

District I
1625 N. French Drive, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

District II
1101 W. Grand Avenue, Artesia, NM 88210

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE
 Single Well
 Establish Pre-Approved Pools
EXISTING WELLBORE
Yes No

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

APPLICATION FOR DOWNHOLE COMMINGLING

DHC-3487

XTO Energy Inc. 2700 Farmington Ave, Suite K-1 Farmington, NM 87401

Operator Kutz J Federal #209 Address Sec 06, T27N-R10W San Juan County

Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 167067 Property Code 22757 API No. 30-045-32697 Lease Type Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Basin Dakota <i>Pr Gas</i>		<i>McC Basin Mame</i> Angels Peak Gallup
Pool Code	71599		<i>97232</i> 02170
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)			
Method of Production (Flowing or Artificial Lift)			
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)			
Producing, Shut-In or New Zone	New Zone		New Zone
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: Rates:	Date: Rates:	Date: Rates:
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 61% - 82%	Oil Gas % %	Oil Gas 39% - 18%

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes No

If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes No

Are all produced fluids from all commingled zones compatible with each other? Yes No

Will commingling decrease the value of production? Yes No

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes No

NMOCD Reference Case No. applicable to this well: _____

- Attachments:
- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
 - Production curve for each zone for at least one year. (If not available, attach explanation.)
 - For zones with no production history, estimated production rates and supporting data.
 - Data to support allocation method or formula.
 - Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
 - Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE *Melissa M Osborne* TITLE Regulatory Compliance Tech DATE April 14, 2005

TYPE OR PRINT NAME Melissa M Osborne TELEPHONE NO. (505) 566-7925

E-MAIL ADDRESS _____



2700 Farmington Ave, K-1 Farmington, NM 87401
Phone: (505) 324-1090 FAX: (505) 564-6700

May 24, 2005

Mr. Will Jones
New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Subject: Application for Downhole Commingle
Kutz J Federal #2G
Unit O Sec 06-T27N- R10W; 30-045-32697
Basin Dakota/Basin Mancos
NMSF077384; San Juan, NM

RECEIVED
MAY 27 2005
OIL CONSERVATION
DIVISION

Dear Mr. Jones:

The Kutz J Federal #2G DHC was initially filed as a Basin Dakota/Angels Peak Gallup. This is a pre Approved pool combination; it was APPROVED 04/29/05 and assigned DHC1858AZ. Since receiving the APPROVAL we have discovered the APD for this well was originally permitted to be a Basin Dakota/Basin Mancos.

All factors pertaining to this well remain the same; allocations, interest owners, etc. XTO Energy Inc. is requesting an amendment to this DHC Order allowing the Basin Dakota and Basin Mancos to be downhole commingled.

Enclosed please find a copy of the Downhole Commingling package for the Kutz J Federal J #2G. If you have any questions or require any more information pertaining to this matter, please call me at (505) 566-7925.

Sincerely,

A handwritten signature in cursive script that reads 'Melissa M. Osborne'.

Melissa M. Osborne
Regulatory Compliance Tech

xc: Wellfile
OCD, Aztec Office
BLM, Farmington

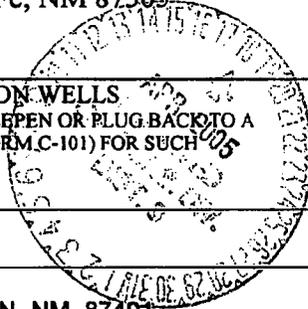
Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 May 27, 2004

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-045-32697
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. NMSF 077384
7. Lease Name or Unit Agreement Name Kutz J Federal
8. Well Number 2G
9. OGRID Number 167067
10. Pool name or Wildcat Basin <i>Basin Mancoos</i> Basin Dakota/Angels Peak Gallup



SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator
XTO ENERGY INC.

