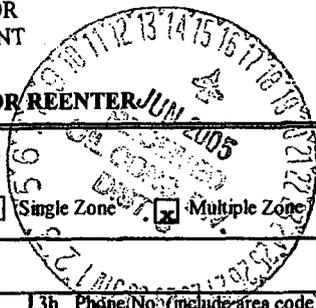


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

APPLICATION FOR PERMIT TO DRILL OR REENTER



| | | |
|--|---|--|
| 1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER | | 5. Lease Serial No. SF-046563 |
| 1b. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone | | 6. If Indian, Allottee or Tribe Name N/A |
| 2. Name of Operator XTO Energy Inc. | | 7. Unit or CA Agreement Name and No. N/A |
| 3a. Address 2700 Farmington Ave., Bldg. K, Ste 1 Farmington, NM | | 8. Lease Name and Well No. KUTZ FEDERAL #16 |
| 3b. Phone No. (include area code) 505-324-1090 | | 9. APL Well No. 30-045-33038 |
| 4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface 2175' FSL x 845' FWL in Sec 33, T28N, R10W At proposed prod. zone SAME | | 10. Field and Pool, or Exploratory DAKOTA/CHACRA |
| 14. Distance in miles and direction from nearest town or post office* Approx 8 air miles southeast of Bloomfield, NM Post Office | | 11. Sec., T., R., M., or Blk. and Survey or Area L S33, T28N, R10W |
| 15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 845' | 16. No. of Acres in lease 2522.06 | 12. County or Parish San Juan |
| 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 585' | 19. Proposed Depth 6935' | 13. State NM |
| 20. BLM/BIA Bond No. on file | 17. Spacing Unit dedicated to this well 320 W/2, 160 SW/4 | |
| 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6083' Ground Elevation | 22. Approximate date work will start* summer 2005 | 23. Estimated duration 2 weeks |

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- | | |
|---|--|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan | 5. Operator certification. |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

| | | |
|--|---|-------------------------|
| 25. Signature <i>Kyla Vaughan</i> | Name (Printed/Typed) Kyla Vaughan | Date 04/22/05 |
| Title Regulatory Compliance Tech | | |

| | | |
|---|------------------------------------|------------------------|
| Approved by (Signature) <i>[Signature]</i> | Name (Printed/Typed) AFM | Date 6-14-05 |
| Title AFM | | |
| Office PFO | | |

Application approval 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. Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

*(Instructions on page 2) This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS".

APD/ROW

NMOC

RECEIVED
 APR 25 PM 4 39
 OFFICE OF THE DIRECTOR
 BUREAU OF LAND MANAGEMENT
 WASHINGTON, D.C.

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

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

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

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

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | |
|---|---|---------------------------------|--|
| ¹ API Number 30-045-33038 | | ² Pool Code 71599 | ³ Pool Name Basin Dakota |
| ⁴ Property Code 22156 | ⁵ Property Name KUTZ FEDERAL | | ⁶ Well Number 16 |
| ⁷ QGRD No. 1167067 | ⁸ Operator Name XTO ENERGY INC. | | ⁹ Elevation 6083 |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| L | 33 | 28-N | 10-W | | 2175 | SOUTH | 845 | WEST | 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 W/2 | | | ¹³ Joint or Infill | | 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

17 OPERATOR CERTIFICATION

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

Heely H Small
Signature
Heely H Small
Printed Name
Drilling Assistant
Title
4/15/05
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.

[Signature]
Signature
14831
Certificate Number

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

DISTRICT II
1301 W. Grand Ave., Artesia, N.M. 80210

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

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

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|---|--|---|--|--|--------------------------------|
| ¹ API Number 30-045-33038 | | ² Pool Code 82329 | | ³ Pool Name Otero Chacra | |
| ⁴ Property Code 22756 | | ⁵ Property Name KUTZ FEDERAL | | | ⁶ Well Number 16 |
| ⁷ GRID No. 167067 | | ⁸ Operator Name XTO ENERGY INC. | | | ⁹ Elevation 6083 |

¹⁰ Surface Location

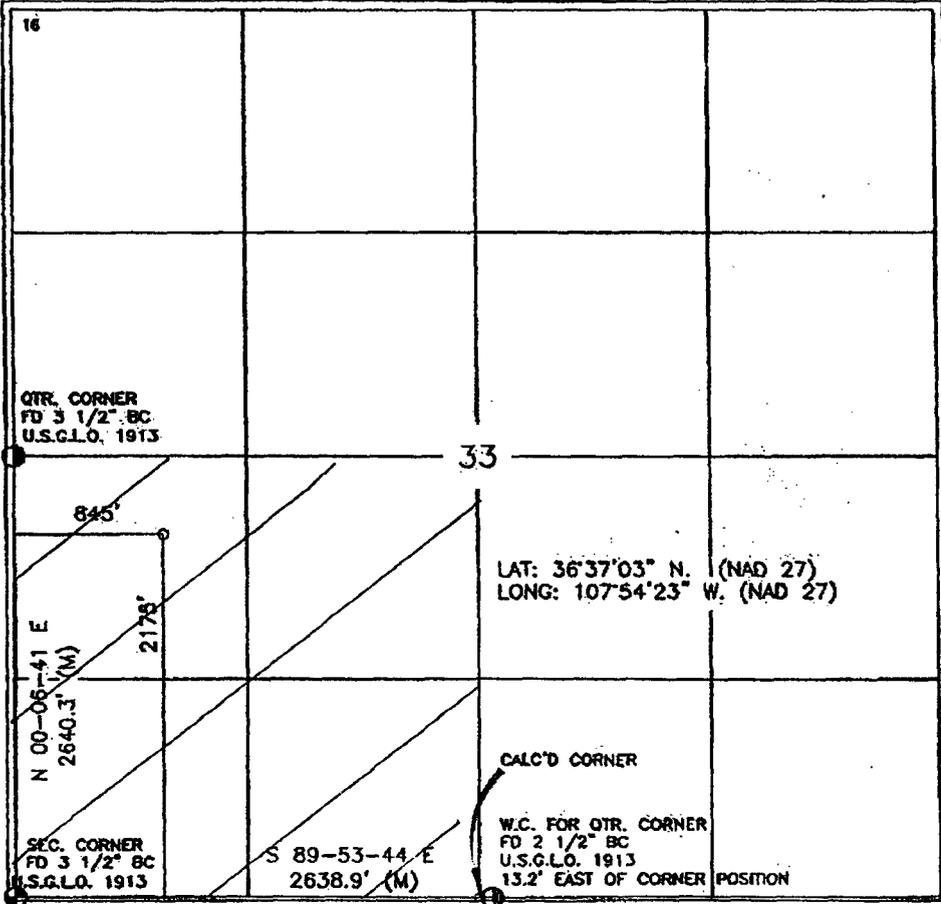
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| L | 33 | 28-N | 10-W | | 2175 | SOUTH | 845 | WEST | 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

¹²Dedicated Acres: 7/60 SW/4
¹³Joint or Infill:
¹⁴Consolidation Code:
¹⁵Order 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



¹⁷ OPERATOR CERTIFICATION

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

Signature: Deely K Small
Printed Name: Deely K Small
Title: Drilling Assistant
Date: 4/15/05

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: 4/15/05
Signature: [Signature]
Professional Geosurveyor
14831
NEW MEXICO
14831
Certificate Number

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 87240
 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. |
| 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. SF-046563 |
| 7. Lease Name or Unit Agreement Name: KUTZ FEDERAL |
| 8. Well Number #16 |
| 9. OGRID Number 167067 |
| 10. Pool name or Wildcat BASIN DAKOTA/OTERO CHACRA |

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., Bldg. K, Ste 1 Farmington, NM 87401

4. Well Location
 Unit Letter L : 2175 feet from the SOUTH line and 845 feet from the WEST line
 Section 33 Township 28N Range 10W NMPM NMPM County SAN JUAN

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
 6083' GL

Pit or Below-grade Tank Application or Closure

Pit type DRILL Depth to Groundwater >100 Distance from nearest fresh water well 1 MILE Distance from nearest surface water 1 MILE

Pit Liner Thickness: 12 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"/> | PLUG AND ABANDONMENT <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | MULTIPLE COMPLETION <input type="checkbox"/> | CASING TEST AND CEMENT JOB <input type="checkbox"/> | |
| OTHER: DRILLING PIT <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. proposes to install a pit on location for drilling. The pit will be removed from location in accordance with New Mexico Oil Conservation division guidelines when work is completed.

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

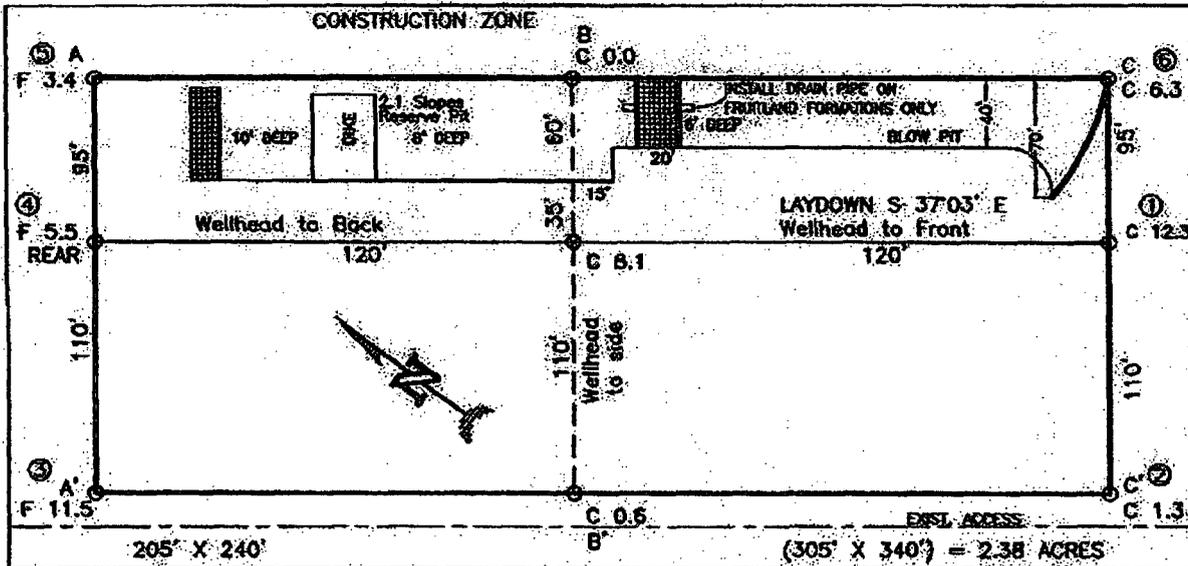
SIGNATURE Kyla Vaughan TITLE Regulatory Compliance Tech DATE 04/22/05
 E-mail address: kyla_vaughan@xtoenergy.com Telephone No. 505-564-6726

