

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

RECEIVED

## SUNDRY NOTICES AND REPORTS ON WELLS

SEP 10 2012  
not use this form for proposals to drill or to re-enter an  
abandoned well. Use Form 3160-3 (APD) for such proposals.

FARMING

Bureau of Land Management

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)

505-333-3100

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

980' FNL &amp; 1490' FWL NENW Sec. 4 (C) - T27N-R11W N.M.P.M.

## 5 Lease Serial No

NMSE-078872A

## 6. If Indian, Allottee or Tribe Name

N/A

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

N/A

## 8 Well Name and No

BOLACK 4 #3

## 9. API Well No

30-045-32049

## 10. Field and Pool, or Exploratory Area

BASIN FRUITLAND COAL

WEST KUTZ PICTURED CLIFFS

## 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

- |   |   |  |   |
|---|---|--|---|
| <input type="checkbox"/> Acidize              | <input type="checkbox"/> Deepen           | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off                   |
| <input type="checkbox"/> Alter Casing         | <input type="checkbox"/> Fracture Treat   | <input type="checkbox"/> Reclamation               | <input type="checkbox"/> Well Integrity                   |
| <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>COMMINGLE</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 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 permission to DHC this well per NMOC Rule 19.15.12.11 C(2) in the Basin Fruitland Coal (71629) & the West Kutz Pictured Cliffs (79680) pools upon completion of the PC. Both pools are in the NMOC pre-approved pool combinations for DHC in the San Juan Basin. Please see the attached spreadsheets for justification of proposed allocations.

Allocations are as follows:

West Kutz Pictured Cliffs:	Oil: 100%	Gas: 89%	Water: 17%
Basin Fruitland Coal:	Oil: 0%	Gas: 11%	Water: 83%

Ownership in pools is diverse & notification was made to owners by CRR on 8/16/2012. DHC will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights.

DHC 3721 AZ

RCVD SEP 17 '12  
OIL CONS. DIV.  
DIST. 3

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

KRISTEN D. LYNCH

Title REGULATORY ANALYST

Signature

Kristen D. Lynch

Date 9/5/2012

## THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Joe Hewitt

Title

GEO

Date

9-13-12

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

NMOCDA

# Monthly Production Rates

	OIL (Bbl/mo.)	GAS (KCF/mo.)	Water (Bbl/mo.)
Fruitland Coal	0	557	523
Pictured Cliffs	0	4567	106
Total	0	5124	630

Percent Production			
	OIL	GAS	Water
Fruitland Coal	0%	11%	83%
Pictured Cliffs	100%	89%	17%
Total	100%	100%	100%

Average production from last 6 months from Bolack 4-3 before being shut in  
Average production from offset FBMO and modern-era Pictured Cliffs wells in 9-section

## Previous Fruitland Coal production from Bolack 4-3 before well was shut-in and T&A'd

Date	Oil	Gas	Water
5/31/2008	0	420	460
6/30/2008	0	605	705
7/31/2008	0	580	555
8/31/2008	0	518	520
9/30/2008	0	606	465
10/31/2008	0	611	435



382 CR 3100  
Aztec, NM 87410

August 16, 2012

Interest Owners

Subject: Notice of Intent to Apply for Downhole Commingling  
**Bolack 04-03**  
Unit C, Sec 4, T27N, R11W

XTO Energy Inc is submitting an application to the New Mexico Oil Conservation Division (NMOCD) to downhole commingle production from the, Basin Fruitland Coal and the W. Kutz Pictured Cliff pools in the Bolack 04-03 gas well. Commingling of these pools will minimize operating costs, add reserves and improve economics of the well.

The proposed allocation percentages for each pool are as follows:

Basin Fruitland Coal	Gas: 11 %	Water: 83%	Oil: 0 %
W. Kutz Pictured Cliffs	Gas: 89 %	Water: 17%	Oil: 100 %

NMOCD requires all interest owners be notified of intent to downhole commingle if ownership is different between zones. If you need additional information or have any questions, I may be contacted at (505) 333-3206. If you have any objections to our application, please contact me within twenty (20) days of the date of this letter.

Sincerely,

A handwritten signature in cursive script that reads 'Kristen D. Lynch'.

Kristen D. Lynch  
Regulatory Analyst