

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an
abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

XT0 Energy Inc.

3a. Address

2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401505-324-1090

3b. Phone No. (include area code)

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

665' FSL & 1,540' FEL, Unit 0, Sec 21, T-27-N, R-8-W

5. Lease Serial No.

NMNM 03380

6. If Indian, Allottee or Tribe Name

7. If Unit or CA / Agreement, Name and/or No.

8. Well Name and No.

Florance D 14B

9. API Well No.

30-045-30819

10. Field and Pool, or Exploratory Area

Otero CH/Blanco MV

11. County or Parish, State

San Juan NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- | | | | |
|---|---|--|---|
| <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other <u>Downhole</u> |
| <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | <u>Commingle</u> |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximated duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

XT0 Energy Inc requests permission to downhole commingle the Otero Chacra and Blanco Mesaverde per the attached NMOCD approved DHC order.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Darrin Steed

Title

Operations Engineer

Date 5/15/02

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ Jim Lovato

Title

Petr. Eng.

Date

5/24/02

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 87240
District II
811 South First, Artesia, NM 87003
District III
1000 Rio Brazos Rd., El Paso, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-103
Revised March 25, 1999

WELL API NO. 30-045-30819
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. NNM 03380
7. Lease Name or Unit Agreement Name: Florance D
8. Well No. #14B
9. Pool name or Wildcat Otero Chacra/Blanco Mesaverde
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 6,048' 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 2700 Farmington Ave., Bldg. K, Ste 1 Farmington, NM 87401	
4. Well Location Unit Letter <u>O</u> : <u>665</u> feet from the <u>South</u> line and <u>1,540</u> feet from the <u>East</u> line Section <u>21</u> Township <u>27N</u> Range <u>8W</u> NMPM County <u>San Juan</u>	
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 6,048' GR	

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data	
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input checked="" type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>
OTHER: <input type="checkbox"/>	OTHER: <input type="checkbox"/>

12. 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 recompilation.

XTO Energy Inc requests approval to downhole commingle this well in the following manner:

1. Perforate, acidize and frac the Blanco Mesaverde from approximately 4,400' - 4,500'.
2. Set RBP @ 4,200'.
3. Perforate, acidize and frac the Otero Chacra from approximately 3,100' - 3,250'.
4. TIH and pull RBP @ 4,200'.
5. TIH w/prod tbg. Swab well to flowing and turn to sales.

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

SIGNATURE Darrin Steed TITLE Operations Engineer DATE 4/29/02

Type or print name Darrin Steed

Telephone No. 505-324-1090

(This space for State use)
Original Signed by STEVEN L. HAYDEN

APPROVED BY DEPUTY OIL & GAS INSPECTOR, S.B.I. #2 TITLE DEPUTY OIL & GAS INSPECTOR, S.B.I. #2 DATE APR 29 2002

Conditions of approval, if any:



April 29, 2002

Mr. Frank Chavez
New Mexico Oil Conservation Division
1000 Rio Brazos Rd.
Aztec, New Mexico 87410

RE: Administrative Approval to Downhole Commingle
Florance D #14B
665' FSL & 1,540' FEL
Unit O, Section 21, T-27-N, R-8-W
San Juan County, New Mexico

Dear Mr. Chavez:

XTO Energy, Inc hereby requests administrative approval to downhole commingle the above referenced well. Attached for your reference are the following exhibits:

1. Sundry Notice (NMOCD Form C-103)
2. Tabular and Graphical Production History used for Production Allocation

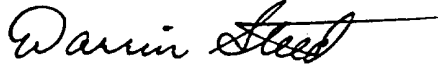
This well is currently permitted as a Blanco Mesaverde (72319). Offset logs analysis and economics show that the Otero Chacra (82329) will also be completed. Both zones are included in the pre-approved pools established by Division Order R-11363. The Blanco Mesaverde and Otero Chacra will be completed from approximately 4,400' – 4,500' and 3,100' – 3,250'. Based on production analysis of wells located in a nine section surrounding area the following allocation was determined:

Otero Chacra (82329)	Oil – 0%	Gas – 24%
Blanco Mesaverde (72319)	Oil – 100%	Gas – 76%

Both pools have common interest owners. Commingling both zones will not reduce the ultimate recovery of either pool. Downhole commingling will improve recovery of liquids, eliminate redundant surface equipment and maximize productivity. Once NMOCD approval has been received notice will be filed with the BLM on Form 3160-5 concerning this matter.

XTO Energy would like to request your Administrative Approval for the downhole commingling based on the above information. Should you need any additional information please feel free to contact me at (505) 324-1090.

Sincerely,
XTO ENERGY, INC.

A handwritten signature in black ink, reading "Darrin Steed". The signature is fluid and cursive, with a horizontal line extending from the end of the name.

Darrin L. Steed
Operations Engineer

Enclosures

Cc: Gary Markestad
Well File