

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0137
Expires July 31, 2010

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 page 2

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other **RECORD CLEAN UP**

2. Name of Operator

XTO ENERGY INC.

3a. Address

382 CR 3100 AZTEC, NM 87410

3b. Phone No. (include area code)

505-333-3100

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

1630' FSL & 1800' FWL NESW Sec. 29 (K) - T27N-R11W N.M.P.M.

5. Lease Serial No.

NMSE-078896

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

FEDERAL 29 #23

9. API Well No.

30-045-24768

10. Field and Pool, or Exploratory Area

**W. KUTZ PICTURED CLIFFS /
BASIN FRUITLAND COAL**

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 DOWNHOLE |
| <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | COMMINGLE |
| <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 approximate 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.)

XTO Energy Inc. requests approval to DHC this well per NMOCD Rule 19.15.12.11 C(2) in the W. Kutz Pictured Cliffs (79680) and the Basin Fruitland Coal (71629) pools. Pools are in the NMOCD pre-approved pool combinations for downhole commingle in the San Juan Basin per order R-11363. Please see attached spreadsheets for justification of proposed allocations.

West Kutz Pictured Cliffs	Oil: 100%	Gas: 5%	Water: 6%
Basin Fruitland Coal	Oil: 0%	Gas: 95%	Water: 94%

Ownership is diverse and notification to owners was sent out on 4/13/2012. DHC will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights. The NMOCD was notified of our intent to DHC via form C-103 on 4/30/2012.

RCVD MAY 2 '12
OIL CONS. DIV.
DIST. 3

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

KRISTEN LYNCHTitle **REGULATORY ANALYST**

Signature

*Kristen Lynch*Date **4/30/2012**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Joe Hewitt

Title

Geo

Date

4-30-12

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

FDO

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, 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.

NMOCD

Monthly Production Rates

	OIL (Bbl/mo.)	GAS (KCF/mo.)	Water (Bbl/mo.)
Fruitland Coal	0	2386	72
Pictured Cliffs	0	135	5
Total	0	2520	77

Most recent 6-month average total well production minus assumed PC rate giving attributable F
Last 6 months average production from Federal 29-23 PC formation before well fell off of trend .

Percent Production			
	OIL	GAS	Water
Fruitland Coal	0%	95%	94%
Pictured Cliffs	100%	5%	6%
Total	100%	100%	100%

Last 6 months production from Federal 29-23 PC formation before well fell off of trend.

Date	Oil	Gas	Water
8/1/1993	0	175	5
9/1/1993	0	198	4
10/1/1993	0	137	4
11/1/1993	0	71	4
12/1/1993	0	115	5
1/1/1994	0	111	5

Last 6 months of production from the Federal 29-23 well

1/31/2011	0	2209	90
2/28/2011	0	1613	80
3/31/2011	0	2990	160
4/30/2011	0	2935	0
5/31/2011	0	2888	130
6/30/2011	0	2487	0



382 CR 3100
Aztec, NM 87410

April 13, 2012

Interest Owners

Subject: Notice of Intent to Apply for Downhole Commingling
Federal 29 #23
Unit K, Sec 29, 27N, R11W

XTO Energy Inc is submitting an application to the New Mexico Oil Conservation Division (NMOCD) to downhole commingle production from the, Basin Fruitland Coal and the West Kutz Pictured Cliffs, pools in the Federal 29 #23. Commingling of these pools will minimize operating costs, add reserves and improve economics of the well.

The proposed allocation percentages for each pool are as follows:

Basin Fruitland Coal	Gas: 95%	Water: 94%	Oil: 0%
West Kutz Pictured Cliffs	Gas: 5%	Water: 6%	Oil: 100%

NMOCD requires all interest owners be notified of intent to downhole commingle if ownership is different between zones. If you need additional information or have any questions, I may be contacted at (505) 333-3206. If you have any objections to our application, please contact me within twenty (20) days of the date of this letter.

Sincerely,

Kristen D. Lynch
Regulatory Analyst