

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000**SUNDRY NOTICES AND REPORTS ON WELLS**
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMSF081239
2. Name of Operator XTO ENERGY INC		6. If Indian, Allottee or Tribe Name
3a. Address 2700 FARMINGTON AVE., BLDG K, SUITE 1 FARMINGTON, NM 87401		7. If Unit or CA/Agreement, Name and/or No. NNNM104870
3b. Phone No. (include area code) Ph: 505-564-6720 Fx: 505-564-6700		8. Well Name and No. LITTLE STINKER 3
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 11 T30N R12W NESE 1980FSL 660FEL		9. API Well No. 30-045-32305-00-X1
		10. Field and Pool, or Exploratory BASIN DAKOTA BLANCO MESAVERDE
		11. County or Parish, and State SAN JUAN COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Subsurface Commingling
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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 recompleate 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 recompleation 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 site is ready for final inspection.)

XTO Energy Inc. requests approval for an exception to Rule 303-C to permit the downhole commingling of production from the Basin Dakota and the Blanco Mesaverde pools in the Little Stinker #3. It is proposed to downhole commingle production upon completion of this well. Based on individual pool tests in the Little Stinker #1M offset well, allocations for each pool are proposed as follows:

Basin Dakota (71599)	43% Oil	97% Water	34% Gas
Blanco Mesaverde (723190)	57% Oil	3% Water	66% Gas

Both of these pools are included in the New Mexico Oil Conservation Division pre-approved pool combinations for downhole commingling in the San Juan Basin. Working interest, net royalty interest and overriding royalty interest owners have been notified by certified, return receipt mail of XTO's intent to downhole commingle this well upon completion. The OCD has been notified of

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14. Thereby certify that the foregoing is true and correct.

Electronic Submission #50973 verified by the BLM Well Information System
For XTO ENERGY INC, sent to the Farmington

Committed to AFMSS for processing by MATTHEW HALBERT on 12/09/2004 (05MXH0217SE)

Name (Printed/Typed) HOLLY C PERKINS

Title REGULATORY COMPLIANCE TECH

Signature (Electronic Submission)

Date 11/15/2004

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <i>Joe Hewitt</i>	Title <i>Acting Team Lead</i>	Date <i>12-10-04</i>
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 <i>FDO</i>

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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Additional data for EC transaction #50973 that would not fit on the form

32. Additional remarks, continued

our intent to downhole commingle. Downhole commingling will offer an economic method of production while protecting against reservoir damage, waste of reserved, and violation of correlative rights.