For State Use Only
 APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 99 DATE JUN 16 2005
 Conditions of Approval, if any:

EXHIBIT D

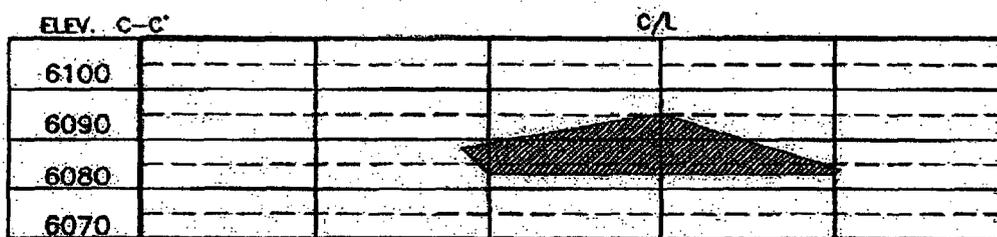
XTO ENERGY INC.
 KUTZ FEDERAL No.16, 2175' FSL 845' FWL
 SECTION 33, T28N, R10W, N.M.P.M., SAN JUAN COUNTY, N. M.
 GROUND ELEVATION: 6083', DATE: MARCH 8, 2004

LAT. = 36°37'03" N.
 LONG. = 107°54'23" W
 MAD 27



RESERVE PIT DIKE: TO BE 8" ABOVE DEEP SIDE (OVERFLOW - 3' WIDE AND 1' ABOVE SHALLOW SIDE).
 BLOW PIT: OVERFLOW PIPE HALFWAY BETWEEN TOP AND BOTTOM AND TO EXTEND OVER PLASTIC LINER AND INTO BLOW PIT.

NOTE: DAGGETT ENTERPRISES, INC. IS NOT LIABLE FOR UNDERGROUND UTILITIES OR PIPELINES. NEW MEXICO ONE-CALL TO BE NOTIFIED 48 HOURS PRIOR TO EXCAVATION OR CONSTRUCTION.



NOTE: CONTRACTOR SHOULD CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED BURIED PIPELINES OR CABLES ON WELL PAD AND/OR ACCESS ROAD AT LEAST TWO (2) WORKING DAYS PRIOR TO CONSTRUCTION.

Daggett Enterprises, Inc.
 Surveying and Oil Field Services
 P. O. Box 15558 • Fort Worth, TX 77141
 Phone (800) 338-1772 • Fax (800) 338-6818
 NEW MEXICO L.S. No. 14531
 STATE OF NEW MEXICO
 REG. 05/19/04

EXHIBIT E

XTO ENERGY INC.

Kutz Federal #16

APD Data

April 22, 2005

Location: 2,175' FSL x 845' FWL Sec 33, T28N, R10W County: San Juan State: New Mexico

GREATEST PROJECTED TD: 6,935'
APPROX GR ELEV: 6,083'

OBJECTIVE: Basin Dakota
Est KB ELEV: 6,095' (12' AGL)

1. MUD PROGRAM:

| INTERVAL | 0' to 360' | 360' to 4,000' | 4,500' to TD |
|------------|-------------|----------------|---------------------|
| HOLE SIZE | 12-1/4" | 7-7/8" | 7-7/8" |
| MUD TYPE | FW/Spud Mud | FW/Polymer | LSND / Gel Chemical |
| WEIGHT | 8.6-9.0 | 8.4-8.8 | 8.6-9.0 |
| VISCOSITY | 28-32 | 28-32 | 45-60 |
| WATER LOSS | NC | NC | 8-10 |

Remarks: Use fibrous materials as needed to control seepage and lost circulation. Pump high viscosity sweeps as needed for hole cleaning. Raise viscosity at TD for logging. Reduce viscosity after logging for cementing purposes.

2. CASING PROGRAM:

Surface Casing: 8-5/8" casing to be set at ± 360' in a 12-1/4" hole filled with 8.8 ppg mud

| Interval | Length | Wt | Gr | Cplg | Coll Rating (psi) | Burst Rating (psi) | Jt Str (M-lbs) | ID (in) | Drift (in) | SF Coll | SF Burst | SF Ten |
|----------|--------|-------|------|------|-------------------|--------------------|----------------|---------|------------|---------|----------|--------|
| 0'-360' | 360' | 24.0# | J-55 | STC | 1370 | 2950 | 244 | 8.097 | 7.972 | 7.32 | 7.95 | 29.39 |

Production Casing: 5-1/2" casing to be set at TD (±6,935') in 7-7/8" hole filled with 9.0 ppg mud.

| Interval | Length | Wt | Gr | Cplg | Coll Rating (psi) | Burst Rating (psi) | Jt Str (M-lbs) | ID (in) | Drift (in) | SF Coll | SF Burst | SF Ten |
|----------|--------|-------|------|------|-------------------|--------------------|----------------|---------|------------|---------|----------|--------|
| 0'-TD | 6,935' | 15.5# | J-55 | STC | 4040 | 4810 | 222 | 4.950 | 4.825 | 1.22 | 1.45 | 2.02 |

202

3. WELLHEAD:

- A. Casing Head: Larkin Fig 92 (or equivalent), 9" nominal, 2,000 psig WP (4,000 psig test) with 8-5/8" 8rnd thread on bottom and 11-3/4" 8rnd thread on top.
- B. Tubing Head: Larkin Fig 612 (or equivalent), 6.456" nominal, 2,000 psig WP (4,000 psig test), 5-1/2" 8rnd female thread on bottom, 8-5/8" 8rnd thread on top.

EXHIBIT F

4. CEMENT PROGRAM (Slurry design may change slightly, but the plan is to circulate cement to surface on both casing strings):

A. Surface: 8-5/8", 24#, J-55, STC casing to be set at $\pm 360'$ in 12-1/4" hole.

210 sx of Type III cement (or equivalent) typically containing accelerator and LCM, mixed at 14.5 ppg, 1.39 ft³/sk, & 6.70 gal wtr/sk.

Total slurry volume is 297 ft³, 100% excess of calculated annular volume to 360'.

B. Production: 5-1/2", 15.5#, J-55 (or K-55), STC casing to be set at $\pm 6,935'$ in 7-7/8" hole. DV Tool set @ $\pm 4,000'$

1st Stage

LEAD:

225 sx of Premium Lite HS (Type III/Poz/Gel) with additives (dispersants, fluid loss, LCM) mixed at 12.5 ppg, 2.01 ft³/sk, 10.55 gal wtr/sx.

TAIL:

150 sx Type III with additives (bonding additive, dispersant, fluid loss, LCM) mixed at 14.2 ppg, 1.54 cuft/sx, 8.00 gal/sx.

2nd Stage

LEAD:

375 sx of Type III with additives (gel, LCM) mixed at 11.9 ppg, 2.54 ft³/sk, 15.00 gal wtr/sx.

TAIL:

100 sx Type III neat mixed at 14.5 ppg, 1.39 cuft/sx, 6.3 gal/sx.

Total estimated slurry volume for the 5-1/2" production casing is 1,775 ft³.

Note: The slurry design may change slightly based upon actual conditions. Final cement volumes will be determined from the caliper logs plus 40%. It will be attempted to circulate cement to the surface.

5. LOGGING PROGRAM:

A. Mud Logger: The mud logger will come on at 5,500' and will remain on the hole until TD. The mud will be logged in 10' intervals.

B. Open Hole Logs as follows: Run Array Induction/SFL/GR/SP fr/TD (6,730') to the bottom of the surface csg. Run Neutron/Lithodensity/Pe/GR/Cal from TD (6,730') to the bottom of the surface casing.

6. FORMATION TOPS:

Est. KB Elevation: 6,095'

| Formation | Subsea Depth | Well Depth |
|---------------------------|--------------|------------|
| Ojo Alamo SS | +5136' | 959' |
| Kirtland Shale | +4982' | 1113' |
| Farmington SS | | |
| Fruitland Formation | +4542' | 1553' |
| Lower Fruitland Coal | +4109' | 1986' |
| Pictured Cliffs SS | +4089' | 2006' |
| Lewis Shale | +3915' | 2180' |
| Chacra | +3150' | 2945' |
| Cliffhouse SS | +2522' | 3573' |
| Menefee | +2427' | 3668' |
| Point Lookout SS | +1755' | 4340' |
| Mancos Shale | +1388' | 4707' |
| Gallup SS | +529' | 5566' |
| Greenhorn Limestone | -259' | 6354' |
| Graneros Shale | -324' | 6419' |
| 1 st Dakota SS | -354' | 6449' |
| 2 nd Dakota SS | -379' | 6474' |
| 3 rd Dakota SS | -436' | 6531' |
| 4 th Dakota SS | -505' | 6600' |
| 5 th Dakota SS | -540' | 6635' |
| 6 th Dakota SS | -584' | 6679' |
| Burro Canyon SS | -605' | 6700' |
| Morrison Shale | -641' | 6736' |
| Project TD | -840' | 6935' |

ABHPN 2520psi

7. COMPANY PERSONNEL:

| Name | Title | Office Phone | Home Phone |
|--------------|--------------------|--------------|--------------|
| Jeff Patton | Drilling Engineer | 505-324-1090 | 505-632-7882 |
| Dennis Elrod | Drilling foreman | 505-486-6460 | 505-326-2024 |
| Randy Hosey | Project Geologist | 817-885-2398 | 817-427-2475 |
| Barry Voigt | Reservoir Engineer | 817-885-2462 | 817-540-2092 |