3. Address of Operator
2700 FARMINGTON AVE, SUITE K-1, FARMINGTON, NM 87401

4. Well Location
 Unit Letter O : 665' feet from the South line and 1860' feet from the East line
 Section 06 Township 27N Range 10W NMPM San Juan County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6001' GL

Pit or Below-grade Tank Application or Closure

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: Downhole Commingle <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

XTO Energy Inc. requests approval for exception to Rule 303-C to permit DHC of Production from the Basin Dakota (71599) & the Angels Peak Gallup (02170). XTO Energy Inc. plans to downhole commingle these pools upon completion of this well.

Allocations are based upon a 9 section EUR and are calculated as follows:

Basin Dakota:	Gas 82%	Water 75%	Oil 61%
Angels Peak Gallup	Gas 18%	Water 25%	Oil 39%
<i>Basin Mancoos</i>			

Both these pools are included in the New Mexico Oil Conservation Division pre-approved pool combinations for downhole commingling in the San Juan Basin. Working interest, net royalty interest and overriding royalty interest owners have been notified by certified, return receipt mail on February 8th, 2005. The BLM has been notified with form 3160-5 of our intent to DHC. Downhole commingling will offer an economical method of production while protecting against reservoir damage, waste of reserves and violation of correlative rights.

DHC 1858A2

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Melissa M. Osborne TITLE Regulatory Compliance Tech DATE 04/14/2005
 Type or print name Melissa M. Osborne E-mail address: Regulatory@xtoenergy.com Telephone No. 505-566-7925
For State Use Only

APPROVED BY: [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. # DATE APR 18 2005
 Conditions of Approval (if any): _____

DISTRICT I
1625 N. Fench Dr., Hobbs, N.M. 88240

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised June 10, 2003
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
1377 W. Grand Avenue, Artesia, N.M. 88210

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87504-2088

DISTRICT III
10 Brazos Rd., Aztec, N.M. 87410

AMENDED REPORT

DISTRICT IV
1220 South St. Francis Dr., Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-32697	² Pool Code 71599	³ Pool Name BASIN DAKOTA
⁴ Property Code	⁵ Property Name KUTZ J FEDERAL	⁶ Well Number 2G
⁷ OGRID No. 167067	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 6001

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	6	27-N	10-W		665	SOUTH	1860	EAST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 320.51 E/Z		¹³ Joint or Infill I		¹⁴ Consolidation Code		¹⁵ Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16

LOT 4	LOT 3	LOT 2	LOT 1
LOT 5			
LOT 6			
LOT 7			

SEC. CORNER
FD 2 1/2" BC
1913 GLO

6

1860'

N 00°05'20" W
5294.1' (M)

LAT: 36°35'56" N. (NAD 27)
LONG: 107°56'01" W. (NAD 27)

N 89°44'47" W
2641.4' (M)

17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Jeffrey W. Patton
Signature
JEFFREY W. PATTON
Printed Name
DRILLING ENGINEER
Title
11-19-04
Date

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

JUNE 8
Date of Survey
John A. Vukowich
Signature and Seal of Professional Surveyor
14831
14831
Certificate Number

DISTRICT I
1625 N. Fench Dr., Hobbs, N.M. 88240

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised June 10, 2003
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
1301 W. Grand Avenue, Artesia, N.M. 88210

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87504-2088

DISTRICT III
10 Brazos Rd., Aztec, N.M. 87410

AMENDED REPORT

DISTRICT IV
1220 South St. Francis Dr., Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-32697	² Pool Code 02170 97232	³ Pool Name Angels Peak - Gallup Basin Monreas
⁴ Property Code 22157	⁵ Property Name KUTZ J FEDERAL	⁶ Well Number 2G
⁷ GRID No. 167067	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 6001

