name or Wildcat BASIN FC/TWIN MOUNDS PC
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5264'	

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 ☐ ROCD NR 15 '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 proposes to DHC production from the Basin FC (71629) & the Twin Mounds PC 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:

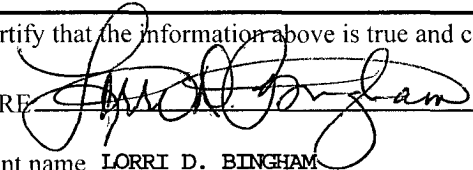
FC: Gas: 61% Water: 6% Oil: 0% PC: Gas: 39% Water: 94% Oil: 100%

Ownership is diverse & owners were notified via certified, return-receipt mail on 2/26/2009. DHC will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights.

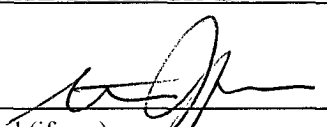
Spud Date:

Rig Release Date:

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

SIGNATURE  TITLE SR REGULATORY COMPLIANCE TECH DATE 3/18/09
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, District #3 DATE MAR 27 2009
Conditions of Approval (if any):



382 CR 3100
Aztec, NM 87410

February 26, 2009

Interest Owners

Subject: Notice of Intent to Apply for Downhole Commingling
Ropco 8 #2
Unit E, Sec 8, 29N, R14W

The Ropco 8 # 2 has been permitted & completed in the Twin Mound Pictured Cliffs & the Basin Fruitland Coal & XTO Energy Inc. now proposes to allocate the pools based on production from each pool. In addition, XTO will be submitting an application to the New Mexico Oil Conservation Division (NMOCD) to downhole commingle production from the FC/PC.pools. Commingling of these pools will minimize operating costs, add reserves and improve economics of the well.

The proposed allocation percentages for each pool are as follows:

Basin Fruitland Coal	Gas: 61%	Water: 6%	Oil: 0%
Twin Mound Pictured Cliffs	Gas: 39%	Water: 94%	Oil: 100%

NMOCD requires all interest owners be notified of intent to downhole commingle if ownership is different between zones. If you need additional information or have any questions, I may be contacted at (505) 333-3204. If you have any objections to our application, please contact me within twenty (20) days of the date of this letter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lorri D. Bingham'.

Lorri D. Bingham
Regulatory Compliance Tech

xc: well file

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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.

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		7. If Unit or CA/Agreement, Name and/or No. NNM-10822 FC
2. Name of Operator XTO Energy Inc.		8. Well Name and No. ROPCO 8 #2
3a. Address 382 CR 3100	3b. Phone No. (include area code) 505-333-3100	9. API Well No. 30-045-30601
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1438' FNL & 1210' FWL SEC 8E-T29N-R14W		10. Field and Pool, or Exploratory Area BASIN FRUITLAND COAL TWIN MOUNDS 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			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>DOWNHOLE</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>COMMINGLE</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 recomple 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 recomple 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 remove the bridge plug and downhole commingle production from the Basin Fruitland Coal and the Twin Mounds Pictured Cliffs in the Benally 14 #3. Allocations are based on production and have been allocated as follows: ROPCO 8 #2

Fruitland Coal	Gas: 61%	Water: 6%	Oil: 0%
Pictured Cliffs	Gas: 39%	Water: 94%	Oil: 100%

Ownership is diverse & owners were notified via certified, return receipt mail on 2/26/09. Downhole commingling will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights. The pools are in the NMOC pre-approved pool combinations for DHC in the SJ Basin and the NMOC was notified of our intent to DHC via submission of Form C103 on 3/18/09.

RCVD MAR 24 '09
OIL CONS. DIV.
DIST. 3

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

LORRI D. BINGHAM

Signature

Title SR. REGULATORY COMPLIANCE TECH

Date 3/18/09

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title GLO

Date 3-23-09

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 FFO

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