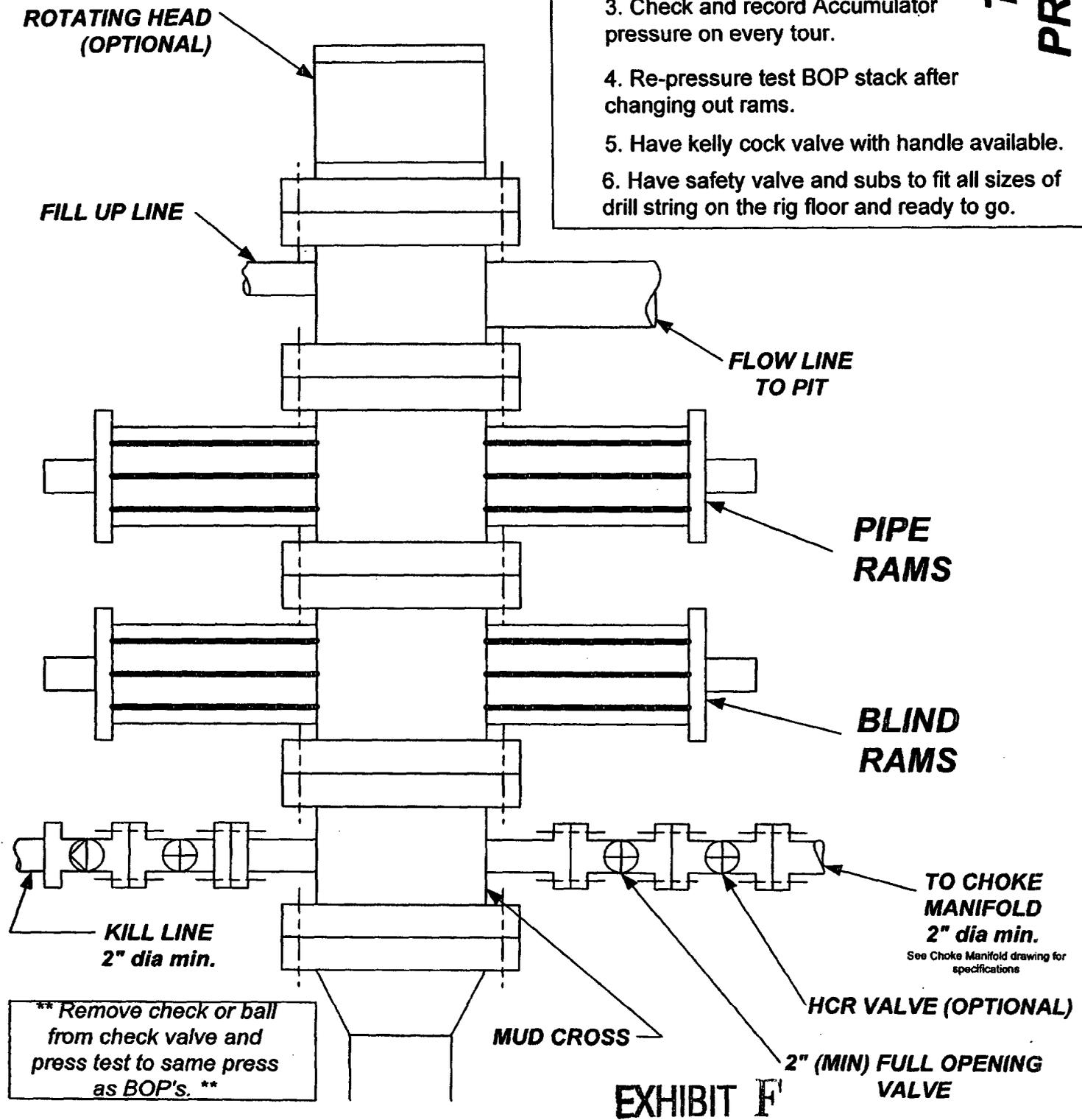
JWP
4/22/05

EXHIBIT F

BOP SCHEMATIC FOR DRILLING OPERATIONS CLASS 1 (2M) NORMAL PRESSURE

TESTING PROCEDURE

1. Test BOP after installation:
 Pressure test BOP to 200-300 psig (low pressure) for 5 min.
 Test BOP to Working Press or to 70% internal yield of surf csg (10 min) or which ever is less.
2. Test operation of (both) rams on every trip.
3. Check and record Accumulator pressure on every tour.
4. Re-pressure test BOP stack after changing out rams.
5. Have kelly cock valve with handle available.
6. Have safety valve and subs to fit all sizes of drill string on the rig floor and ready to go.



**** Remove check or ball from check valve and press test to same press as BOP's. ****

EXHIBIT F

CHOKE MANIFOLD SCHEMATIC FOR DRILLING OPERATIONS CLASS 1 (2M) NORMAL PRESSURE

1. Stake all lines from choke manifold to pit.
2. Pressure test choke manifold after installation.
3. Pressure test manifold at the same time with the BOP Stack. Test manifold to the same test pressures.

**TESTING
PROCEDURE**

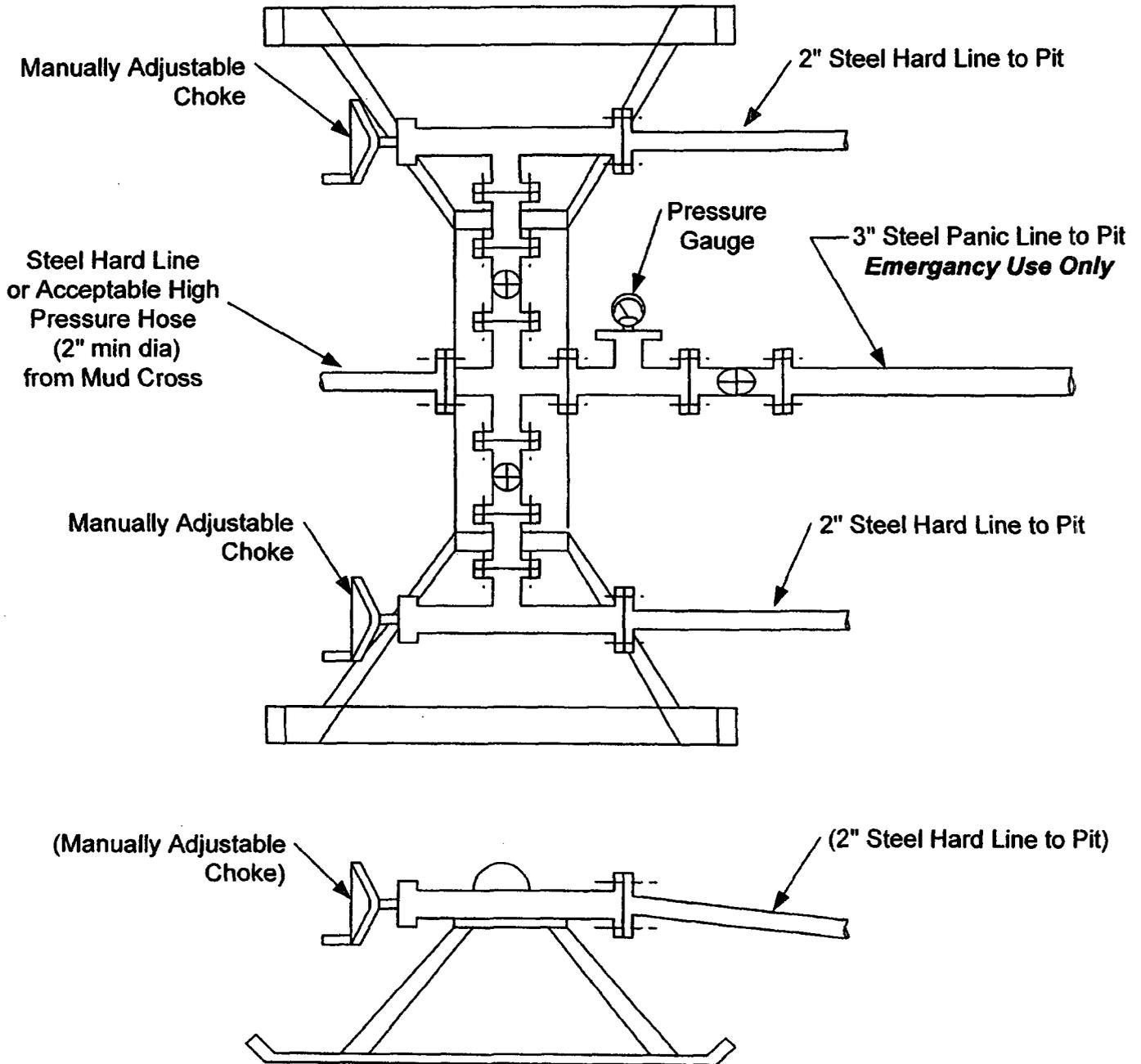


EXHIBIT F

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. 30-045-33038 |
| 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. SF046563 |

| | |
|---|---|
| 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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/> 2. Name of Operator XTO ENERGY INC. 3. Address of Operator 2700 FARMINGTON AVE, SUITE K-1, FARMINGTON, NM 87401 | 7. Lease Name or Unit Agreement Name Kutz Federal |
| | 8. Well Number #16 |
| | 9. OGRID Number 167067 |
| | 10. Pool name or Wildcat Basin DK/Basin Mancos/Otero CH |

4. Well Location
 Unit Letter L : 2175' feet from the South line and 845' feet from the West line
 Section 33 Township 28N Range 10W NMPM San Juan County
 11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6083' 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

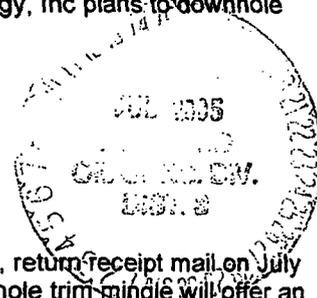
| | | | |
|---|---|--|--|
| NOTICE OF INTENTION TO: | | SUBSEQUENT REPORT OF: | |
| PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> | 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 an exception to Rule 303-C to permit DH trim mingle of Production from the Basin Dakota (71599), Basin Mancos (97232) & Otero Chacra (82329) in Kutz Federal #16.. XTO Energy, Inc plans to downhole trim mingle these pools upon completion of this well.

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

| | | |
|---------------|---------|---------|
| Basin Dakota: | Gas 85% | Oil 81% |
| Basin Mancos | Gas 5% | Oil 19% |
| Otero Chacra | Gas 10% | Oil 0% |



Working interest, net royalty interest and overriding interest owners have been notified by certified, return receipt mail on July 13th, 2005. The BLM has been notified with form 3160-5 of our intent to DH Trim mingling. Downhole trim mingle will offer an economical method of production while protecting against reservoir damage, waste of reserves and violation of correlative rights.

