

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. 3004531060
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. E-8443
7. Lease Name or Unit Agreement Name: STATE GAS COM BA
8. Well No. 1F
9. Pool name or Wildcat MESAVERDE/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	10. Elevation (Show whether DR, RKB, RT, GR, etc.) 6166' GL
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 C : 1747 feet from the NORTH line and 1548 feet from the WEST line Section 16 Township 31N Range 12W NMPM SAN JUAN County NM	

11. 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 COMPLETION ☐
OTHER: **DOWNHOLE COMMINGLE** ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐
OTHER: ☐

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 an exception to rule 303A to downhole commingle production from the Basin Dakota Pool (71599) and the Blanco Mesaverde Pool (72319). These pools are included in the NMOC pre-approved pool combinations for downhole commingling. See attached for information required by rule 303C(3)b.

It is planned to drill the State Gas Com BA #1F by the end of 2002. Allowing the pools to be commingled will minimize completion costs, improve economics and maximize recoveries.

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

SIGNATURE *[Signature]* TITLE **OPERATIONS ENGINEER** DATE **7/3/02**

Type or print name **TOM DELONG**

Telephone No. **505-324-1090**

(This space for State use)

APPROVED BY *[Signature]* **STEVEN N. HAYDEN** TITLE **DEPUTY OIL & GAS INSPECTOR, INT.** DATE **JUL - 3 2002**
Conditions of approval, if any:

Attachment

**State Gas Com BA #1F
Request to DHC
Blanco Mesaverde & Basin Dakota Pools**

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

- (i) Division Order that established the pre-approved pool combination is R-11363.
- (ii) Pools to be commingled: Blanco Mesaverde (72319) & Basin Dakota (71599).
- (iii) Blanco Mesaverde perforated interval: Well has not been drilled and the interval is not available.
Basin Dakota perforated interval: Well has not been drilled and the interval is not available.
- (iv) It is proposed to allocate production based on the average estimated ultimate recovery (EUR) of each pool for wells in section 16, T31N, R12W and the surrounding 8 sections. Attached is a table with the average EUR for each pool and the proposed allocation Factors.
- (v) Downhole commingling will not reduce the value of the total production from the Mesaverde and Dakota. A longer productive life of each pool is expected due to a lower economic production limit.
- (vi) XTO Energy Inc. sent notice of intent to downhole commingle on to all working and royalty interest owners by certified mail (return receipt). No objections were received within 20 days after sending notices.
- (vii) XTO Energy Inc. has mailed a copy of this downhole commingling proposal (Sundry Notice Form C-103) to the Commissioner of Public Lands.

**State Gas Com BA #1F
NE/4 NW/4 Sec 16, T31N, R12W
San Juan County, New Mexico**

**Mesaverde and Dakota Production Allocation
9 Section Evaluation**

Formation	# Completions	EUR MCF	EUR BO	EUR/Well MCF	EUR/Well BO
Mesaverde	44	87,809,000	245,400	1,995,659	5,577
Dakota	27	57,525,000	405,600	2,130,556	15,022
Total	71	145,334,000	651,000	4,126,215	20,599

Allocation Factors

	Gas MCF	Oil BO	Water BW
Mesaverde	48.37%	27.07%	50.00%
Dakota	51.63%	72.93%	50.00%
Total	100.00%	100.00%	100.00%

All Dakota and Mesaverde wells in section 16 - T31N - R12W and the surrounding 8 sections were used in the above evaluation.

It is anticipated this well will produce minimal water. Based on evaluation of the 9 section review area, water will be allocated equally between the Mesaverde and Dakota.