

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. 30-045-22954 |
| 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: MARTINEZ GAS COM I |
| 8. Well Number 1 |
| 9. OGRID Number 5380 |
| 10. Pool name or Wildcat BLANCO MESAVERDE/OTERO CHACRA |

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>K</u> : <u>1570</u> feet from the <u>SOUTH</u> line and <u>1780</u> feet from the <u>WEST</u> line Section <u>24</u> Township <u>29N</u> Range <u>10W</u> NMPM County <u>SAN JUAN</u> |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5597' |

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 AUG 19 2009**
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 Inc. requests approval to downhole commingle product fr/the Blanco MV & the Otero CH in the Martinez GC I #1. XTO Energy will DHC upon approval of this application. Allocations are based on production & have been calculated as follows:

Gas: MV 47% CH 53% Oil: MV 50% CH 50% Water: MV 66% CH 34%

Both pools are in the NMCD pre-approved pool combinations for DHC in the SJ Basin. All interest owners were notified by certified, return receipt mail on July 29, 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 Lorri D. Bingham TITLE REGULATORY ANALYST DATE 8/18/09
Type or print name LORRI D. BINGHAM E-mail address: Lorri_bingham@xtoenergy.com PHONE 505-333-3204

For State Use Only

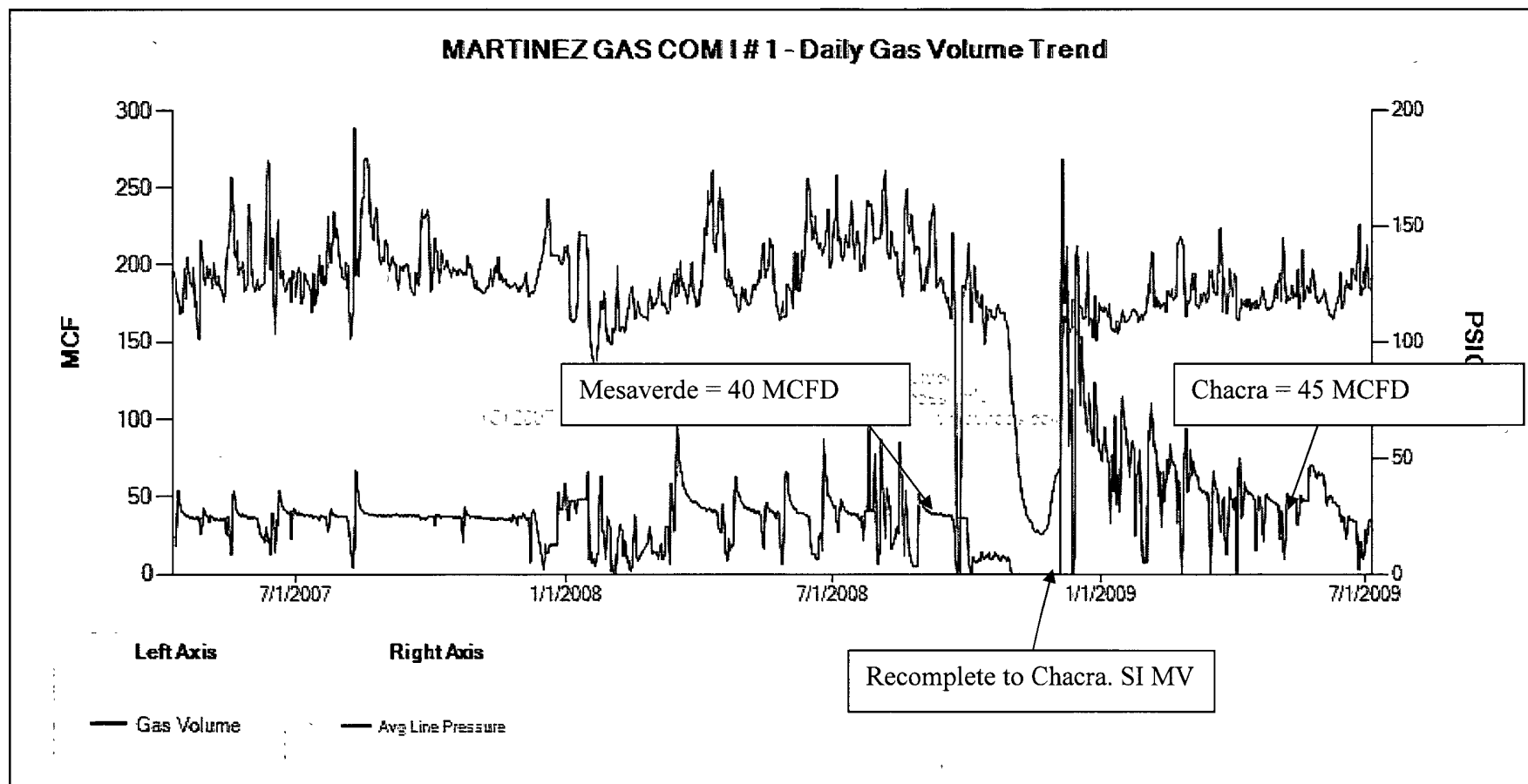
APPROVED BY [Signature] TITLE Deputy Oil & Gas Inspector, District #3 DATE AUG 26 2009
Conditions of Approval (if any):

Martinez Gas Com I #1:

Allocations are based on actual production:

| | <u>Gas</u> | <u>Oil</u> | <u>Water</u> |
|-----|------------|------------|--------------|
| MV: | 47% | 50% | 66% |

| | | | |
|-----|-----|-----|-----|
| CH: | 53% | 50% | 34% |
|-----|-----|-----|-----|





382 CR 3100
Aztec, NM 87410

July 29, 2009

Interest Owners

Subject: Notice of Intent to Apply for Downhole Commingling
Martinez Gas Com I #1
Unit K, Sec 24, 29N, R10W

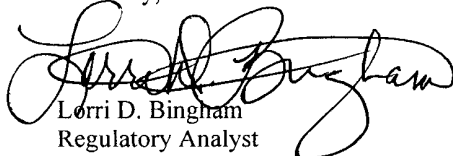
XTO Energy Inc is submitting an application to the New Mexico Oil Conservation Division (NMOCD) to downhole commingle production from the Blanco Mesaverde and the Otero Chacra pools in the Martinez Gas Com I #1. Commingling of these pools will minimize operating costs, add reserves and improve economics of the well.

The proposed allocation percentages for each pool are as follows:

| | | | |
|------------|----------|----------|------------|
| Mesaverde: | Gas: 47% | Oil: 50% | Water: 66% |
| Chacra: | Gas: 53% | Oil: 50% | Water: 34% |

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,


Lorri D. Bingham
Regulatory Analyst

xc: well file