DHC Pending in Santa Fe

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 07/13/2005
 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. 5 DATE JUL 15 2005
 Conditions of Approval (if any): _____

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, 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 & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|---|--|---|--|--|------------------------------------|
| ¹ API Number 30-045-33038 | | ² Pool Code 71559/97232/82329 | | ³ Pool Name Basin Dakota/Basin Mancos/Otero Chacra | |
| ⁴ Property Code 22756 | | ⁴ Property Name Kutz Federal | | | ⁴ Well Number 16 |
| ⁷ OGRID No. 167037 | | ⁸ Operator Name XTO Energy Inc. | | | ⁹ Elevation 6083' GL |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| L | 33 | 28N | 10W | | 2175' | South | 845' | West | 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 DK W/2 320 ac MA/CH SW/4160 ac | | ¹³ Joint or Infill | | 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

| | | |
|--|---|--|
| | <p>¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Melissa M Osborne</i> Signature</p> <p>Melissa M. Osborne Printed Name</p> <p>Regulatory Compliance Tech Title and E-mail Address</p> <p>April 20th, 2004 Date</p> | |
| | <p>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.</p> <p>August 30th, 2004 Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>John A. Vukonch Certificate Number 14831</p> | |
| | | |
| | <p>33</p> | |

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

District II
1301 W. Grand Avenue, Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
1230 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

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

APPLICATION FOR DOWNHOLE COMMINGLING

XTO Energy Inc. 2700 Farmington Ave, Suite K-1 Farmington, NM 87401
Operator Address
Kutz Federal #16 L Sec 33, T28N-R10W San Juan County
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 167037 Property Code 22756 API No 30-045-33038 Lease Type Federal State Fee

| DATA ELEMENT | UPPER ZONE | INTERMEDIATE ZONE | LOWER ZONE |
|---|---------------------|---------------------|----------------------|
| Pool Name | Otero Chacra | Basin Mancos | Basin Dakota |
| Pool Code | 82329 | 97232 | 71599 |
| Top and Bottom of Pay Section (Perforated or Open-Hole Interval) | 2,180' 2,945' | 4,340' 4,707' | 6,419' 6,679' |
| 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 | 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 0% - 10% | Oil Gas 19% - 5% | Oil Gas 81% - 85% |



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 July 13, 2005

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

E-MAIL ADDRESS _____

| Company Name | Well ID | County | Oil | Gas | Total |
|---------------------|----------------------------------|--------|----------------|-----|-------|
| FEDERAL A | 1 BP AMERICA PRODUCTION COMPANY | 32 K | 28N 10W GALLUP | 7 | 158 |
| KUTZ DEEP GAS COM D | 1E XTO ENERGY INCORPORATED | 27 I | 28N 10W CHACRA | 0 | 369 |
| KUTZ FEDERAL C | 1 XTO ENERGY INCORPORATED | 27 G | 28N 10W CHACRA | 0 | 310 |
| Average | | | | | 340 |
| MARTIN C FEDERAL | 1 XTO ENERGY INCORPORATED | 3 P | 27N 10W DAKOTA | 3 | 88 |
| MARTIN C FEDERAL | 1E XTO ENERGY INCORPORATED | 3 P | 27N 10W DAKOTA | 0 | 5,316 |
| R P HARGRAVE J | 1 XTO ENERGY INCORPORATED | 3 N | 27N 10W DAKOTA | 1 | 83 |
| R P HARGRAVE J | 1E XTO ENERGY INCORPORATED | 3 F | 27N 10W DAKOTA | 4 | 3,068 |
| HARGRAVE FEDERAL | 1 TENNECO OIL COMPANY | 4 C | 27N 10W DAKOTA | 14 | 8 |
| FEDERAL F | 2 XTO ENERGY INCORPORATED | 4 H | 27N 10W DAKOTA | 0 | 1,076 |
| FEDERAL F | 2E XTO ENERGY INCORPORATED | 4 O | 27N 10W DAKOTA | 4 | 5,887 |
| R P HARGRAVE L | 1 XTO ENERGY INCORPORATED | 4 M | 27N 10W DAKOTA | 2 | 174 |
| R P HARGRAVE L | 1E XTO ENERGY INCORPORATED | 4 M | 27N 10W DAKOTA | 2 | 2,738 |
| C A MCADAMS C | 1 XTO ENERGY INCORPORATED | 4 P | 27N 10W DAKOTA | 3 | 1,014 |
| C A MCADAMS C | 2 XTO ENERGY INCORPORATED | 5 P | 27N 10W DAKOTA | 3 | 2,214 |
| C A MCADAMS C | 1E XTO ENERGY INCORPORATED | 5 K | 27N 10W DAKOTA | 3 | 2,554 |
| C A MCADAMS C | 2 XTO ENERGY INCORPORATED | 5 | 27N 10W DAKOTA | 3 | 1,143 |
| C A MCADAMS C | 2E XTO ENERGY INCORPORATED | 5 F | 27N 10W DAKOTA | 4 | 830 |
| FEDERAL GAS COM | 2 XTO ENERGY INCORPORATED | 27 M | 28N 10W DAKOTA | 8 | 8,636 |
| FEDERAL GAS COM | 2E XTO ENERGY INCORPORATED | 27 F | 28N 10W DAKOTA | 0 | 119 |
| KUTZ DEEP GAS COM D | 1 XTO ENERGY INCORPORATED | 27 A | 28N 10W DAKOTA | 6 | 3,662 |
| KUTZ DEEP GAS COM D | 1E XTO ENERGY INCORPORATED | 27 A | 28N 10W DAKOTA | 2 | 47 |
| DAVIDSON GAS COM F | 1 XTO ENERGY INCORPORATED | 27 I | 28N 10W DAKOTA | 4 | 601 |
| DAVIDSON GAS COM F | 1E XTO ENERGY INCORPORATED | 28 M | 28N 10W DAKOTA | 2 | 3,502 |
| FEDERAL GAS COM | 1 XTO ENERGY INCORPORATED | 28 F | 28N 10W DAKOTA | 1 | 46 |
| FEDERAL GAS COM | 1E XTO ENERGY INCORPORATED | 28 A | 28N 10W DAKOTA | 6 | 919 |
| FEDERAL GAS COM | 1 XTO ENERGY INCORPORATED | 28 J | 28N 10W DAKOTA | 4 | 4,259 |
| FEDERAL GAS COM | 1E XTO ENERGY INCORPORATED | 28 J | 28N 10W DAKOTA | 1 | 252 |
| HUBBELL A | 1 BURLINGTON RESOURCES O&G CO LP | 29 B | 28N 10W DAKOTA | 7 | 1 |
| HUBBELL A | 1E XTO ENERGY INCORPORATED | 29 F | 28N 10W DAKOTA | 1 | 4,178 |
| HUBBELL GAS COM C | 1 XTO ENERGY INCORPORATED | 29 N | 28N 10W DAKOTA | 1 | 8 |
| HUBBELL GAS COM C | 1E XTO ENERGY INCORPORATED | 29 F | 28N 10W DAKOTA | 3 | 903 |
| FEDERAL A | 1 XTO ENERGY INCORPORATED | 29 I | 28N 10W DAKOTA | 2 | 5,423 |
| FEDERAL A | 1E XTO ENERGY INCORPORATED | 29 I | 28N 10W DAKOTA | 3 | 1,411 |
| FEDERAL A | 1 XTO ENERGY INCORPORATED | 32 K | 28N 10W DAKOTA | 3 | 4,682 |
| FEDERAL A | 1E XTO ENERGY INCORPORATED | 32 E | 28N 10W DAKOTA | 2 | 42 |
| FEDERAL A | 1 XTO ENERGY INCORPORATED | 32 H | 28N 10W DAKOTA | 2 | 227 |
| FEDERAL A | 1E XTO ENERGY INCORPORATED | 32 H | 28N 10W DAKOTA | 4 | 4,945 |
| FRED FEASEL L | 1 XTO ENERGY INCORPORATED | 32 I | 28N 10W DAKOTA | 4 | 1,115 |
| FRED FEASEL L | 1E XTO ENERGY INCORPORATED | 32 I | 28N 10W DAKOTA | 4 | 6 |
| FRED FEASEL H | 1 XTO ENERGY INCORPORATED | 33 H | 28N 10W DAKOTA | 4 | 3,874 |
| FRED FEASEL H | 1E XTO ENERGY INCORPORATED | 33 H | 28N 10W DAKOTA | 8 | 1,172 |
| FRED FEASEL H | 1 XTO ENERGY INCORPORATED | 33 O | 28N 10W DAKOTA | 8 | 8 |
| KUTZ FEDERAL | 13E XTO ENERGY INCORPORATED | 33 K | 28N 10W DAKOTA | 8 | 1,172 |
| KUTZ FEDERAL | 13E XTO ENERGY INCORPORATED | 33 K | 28N 10W DAKOTA | 1 | 2,713 |
| KUTZ FEDERAL | 2E CONOCO INCORPORATED | 34 E | 28N 10W DAKOTA | 6 | 139 |
| MCLEOD | 2 CONOCOPHILLIPS COMPANY | 34 C | 28N 10W DAKOTA | 143 | 2 |
| MCLEOD | 1 XTO ENERGY INCORPORATED | 34 L | 28N 10W DAKOTA | 18 | 467 |
| FRED FEASEL J | 1 XTO ENERGY INCORPORATED | 34 G | 28N 10W DAKOTA | 3 | 85 |
| FRED FEASEL J | 1E XTO ENERGY INCORPORATED | 34 G | 28N 10W DAKOTA | 18 | 6,886 |
| Average | | 34 O | 28N 10W DAKOTA | 3 | 4,260 |
| | | | | 4 | 1,014 |
| | | | | 29 | 8 |

| Allocation: | Oil | Gas |
|---------------|-----|-----|
| Chacra | 0% | 10% |
| Gallup/Mancos | 19% | 5% |
| Dakota | 81% | 85% |

Kutz Federal #16

BLM
1235 La Plata Hwy, Ste A
Farmington, NM 87401

Miriam I. Findley
6511 North County Road #3
Fostoria, OH 44830

B.B.L., Ltd.
P.O. Box 911
Breckenridge, TX 76424-0911

William L. Floyd, Jr.
16 East 77th Street Apt. 5A
New York, NY 10021

Rita Treasa Floyd
C/O Comerica Bank -TX Trustee
Attn: John W. Lowrie
P.O. Box 4167 (Mail Code 6605)
Houston, TX 77210-4167

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

Comstock Oil & Gas, Inc.
5300 Town & Country Blvd. #500
Frisco, TX 75034

TCW DR II Royalty Partnership
865 South Figueroa St #1800
Los Angeles, CA 90017

Mathias Family Trust 9/9/81
Barbara J. Mathias & Carol J.
Hopper Co-Trustees
3233 Spring Lane

Falls Church, VA 22041-2607

Virginia L. Mullin
2500 Cherry Creek S Drive Apt. 504
Denver, CO 80209

Bernard Hyde Dr Living Trust
Dated 4-6-88
Bernard Hyde Dr Trustee
28242 Yanez
Mission Viejo, CA 92692-1836

Richard P. Shooshan
686 E Union Street
Pasadena, CA 91101-1820



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

July 13, 2005

RE: Notice of Intent to Apply for Downhole Commingling

Kutz Federal #16
L Sec 33, T28N, R10W; 2,175' FSL & 845' FWL
San Juan County, NM

To: All working interest, royalty interest and overriding royalty interest owners.

XTO Energy Inc. is applying for permission to downhole trim mingle the Basin Dakota (71599), Basin Mancos (97232) and the Otero Chacra (82329) pools in the Kutz Federal #16 We propose to downhole trim mingle production from these pools after this well is drilled and upon approval from the NMOCD. NMOCD requires all interest owners be notified of intent to downhole trim mingle if ownership is different between pools.

