

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

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	WELL API NO. 30-045-32277
2. Name of Operator XTO Energy Inc.	5. Indicate Type of Lease STATE ☐ FEE ☐
3. Address of Operator 382 CR 3100 AZTEC, NM 87410	6. State Oil & Gas Lease No. NMSF080382A
4. Well Location Unit Letter E : 1385 feet from the NORTH line and 765 feet from the WEST line Section 21 Township 27N Range 11W NMPM NMPM County SAN JUAN	7. Lease Name or Unit Agreement Name: SCHWERTFEGER 21
	8. Well Number 2
	9. OGRID Number 5380
	10. Pool name or Wildcat BASIN FRUITLAND COAL/WEST KUTZ PC
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6277 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: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐ ROAD MAY 4'10
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 an exception to NMOC rule 303A to permit DHC of production from the Basin PC (71629) pool and the West Kutz PC (79680) pool. XTO proposes to DHC the two pools upon approval of this application. Please see attached spreadsheet for justification of the following proposed allocations:

PC:	Oil:	100%	Gas:	82%	Water:	100%
FC:	Oil:	0%	Gas:	18%	Water:	0%

Ownership in pools is diverse & notification was made to owners by CRR on 4/13/2010. DHC will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights. The BIM was notified of our intent to DHC via Form 3160-5 on 5/03/2010.

Spud Date:

Rig Release Date:

DAC 3408AZ

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

SIGNATURE Wanett McCauley TITLE REGULATORY COMPLIANCE TECH DATE 5/03/2010

Type or print name WANETT MCCAULEY E-mail address: wanett_mccauley@xtoenergy.com PHONE 505-333-3630

For State Use Only

APPROVED BY [Signature] TITLE Deputy Oil & Gas Inspector, DATE MAY 04 2010

Conditions of Approval (if any):

5/4

Monthly Production Rates

	OIL	GAS	WATER
Pictured Cliffs	0	2100	38
Fruitland Coal	0	450	0
Total	0	2550	38

Average initial production post 1998 completions in 9 section area NW/4 of township 27N-11W
Most Recent Active Production (below)

Percent Production

	OIL	GAS	WATER
Pictured Cliffs	100%	82%	100%
Fruitland Coal	0%	18%	0%
Total	100%	100%	100%

Fruitland Coal Production

	OIL	GAS	WATER
9/30/2009	0	625	0
10/31/2009	0	492	0
11/30/2009	0	407	0
12/31/2009	0	360	0
1/31/2010	0	329	0
2/28/2010	0	488	0
AVERAGE	0	450	0

