

Submit 3 Copies 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
 May 27, 2004

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-045-32652
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. NMSF047039A
7. Lease Name or Unit Agreement Name KUTZ FEDERAL
8. Well Number 11F
9. OGRID Number 167067
10. Pool name or Wildcat BASIN-DAKOTA/OTERO-CHACRA

RECEIVED
 MAR 10 2005
OIL CON. DIV.
 DIST. 3

SUNDRY NOTICES AND REPORTS ON
 (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-11) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator
XTO Energy Inc.

3. Address of Operator
2700 Farmington Ave, Suite K-1, Farmington, NM 87401

4. Well Location
 Unit Letter L : 1650 feet from the South line and 665 feet from the West line
 Section 20 Township 28N Range 10W NMPM San Juan County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
5998' GR

Pit or Below-grade Tank Application or Closure

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. 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"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: DOWNHOLE COMMINGLE <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

XTO Energy, Inc. is requesting an administrative approval for an exemption to Rule 303-C to permit downhole commingling of production from the Basin Dakota pool (71599), the Otero Chacra pool (82329). Both pools are included in the pre-approved pools established by Division Order R-11363. XTO will spud this well in February 2005 and proposes to downhole commingle these pools upon completion of the well. The proposed allocations are based on an individual pool average EUR of wells located in a nine section surrounding area. See attachments for supporting documentation and plats for this well. Based upon the average EUR, XTO proposes to allocate the commingled production as follows:

Pool	Gas	Oil	Water
Basin-Dakota	86%	100%	100%
Otero-Chacra	14%	0%	0%

Ownership in this well's pools is not common and notification by certified mail to WI, ORRI and NRI owners has been completed. No objections were received. Downhole commingling will offer an economic method of production while protecting against reservoir damage, waste of reserves, and protecting correlative rights. A sundry notice of intent to DHC has been filed with the BLM.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Holly C. Perkins TITLE: REGULATORY COMPLIANCE TECH DATE 03/07/05

Type or print name Holly C. Perkins E-mail address: holly_perkins@xtoenergy.com Telephone No. 505 564-6720

APPROVED BY: [Signature] TITLE: DEPUTY OIL & GAS INSPECTOR, DIST. 3 DATE: MAR 9 2005

Conditions of Approval (if any): _____

DISTRICT I
1225 N. Francis Dr., Santa Fe, N.M. 87505

DISTRICT II
1001 W. Grand Ave., Artesia, N.M. 88210

DISTRICT III
1000 Rth. Street Rd., Aztec, N.M. 87412

DISTRICT IV
1225 South St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
1225 South St. Francis Dr.
Santa Fe, NM 87505

Form O-102

Revised June 10, 2003

Submit to Appropriate District Office

State Lease - 3 Copies

Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAN

Well Number 71599	Pool Name Basin De Katoa
Property Code	Property Name KUTZ FEDERAL
Well Number 111	Operator Name XTO ENERGY INC.
Acres 1670/67	Division 5998

