

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO 1004-0137
Expires July 31, 2010

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 page 2

1 Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2 Name of Operator

XTO Energy Inc.

3a Address

382 CR 3100, AZTEC, NM 87410

3b. Phone No (include area code)

505-333-3630

4 Location of Well (Footage, Sec., T., R., M., or Survey Description)

1840' FNL & 918' FWL SWNW SEC.33 (E) -T27N-R8W N.M.P.M.

5 Lease Serial No

NMSF-079232

6 If Indian, Allottee or Tribe Name

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

8 Well Name and No

BOLACK C LS #7

9 API Well No

30-045-06143

10 Field and Pool, or Exploratory Area

SOUTH BLANCO PICTURED CLIFFS
BASIN FRUITLAND COAL

11. County or Parish, State

SAN JUAN

NM

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

TYPE OF SUBMISSION

☒ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice

TYPE OF ACTION

☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☐ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☒ Other DOWNHOLECOMMINGLE

- 13 Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

XTO Energy Inc. requests approval, per NMOC Rule 19.15.12.11 C(2) to DHC production from the South Blanco Pictured Cliffs (72439) and the Basin Fruitland Coal (71629) pools in the Bolack C LS #7. XTO has been testing the Fruitland Coal and intends to drill out the CIBP set @ 2655' and downhole commingle upon approval of this application. Pool combinations are pre-approved per Order R-11363. Please see the attached spreadsheet for justification of the following proposed allocations.

| | | | |
|------------------------------|-----------|----------|------------|
| South Blanco Pictured Cliffs | Oil: 100% | Gas: 58% | Water: 38% |
| Basin Fruitland Coal | Oil: 0% | Gas: 42% | Water: 62% |

Ownership is common in both zones; therefore, there are no owners to notify of our intent to DHC. Downhole commingling will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights. The NMOC was notified of our intent via Form C-103 on 10/26/2011.

RCVD OCT 31 '11
OIL CONS. DIV.
DIST. 3

DHC 3668 AZ

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

WANETT MCCAULEY

Title REGULATORY COMPLIANCE TECHNICIAN

Signature

Date 10/26/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Geo

Date

10-28-11

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

FFD

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

NMOC

Production Summary Report
API: 30-045-06143
BOLACK C LS #7

| | | Production | | | | |
|------|---|------------|--------------------|--------------|-------------|------------|
| Year | Pool | Month | Oil(BBLS) | Gas(MCF) | Water(BBLS) | Days P/I |
| 2001 | [72439] BLANCO P. C. SOUTH (PRORATED GAS) | Mar | 0 | 73 | 0 | 7 |
| 2001 | [72439] BLANCO P. C. SOUTH (PRORATED GAS) | Apr | 0 | 109 | 0 | 14 |
| 2001 | [72439] BLANCO P. C. SOUTH (PRORATED GAS) | May | 0 | 213 | 0 | 31 |
| 2001 | [72439] BLANCO P. C. SOUTH (PRORATED GAS) | Jun | 0 | 328 | 80 | 23 |
| 2001 | [72439] BLANCO P. C. SOUTH (PRORATED GAS) | Jul | 0 | 505 | 0 | 31 |
| 2001 | [72439] BLANCO P. C. SOUTH (PRORATED GAS) | Aug | 0 | 116 | 0 | 16 |
| 2001 | [72439] BLANCO P. C. SOUTH (PRORATED GAS) | Sep | 0 | 474 | 0 | 11 |
| 2002 | [72439] BLANCO P. C. SOUTH (PRORATED GAS) | Aug | 0 | 1778 | 0 | 31 |
| 2002 | [72439] BLANCO P. C. SOUTH (PRORATED GAS) | Sep | 0 | 1644 | 0 | 27 |
| 2002 | [72439] BLANCO P. C. SOUTH (PRORATED GAS) | Oct | 0 | 1951 | 0 | 31 |
| 2002 | [72439] BLANCO P. C. SOUTH (PRORATED GAS) | Nov | 190 | 1410 | 0 | 30 |
| 2002 | [72439] BLANCO P. C. SOUTH (PRORATED GAS) | Dec | 0 | 1468 | 0 | 31 |
| | Sum | | 190 | 10069 | 80 | 283 |
| | Average | | 0.671378092 | 35.58 | 0.28 | |
| 2010 | [71629] BASIN FRUITLAND COAL (GAS) | Sep | 0 | 571 | 0 | 30 |
| 2010 | [71629] BASIN FRUITLAND COAL (GAS) | Oct | 0 | 397 | 0 | 31 |
| 2010 | [71629] BASIN FRUITLAND COAL (GAS) | Nov | 0 | 605 | 40 | 30 |
| 2010 | [71629] BASIN FRUITLAND COAL (GAS) | Dec | 0 | 653 | 40 | 31 |
| 2011 | [71629] BASIN FRUITLAND COAL (GAS) | Jan | 0 | 604 | 40 | 31 |
| 2011 | [71629] BASIN FRUITLAND COAL (GAS) | Feb | 0 | 686 | 50 | 28 |
| 2011 | [71629] BASIN FRUITLAND COAL (GAS) | Mar | 0 | 896 | 0 | 31 |
| 2011 | [71629] BASIN FRUITLAND COAL (GAS) | Apr | 0 | 964 | 0 | 30 |
| 2011 | [71629] BASIN FRUITLAND COAL (GAS) | May | 0 | 904 | 0 | 31 |
| 2011 | [71629] BASIN FRUITLAND COAL (GAS) | Jun | 0 | 964 | 0 | 30 |
| 2011 | [71629] BASIN FRUITLAND COAL (GAS) | Jul | 0 | 1070 | 0 | 31 |
| 2011 | [71629] BASIN FRUITLAND COAL (GAS) | Aug | 0 | 1072 | 0 | 31 |
| | Sum | | 0 | 9386 | 170 | 365 |
| | Average | | 0 | 25.72 | 0.47 | |

Bolack C LS #7 DHC allocations

| 12 MONTH AVERAGE OF LATEST PRODUCTION | | | |
|---------------------------------------|-------------|--------------|---------------|
| | OIL (BBL/D) | GAS (MCF/D) | WATER (BBL/D) |
| Pictured Cliffs | 0.67 | 35.58 | 0.28 |
| Fruitland Coal | 0.00 | 25.72 | 0.47 |
| Sum | 0.67 | 61.29 | 0.75 |

Allocations

| | Oil | Gas | Water |
|-----------------|-------------|-------------|-------------|
| Pictured Cliffs | 100% | 58% | 38% |
| Fruitland Coal | 0% | 42% | 62% |
| Total | 100% | 100% | 100% |