Based upon the 9-section EUR's for the Basin Dakota, Basin Mancos and Otero Chacra, XTO Energy Inc. proposes allocation of trim mingled production as follows:

| Pool | Oil | Gas |
|--------------|-----|-----|
| Basin Dakota | 81% | 85% |
| Basin Mancos | 19% | 5% |
| Otero Chacra | 0% | 10% |

If you need additional information or have any questions, I may be contacted at (505) 566-7925. If you are opposed to trim mingling production from these pools please respond in writing within 20 days of the date of this letter to XTO Energy Inc., 2700 Farmington Avenue, Suite K-1, Farmington, NM 87401.

Sincerely,

Melissa M Osborne
Regulatory Compliance Tech

xc: Well File
FW Land Dept.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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.

5. Lease Serial No.
SF 046563

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
Kutz Federal #16

9. API Well No.
30-045-33038

10. Field and Pool, or Exploratory Area
**Basin DK/Basin MA/
Otero Chacra**

11. County or Parish, State
San Juan NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
XTO Energy Inc.

3a. Address
2700 Farmington Ave., Bldg. K, Ste 1 Farmington,

3b. Phone No. (include area code)
364-1090

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
2,175' FSL & 845' FWL, UL L, Sec 33, T28N, R10W

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"/> After 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>Trim mingle</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 DH Trim mingling production from the Basin Dakota, Basin Mancos & Otero Charca in the Kutz Federal #16. XTO Energy Inc. proposes to downhole trim mingle these pools upon completion of this well.

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

| | | |
|--------------|---------|---------|
| Basin Dakota | Gas 85% | Oil 81% |
| Basin Mancos | Gas 5% | Oil 19% |
| Otero Chacra | Gas 10% | Oil 0% |

Working interest, net royalty interest and overriding interest owners have been notified by certified, return receipt mail on July 13th, 2005. The NMOCD has been notified of our intent by submission of a C-103. Downhole Trim mingling will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) **Melissa M Osborne** Title **REGULATORY COMPLIANCE TECH**

Date **07/13/2005**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title _____ Date _____

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 _____

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.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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.

RECEIVED JUL 13 11 3 15

5. Lease Serial No.
SF 046563

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
Kutz Federal #16

8. Well Name and No.
Kutz Federal #16

9. API Well No.
30-045-33038

10. Field and Pool, or Exploratory Area
Basin DK/Basin MA/Otero Chacra

11. County or Parish, State
San Juan NM

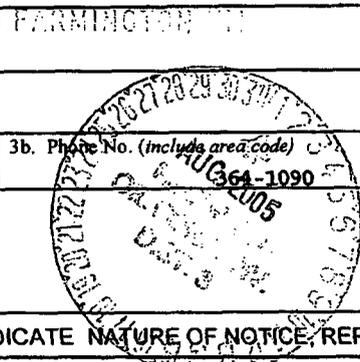
SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
XTO Energy Inc.

3a. Address
2700 Farmington Ave., Bldg. K, Ste 1 Farmington,

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
2,175' FSL & 845' FWL, UL L, Sec 33, T28N, R10W



3b. Phone No. (include area code)
364-1090

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>Trim mingle</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 recomplate 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 recomplate 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 DH Trim mingling production from the Basin Dakota, Basin Mancos & Otero Charca in the Kutz Federal #16. XTO Energy Inc. proposes to downhole trim mingle these pools upon completion of this well.

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

| | | |
|--------------|---------|---------|
| Basin Dakota | Gas 85% | Oil 81% |
| Basin Mancos | Gas 5% | Oil 19% |
| Otero Chacra | Gas 10% | Oil 0% |

Working interest, net royalty interest and overriding interest owners have been notified by certified, return receipt mail on July 13th, 2005. The NMOCD has been notified of our intent by submission of a C-103. Downhole Trim mingling will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights.

DHC order in process

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed) **Melissa M Osborne** Title **REGULATORY COMPLIANCE TECH**
Date **07/13/2005**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by *[Signature]* Title **Pete Eng** Date **7/28/05**
Office

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.

NMOCD

District I
1625 N. French Dr., Hobbs, NM 88240
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1301 W. Grand Avenue, Artesia, NM 88210
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1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|---|--|---|--|--|------------------------------------|
| ¹ API Number 30-045-33038 | | ² Pool Code 71559/97232/82329 | | ³ Pool Name Basin Dakota/Basin Mancos/Otero Chacra | |
| ⁴ Property Code 22756 | | ⁵ Property Name Kutz Federal | | | ⁶ Well Number 16 |
| ⁷ OGRID No. 167037 | | ⁸ Operator Name XTO Energy Inc. | | | ⁹ Elevation 6083' GL |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| L | 33 | 28N | 10W | | 2175' | South | 845' | West | 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 OK W/2 320 ac MA/CH SW/4 160 ac | ¹³ Joint or Infill | 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

| | | | | |
|--|--|--|--|--|
| | | | | <p>¹⁷ OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p><i>Melissa M Osborne</i> Signature</p> <p>Melissa M. Osborne Printed Name</p> <p>Regulatory Compliance Tech Title and E-mail Address</p> <p>April 20th, 2004 Date</p> |
| | | | | <p>¹⁸ SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>August 30th, 2004 Date of Survey</p> <p>Signature and Seal of Professional Surveyor: John A. Vukonch</p> <p>Certificate Number 14831</p> |
| | | | | |
| | | | | |

Kutz Federal #16

BLM
1235 La Plata Hwy, Ste A
Farmington, NM 87401

Miriam I. Findley
6511 North County Road #3
Fostoria, OH 44830

B.B.L., Ltd.
P.O. Box 911
Breckenridge, TX 76424-0911

William L. Floyd, Jr.
16 East 77th Street Apt. 5A
New York, NY 10021

Rita Treasa Floyd
C/O Comerica Bank -TX Trustee
Attn: John W. Lowrie
P.O. Box 4167 (Mail Code 6605)
Houston, TX 77210-4167

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

Comstock Oil & Gas, Inc.
5300 Town & Country Blvd. #500
Frisco, TX 75034

TCW DR II Royalty Partnership
865 South Figueroa St #1800
Los Angeles, CA 90017

Mathias Family Trust 9/9/81
Barbara J. Mathias & Carol J.
Hopper Co-Trustees
3233 Spring Lane

| Entity | Quantity | Value | Allocation | Oil | Gas |
|---------------------|----------------------------------|-------|----------------|-------|-------|
| FEDERAL A | 1 BP AMERICA PRODUCTION COMPANY | 32 K | 28N 10W GALLUP | 7 | 158 |
| KUTZ DEEP GAS COM D | 1E XTO ENERGY INCORPORATED | 27 I | 28N 10W CHACRA | 0 | 369 |
| KUTZ FEDERAL C | 1 XTO ENERGY INCORPORATED | 27 G | 28N 10W CHACRA | 0 | 310 |
| Average | | | | 0 | 340 |
| MARTIN C FEDERAL | 1 XTO ENERGY INCORPORATED | 3 P | 27N 10W DAKOTA | 3 | 5,736 |
| MARTIN C FEDERAL | 1E XTO ENERGY INCORPORATED | 3 N | 27N 10W DAKOTA | 1 | 888 |
| R P HARGRAVE J | 1 XTO ENERGY INCORPORATED | 3 F | 27N 10W DAKOTA | 4 | 3,383 |
| R P HARGRAVE J | 1E XTO ENERGY INCORPORATED | 4 C | 27N 10W DAKOTA | 14 | 64 |
| HARGRAVE FEDERAL | 1 TENNECO OIL COMPANY | 4 H | 27N 10W DAKOTA | 0 | 9 |
| FEDERAL F | 2 XTO ENERGY INCORPORATED | 4 O | 27N 10W DAKOTA | 26 | 1,076 |
| FEDERAL F | 2E XTO ENERGY INCORPORATED | 4 M | 27N 10W DAKOTA | 85 | 6,707 |
| R P HARGRAVE L | 1 XTO ENERGY INCORPORATED | 4 | 27N 10W DAKOTA | 2 | 85 |
| R P HARGRAVE L | 1E XTO ENERGY INCORPORATED | 5 P | 27N 10W DAKOTA | 2 | 3 |
| C A MCADAMS C | 1 XTO ENERGY INCORPORATED | 5 K | 27N 10W DAKOTA | 3 | 30 |
| C A MCADAMS C | 2 XTO ENERGY INCORPORATED | 5 | 27N 10W DAKOTA | 2 | 8 |
| C A MCADAMS C | 2E XTO ENERGY INCORPORATED | 5 F | 27N 10W DAKOTA | 4 | 3 |
| FEDERAL GAS COM | 2 XTO ENERGY INCORPORATED | 27 M | 28N 10W DAKOTA | 4 | 11 |
| FEDERAL GAS COM | 2E XTO ENERGY INCORPORATED | 27 F | 28N 10W DAKOTA | 8 | 10 |
| KUTZ DEEP GAS COM D | 1 XTO ENERGY INCORPORATED | 27 A | 28N 10W DAKOTA | 99 | 9,565 |
| KUTZ DEEP GAS COM D | 1E XTO ENERGY INCORPORATED | 27 E | 28N 10W DAKOTA | 0 | 459 |
| DAVIDSON GAS COM F | 1 XTO ENERGY INCORPORATED | 27 I | 28N 10W DAKOTA | 47 | 3,988 |
| DAVIDSON GAS COM F | 1E XTO ENERGY INCORPORATED | 28 M | 28N 10W DAKOTA | 4 | 671 |
| FEDERAL GAS COM | 1 XTO ENERGY INCORPORATED | 28 F | 28N 10W DAKOTA | 46 | 3,853 |
| FEDERAL GAS COM | 1E XTO ENERGY INCORPORATED | 28 A | 28N 10W DAKOTA | 6 | 1,256 |
| FEDERAL GAS COM | 1 XTO ENERGY INCORPORATED | 28 J | 28N 10W DAKOTA | 44 | 4,633 |
| FEDERAL GAS COM | 1E XTO ENERGY INCORPORATED | 28 A | 28N 10W DAKOTA | 1 | 920 |
| HUBBELL A | 1 BURLINGTON RESOURCES O&G CO LP | 29 F | 28N 10W DAKOTA | 7 | 3 |
| HUBBELL A | 1E XTO ENERGY INCORPORATED | 29 N | 28N 10W DAKOTA | 1 | 34 |
| HUBBELL GAS COM C | 1 XTO ENERGY INCORPORATED | 29 I | 28N 10W DAKOTA | 1 | 9 |
| HUBBELL GAS COM C | 1E XTO ENERGY INCORPORATED | 29 N | 28N 10W DAKOTA | 2 | 49 |
| FEDERAL A | 1 XTO ENERGY INCORPORATED | 32 E | 28N 10W DAKOTA | 3 | 13 |
| FEDERAL A | 1E XTO ENERGY INCORPORATED | 32 K | 28N 10W DAKOTA | 3 | 43 |
| FEDERAL A | 1 XTO ENERGY INCORPORATED | 32 E | 28N 10W DAKOTA | 2 | 1 |
| FRED FEASEL L | 1 XTO ENERGY INCORPORATED | 32 H | 28N 10W DAKOTA | 48 | 889 |
| FRED FEASEL L | 1E XTO ENERGY INCORPORATED | 32 I | 28N 10W DAKOTA | 4 | 50 |
| FRED FEASEL H | 1 XTO ENERGY INCORPORATED | 33 H | 28N 10W DAKOTA | 6 | 5,341 |
| FRED FEASEL H | 1E XTO ENERGY INCORPORATED | 33 O | 28N 10W DAKOTA | 1,115 | 8 |
| KUTZ FEDERAL | 13E XTO ENERGY INCORPORATED | 33 K | 28N 10W DAKOTA | 37 | 1,575 |
| KUTZ FEDERAL | 1E XTO ENERGY INCORPORATED | 33 C | 28N 10W DAKOTA | 8 | 4,149 |
| MCLEOD | 2E CONOCO INCORPORATED | 34 E | 28N 10W DAKOTA | 27 | 9 |
| MCLEOD | 2 CONOCOPHILIPS COMPANY | 34 L | 28N 10W DAKOTA | 2,713 | 26 |
| FRED FEASEL J | 1 XTO ENERGY INCORPORATED | 34 G | 28N 10W DAKOTA | 0 | 4 |
| FRED FEASEL J | 1E XTO ENERGY INCORPORATED | 34 O | 28N 10W DAKOTA | 2 | 467 |
| Average | | | | 85 | 7,209 |
| | | | | 76 | 4,607 |
| | | | | 8 | 1,272 |
| | | | | 8 | 2,808 |

