Form 3160-5 (November 1994)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED Budget Bureau No. 1004-0135 Expires November 30, 2000

5. Lease Serial No.

NMNM -012201 103797

SUNDRY NOTICES AND REPORTS ON WELLS

6. If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals. 7. If Unit or CA/Agreement, Name and/or No SUBMIT IN TRIPLICATE - Other instructions on reverse side 1. Type of Well 8. Well Name and No. Oil Well #14 Blanco LS 2. Name of Operator 9. API Well No. XTO Energy Inc. 3b. PhoneNo. (include area code) 30-045-06856 3a. Address 2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401505-324-1090 10. Field and Pool, or Exploratory Area Basin Fruitland Coal Location of Well (Footage, Sec., T., R., M., or Survey Description) 1,650' FNL & 1,650' FEL, Unit G, Sec 1, T-27-N, R-8-W 11. County or Parish, State NM San Juan CHECK APPROPRIATE BOX(ES) TO INDICATE NATUREOF NOTICE, REPORT, OR OTHERDATA 12 TYPE OF ACTION TYPE OF SUBMISSION Water Shut-Off Production (Start/Resume) Deepen Acidize X Notice of Intent Well Integrity Reclamation Fracture Treat Alter Casing Other Subsequent Report Recomplete New Construction Casing Repair Plug and Abandon Temporarily Abandon Change Plans Final Abandonment Notice Water Disposal Plug Back Convert to Injection Describe Proposed or CoommpletedOperation (clearly state all pertinent details, including estimated starting date of any proposed work and approximateduration thereof. If the proposal is to deepen directionally or recomplete 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 AbandonmentNotices 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.) 13. XTO Energy, Inc. proposes to perform the following work: 1. MIRU PU. 2. POH w/prod tbg. 3. Set CIBP @ 5.375' & cap w/3 sx reg cmt. Press tst plug to 1.000 psig for 30". 4. Perf & stimulate the Basin Fruitland Coal. SEE ATTACHED FOR CONDITIONS OF APPROVAL 5. Run prod tbg, pmp & rods. 6. RWTP. Title I hereby certify that the foregoing is true and correct Name(Printed/Typed) Operations Engineer Darrin Steed 1/22/02 Date THIS SPACE FOR FEDERAL OR STATE OFFICE USE

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.

SERVEL ENGLIS

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any departmentor agency of the United States any false, fictitious fraudulent statements or representations as to any matter within its jurisdiction.

Approved by

- 1. Minimum requirement of 50 foot cap on CIBP (set at 5,375ft). Need to increase cement to at least 7 sacks of cement to meet this minimum requirement.
- 2. Isolation is required across various formations, therefore, a plug is required for the Cliff House (top at 4966') and Chacra (top at 4255') formations. These plugs must be 100 feet with 50 feet excess cement.