

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. 30-045-34863
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. NNM-03153
7. Lease Name or Unit Agreement Name: OH RANDEL
8. Well Number 2R
9. OGRID Number 5380
10. Pool name or Wildcat GALLEGOS GALLUP ASSOC/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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>	7. Lease Name or Unit Agreement Name: OH RANDEL
2. Name of Operator XTO Energy Inc.	8. Well Number 2R
3. Address of Operator 382 CR 3100 AZTEC, NM 87410	9. OGRID Number 5380
4. Well Location Unit Letter L : 2480 feet from the SOUTH line and 660 feet from the WEST line Section 10 Township 26N Range 11W NMPM NMEM County SAN JUAN	10. Pool name or Wildcat GALLEGOS GALLUP ASSOC/BASIN DAKOTA
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6351' 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 ☐ RCVD MAR 14'11
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 requests permission to DHC this well per OCD Rule 19.15.12.11 C(2) in the GP (26980, 5317'-5774') & DK (71599, 6253'-6375') upon completion of the well. The pools are pre-approved per order R-11363. Please see attached spreadsheet for justification of proposed allocations.

Basin Dakota	Oil: 22%	Gas: 69%	Water: 71%
Gallegos Gallup Associated	Oil: 78%	Gas: 31%	Water: 29%

Ownership is common in both pools; therefore, 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 of our intent to DHC via Form 3160-5 on 3/11/2011.

Spud Date:

DHC 3563A2

Rig Release Date:

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 3/11/2011
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 SUPERVISOR DISTRICT #3 DATE MAR 22 2011
Conditions of Approval (if any): [Signature]

Allocations are based off of projected EURs for 160-acre infill wells in the 12-section that had at least 20 years of Dakota production prior to adding the Gallup intervals. The analysis was careful to use allocated production from the Dakota that had remained consistently on trend both before and after adding the new Gallup zone. The average EURs for oil, gas and water from the Berger 2-E and the OH Randel 7 wells were used.

API	LEASE NAME	NO.	RESERVOIR	Sec	Location	OPERATOR	1st PROD	LAST PROD	CUM OIL	CUM GAS	CUM WATER	EUR OIL	EUR GAS	DLY OIL	DLY GAS	DLY WAT
30045247520000	BERGER	2E	DAKOTA	23	26 N 11 W	XTO ENERGY	19810731	20100801	3,174	730,495	6,518	3,197	751,264	0	21.1	0
30045247520000	BERGER	2E	GALLUP	23	26 N 11 W	XTO ENERGY	20020331	20100801	7,165	330,474	2,846	8,610	526,683	1.1	50.5	0.8
30045247490000	RANDEL, OH	7	GALLUP	15	26 N 11 W	XTO ENERGY	20060830	20100801	5,051	32,412	2,540	13,431	95,289	4.2	23.1	1.7
30045247490000	RANDEL, OH	7	DAKOTA	15	26 N 11 W	XTO ENERGY	19820131	20100801	2,812	590,976	6,378	3,055	658,957	0.2	37.7	2.3
									Dakota Average		6,448	3,126	705,111			
									Gallup Average		2,693	11,021	310,986			
									TOTAL		9,141	14,147	1,016,097			

% Production			
	Oil	Gas	Water
Dakota	22%	69%	71%
Gallup	78%	31%	29%
Total	100%	100%	100%