| Allocation: | Oil | Gas |
|---------------|-----|-----|
| Chacra | 0% | 10% |
| Gallup/Mancos | 19% | 5% |
| Dakota | 81% | 85% |

Falls Church, VA 22041-2607

Virginia L. Mullin
2500 Cherry Creek S Drive Apt. 504
Denver, CO 80209

Bernard Hyde Dr Living Trust
Dated 4-6-88
Bernard Hyde Dr Trustee
28242 Yanez
Mission Viejo, CA 92692-1836

Richard P. Shooshan
686 E Union Street
Pasadena, CA 91101-1820



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

July 13, 2005

RE: Notice of Intent to Apply for Downhole Commingling

Kutz Federal #16
L Sec 33, T28N, R10W; 2,175' FSL & 845' FWL
San Juan County, NM

To: All working interest, royalty interest and overriding royalty interest owners.

XTO Energy Inc. is applying for permission to downhole trim mingle the Basin Dakota (71599), Basin Mancos (97232) and the Otero Chacra (82329) pools in the Kutz Federal #16. We propose to downhole trim mingle production from these pools after this well is drilled and upon approval from the NMOCD. NMOCD requires all interest owners be notified of intent to downhole trim mingle if ownership is different between pools.

Based upon the 9-section EUR's for the Basin Dakota, Basin Mancos and Otero Chacra, XTO Energy Inc. proposes allocation of trim mingled production as follows:

| Pool | Oil | Gas |
|--------------|-----|-----|
| Basin Dakota | 81% | 85% |
| Basin Mancos | 19% | 5% |
| Otero Chacra | 0% | 10% |

If you need additional information or have any questions, I may be contacted at (505) 566-7925. If you are opposed to trim mingling production from these pools please respond in writing within 20 days of the date of this letter to XTO Energy Inc., 2700 Farmington Avenue, Suite K-1, Farmington, NM 87401.

Sincerely,

Melissa M Osborne
Regulatory Compliance Tech

xc: Well File
FW Land Dept.



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

July 13, 2005

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

Subject: Application for Downhole Commingle
Kutz Federal #16
Unit L Sec 33-T28N- R10W; 30-045-33038
Basin Dakota/Basin Mancos/Otero Chacra
SF046563; San Juan, NM

Dear Mr. Jones:

Enclosed please find an administrative application form (C107A) and attachments for downhole trim mingling for the captioned well. All Working interest, net royalty interest and overriding royalty interest owners have been notified by certified, return receipt mail on July 13, 2005 of XTO Energy Inc. plans to downhole trim mingle the Kutz Federal #16. Trim mingling of zones will not reduce the recovery of these pools, but will improve recovery of liquids, thus eliminating redundant surface equipment. Waste will not result and correlative rights will not be violated. Notice of our intent has been filed with the BLM on form 3160-5.

Any questions 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. 30-045-33038 |
| 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. SF046563 |
| 7. Lease Name or Unit Agreement Name Kutz Federal |
| 8. Well Number #16 |
| 9. OGRID Number 167067 |
| 10. Pool name or Wildcat Basin DK/Basin Mancos/Otero CH |

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 L : 2175' feet from the South line and 845' feet from the West line
 Section 33 Township 28N Range 10W NMPM San Juan County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6083' 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: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> | | SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <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 an exception to Rule 303-C to permit DH trim mingle of Production from the Basin Dakota (71599), Basin Mancos (97232) & Otero Chacra (82329) in Kutz Federal #16. XTO Energy, Inc plans to downhole trim mingle these pools upon completion of this well.

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

| | | |
|---------------|---------|---------|
| Basin Dakota: | Gas 85% | Oil 81% |
| Basin Mancos | Gas 5% | Oil 19% |
| Otero Chacra | Gas 10% | Oil 0% |

Working interest, net royalty interest and overriding interest owners have been notified by certified, return receipt mail on July 13th, 2005. The BLM has been notified with form 3160-5 of our intent to DH Trim mingling. Downhole trim mingle will offer an economical method of production while protecting against reservoir damage, waste of reserves and violation of correlative rights.

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 07/13/2005
 Type or print name Melissa M Osborne E-mail address: Regulatory@xtoenergy.com Telephone No. 505-566-7925
For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____
 Conditions of Approval (if any): _____

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

District II
1301 W. Grand Avenue, Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 87410

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

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

APPLICATION FOR DOWNHOLE COMMINGLING

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

Operator #16 Address L Sec 33, T28N-R10W San Juan County
Kutz Federal

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

OGRID No. 167037 Property Code 22756 API No 30-045-33038 Lease Type Federal State Fee

| DATA ELEMENT | UPPER ZONE | INTERMEDIATE ZONE | LOWER ZONE |
|--|---------------------|---------------------|----------------------|
| Pool Name | Otero Chacra | Basin Mancos | Basin Dakota |
| Pool Code | 82329 | 97232 | 71599 |
| Top and Bottom of Pay Section (Perforated or Open-Hole Interval) | 2,180' - | 4,340' - | 6,419' - |
| | 2,945' | 4,707' | 6,679' |
| 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 | 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 0% - 10% | Oil Gas 19% - 5% | Oil Gas 81% - 85% |

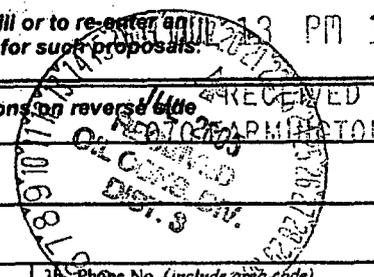
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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
 Oil Well Gas Well Other

2. Name of Operator
XTO Energy Inc.

3a. Address
2700 Farmington Ave., Bldg. K, Ste 1 Farmington,

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
2,175' FSL & 845' FWL in SEC. L33, T28N, R10W

3b. Phone No. (include area code)
505-324-1090

5. Lease Serial No.
SF-046563

6. If Indian, Allottee or Tribe Name
31

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

8. Well Name and No.
KITZ FEDERAL #16

9. API Well No.
30-045-33038

10. Field and Pool, or Exploratory Area
**Basin Dakota
Otero Chacra**

11. County or Parish, State
SAN JOAN 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"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete |
| | <input checked="" type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal |
| | | | <input type="checkbox"/> Water Shut-Off |
| | | | <input type="checkbox"/> Well Integrity |
| | | | <input type="checkbox"/> Other _____ |

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.)

The APD for the above mention well was approved 6/14/05 for the Basin Dakota & Otero Chacra formations. XTO Energy Inc. requests permission to add the Basin Mancos formation to the wellbore.

****C102 plat attached****

14. I hereby certify that the foregoing is true and correct
 Name (Printed/Typed) **KELLY K. SMALL**
 Title **REGULATORY COMPLIANCE TECH**
 Date **07/08/05**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by **[Signature]**
 Title **Ret. Eng**
 Office **FFO**
 Date **7/18/05**

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.

NMCCD

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

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

DISTRICT III
1000 Rio Brazos Rd., Artesia, N.M. 87410

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

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

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

Form C-102

Revised June 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|-----------------------------|--|-----------------------------------|--|-------------------------------|--|
| *API Number 30-045-33038 | | *Pool Code 97232 | | *Pool Name WC Basin mancos | |
| *Property Code | | *Property Name KUTZ FEDERAL | | *Well Number 16 | |
| *OGRID No. 167067 | | *Operator Name XTO ENERGY INC. | | *Elevation 6083 | |

