

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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,

3b. Phone No. (include area code)

505-324-1090

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

1895' PNL & 1475' FEL SEC 1G-T27N-R11W

5. Lease Serial No.

NMSF-078019

6. If Indian, Allottee or Tribe Name

RECEIVED
BLM

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

8. Well Name and No.

EH PIPKIN #10F

9. API Well No.

30-045-34099

10. Field and Pool, or Exploratory Area

BASIN DAKOTA/KUTZ GALLUP

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 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. proposes to downhole commingle production from the Basin Dakota (71599) and the Kutz Gallup (36550) pools upon completion. Proposed oil & gas allocations are based on estimated ultimate recovery per well of the 8 Dakota wells & 9 Gallup wells in T27N-R11W. Water allocation is based on EUR water production per well:

Dakota:	Gas: 75%	Water: 58%	Oil: 38%
Gallup:	Gas: 25%	Water: 42%	Oil: 62%

Both pools are included in the NMOC pre-approved pool combinations for DHC in the San Juan Basin. Interest owners are common in both pools. Therefore, no notice to owners was necessary. The NMOC has been notified of our intent to DHC via submittal of Form C103. Downhole commingling will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights.

RCVD JUN1'07
OIL CONS. DIV.
DIST. 3

No DHC order

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

HOLLY C. PERKINS

Title

REGULATORY COMPLIANCE TECH

Date 5/30/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Joe Hewitt

Title

Geo

Date

5-31-07

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

FDO

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

EH Pipkin #10F
Allocation Percentages

The proposed gas and oil production allocation percentages are based on estimated average ultimate recovery per well of the 8 Dakota wells and 9 Gallup wells in T27N R11W. Water allocation is based on E.U.R. water production per well. Please see attached Dakota and Gallup E.U.R. analysis.

Proposed Allocation Percentages:

Pool	Oil	Water	Gas
Gallup	62%	42%	25%
Dakota	38%	58%	75%

Basin Dakota Pool (Per well avg. est. ultimate gas, oil and water recovery prod.)

BO	BW	MCF
5,173	7,077	930,226

South Kutz Gallup Pool (Per well avg. est. ultimate gas, oil and water recovery prod.)

BO	BW	MCF
8,551	5,221	300,325