

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 87240
District II
811 South First, Artesia, NM 87210
District III
1000 Rio Brazos Rd., Aztec, 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

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 G-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-045-31086
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator XTO Energy Inc.		6. State Oil & Gas Lease No. NMM 03380
3. Address of Operator 2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401		7. Lease Name or Unit Agreement Name: Florance D
4. Well Location Unit Letter A : 415 feet from the NORTH line and 670 feet from the EAST line Section 17 Township 27N Range 8W NMPM County San Juan		8. Well No. #10B
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 6,742' GR		9. Pool name or Wildcat Otero Chacra/Blanco Mesaverde

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 5,000' - 5,350'.
2. Set composite bridge plug @ 4,200'.
3. Perforate, acidize and frac the Otero Chacra from approximately 3,700' - 3,800'.
4. TIH and drill out CBP@ 4,200'.
5. Turn well 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 8/23/02

Type or print name Darrin Steed Telephone No. 505-324-1090

(This space for State use)

DEPUTY OIL & GAS INSPECTOR, DIST. #3 AUG 27 2002

APPROVED BY Original Signed by STEVEN M. HAYDEN TITLE _____ DATE _____

Conditions of approval, if any:



August 23, 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 #10B
Surf Loc: 415' FNL & 670' FEL
BH Loc: 1,360' FNL & 660' FEL
Unit A/H, Section 17, 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) and Otero Chacra (82329). 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 5,000' – 5,350' and 3,700' – 3,800'. Based on production analysis of wells located in a nine section surrounding area the following allocation was determined:

Otero Chacra (82329)	Oil – 0%	Gas – 21%
Blanco Mesaverde (72319)	Oil – 100%	Gas – 79%

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.