10 Surface Location

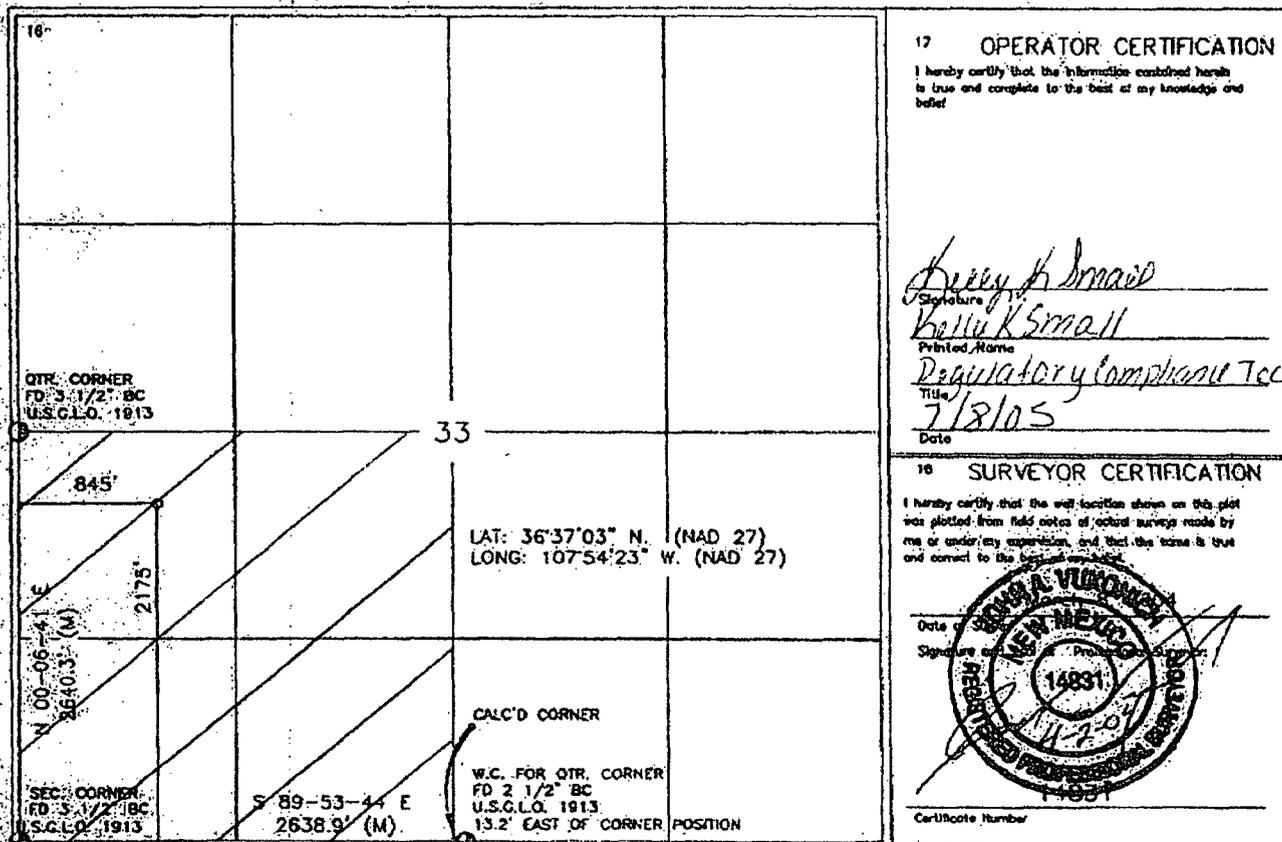
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| L | 33 | 28-N | 10-W | | 2175 | SOUTH | 845 | WEST | 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

*Dedicated Acres: 160 SW/4
*Joint or bill:
*Consolidation Code:
*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



17 OPERATOR CERTIFICATION

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

Kevin K Small
Signature
Kevin K Small
Printed Name
Regulatory Compliance Tech
Title
7/8/05
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 knowledge.

Date of Survey: 7/8/05
Signature of Surveyor: *[Signature]*
Professional Seal:

Cert/Scale Number

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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.

2005 AUG 4 PM 1 47

SUBMIT IN TRIPLICATE - Other instructions on reverse side

RECEIVED

OTO FARMINGTON, NM

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
KTO Energy Inc.

3a. Address
2700 Farmington Ave., Bldg. K, Ste 1 Farmington,

3b. Phone No. (include area code)
505-324-1090

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
2,175' PSL & 845' FNL in SEC. 133, T28N, R10W

5. Lease Serial No.
SF-046563

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
KUTZ FEDERAL #16

9. API Well No.
30-045-3303B

10. Field and Pool, or Exploratory Area
BASIN DK / BASIN MC
OTERO CR

11. County or Parish, State
SAN JUAN NM

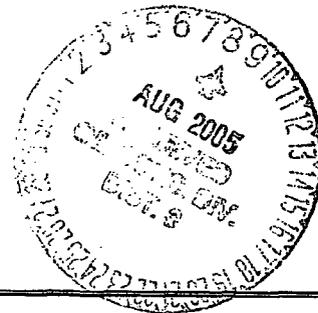
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|---|--|--|
| <input 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 checked="" 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>WELL STOP</u> |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <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.)

****CORRECTED SURF CSG DEPTH****

KTO Energy Inc. spudded 12-1/4" hole @ 1:00 p.m., 07/27/05. Drld to 390' KB. PU & TIH w/9 jts 8-5/8", 24.0#, J-55, ST&C to 385' KB. Cnt'd csg w/300 sx Cl Type III cnt w/3/4 CaCl2 & 1/4 FPS celloflake (mixed @ 15.2 ppg, 1.28 cuft/sx). Circ 21 bbls cnt to surf. PT BOPE & surf csg to 1,000 psig f/30 min. Held OK.



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

KELLY K. SMALL

Kelly K. Small

Title

REGULATORY COMPLIANCE TECH

Date 08/02/05

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

ACCEPTED FOR RECORD

Approved by

Title

Date

AUG 05 2005

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

FARMINGTON FIELD OFFICE

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.

NMOCD

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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. 2005 AUG 17

SUBMIT IN TRIPLICATE - Other instructions on reverse side

5. Lease Serial No.
SP-046563

6. If Indian, Allottee or Tribe Name
PM 1 22

7. If Unit or CA/Agreement, Name and/or No.
RECEIVED
070 FARMINGTON NM

8. Well Name and No.
KUIZ FEDERAL #16

9. API Well No.
30-043-33039 33038

10. Field and Pool, or Exploratory Area
BASIN DK / BASIN MC
OTERO CH

11. County or Parish, State
SAN JUAN NM

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
XTO Energy Inc.

3a. Address
2700 Farmington Ave., Bldg. K, Ste 1 Farmington,

3b. Phone No. (include area code)
505-324-1090

4. Location of Well (Footage, Sec., T., R., M. or Survey Description)
2,175' PSL & 845' FWL in SEC. 133, T28N, R10W

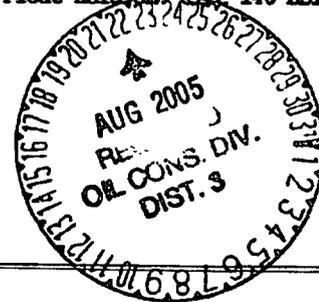
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION |
|---|---|
| <input 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 checked="" 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>TD & ST</u> |
| | <input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon <u>PROD CSG</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.)

Reached driller's TD of 6,970' KB @ 8:00 a.m., 08/08/05. PU & TIH w/168 jts 5-1/2", 15.5#, J-55, ST&C csg to 6,954.99' KB. Cmt'd csg as follows (1st stage): 440 sx Premium Lite HS w/0.5% FL-32, 0.2% CD-32, 1/2 PPS celloflake, 2% KCl, & 2% phenoseal (mixed @ 12.5 ppg & 2.01 cuft/sx) followed by 150 sx Type III cmt w/0.3% CD-32, 0.2% FL-52, 5% A-10, 1/4 PPS celloflake, & 2% phenoseal (mixed @ 14.2 ppg & 1.54 cuft/sx). Dropped bomb & op DV tool. Circ btwn stage. Cmt'd 2nd stage as follows: 723 sx Type III cmt w/8% gel, 1/4 PPS celloflake & 2% phenoseal (mixed @ 11.9 ppg & 2.60 cuft/sx) followed by 100 sx Type III Neat cmt (mixed @ 14.5 ppg & 1.39 cuft/sx). Dropped bomb & closed DV tool. Float held @ 140 hbls cmt to surf. Released Patterson #743 @ 3:00 p.m., 08/12/05.

PRODUCTION CSG WILL BE PRESSURE TESTED @ COMPLETION



14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) KEELY K. SMALL Title REGULATORY COMPLIANCE TECH

Keely K. Small Date 08/15/05

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title _____

Office FARMINGTON FIELD OFFICE

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.

ACCEPTED FOR RECORD
AUG 24 2005



TABULATION OF DEVIATION TESTS

XTO Energy Inc.

| Depth | Degrees | Depth | Degrees |
|--------|---------|--------|---------|
| 95' | 1/2° | 2,900' | 1° |
| 285' | 1/2° | 3,443' | 1° |
| 750' | 1-1/4° | 4,900' | 1° |
| 1,009' | 1-1/4° | 5,522' | 1° |
| 1,196' | 1-1/4° | 6,200' | 1° |
| 1,698' | 1° | 6,647' | 1° |
| 2,414' | 1-1/2° | 6,930' | 1-1/2° |

A F F I D A V I T

THIS IS TO CERTIFY that to the best of my knowledge the above survey details the deviation tests taken on XTO ENERGY INC'S

**KUTZ FEDERAL #16 in Section L33, T28N, R10W,
API #30-045-33038
San Juan County, New Mexico.**



Signed

JWP Patton 8/25/05

Printed Name **Jeffrey W. Patton**

Title **Drilling Engineer**

THE STATE OF NEW MEXICO)
) SS.
COUNTY OF SAN JUAN)

BEFORE ME, the undersigned authority, on this day personally, Jeffrey W. Patton, known to me to be Drilling Engineer for XTO Energy Inc and to be the person whose name is subscribed to the above statement, who, being by me duly sworn on oath, states that he has knowledge of the facts stated herein and that said statement is true and correct.

SUBSCRIBED AND SWORN to before me, a Notary Public in and for said County and State this 25th day of August, 2005.

Holly C. Perkins



Notary Public Commission Expires: _____
for this Deviation Tests

9-1-2008

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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

2005 OCT 4 47

RECEIVED
070 FARMINGTON

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
XTO Energy Inc.

3a. Address **2700 Farmington Ave., Bldg. K, Ste 1 Farmington,** 3b. Phone No. (include area code) **505-324-1090**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
2,175' FSL & 845' FWL in SEC. L33, T28N, R10W

5. Lease Serial No. **SF-046563**

6. If Indian, Allottee or Tribe Name

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

8. (Well Name and No.) **KUTZ FEDERAL #16**

9. API Well No. **30-045-33038**

10. Field and Pool, or Exploratory Area
Basin DE / Basin MC / Otero CH

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 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 checked="" 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 _____ |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <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 recomplate 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 recomplate 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. pressure tested 5-1/2" production casing on 9/10/05 to 2500 psig for 30 minutes. Increased pressure to 3850 psig for 5 minutes w/chart. Tested OK.



14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) **HOLLY C. PERKINS** Title **REGULATORY COMPLIANCE TECH**

Holly C. Perkins Date **9/30/2005**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title _____ Date **OCT 06 2005**

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 _____

ACCEPTED FOR RECORD
FARMINGTON FIELD OFFICE

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NMUCD

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well Oil Well Gas Well Dry Other

b. Type of Completion: New Well Work Over Deepen Plug Back Diff. Resrv. Other

5. Lease Serial No.
SF046563

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.

