

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 <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		2. Name of Operator XTO ENERGY INC.
3a. Address 382 CR 3100, Aztec NM, 87410	3b. Phone No. (include area code) 505-333-3630	
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1695' FNL x 670' FEL SENE Sec 3(H) - T25N-R11W NMM		
5. Lease Serial No. NOO-C-14-20-3598		
6. If Indian, Allottee or Tribe Name NAVAJO ALLOTMENT		
7. If Unit or CA/Agreement, Name and/or No. NMM-75913-DK		
8. Well Name and No. CANYON #5E		
9. API Well No. 30-045-34364		
10. Field and Pool, or Exploratory Area BASIN MANCOS/BASIN DAKOTA		
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 checked="" type="checkbox"/> Other <u>DOWNHOLE</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>COMMINGLE</u>
	<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 recompleat 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 recompleat 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 requests approval for an exception to NMCD Rule 303A to permit DHC of production from the Basin Dakota (71599) & the Basin Mancos (97232) pools in this well. XTO proposes to downhole commingle the two pools upon approval of this application. Please see attachments for justification of proposed allocations. Proposed allocations are:

Basin Dakota:	Oil:	2%	Gas:	70%	Water:	0%
Basin Mancos:	Oil:	98%	Gas:	30%	Water:	100%

Ownership is common in both zones; therefore, there are no owners to notify of our intent to downhole commingle. Both pools are in NMCD pre-approved pool combinations for DHC in the San Juan Basin and the NMCD was notified of our intent via Form C-103 on 11/05/2010. Downhole commingling will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights.

RCVD NOV 15 '10  
OIL CONS. DIV.  
DIST. 3

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) WANETT MCCAULEY		Title REGULATORY COMPLIANCE TECHNICIAN
Signature Wanett McCauley		Date 11/05/2010

## THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Joe Hewitt	Title Geo	Date 11-12-10
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 FFD	

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.

**Average Monthly Production**

	Oil	Gas	Water
Dakota	6	2080	0
Mancos	347	897	80
<b>Total</b>	<b>353</b>	<b>2977</b>	<b>80</b>

previous 6 month avg. in Canyon 6

stabilized Mancos Production in 9 section area

**% Production**

	Oil	Gas	Water
Dakota	2%	70%	0%
Mancos	98%	30%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Dakota Only, Past 6 mos. Production in Canyon 6

Date	Oil	Gas	Water
8/31/2009	5	2652	0
9/30/2009	0	2247	0
10/31/2009	15	2256	0
11/30/2009	3	2228	0
12/31/2009	12	1145	0
1/31/2010	2	1954	0
<b>Average</b>	<b>6</b>	<b>2080</b>	<b>0</b>

There have been 2 wells, Canyon 7E and Canyon 19, completed into the Mancos after having established production in the Dakota in this 9 section area of T25N R11W. These wells were used in establishing allocation factors for future commingling.

# Canyon 19

Added the Mancos in April 2006

Stabilized Mancos Only Production				
BOPM		MCFPM		BWPM
Mancos	OIL	GAS	WATER	
9/30/06	497	609	80	
10/31/06	392	790	0	
11/30/06	612	1095	0	
12/31/06	366	904	0	
1/31/07	309	777	0	
2/28/07	429	760	0	
Average	434	823	13	

# Canyon 7E

Added the Mancos in Dec 2008

Stabilized Mancos Only Production				
BOPM		MCFPM		BWPM
Mancos	OIL	GAS	WATER	
3/31/09	297	1074	211	
4/30/09	363	990	176	
5/31/09	258	1029	178	
6/30/09	78	258	0	
7/31/09	266	1422	192	
8/31/09	297	1053	117	
Average	260	971	146	

Average Mancos			
OIL	GAS	WATER	
347	897	80	