

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

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)

2300' ENL & 1850' FEL SWNE SEC 11 (G) - T25N-R11W N.M.P.M.

FEB 11 2011

Farmington Field Office
Bureau of Land Management

5. Lease Serial No.

NMNB405

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

CANYON #11

9. API Well No.

30-045-21393

10. Field and Pool, or Exploratory Area

BASIN DAKOTA/BASIN MANCOS

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

☒ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☐ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☒ Other DOWNHOLECOMMINGLE

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 Inc. requests approval for an exception to NMCD Rule 19.15.12.9 to permit DHC of production from the Basin Dakota (71599) & the Basin Mancos (97232) in the Canyon #11. XTO proposes to downhole commingle these pools upon completion of the Mancos.

Allocations for Dakota are based upon previous 6 months production and allocations for the Mancos are based upon two Mancos producing wells (please see attachments) and are calculated as follows:

Basin Dakota	Oil:	1%	Gas:	56%	Water:	14%
Basin Mancos	Oil:	99%	Gas:	44%	Water:	86%

Ownership is common in both zones; therefore, there are no owners to notify of our intent to DHC. Both pools are in the NMCD pre-approved pool combinations for DHC in the San Juan Basin per order R-12984-A. Downhole commingling will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights. The NMCD was notified of our intent to DHC via Form C-103 on 2/10/2011.

DHC 3533A7

RCVD FEB 17 '11
OIL CONS. DIV.

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

WANETT MCCAULEY

Title REGULATORY COMPLIANCE TECHNICIAN

Signature

Date 2/10/2011

DIST. 3

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Joe Hunt

Title

Geo

Date

2-11-11

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.

NMCD

Dakota Only, Past 6 mos. production

Date	Oil	Gas	Water
8/31/2009	7	1390	0
9/30/2009	7	1257	80
10/31/2009	7	1236	0
11/30/2009	2	1262	0
12/31/2009	2	1163	0
1/31/2010	2	463	0
Average	5	1129	13

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

Average Monthly Production

	Oil	Gas	Water
Dakota	5	1129	13
Gallup	347	897	80
Total	352	2026	93

previous 6 month avg. in Canyon 11

stabilized Mancos Production in 9 section area

% Production

	Oil	Gas	Water
Dakota	1%	56%	14%
Gallup	99%	44%	86%
Total	100%	100%	100%