¹⁰ Surface Location

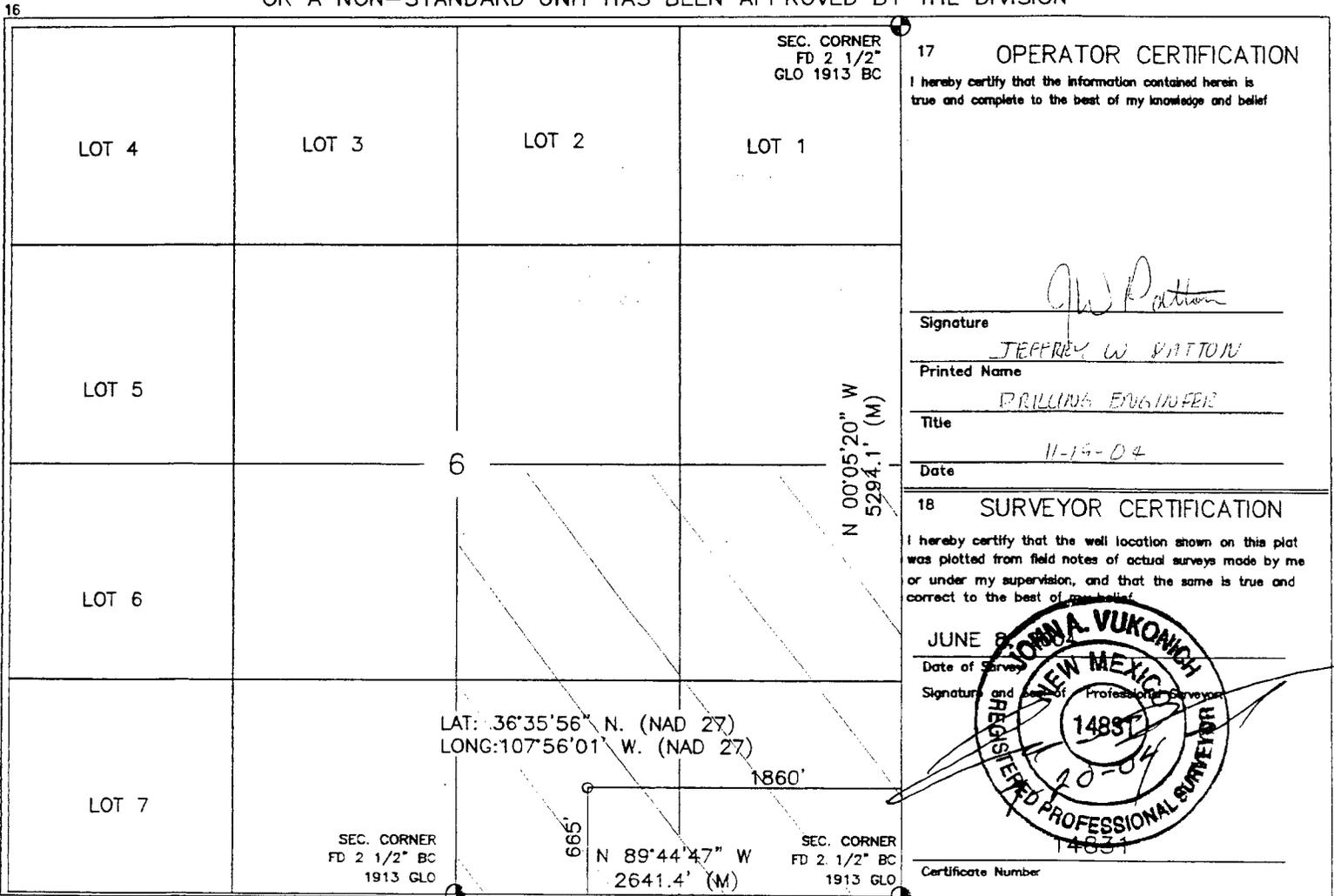
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	6	27-N	10-W		665	SOUTH	1860	EAST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 160	¹³ Joint or Infill SE / 4	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Signature: Jeffrey W. Patton
Printed Name: JEFFREY W. PATTON
Title: DRILLING ENGINEER
Date: 11-19-04

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief

Date of Survey: JUNE 8
Signature and Seal: JOHNA VUKONICH
Professional Surveyor
14857
10-04
14831
Certificate Number

