

Submit 3 Copies To Appropriate District

Office:

District:

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

Revised May 08, 2003

WELL API NO.

30-045-31889

5. Indicate Type of Lease

STATE ☐ FEE ☐

6. State Oil & Gas Lease No.

NMSF077082

7. Lease Name or Unit Agreement Name:

SNYDER GAS COM B

8. Well Number

1M

9. OGRID Number

167067

10. Pool name or Wildcat

BLANCO MESAVERDE/BASIN DAKOTA

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 ☐ Gas Well ☒ Other

2. Name of Operator

XTO Energy Inc.

3. Address of Operator

2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401

4. Well Location

Unit Letter F : 2100 feet from the NORTH line and 780 feet from the WEST line

Section 19 Township 29N Range 09W NMPM County SAN JUAN

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

5538' 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 COMPLETION ☐

OTHER: DOWNHOLE COMMINGLE ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

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 Inc. requests an exception to Rule 303A to downhole commingle production from the Basin Dakota Pool (71599) and the Blanco Mesaverde Pool (72319). Both pools are included in Division Order R-11363 establishing pre-approved pool combinations for downhole commingling in the San Juan Basin. The APD for this well has been approved but the well has not been spudded. XTO requests approval to DHC both zones on initial completion after drilling is completed. Ownership is common in both of the spacing units. A sundry notice has also been filed w/the BLM. See attachments 1-3 for supporting data.

Proposed Gas Allocation: Dakota - 55.7% and Mesaverde - 44.3%

Proposed Oil Allocation: Dakota - 57.1% and Mesaverde - 42.9%

Proposed Water Allocation: Dakota - 57.1% and Mesaverde - 42.9%

DHC 1359AZ

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

SIGNATURE Darrin Steed TITLE REGULATORY SUPERVISOR DATE 12/5/03

Type or print name DARRIN STEED

Telephone No. 505-324-1090

(This space for State use)

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 4 DATE DEC - 8 2003

Conditions of approval, if any:

Attachment 1
Snyder Gas Com B #1M
Sec 19, T29N, R09W
C-103 NOI Sundry to DHC
12/5/03

1. Using the NMOCD fracture parting pressure gradient of 0.65 psig per foot of depth, the bottomhole pressure to frac the Mesaverde (est. top perf 3,700' TVD) is 2,405 psig and to frac the Dakota (est. top perf 6,300') is 4,095 psig. Because of offset drainage neither zone's current bottom hole pressures (est. 1,000 psig -1,800 psig) are expected to exceed the frac parting pressure of either zone.
2. Blanco Mesaverde perforations: 3,800' – 4,500' (est. perf interval MD)
Basin Dakota perforations: 6,500' – 6,900' (est. perf interval MD)
3. The proposed gas and oil production allocation percentages are based on average estimated ultimate recovery per completion of the 64 Mesaverde and 52 Dakota completions in a 16 section area around the proposed well location. Water production will be allocated identical to the oil production allocation. See Attachments 2 and 3 for the calculations and supporting data of the proposed production allocation percentages.

Proposed Allocation Percentages:

	GAS	OIL	WATER
Blanco Mesaverde	44.3%	42.9%	42.9%
Basin Dakota	55.7%	57.1%	57.1%

4. Downhole commingling will not reduce the value of the total remaining production. Increased ultimate recovery is expected due to a lower economic production limit for each pool resulting lower operating cost per zone due to the combined production. Also, the reserves will be recovered in less time by downhole commingling.
5. Working and royalty interest ownership in the Dakota and Mesaverde spacing units in this well are identical. XTO Energy Inc. was not required to notify the owners of our plans to downhole commingle by certified mail.
6. The Dakota and Mesaverde spacing units do not contain State lands or minerals so a copy of the Form C-103 was not sent to them. The well's surface and bottomhole locations are located on fee land but the Dakota and Mesaverde proration units contain Federal minerals so a copy of the Form C-103 with attachments was sent to the BLM using Sundry Notice Form 3160-5.