Surface Location

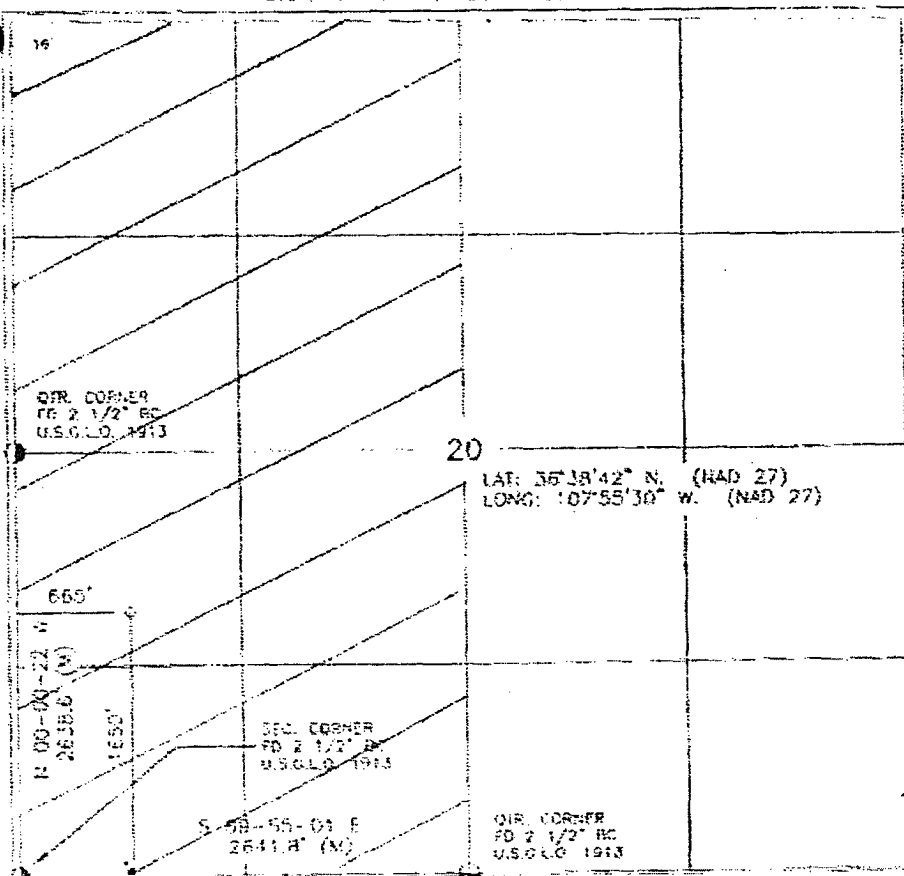
Well or lot no.	Section	Township	Range	Lot no.	Feet from the	North/South line	Feet from the	East/West line	County
1	20	23-N	10-W		1650	SOUTH	665	WEST	SAN JUAN

Bottom Hole Location if Different From Surface

Well or lot no.	Section	Township	Range	Lot no.	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 320 1/2	Point of Info	Consolidation Code	Order No.
-----------------------------------	---------------	--------------------	-----------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



17 OPERATOR CERTIFICATION

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

Joseph J. Smith
Signature

Joseph J. Smith
Printed Name

Drilling Assistant
Title

10/16/04
Date

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plot was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date of Survey
10/16/04



14831
Certificate Number

DISTRICT I
1672 W. Francis Dr., Santa Fe, NM 87505

DISTRICT II
1001 W. Grand Ave., Santa Fe, NM 87501

DISTRICT III
1000 W. Francis Dr., Santa Fe, NM 87505

DISTRICT IV
1220 South St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, NM 87505

Form O-102
Revised June 10, 2003

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

[] AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAN

Tag Number	Pool Code	Well Name
	32329	Otero Chaco
Property Code	Property Name	Well Number
	KUIZ FEDERAL	11F
Tag No.	Operator Name	Direction
1107067	XIO ENERGY INC.	5908'