Kutz J Federal #2G

MADELEINE MOORE
2050 W ORACLE-JAYNES
TUCSON, AZ 85704

RODMAN E. GRISCOM II
5202 MOSS GLENN
HOUSTON, TX 77088

B.B.L., LTD.
P.O. BOX 911
BRECKENRIDGE, TX 76424-0911

ARCO OIL AND GAS COMPANY
ATTN LEASE RENTALS
P.O. BOX 22047
TULSA, OK 74121-2047

CONOCOPHILLIPS COMPANY
P. O. BOX 2197
HOUSTON, TEXAS 77252-2197

MMS – NOTIFY BLM

FULLERTON TRUST A
A.R. KENDRICK, SUCCESSOR TRUSTEE
P.O. BOX 382
SANTA FE, NM 87504-0382

FULLERTON TRUST B
A.R. KENDRICK, SUCCESSOR TRUSTEE
P.O. BOX 382
SANTA FE, NM 87504-0382

WILLIAM L. FLOYD, JR
16 EAST 77TH ST APT 5A
NEW YORK, NY 10021

LEON M. DUCHARME MARITAL TRUST
RITA MAE DUCHARME & JOYCE J.
NEVILLE, CO-TRUSTEES
2617 S WADSWORTH CIRCLE
LAKEWOOD, CO 80227-3220

RITA MAE DUCHARME

2617 S WADSWORTH CIRCLE
LAKEWOOD, CO 80227-3220

TCW DR II ROYALTY PARTNERSHIP
865 SOUTH FIGUEROA ST #1800
LOS ANGELES, CA 90017

THOMAS NOYES GALT
1015 ATLANTIC BLVD #455
ATLANTIC BEACH, FL 32233

HUBERT DEXTER GALT
PMB 222
2028 SOUTH HIGHWAY 53, SUITE 3
LA GRANGE, KY 40031

COMSTOCK OIL & GAS, INC.
5300 TOWN & COUNTRY BLVD. #500
FRISCO, TX 75034

RITA TREASA FLOYD
C/O COMERICA BANK, TRUSTEE
P.O. BOX 4761 (MAIL CODE 6605)
HOUSTON, TX 77210-4167

VIRGINIA L. MULLIIN
C/O JUDY OLSEN
OLSEN, HOWARD & ASSOCIATES, P.C.
1776 SOUTH JACKSON STREET, SUITE 901
DENVER, CO 80210