2. Name of Operator
XTO Energy Inc.

3. Address
2700 Farmington Ave., Bldg. K, Ste 1 Farmington, NM

3a. Phone No. (include area code)
5053241090

8. Lease Name and Well No.
KUTZ FEDERAL #16

9. API Well No.
30-045-33038

4. Location of Well (Report location clearly and in accordance with Federal requirements)*

At surface **2175' FSL & 845' FWL**

At top prod. interval reported below

At total depth

10. Field and Pool, or Exploratory
BASIN DAKOTA

11. Sec., T., R., M., or Block and Survey or Area
SEC 33-T28N-R10W

12. County or Parish
SAN JUAN

13. State
NM

14. Date Spudded
7/27/2005

15. Date T.D. Reached
8/8/2005

16. Date Completed
 D & A Ready to Prod.
9/23/2005

17. Elevations (DF, RKB, RT, GL)*
6083'

18. Total Depth: MD
6970' TVD

19. Plug Back T.D.: MD
6913' TVD

20. Depth Bridge Plug Set: MD
MD TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
TRIPLE COMBO/AIL/FULL BORE MICRO IMAGER

22. Was well cored? No Yes (Submit analysis)
Was DST run No Yes (Submit report)
Directional Survey? No Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

| Hole Size | Size/Grade | Wt.(#ft.) | Top (MD) | Bottom (MD) | Stage Cementer Depth | No. of Sk. & Type of Cement | Slurry Vol. (BBL) | Cement Top* | Amount Pulled |
|-----------|------------|-----------|----------|-------------|----------------------|-----------------------------|-------------------|-------------|---------------|
| 12-1/4 | 8-5/8 | 24 | | 385 | | 300 | | 0 | 0 |
| 7-7/8 | 5-1/2 | 15.5 | | 6955 | | 1413 | | 0 | 0 |
| | | | | | | | | | |
| | | | | | | | | | |

24. Tubing Record

| Size | Depth Set (MD) | Packer Depth (MD) | Size | Depth Set (MD) | Packer Depth (MD) | Size | Depth Set (MD) | Packer Depth (MD) |
|--------|----------------|-------------------|------|----------------|-------------------|------|----------------|-------------------|
| 2-3/8" | 6558' | | | | | | | |

25. Producing Intervals

| Formation | Top | Bottom | Perforated Interval | Size | No. Holes |
|-----------|-------|--------|---------------------|-------|-----------|
| A) DAKOTA | 6450' | 6639' | 6450' - 6639' | 0.34" | 21 |
| B) | | | | | |
| C) | | | | | |
| D) | | | | | |

26. Perforation Record

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

| Depth Interval | Amount and Type of Material |
|----------------|--|
| 6450' - 6639' | A. w/1250 gals 15% NEFE HCl acid. Frac'd w/75,473 gals 70Q Puregel III LT CO2 foam frac fld carrying 165,800# 20/40 sd |

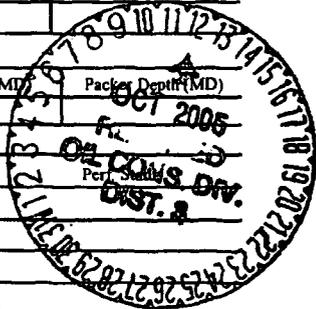
28. Production - Interval A

| Date First Produced | Test Date | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity | Gas Gravity | Production Method |
|---------------------|----------------------|--------------|-----------------|---------|---------|-----------|----------------|-------------|-------------------|
| | 9/23/2005 | 3 | → | 0 | 176 | 3 | | | FLOWING |
| Choke Size | Tbg. Press. Flwg. SI | Csg. Press. | 24 Hr. | Oil BBL | Gas MCF | Water BBL | Gas: Oil Ratio | Well Status | |
| 3/8" | 400 | 500 | → | 0 | 1408 | 24 | | SHUT IN | |

28a. Production-Interval B

| Date First Produced | Test Date | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity | Gas Gravity | Production Method |
|---------------------|----------------------|--------------|-----------------|---------|---------|-----------|----------------|-------------|--------------------------------------|
| | | | | | | | | | OCT 06 2005 |
| Choke Size | Tbg. Press. Flwg. SI | Csg. Press. | 24 Hr. | Oil BBL | Gas MCF | Water BBL | Gas: Oil Ratio | Well Status | |
| | | | → | | | | | | FARMINGTON FIELD OFFICE BY <i>db</i> |

(See instructions and spaces for additional data on page 2)



ACCEPTED FOR RECORD
OCT 06 2005
FARMINGTON FIELD OFFICE
BY *db*

NMOCD

28b. Production - Interval C

| | | | | | | | | | |
|---------------------|----------------------|--------------|-------------------|---------|---------|-----------|----------------|-------------|-------------------|
| Date First Produced | Test Date | Hours Tested | Test Production → | Oil BBL | Gas MCF | Water BBL | Oil Gravity | Gas Gravity | Production Method |
| Choke Size | Tbg. Press. Flwg. SI | Csg. Press. | 24 Hr. → | Oil BBL | Gas MCF | Water BBL | Gas: Oil Ratio | Well Status | |

28c. Production-Interval D

| | | | | | | | | | |
|---------------------|----------------------|--------------|-------------------|---------|---------|-----------|----------------|-------------|-------------------|
| Date First Produced | Test Date | Hours Tested | Test Production → | Oil BBL | Gas MCF | Water BBL | Oil Gravity | Gas Gravity | Production Method |
| Choke Size | Tbg. Press. Flwg. SI | Csg. Press. | 24 Hr. → | Oil BBL | Gas MCF | Water BBL | Gas: Oil Ratio | Well Status | |

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries

31. Formation (Log) Markers

MORRISON FMT 6728

| Formation | Top | Bottom | Descriptions, Contents, etc. | Name | Top |
|-----------|-----|--------|------------------------------|---------------------|-------------|
| | | | | | Meas. Depth |
| | | | | OJO ALAMO | 973 |
| | | | | KIRTLAND SHALE | 1115 |
| | | | | FRUITLAND FORMATION | 1568 |
| | | | | PICTURED CLIFFS SS | 2006 |
| | | | | LEWIS SHALE | 2198 |
| | | | | CHACRA SS | 2945 |
| | | | | CLIFFHOUSE SS | 3579 |
| | | | | MENEPEE | 3668 |
| | | | | PT LOOKOUT SS | 4356 |
| | | | | MANCOS SHALE | 4707 |
| | | | | GALLUP SS | 5566 |
| | | | | GREENHORN LS | 6349 |
| | | | | GRANEROS SH | 6417 |
| | | | | DAKOTA | 6446 |
| | | | | BURRO CANYON SS | 6700 |

32. Additional remarks (include plugging procedure):

33. Indicate which items have been attached by placing a check in the appropriate boxes:

- Electrical/Mechanical Logs (1 full set req'd)
 Geologic Report
 DST Report
 Directional Survey
 Sundry Notice for plugging and cement verification
 Core Analysis
 Other

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) HOLLY C. PERKINS

Title REGULATORY COMPLIANCE TECH

Signature *Holly C. Perkins*

Date 9/30/2005

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Revised

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W Grand Avenue, 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 & Natural Resources

Form C-104
Revised June 10, 2003

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

Submit to Appropriate District Office
5 Copies

AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

| | | |
|--|--|---|
| 1 Operator name and Address XTO ENERGY INC. 2700 FARMINGTON AVENUE, SUITE K-1 FARMINGTON, NM 87401 | | 2 OGRID Number 167067 |
| 4 API Number 30-0 45-33038 | | 3 Reason for Filing Code/Effective Date NEW DRILL |
| 5 Pool Name BASIN DAKOTA | 6 Pool Code 71599 | |
| 7 Property Code | 8 Property Name KUZZ FEDERAL | 9 Well Number 16 |

II. Surface Location

| UL or lot no. | Section | Township | Range | Lot. Idn | Feet from the | North/South Line | Feet from the | East/West line | County |
|---------------|-----------|------------|------------|----------|---------------|------------------|---------------|----------------|-----------------|
| L | 33 | 28N | 10W | | 2175 | SOUTH | 845 | WEST | SAN JUAN |

Bottom Hole Location

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

| | | | | | |
|-------------|--------------------------|------------------------|------------------------|-------------------------|--------------------------|
| 12 Use Code | 13 Producing Method Code | 14 Gas Connection Date | 15 C-129 Permit Number | 16 C-129 Effective Date | 17 C-129 Expiration Date |
|-------------|--------------------------|------------------------|------------------------|-------------------------|--------------------------|

III. Oil and Gas Transporters

| 18 Transporter OGRID | 19 Transporter Name and Address | 20 POD | 21 O/G | 22 POD ULSTR Location and Description |
|----------------------|---|--------|----------|---|
| 25244 | WILLIAMS FIELD SERVICES 295 CHIPETA WAY SALT LAKE CITY, UT | | G |  |
| 9018 | GIANT REFINERY 50 ROAD 4990 BLOOMFIELD, NM 87413 | | O | |
| | | | | |
| | | | | |

IV. Produced Water

| | |
|--------|---------------------------------------|
| 23 POD | 24 POD ULSTR Location and Description |
|--------|---------------------------------------|

V. Well Completion Data

| 25 Spud Date | 26 Ready Date | 27 TD | 28 PBDT | 29 Perforations | 30 DHC, MC |
|------------------|--------------------------|--------------|--------------|----------------------|------------|
| 7/27/2005 | 9/23/2005 | 6970' | 6913' | 6450' - 6639' | |
| 31 Hole Size | 32 Casing & Tubing Size | | 33 Depth Set | 34 Sacks Cement | |
| 12-1/4" | 8-5/8" J-55 24# | | 385' | 300 # | |
| 7-7/8" | 5-1/2" J-55 15.5# | | 6955' | 1413 # | |
| | 2-7/8" | | 6558' | | |

VI. Well Test Data

| 35 Date New Oil | 36 Gas Delivery Date | 37 Test Date | 38 Test Length | 39 Tbg. Pressure | 40 Csg. Pressure |
|-----------------|----------------------|------------------|----------------|------------------|------------------|
| | | 9/23/2005 | 3 hrs | 400 | 500 |
| 41 Choke Size | 42 Oil | 43 Water | 44 Gas | 45 AOF | 46 Test Method |
| 3/8" | 0 | 6 | 176 | | F |

47 I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Holly C. Perkins* 10-12-05 OIL CONSERVATION DIVISION
Approved by: *Chuck H.*

Printed name: **HOLLY C. PERKINS** Title: **SUPERVISOR DISTRICT # 3**

Title: **REGULATORY COMPLIANCE TECH** Approval Date: **OCT 12 2005**

Email: **Regulatory@xtoenergy.com**

Date: **10/5/2005** Phone: **505-324-1090**