

Submit 1 Copy To Appropriate District
 Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 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
 Revised July 18, 2013

HOBBS OCE
 JUN 16 2016
 RECEIVED

OIL CONSERVATION DIVISION
 220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO.	30-025-34710-31305 ✓
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> ✓
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name:	Arrowhead Grayburg Unit ✓
8. Well Number	139 ✓
9. OGRID Number	005380 ✓
10. Pool name or Wildcat	Arrowhead; Grayburg ✓
11. Elevation (Show whether DR, RKB, RT, GR, etc.)	

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 type="checkbox"/> Other Injector ✓	
2. Name of Operator XTO Energy, Inc. ✓	
3. Address of Operator 500 W. Illinois St Ste 100 Midland, TX 79701	
4. Well Location	
Unit Letter P 0 : 660' feet from the South line and 1870' feet from the East line	
Section 18 35 Township 21 22S Range 36E NMPM County Lea ✓	

12. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

<p style="text-align: center;">NOTICE OF INTENTION TO:</p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/></p> <p>TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/></p> <p>PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/></p> <p>DOWNHOLE COMMINGLE <input type="checkbox"/></p> <p>CLOSED-LOOP SYSTEM <input type="checkbox"/></p> <p>OTHER: <input type="checkbox"/></p>	<p style="text-align: center;">SUBSEQUENT REPORT OF:</p> <p>REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/></p> <p>COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/></p> <p>CASING/CEMENT JOB <input type="checkbox"/></p> <p>OTHER: MIT & Bradenhead <input checked="" type="checkbox"/></p>
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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 19.15.7.14 NMAC.. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

05/16/2016: XTO Energy, Inc ran a good MIT and bradenhead test. MIT witnessed by Carl Flowers. Copy of chart and form are attached.

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 Stephanie Rabadue TITLE Regulatory Analyst DATE 06/06/2016

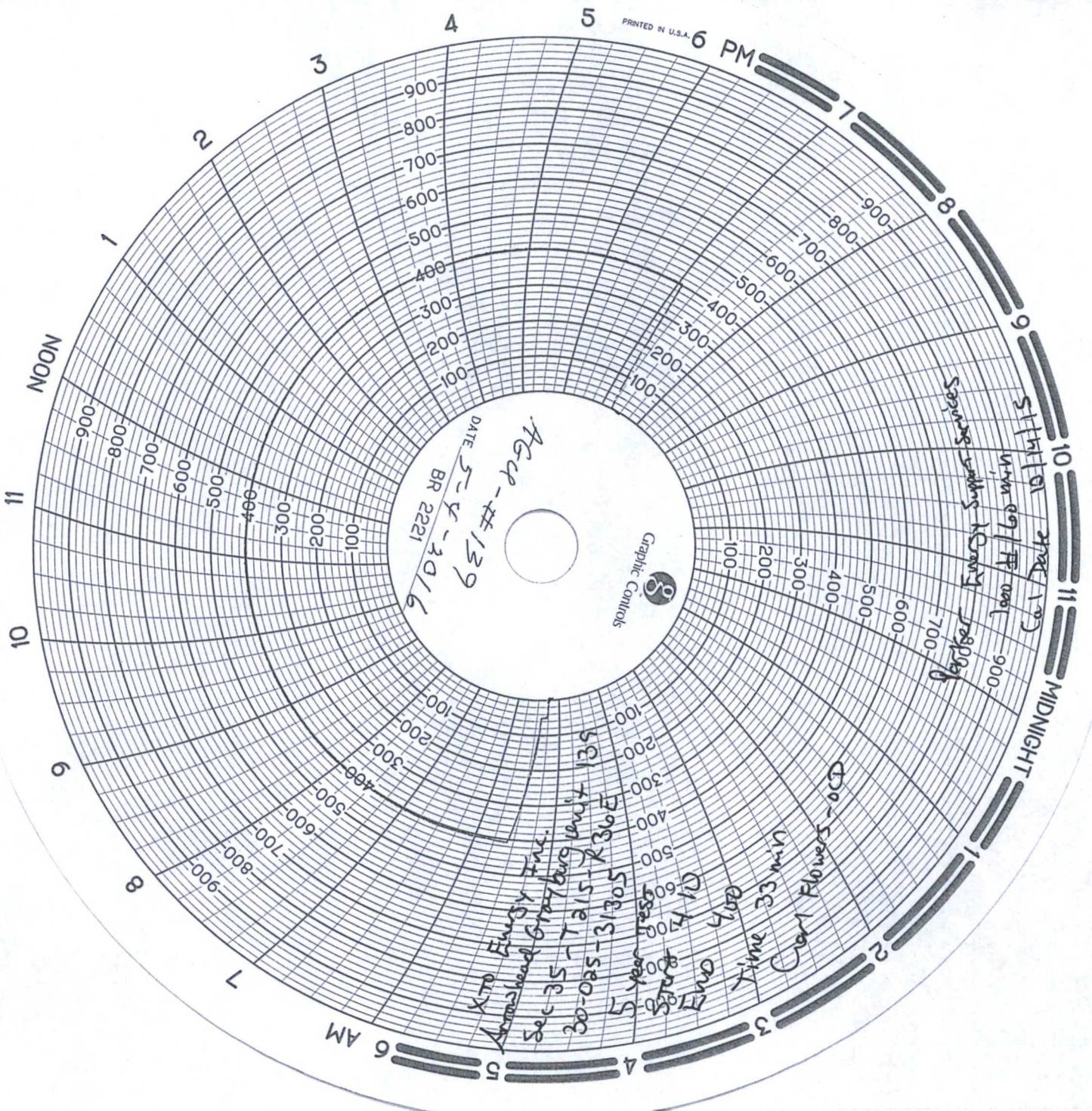
Type or print name STEPHANIE RABADUE E-mail address: stephanie_rabadue@xtoenergy.com PHONE 432-620-6714