MATHIAS FAMILY TRUST
C/O CAROL HOPPER
3233 SPRING LANE
FALLS CHURCH, VA 22041

BERNARD HYDE, MD TRUST
28242 YANEZ
MISSION VIEJO, CA 92692-1836

RICHARD P. SHOOSHAN
686 E. UNION STREET
PASADENA, CA 91101-1820

Kutz J Federal 2G - Allocation

Well	No	Operator	Location			Reservoir	Cum Gas (mmcf)	Cum Oil (mbo)	EUR Gas (mmcf)	EUR Oil (mbo)	
			Sec	Unit	Twn						Rng
Basin Dakota Gas											
E H PIPKIN	8E	BHP PETROLEUM (AMERICAS) INCORPORATED	1	P	27	11	DAKOTA	109	1	1,086	1
M N GALT J	1	BP AMERICA PRODUCTION COMPANY	6	N	27	10	DAKOTA	175	4	1,746	4
KNAUFF B	1	LADD PETROLEUM CORPORATION	31	C	28	10	DAKOTA	1,733	19	1,733	19
KNAUFF B	1E	QUESTAR EXPLORATION & PRODUCTION CO	31	N	28	10	DAKOTA	368	4	3,995	5
C A MCADAMS C	1	XTO ENERGY INCORPORATED	5	P	27	10	DAKOTA	2,194	33	2,540	36
C A MCADAMS C	2	XTO ENERGY INCORPORATED	5	K	27	10	DAKOTA	2,539	19	682	4
C A MCADAMS C	1E	XTO ENERGY INCORPORATED	5		27	10	DAKOTA	1,130	10	1,309	11
C A MCADAMS C	2E	XTO ENERGY INCORPORATED	5	F	27	10	DAKOTA	819	8	1,068	9
E H PIPKIN	5	XTO ENERGY INCORPORATED	36	B	28	11	DAKOTA	2,506	36	2,706	37
E H PIPKIN	6	XTO ENERGY INCORPORATED	36	M	28	11	DAKOTA	2,583	31	2,801	32
E H PIPKIN	10	XTO ENERGY INCORPORATED	1	E	27	11	DAKOTA	1,866	22	2,111	23
E H PIPKIN	11	XTO ENERGY INCORPORATED	12	M	27	11	DAKOTA	487	3	486	4
E H PIPKIN	12	XTO ENERGY INCORPORATED	12	G	27	11	DAKOTA	2,441	28	2,674	30
E H PIPKIN	10E	XTO ENERGY INCORPORATED	1	H	27	11	DAKOTA	299	3	298	3
E H PIPKIN	11E	XTO ENERGY INCORPORATED	12	J	27	11	DAKOTA	792	7	1,068	7
E H PIPKIN	12E	XTO ENERGY INCORPORATED	12	E	27	11	DAKOTA	663	11	859	12
E H PIPKIN	5E	XTO ENERGY INCORPORATED	36	J	28	11	DAKOTA	676	5	878	6
E H PIPKIN	6E	XTO ENERGY INCORPORATED	36	E	28	11	DAKOTA	1,762	10	2,253	10
E H PIPKIN	8R	XTO ENERGY INCORPORATED	1	L	27	11	DAKOTA	130	4	1,006	11
E H PIPKIN	8X	XTO ENERGY INCORPORATED	1	N	27	11	DAKOTA	551	7	550	7
FEDERAL A	1	XTO ENERGY INCORPORATED	32	K	28	10	DAKOTA	4,636	42	5,126	43
FEDERAL A	1E	XTO ENERGY INCORPORATED	32	E	28	10	DAKOTA	202	0	723	2
FRED FEASEL L	1	XTO ENERGY INCORPORATED	32	H	28	10	DAKOTA	4,924	48	5,318	48
FRED FEASEL L	1E	XTO ENERGY INCORPORATED	32	I	28	10	DAKOTA	1,091	6	1,583	7
KUTZ J FEDERAL	2	XTO ENERGY INCORPORATED	6		27	10	DAKOTA	1,647	18	1,821	19
KUTZ J FEDERAL	3	XTO ENERGY INCORPORATED	6	H	27	10	DAKOTA	58	1	1,291	14
KUTZ J FEDERAL	2E	XTO ENERGY INCORPORATED	6	I	27	10	DAKOTA	739	0	1,218	1
M N GALT B	1R	XTO ENERGY INCORPORATED	6		27	10	DAKOTA	9	0	92	0
M N GALT B	1Y	XTO ENERGY INCORPORATED	6	K	27	10	DAKOTA	1	0	1,340	16
M N GALT J	2	XTO ENERGY INCORPORATED	6		27	10	DAKOTA	996	9	1,154	10
M N GALT J	3	XTO ENERGY INCORPORATED	6	F	27	10	DAKOTA	37	1	928	14
MARTIN GAS COM B	1	XTO ENERGY INCORPORATED	31	G	28	10	DAKOTA	3,596	36	3,916	36

