

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

MAY 14 2008

FORM 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.

5. Lease Serial No

NOO-C-14-20-3618

6. If Indian, Allottee or Tribe Name

NAVAJO NATION ALLOTTEE

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

8. Well Name and No

CANYON #7E

9. API Well No

30-045-29710

10. Field and Pool, or Exploratory Area

BASIN DAKOTA/
~~LOWER BISTI GALLUP~~ Basin Manos

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 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 final site is ready for final inspection.)

XTO Energy Inc. requests approval for an exception to NMOC Rule 303-C to permit DHC of production from the Basin Dakota & the Lower Bisti Gallup in the Canyon #7E. XTO Energy proposes to downhole commingle these pools upon approval. Allocations are based upon average production of the recently opened Canyon #17 & Canyon #9 wells, calculated as follows:

Dakota:	Gas: 61%	Water: 22%	Oil: 2%
Gallup:	Gas: 39%	Water: 78%	Oil: 98%

Interest owners in this well were common; therefore, notification was not necessary. Commingling of these pools will minimize operating costs, add reserves & improve economics of the well. The OCD has been notified of our intent to DHC by submission of a C-103 on 5/13/2008.

RCVD MAY 16 '08
OIL CONS. DIV.
DIST. 3

Apply to NMOC Santa Fe on C-107A-

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

LORRY D. BINGHAM

Title REGULATORY COMPLIANCE TECH

Signature

Date 5/13/08

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Joe Hamm

Title

GCO

Date

5-14-08

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

FFO

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