

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. 30-045-06732
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. NMSF-079116
7. Lease Name or Unit Agreement Name: HANCOCK
8. Well Number 4
9. OGRID Number 5380
10. Pool name or Wildcat BASIN FRUITLAND COAL/WEST KUTZ PC
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5983' GR

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 A : 990 feet from the NORTH line and 990 feet from the EAST line Section 11 Township 27N Range 12W NMPM NMPM County SAN JUAN
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5983' 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 MAY 2'11  
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 Basin FC (71629, 1619'-1642') & the W. Kutz PC (79680, 1658'-1685') upon completion of the PC. Pools are pre-approved per Order R-11363. Please see attached spreadsheet for justification of the following proposed allocations.  
Oil: FC 0% PC 100% Gas: FC 10% PC 90% Water: FC 26% PC 74%  
Ownership is diverse & notification was made without protest by CRR on 3/29/2011. DHC will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation or correlative rights. The BLM was notified of our intent to DHC via Form 3160-5 on 4/28/2011.

DHC 3584AZ

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 Wanett McCauley TITLE REGULATORY COMPLIANCE TECH DATE 4/28/2011  
Type or print name WANETT MCCAULEY E-mail address: wanett\_mccauley@xtoenergy.com PHONE 505-333-3630

For State Use Only

APPROVED BY Charles TITLE SUPERVISOR DISTRICT # 3 DATE MAY 2 4 2011  
Conditions of Approval (if any): W

Allocations were determined by taking the last 6 months of FC production from the Hancock #4 and compared it to the 6 month average of production from PC wells seen after 6 months of production following a Full Body Make Over for wells in the 9-section. The Hancock #4 previously had production from the PC, but had never produced from this interval after a FBMO was performed.

#### Hancock 4 - FC production

Date	BOPM	MCF/M	BWPM
5/31/2009	0	461	60
6/30/2009	0	855	15
7/31/2009	0	853	40
8/31/2009	0	828	0
9/30/2009	0	636	0
10/31/2009	0	313	0
<b>FC AVERAGE</b>	<b>0</b>	<b>658</b>	<b>19</b>
<b>FBMO Average</b>	<b>0</b>	<b>6021</b>	<b>55</b>
<b>TOTAL</b>	<b>0</b>	<b>6678</b>	<b>74</b>

#### % Production

	Oil	Gas	Water
Fruitland Coal	0%	10%	26%
Pictured Cliffs	100%	90%	74%

#### PC Wells - After 6 months of FBMO production

##### Hancock 1

Date	BOPM	MCF/M	BWPM
8/31/2001	0	10563	0
9/30/2001	0	11993	0
10/31/2001	0	5191	
11/30/2001	0	12100	
12/31/2001	0	12439	
1/31/2002	0	11572	
<b>AVERAGE</b>	<b>0</b>	<b>10643</b>	<b>0</b>

##### Hancock 10

Date	BOPM	MCF/M	BWPM
12/31/1997	0	7036	0
1/31/1998	0	7455	0
2/28/1998	0	6651	0
3/31/1998	0	7469	0
4/30/1998	0	7291	0
5/31/1998	0	7682	0
<b>AVERAGE</b>	<b>0</b>	<b>7264</b>	<b>0</b>

##### Hancock 2

Date	BOPM	MCF/M	BWPM
10/31/2001	0	5191	
11/30/2001	0	4131	
12/31/2001	0	4135	0
1/31/2002	0	4066	87
2/28/2002	0	3956	89
3/31/2002	0	4207	91
<b>AVERAGE</b>	<b>0</b>	<b>4281</b>	<b>67</b>

##### Hancock 6

Date	BOPM	MCF/M	BWPM
11/30/1998	0	6334	150
12/31/1998	0	5552	125
1/31/1999	0	5365	0
2/28/1999	0	5228	153
3/31/1999	0	6117	156
4/30/1999	0	5918	145
<b>AVERAGE</b>	<b>0</b>	<b>5752</b>	<b>122</b>

##### Hancock 7

Date	BOPM	MCF/M	BWPM
10/31/1998	0	1869	122
11/30/1998	0	2110	152
12/31/1998	0	2371	90
1/31/1999	0	2508	81
2/28/1999	0	2104	55
3/31/1999	0	2011	12
<b>AVERAGE</b>	<b>0</b>	<b>2162</b>	<b>85</b>