MARTIN GAS COM B	1E	XTO ENERGY INCORPORATED	31	P	28	10	DAKOTA	799	6	1,037	6
P O PIPKIN	1	XTO ENERGY INCORPORATED	8	H	27	10	DAKOTA	2,183	24	2,771	25
P O PIPKIN	2	XTO ENERGY INCORPORATED	8	L	27	10	DAKOTA	1,080	11	1,357	12
P O PIPKIN	5	XTO ENERGY INCORPORATED	7	A	27	10	DAKOTA	1,121	12	1,518	13
P O PIPKIN	1E	XTO ENERGY INCORPORATED	8	I	27	10	DAKOTA	795	6	1,173	6
P O PIPKIN	2E	XTO ENERGY INCORPORATED	8	E	27	10	DAKOTA	1,064	6	1,470	7
P O PIPKIN	5E	XTO ENERGY INCORPORATED	7	J	27	10	DAKOTA	196	1	429	2
PIPKIN GAS COM A	1	XTO ENERGY INCORPORATED	7	N	27	10	DAKOTA	1,328	10	1,792	14
PIPKIN GAS COM A	1E	XTO ENERGY INCORPORATED	7	C	27	10	DAKOTA	659	9	850	10
Average										1,677.0	13.9

Amgen Peak Gallup Oil Basin Mancos

EH PIPKIN	26	XTO ENERGY INCORPORATED	12	E	27	11	GALLUP	238.2	14.8	326.0	17.6
FEDERAL A	1	BP AMERICA PRODUCTION COMPANY	32	K	28	10	GALLUP	157.6	6.7	157.6	6.7
M N GALT J	3	XTO ENERGY INCORPORATED	6	F	27	10	GALLUP	5.5	0.7	403.0	2.2
KUTZ J FEDERAL	3	XTO ENERGY INCORPORATED	6	H	27	10	GALLUP	8.7	0.4	151.0	8.2
M N GALT B	1Y	XTO ENERGY INCORPORATED	6	K	27	10	GALLUP	3.0	0.0	199.0	11.6
EH PIPKIN	8R	XTO ENERGY INCORPORATED	1	L	27	11	GALLUP	18.0	2.4	998.0	6.1
Average										372	9

Basin Mancos
Gallup
Dakota

Oil 39%
Gas 18%
82% 61%

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

REC'D/SANJUAN

FORM APPROVED
OMB NO. 1004-0137
Expires March 31, 2007

MAY 20 2005

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 reverse side

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMSF077384
2. Name of Operator XTO Energy Inc.		6. If Indian, Allottee or Tribe Name
3a. Address 2700 Farmington Ave., Bldg. K, Ste 1 Farmington,	3b. Phone No. (include area code) 505-566-7925	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 665 FSL & 1860' FEL 0 sec 06, T27N-R10W		8. Well Name and No. Kutz J Federal #2G
		9. API Well No. 30-045-32697
		10. Field and Pool, or Exploratory Area Basin Dakota/ Angels Peak Gallup 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			
<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>Commingling</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 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 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 NMOCD Rule 303-C to permit ~~the~~ production from the Basin Dakota & Angels Peak Gallup in the Kutz J Federal #2G. XTO Energy, Inc. plans to downhole commingle these pools upon completion of this well.

Allocations are based upon a 9 section EUR and are calculated as follows:

Basin Dakota	Gas 82%	Water 75%	Oil 61%
Angels Peak Gallup	Gas 18%	Water 25%	Oil 39%
Basin Mancos			

Both these pools are included in the New Mexico Oil Conservation Division pre-approved pool combinations for downhole commingling in the San Juan Basin. Working interest, net royalty interest and overriding royalty interest owners have been notified by certified, return receipt mail on April 8th, 2005. The NMOCD has been notified of our intent by submission of form C-103. Downhole commingling will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights.

CONDITIONS OF APPROVAL

Adhere to previously issued stipulations.

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Melissa M. Osborne	Title Regulatory Compliance Tech
<i>Melissa M. Osborne</i>	Date 04/14/2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by <i>Jim Lovato</i>	Title Petr. Eng	Date 5/18/05
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.		

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.

OPERATOR

RECEIVED
FARMINGTON NM
APR 18 PM 10 01

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

[D] Other: Specify _____

[2] **NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply**

- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name _____ Signature _____ Title _____ Date _____
 e-mail Address _____