API	DB_ID	LEASE NAME	NO.	RESERVOIR	SEC	LOCATION	FIELD	OPERATOR	1st PROD	FBMO	LAST PROD	CUM GAS	Cum Pre_FBMO	CUM WATER	Incr. FBMO	EUR GAS	
30045068310000	516636	MUDGE A	5	PICTURED CLIFFS	6	27 N 11 W	KUTZ W	XTO ENERGY	19510831		20010301	594,974		1,762		594,974	
30045065020000	516121	SCHWERDTFEGER	12	PICTURED CLIFFS	16	27 N 11 W	KUTZ W	XTO ENERGY	19520229		19990601	223,475		0		223,475	
30045065810000	516129	SCHWERDTFEGER	9	PICTURED CLIFFS	17	27 N 11 W	KUTZ W	XTO ENERGY	19520229		19860401	101,067		0		101,067	
30045067390000	516020	BOLACK, ALICE	7	PICTURED CLIFFS	9	27 N 11 W	KUTZ W	XTO ENERGY	19520331		19830701	67,703		0		67,703	
Average - Older wells never recompleted												246,805		441		246,805	
30045066500000	516635	MUDGE A	3	PICTURED CLIFFS	7	27 N 11 W	KUTZ W	XTO ENERGY	19500930	4/1/1998	20100101	1,806,419	983,311	4,632	823,108	1,806,419	
30045067410000	516637	MUDGE A	6	PICTURED CLIFFS	7	27 N 11 W	KUTZ W	XTO ENERGY	19520430	8/1/1998	20100101	1,452,359	843,618	7,162	608,741	1,452,359	
30045065710000	516634	MUDGE A	2	PICTURED CLIFFS	18	27 N 11 W	KUTZ W	XTO ENERGY	19500930	9/1/1998	20100101	1,242,728	539,001	5,402	703,727	1,242,728	
30045066530000	516629	MUDGE A	1	PICTURED CLIFFS	7	27 N 11 W	KUTZ W	XTO ENERGY	19500930	4/1/1999	20100101	1,721,450	943,840	5,066	777,610	1,721,450	
30045066630000	516021	BOLACK, ALICE	8	PICTURED CLIFFS	9	27 N 11 W	KUTZ W	XTO ENERGY	19520229	11/1/1999	20100101	843,391	672,649	170	170,742	843,391	
30045065840000	516013	BOLACK, ALICE	11	PICTURED CLIFFS	16	27 N 11 W	KUTZ W	XTO ENERGY	19510831	7/1/2003	20100101	1,562,886	1,103,618	640	459,268	1,562,886	
30045065830000	516119	SCHWERDTFEGER	10	PICTURED CLIFFS	16	27 N 11 W	KUTZ W	XTO ENERGY	19520131	9/30/2003	20100101	686,672	528,742	4,373	157,930	686,672	
30045065030000	516120	SCHWERDTFEGER	11	PICTURED CLIFFS	17	27 N 11 W	KUTZ W	XTO ENERGY	19520229	9/30/2003	20100101	1,312,586	1,178,084	1,025	134,502	1,312,586	
30045066610000	516018	BOLACK, ALICE	5	PICTURED CLIFFS	9	27 N 11 W	KUTZ W	XTO ENERGY	19510731	10/31/2003	20100101	1,033,307	667,988	3,580	365,319	1,033,307	
30045069230000	516122	SCHWERDTFEGER	13	PICTURED CLIFFS	5	27 N 11 W	KUTZ W	XTO ENERGY	19520131	6/30/2004	20100101	878,779	737,876	18,365	140,903	878,779	
30045068270000	516123	SCHWERDTFEGER	14	PICTURED CLIFFS	5	27 N 11 W	KUTZ W	XTO ENERGY	19520131	6/30/2004	20100101	837,783	682,437	8,835	155,346	837,783	
30045067460000	516128	SCHWERDTFEGER	7	PICTURED CLIFFS	8	27 N 11 W	KUTZ W	XTO ENERGY	19520131	7/31/2004	20100101	812,215	667,434	5,033	144,781	812,215	
30045064980000	516016	BOLACK, ALICE	14	PICTURED CLIFFS	16	27 N 11 W	KUTZ W	XTO ENERGY	19520131	12/31/2004	20090801	1,207,171	1,148,366	2,340	58,805	1,207,171	
30045067450000	516019	BOLACK, ALICE	6	PICTURED CLIFFS	9	27 N 11 W	KUTZ W	XTO ENERGY	19520131	7/31/2008	20100101	505,773	494,696	2,247	11,077	505,773	
Average - Wells that have been recompleted												1,135,966	799,404	4,919	336,561	1,135,966	
30045242680000	516631	MUDGE A	11	PICTURED CLIFFS	18	27 N 11 W	KUTZ W	XTO ENERGY	19830331		20100101	253,772		1,650		253,772	
30045283970000	516479	FEDERAL COAL 18	24	PICTURED CLIFFS	18	27 N 11 W	KUTZ W	XTO ENERGY	19961231		20100101	248,403		7,872		248,403	
30045300390000	516639	MUDGE A	7R	PICTURED CLIFFS	6	27 N 11 W	KUTZ W	XTO ENERGY	20010331		20100101	113,693		7,133		113,693	
30045305190000	521743	MUDGE A	8R	PICTURED CLIFFS	6	27 N 11 W	KUTZ W	XTO ENERGY	20050228		20100101	68,245		11,992		68,245	
Average - Post 1998 wells												171,028		7,162		143,447	
															Average Newer Completion		
															302,482		