

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

RECEIVED

FEB 26 2008

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. MM-0359212
2. Name of Operator XTO Energy Inc.		6. If Indian, Allottee or Tribe Name
3a. Address 382 CR 3100 Aztec, NM 87410		7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) 505-333-3100		8. Well Name and No. HENDERSON 5 #3
4. Location of Well (Footage, Sec., T., R., M., or Survey Description). SHL: 963' FNL & 1010' FWL Sec 5D-T26N-R11W BHL: 1900' FNL & 700' FEL Sec 5D-T26N-R11W		9. API Well No. 30-045-32588
		10. Field and Pool, or Exploratory Area BASIN FRUITLAND COAL/ WEST KUTZ PICTURED CLIFFS
		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	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<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 recomplate 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. proposes to change the casing and cement program per attached.

RCVD FEB 29 '08

OIL CONS. DIV.

DIST. 3

CONDITIONS OF APPROVAL

Adhere to previously issued stipulations.

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

Name (Printed/Typed)

HOLLY C. PERKINS

Title REGULATORY COMPLIANCE TECH

Signature

Date 2/22/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Troy L. Salyers

Title

Petroleum Engineer

Date

2-28-2008

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

FFO

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

XTO ENERGY INC.

Henderson 5-3

APD Data

February 22, 2008

Location: 965' FNL & 1010' FWL, Sec. 5, T26N, R11W County: San Juan State: New Mexico
Bottomhole Location: 1900' FNL & 700' FEL, Sec. 5, T26N, R11W

GREATEST PROJECTED TVD: 1605' APPROX GR ELEV: 6179'
GREATEST PROJECTED MD: 5019' ✓ Est KB ELEV: 6191' (12' AGL)
OBJECTIVE: Fruitland Coal

1. MUD PROGRAM:

INTERVAL	0' to 225'	225' to 1865'	1865' to TD
HOLE SIZE	12.25"	8.75"	6.125"
MUD TYPE	FW/Spud Mud	FW/Polymer	Air/Mist
WEIGHT	8.6-9.0	8.4-8.8	NA
VISCOSITY	28-32	28-32	NA
WATER LOSS	NC	NC	NC

Remarks: Use fibrous materials as needed to control seepage and lost circulation. Pump high viscosity sweeps as needed for hole cleaning. Raise viscosity at TD for logging. Reduce viscosity after logging for cementing purposes. Use Fruitland Coal produced water as make-up water for mist fluid. Pump enough fluid to dampen vibration at directional BHA. If directional control is not maintainable in air/mist environment convert to polymer mud.

2. CASING PROGRAM:

Surface Casing: 9.625" casing to be set at $\pm 225'$ in a 12-1/4" hole filled with 9.20 ppg mud

Interval	Length	Wt	Gr	Cplg	Coll Rating (psi)	Burst Rating (psi)	Jt Str (M-lbs)	ID (in)	Drift (in)	SF Coll ¹	SF Burst ²	SF Ten ³
0'-225'	225'	36.0#	J-55	ST&C	2020	3520	394	8.921	8.765	18.76	32.7	48.6

Intermediate Casing: 7" casing to be set at $\pm 1865'$ MD, 1605' TVD in 8.75" hole filled with 9.20 ppg mud.

Interval	Length	Wt	Gr	Cplg	Coll Rating (psi)	Burst Rating (psi)	Jt Str (M-lbs)	ID (in)	Drift (in)	SF Coll ¹	SF Burst ²	SF Ten ³
0'-1865'	1865'	23.0#	J-55	ST&C	3270	4360	284	6.366	6.241	4.08	5.43	7.36

Production Casing: 4.5" casing to be set at $\pm 5019'$ MD, 1605' TVD in 6.125" hole filled with 8.4 ppg mud.

Interval	Length	Wt	Gr	Cplg	Coll Rating (psi)	Burst Rating (psi)	Jt Str (M-lbs)	ID (in)	Drift (in)	SF Coll ¹	SF Burst ²	SF Ten ³
1800'-5019'	3219'	10.5	J-55	ST&C	4010	4790	132	4.052	3.927	6.57	7.85	4.01

¹Collapse SF is based on evacuated annulus and hydrostatic at TVD.

²Burst SF is based on evacuated casing and hydrostatic at TVD.

³Tensile SF is based on hanging air weight of casing in a vertical hole at measured depth.

3. WELLHEAD:

- A. Casing Head: WHI QDF System (or equivalent), 9-5/8" x 7", 3,000 psig WP (4,000 psig test) with 9-5/8" 8rnd thread ST&C pin end on bottom and 4-1/2" slips on top.
- B. Tubing Head: WHI W2F (or equivalent), 7.063" nominal, 5,000 psig WP (5,000 psig test), 5-1/2" slip-on or weld-on.

4. CEMENT PROGRAM (Slurry design may change slightly, but the plan is to circulate cement to surface on both casing strings): ✓

- A. Surface: 9.625", 36.0#, J-55, ST&C casing to be set at $\pm 225'$ in 12-1/4" hole.

140 sx of Type III cement (or equivalent) typically containing accelerator and LCM, mixed at 14.5 ppg, 1.39 ft³/sk, & 6.70 gal wtr/sk.

Total slurry volume is ~~177~~ ¹⁹⁸ ft³, 100% excess of calculated annular volume to 225'.

- B. Production Casing: 7", 23#/ft, J-55, ST&C casing to be set at $\pm 1865'$ MD, 1605' TVD in 8.75" hole.

LEAD:

± 105 sx of Premium Lite FM or CBM Lite typically containing accelerator, LCM, dispersant, and fluid loss additives at 12.1 ppg, 2.22 ft³/sk, & 12.04 gal wtr/sk.

TAIL:

± 100 sx of Type III or V cement typically containing accelerator, LCM, dispersant, and fluid loss additives at 14.2 ppg, 1.48 ft³/sk, & 7.34 gal wtr/sk.

Total estimated slurry volume for the 7" production casing is 383 ft³.

- C. Production Liner: 4.5", 10.5#/ft, J-55, ST&C casing is to be set at 5019' MD, 1605' TVD in 6.125" hole.

The production liner will be set using an uncemented liner hanger. The liner may be tied back to surface during the completion of the well. ✓

Note: The slurry design may change slightly based upon actual conditions. Final cement volumes will be determined from the caliper logs (if available) plus 40%. It will be attempted to circulate cement to the surface.

5. LOGGING PROGRAM:

- A. Mud Logger: A geologic consultant or unmanned mud logging unit will begin logging the well once the surface shoe is drilled out and remain on the well to TD.
- B. Open Hole Logs as follows: Gamma Ray from Surface shoe to TD.

6. FORMATION TOPS:

Please see directional plan for anticipated formation tops.

**** Maximum anticipated BHP should be <2,000 psig (<0.30 psi/ft) ****

7. COMPANY PERSONNEL:

Name	Title	Office Phone	Home Phone
John Egelston	Drilling Engineer	505.333.3163	505.330.6902
Jerry Lacy	Drilling Superintendent	505.333.3100	505.320.6543
John Klutsch	Project Geologist	817.885.2781	--

JWE
2/22/08