

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED
OMB NO. 1004-0137
Expires July 31, 2010

MAR 14 2011

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.

Farmington Field Office
Bureau of Land Management

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)

2480' FSL & 660' FWL NWSW SEC(L)10-T26N-R11W NMM

5. Lease Serial No.

NMM-03153

6. If Indian, Allottee or Tribe Name

NAVAJO TRIBAL TRUST

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

N/A

8. Well Name and No.

OH RANDEL #2R

9. API Well No.

30-045-34863

10. Field and Pool, or Exploratory Area

GALLEGOS GALLUP ASSOCIATED
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

- ☒ 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 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 an exoeption to NMOC Rule 19.15.12.11 C(2) to permit DHC of the Gallegos Gallup Associated (26980) & Basin Dakota (71599) pools in the OH Randel #2R. Both pools are in the NMOC pre-approved pool combinations for DHC in the San Juan Basin per order R-11363. XTO proposes to downhole commingle these pools upon completion of the well. Please see attached spreadsheet for justification of proposed allocations.

Dakota	Oil: 22%	Gas: 69%	Water: 71%
Gallup	Oil: 78%	Gas: 31%	Water: 29%

Ownership is common in both zones; therefore, there are no owners to notify of our intent to DHC. Downhole commingling will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights. NMOC was notified of our intent to DHC via Form C-103 on 3/11/2011.

RCVD MAR 17 '11
OIL CONS. DIV.
DIST. 3

DHC 3563 AZ

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

WANETT MCCAULEY

Title REGULATORY COMPLIANCE TECHNICIAN

Signature

Wanett McCauley

Date 3/11/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Joe Harvitt

Title GCO

Date 3-15-11

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 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.

NMOC

Allocations are based off of projected EURs for 160-acre infill wells in the 12-section that had at least 20 years of Dakota production prior to adding the Gallup intervals. The analysis was careful to use allocated production from the Dakota that had remained consistently on trend both before and after adding the new Gallup zone. The average EURs for oil, gas and water from the Berger 2-E and the OH Randel 7 wells were used.

API	LEASE NAME NO.	RESERVOIR	Sec	Location	OPERATOR	1st PROD	LAST PROD	CUM OIL	CUM GAS	CUM WATER	EUR OIL	EUR GAS	DLY OIL	DLY GAS	DLY WAT
30045247520000	BERGER	2E	DAKOTA	23 26 N 11 W	XTO ENERGY	19810731	20100801	3,174	730,495	6,518	3,197	751,264	0	21.1	0
30045247520000	BERGER	2E	GALLUP	23 26 N 11 W	XTO ENERGY	20020331	20100801	7,165	330,474	2,846	8,610	526,683	1.1	50.5	0.8
30045247490000	RANDEL, OH	7	GALLUP	15 26 N 11 W	XTO ENERGY	20060630	20100801	5,051	32,412	2,540	13,431	95,289	4.2	23.1	1.7
30045247490000	RANDEL, OH	7	DAKOTA	15 26 N 11 W	XTO ENERGY	19820131	20100801	2,812	590,976	6,378	3,055	658,957	0.2	37.7	2.3
								Dakota Average	6,448	3,126	705,111				
								Gallup Average	2,693	11,021	310,986				
								TOTAL	9,141	14,147	1,016,097				

% Production			
	Oil	Gas	Water
Dakota	22%	69%	71%
Gallup	78%	31%	29%
Total	100%	100%	100%