For State Use Only

APPROVED BY Mah Whitaker TITLE P.E.S. DATE 6/20/2016

Conditions of Approval (if any):

mw



AGU-#139
 DATE 5-4-30/6
 BR 2221



KATO Energy Inc.
 30-35-7-21-512-512-512
 30-35-31305
 5 year lease
 8000 sq ft
 Q1 H1 100
 Q2 H1 100
 Q3 H1 100
 Q4 H1 100
 Time 33 min
 Cart Flowers-100

Selling with Kato
 Kato Energy Inc.
 Date 5/4/30
 BR 2221

JUN 16 2016

RECEIVED

State of New Mexico
 Energy, Minerals and Natural Resources Department
 Oil Conservation Division Hobbs District Office

BRADENHEAD TEST REPORT

Operator Name XTO Energy, Inc	API Number 30-025-31305
Property Name Arrowhead Grayburg Unit	Well No. 139

Surface Location

UL - Lot O	Section 35	Township 21S	Range 36E	Feet from 660	N/S Line South	Feet From 1870	E/W Line East	County Lea
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Well Status

TA'D WELL YES	NO	SHUT-IN YES	NO	INJECTOR <u>INJ</u>	SWD	PRODUCER OIL	GAS	DATE 5-4-2016
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OBSERVED DATA

	(A) Surface	(B) Interm(1)	(C) Interm(2)	(D) Prod Csg	(E) Tubing
Pressure	∅			∅	570
Flow Characteristics					
Puff	Y/ <u>N</u>	Y/N	Y/N	Y/ <u>N</u>	CO2 —
Steady Flow	Y/ <u>N</u>	Y/N	Y/N	Y/ <u>N</u>	WTR <input checked="" type="checkbox"/>
Surges	Y/ <u>N</u>	Y/N	Y/N	Y/ <u>N</u>	GAS —
Down to nothing	<u>Y</u> /N	Y/N	Y/N	<u>Y</u> /N	Type of Fluid
Gas or Oil	Y/ <u>N</u>	Y/N	Y/N	Y/ <u>N</u>	Injected for
Water	Y/ <u>N</u>	Y/N	Y/N	Y/ <u>N</u>	Waterflood if applies

Remarks - Please state for each string (A,B,C,D,E) pertinent information regarding bleed down or continuous build up if applies.

Signature: <i>Alan Miller - XTO Energy</i>	OIL CONSERVATION DIVISION
Printed name:	Entered into RBDMS
Title:	Re-test
E-mail Address:	
Date: 5-16-2016	Phone: 575-441-1641
Witness:	