

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

Form C-103  
Revised March 25, 1999

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

WELL API NO. <b>30-045-30711</b>
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: <b>Chavez Gas Com C</b>
8. Well No. <b>1M</b>
9. Pool name or Wildcat <b>Blanco Mesaverde / Basin Dakota</b>
10. Elevation (Show whether DR, RKB, RT, GR, etc.) <b>5,599' GR</b>

**SUNDRIY 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 <b>XTO Energy, Inc.</b>
3. Address of Operator <b>2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401</b>
4. Well Location Unit Letter <b>M</b> : <b>1,235'</b> feet from the <b>South</b> line and <b>740'</b> feet from the <b>West</b> line Section <b>23</b> Township <b>29N</b> Range <b>10W</b> NMPM County <b>San Juan</b>
10. Elevation (Show whether DR, RKB, RT, GR, etc.) <b>5,599' GR</b>

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 type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <b>Downhole commingle</b> <input checked="" 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 recompletion.

XTO Energy, Inc requests an exception to Rule 303A to downhole commingle production from the Basin Dakota Pool (71599) and the Blanco Mesaverde Pool (72319). Both of this pools are included in Division Order R-11363 establishing pre-approved pool combinations for downhole commingling in the San Juan Basin. Attachments 1 and 2 summarize the conditions and information required per Rules 303C(1) and 303C(3) (b). A NOI Sundry to DHC has been filed with the BLM with a copy of this C-103 attached.

Proposed Gas Allocation: Dakota - 30% & Mesaverde - 70%  
Proposed Oil Allocation: Dakota - 17% & Mesaverde - 83%  
Proposed Wtr Allocation: Dakota - 64% & Mesaverde - 36%

DHC 825AZ

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

SIGNATURE Ray Martin TITLE Operations Engineer DATE 06/20/02

Type or print name Ray Martin Telephone No. (505) 324-1090

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

APPROVED BY STEVEN N. HAYDEN TITLE DEPUTY OIL & GAS INSPECTOR, RMT. DATE JUN 24 2002  
Conditions of approval, if any:

Attachment 1  
Chavez Gas Com C #1M  
Sec 23M, T29N, R10W  
API #30-045-30711  
C-103 NOI Sundry to DHC  
06/20/02

Additional information per Rule 303C(3)(b):

- (i) Division Order R-11363 established pre-approved pool combinations for downhole commingling.
- (ii) Basin Dakota Pool (71599)  
Blanco Mesaverde Pool (72319)
- (iii) Blanco Mesaverde perforations: 3,831' – 4,435'  
Basin Dakota perforations: 6,390' – 6,569'
- (iv) The proposed production allocation formula is based on a ratio of the two Pools prod rates.

Proposed Allocation Formula:

	OIL	WATER	GAS
Basin Dakota	17%	64%	30%
Blanco Mesaverde	83%	36%	70%

Basin Dakota Pool (Ave. liquid prod & gas sales prior to RC to MV based on well tests)

BOPD	BWPD	MCFD
0.6	9	152

Blanco Mesaverde Pool (Ave. liquid prod & gas sales based on recent well tests)

BOPD	BWPD	MCFD
3.0	5	356

- (v) Downhole commingling will not reduce the value of the total remaining production. Increased ultimate recovery is expected due to a lower economic production limit for each pool resulting lower operating cost per zone due to the combined production. Also, the reserves will be recovered in less time by downhole commingling.
- (vi) Ownership is identical in both the Dakota and Mesaverde thus XTO Energy, Inc was not required to sent notice of intent to downhole commingle to working and royalty interest owners.
- (vii) I have filed a NOI Sundry Form 3160-5 to downhole commingle outlining the procedure with the BLM with a copy of this C-102 attached. A copy of BLM Sundry is attached.

Attachment 2  
Chavez Gas Com C #1M  
Sec 23M, T29N, R10W  
API #30-045-30711  
C-103 NOI Sundry to DHC  
06/20/02

Required conditions per Rule 303C(1):

- (a) The fluids from both pools are compatible. These pools have been commingled together in other wells without fluid compatibility or formation damage problems and the two pools have been pre-approved for downhole commingling..
- (b) No secondary recovery operations are planned for this well.
- (c) Using the NMOCD fracture parting pressure gradient of 0.65 psig per foot of depth, the calculated bottomhole pressure to frac the Mesaverde is 2,490 psig and to frac the Dakota is 4,154 psig. Neither zone's current bottom hole pressures exceed the frac parting pressure of either zone.
- (d) The well will be produced until both zones are at economic depletion, thus no permanent loss of reserves will occur due to cross-flow in the wellbore.
- (e) Neither zone is sensitive to produced fluids from the other zone. These pools are commonly downhole commingled.
- (f) XTO Energy, Inc will maintain the prorated production below top allowable or other rate restriction set by the NMOCD for each Pool.
- (g) Downhole commingling will not reduce the value of the total remaining production. Increased ultimate recovery is expected due to a lower economic production limit for each pool resulting lower operating cost per zone due to the combined production. Also, the reserves will be recovered in less time by downhole commingling.
- (h) Correlative rights will not be violated by downhole commingling these zones. The only open zones will be the Dakota and Mesaverde. The production will be allocated between the Dakota and Mesaverde per the allocation formula on Attachment #1.

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

XTO Energy Inc.

3a. Address

2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401 364-1090

3b. PhoneNo. (include area code)

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

1235' FSL & 740' FWL, UL M, Sec 23, T29N, R10W

5. Lease Serial No.

SF081078

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Chavez Gas Com C #1M

9. API Well No.

30-045-30711

10. Field and Pool, or Exploratory Area

Blanco MV / Basin DK

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 recompleate 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 recompleation 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.)

1. MIRU completion rig. Install BOP.
2. TOH w/2-3/8" prod tbg.
3. TIH w/bit.
4. Drill out CIBP @ 6,180'.
5. Clean out to 6,806' PBTD.
6. TOH w/bit
7. TIH & land 2-3/8" prod tbg at +/- 6,550'.
8. Remove BOP.
9. RDMO completion rig.
10. Return well to production as downhole commingled Mesaverde/Dakota producer w/Mesaverde perms fr/3,831'-4,435' & Dakota perms fr/6,390'-6,569'.

NOTE: XTO Energy Inc. has applied to the NMOC D for permission to downhole commingle the Blanco Mesaverde and Basin Dakota Pools. These two pools are on the NMOC D pre-approved list of pool combinations for downhole commingling in the San Juan Basin. Ownership is identical in both zones. Attached is a copy of the Sundry Form C-103 filed with the NMOC D.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

RAY MARTIN

Title

OPERATIONS ENGINEER

Date 6/20/02

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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.