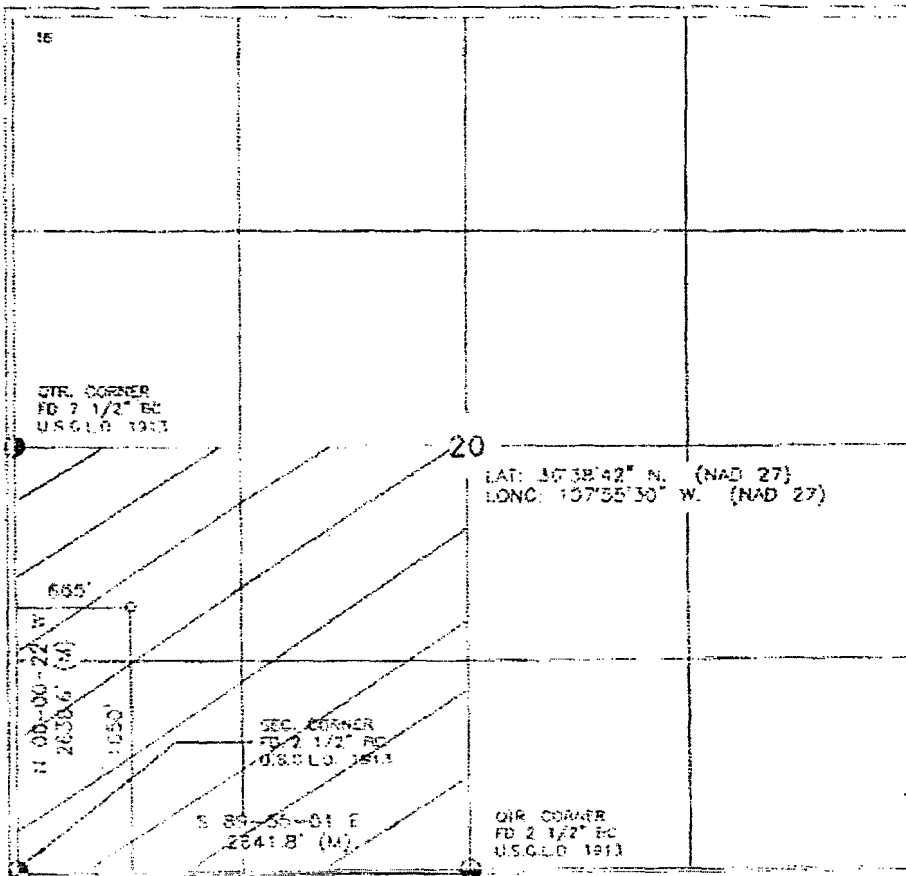
Surface Location

UL or lot no.	Section	Township	Range	Lot no.	Feet from the	North/South line	Feet from the	East/West line	County
1	20	28-N	13-W		1650	SOUTH	665	WEST	SAN JUAN

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot no.	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Area			Joint or Info		Consolidation Code		Order No.		
S 1/4 100									

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Murray Small
Signature
Murray Small
Printed Name
Drilling Assistant
Title
10/10/04
Date

SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plot was plotted from field notes of actual surveys made by me or under my supervision, and the same is true and correct to the best of my knowledge and belief.

JOHN VUKONICH
NEW MEXICO
14831
REGISTERED PROFESSIONAL SURVEYOR
14831
Certificate Number



2700 Farmington Ave, K-1 Farmington, NM 87401
Phone: (505) 324-1090 FAX: (505) 564-6700

February 2, 2005

RE: Notice of Intent to Apply for Downhole Commingling

Kutz Federal 11F
Sec 20C, T28N, R10W; 1980' FSL & 660' FWL
San Juan County, NM

To: All working interest, royalty interest and overriding royalty interest owners.

XTO Energy Inc. is applying for permission to downhole commingle the Basin Dakota and the Otero Chacra Pools in the Kutz Federal 11F. This well is a new drill for 2005 and will spud later this month. We propose to downhole commingle production from both pools on initial completion. NMOCD requires all interest owners be notified of intent to downhole commingle if ownership is different between pools.

The proposed allocations are based on individual pool average EUR's in the area. Based upon this data, XTO Energy Inc. proposes to allocate the commingled production as follows:

Pool	Oil	Water	Gas
Basin Dakota	100%	100%	86%
Otero Chacra	0%	0%	14%

If you need additional information or have any questions, I can be contacted at (505) 324-1090. If you are opposed to commingling production from these two pools please respond in writing within 20 days of the date of this letter to XTO Energy Inc., 2700 Farmington Avenue, Suite K-1, Farmington, NM 87401.

Sincerely,

Teena Cosper
Production Clerk

xc: Well File
FW Land Dept.