

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

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.

JUN 13 2008

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)

SHL: 1330' ENL & 1385' FWL SEC 30(B), T32N, 7W

BHL: 665' ENL x 665' FWL SEC 30(D), T32N, R7W

5. Lease Serial No.

NMM-83503

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.

GRASSY CANYON #7

9. API Well No.

30-045-33575

10. Field and Pool, or Exploratory Area

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 ☐ Deepen ☐ Production (Start/Resume) ☐ Water Shut-Off
☐ Alter Casing ☐ Fracture Treat ☐ Reclamation ☐ Well Integrity
☐ Casing Repair ☐ New Construction ☐ Recomplete ☐ Other
☒ Change Plans ☐ Plug and Abandon ☐ Temporarily Abandon
☐ Convert to Injection ☐ Plug Back ☐ 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. proposes to change the BHL location as per attached plats and drilling program.

RCVD JUN 19 '08

OIL CONS. DIV.
DIST. 3

PIT, CLOSED LOOP SYSTEM, BELOW GRADE
TANK, PROPOSED ALTERNATIVE METHOD OR
CLOSURE PLAN TO BE DESIGNED,
CONSTRUCTED, OPERATED & CLOSED
PURSUANT TO NMOC RULE 19.15.17
EFFECTIVE 06/16/08

CONDITIONS OF APPROVAL
Adhere to previously issued stipulations.

NOTIFY AZTEC OCD 24 HRS.
PRIOR TO CASING & CEMENT

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Kyla Vaughan

Title

Regulatory Compliance

Signature

Kyla Vaughan

Date

06/13/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Troy L. Salvors

Title

Petroleum Engineer

Date

6-16-2008

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

FPO

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.

NMOCN

XTO ENERGY INC.

Grassy Canyon #7

APD Data

June 13, 2008

Location: 1330' FNL x 1385' FWL Sec 30, T32N, R7W County: San Juan

State: New Mexico

Bottomhole Location: 665' FNL x 665' FWL Sec 30, T32N, R7W

GREATEST PROJECTED TD: 3977' MD, 3800' TVD
APPROX GR ELEV: 6893'

OBJECTIVE: Basin Fruitland Coal
Est KB ELEV: 6899' (12' AGL)

1. MUD PROGRAM:

INTERVAL	0' to 300'	300' to 3977'
HOLE SIZE	12.25"	7.875"
MUD TYPE	FW/Spud Mud	FW/Polymer
WEIGHT	8.6-9.0	8.4-8.8
VISCOSITY	28-32	28-32
WATER LOSS	NC	NC

Remarks: Use fibrous materials as needed to control seepage and lost circulation. Pump high viscosity sweeps as needed for hole cleaning. Raise viscosity at TD for logging. Reduce viscosity after logging for cementing purposes.

2. CASING PROGRAM:

Surface Casing: 8.625" casing to be set at $\pm 300'$ in a 12-1/4" hole filled with 9.20 ppg mud

Interval	Length	Wt	Gr	Cplg	Coll Rating (psi)	Burst Rating (psi)	Jt Str (M-lbs)	ID (in)	Drift (in)	SF Coll	SF Burst	SF Ten
0'-300'	300'	24.0#	J-55	ST&C	1370	2950	244	8.097	7.972	9.54	20.4	33.8

Production Casing: 5.5" casing to be set at TD ($\pm 3977'$ MD, 3800' TVD) in 7.875" hole filled with 9.20 ppg mud.

Interval	Length	Wt	Gr	Cplg	Coll Rating (psi)	Burst Rating (psi)	Jt Str (M-lbs)	ID (in)	Drift (in)	SF Coll	SF Burst	SF Ten
0'-3977'	3977'	15.5#	J-55	ST&C	4040	4810	202	4.950	4.825	2.22	2.65	3.27

3. WELLHEAD:

- Casing Head: Larkin Fig 92 (or equivalent), 9" nominal, 2,000 psig WP (4,000 psig test) with 8-5/8" 8rnd thread on bottom and 11-3/4" 8rnd thread on top.
- Tubing Head: Larkin Fig 612 (or equivalent), 6.456" nominal, 2,000 psig WP (4,000 psig test), 5-1/2" 8rnd female thread on bottom (or slip-on, weld-on), 8-5/8" 8rnd thread on top.

4. CEMENT PROGRAM (Slurry design may change slightly, but the plan is to circulate cement to surface on both casing strings):

A. Surface: 8.625", 24.0#, J-55, ST&C casing to be set at $\pm 300'$ in 12-1/4" hole.

189 sx of Type III cement (or equivalent) typically containing accelerator and LCM, mixed at 14.5 ppg, 1.39 ft³/sk, & 6.70 gal wtr/sk.

Total slurry volume is 263.6 ft³, 100% excess of calculated annular volume to 300'.

B. Production: 5.5", 15.5#, J-55 (or K-55), ST&C casing to be set at $\pm 3977'$ in 7.875" hole.

LEAD:

± 336 sx of Premium Lite HS (Type III/Poz/Gel) or equivalent, with dispersant, fluid loss, accelerator, & LCM mixed at 12.5 ppg, 2.01 ft³/sk, 10.55 gal wtr/sx.

TAIL:

150 sx Type III or equivalent cement with bonding additive, LCM, dispersant, & fluid loss mixed at 14.2 ppg, 1.54 cuft/sx, 8.00 gal/sx.

Total estimated slurry volume for the 5-1/2" production casing is 907.1 ft³.

Note: The slurry design may change slightly based upon actual conditions. Final cement volumes will be determined from the caliper logs plus 40%. It will be attempted to circulate cement to the surface.

5. LOGGING PROGRAM:

A. Mud Logger: None.

B. Open Hole Logs as follows: Run Array Induction/SFL/GR/SP fr/TD (3977') to the bottom of the surface csg. Run Neutron/Lithodensity/Pc/GR/Cal from TD (3977') to 3,000'.

6. FORMATION TOPS:

See directional plan.

**** Maximum anticipated BHP should be <2,000 psig (<0.30 psi/ft) *****

7. COMPANY PERSONNEL:

Name	Title	Office Phone	Home Phone
John Egelston	Drilling Engineer	505-564-6734	505-330-6902
Jerry Lacy	Drilling Superintendent	505-566-7917	505-320-6543
John Klutsch	Project Geologist	817-885-2800	--



Well Name: Grassy Canyon #7

San Juan Division
Drilling Department

Calculation Method: Minimum Curvature
Geodetic Datum: North American Datum 1983
Lat: 36° 57' 23.112 N
Long: 107° 36' 48.708 W



Azimuths to True North
Magnetic North: 10 21°

Magnetic Field
Strength: 51199.3nT
Dip Angle: 63 76°
Date: 6/6/2008
Model: IGRF200510

SECTION DETAILS

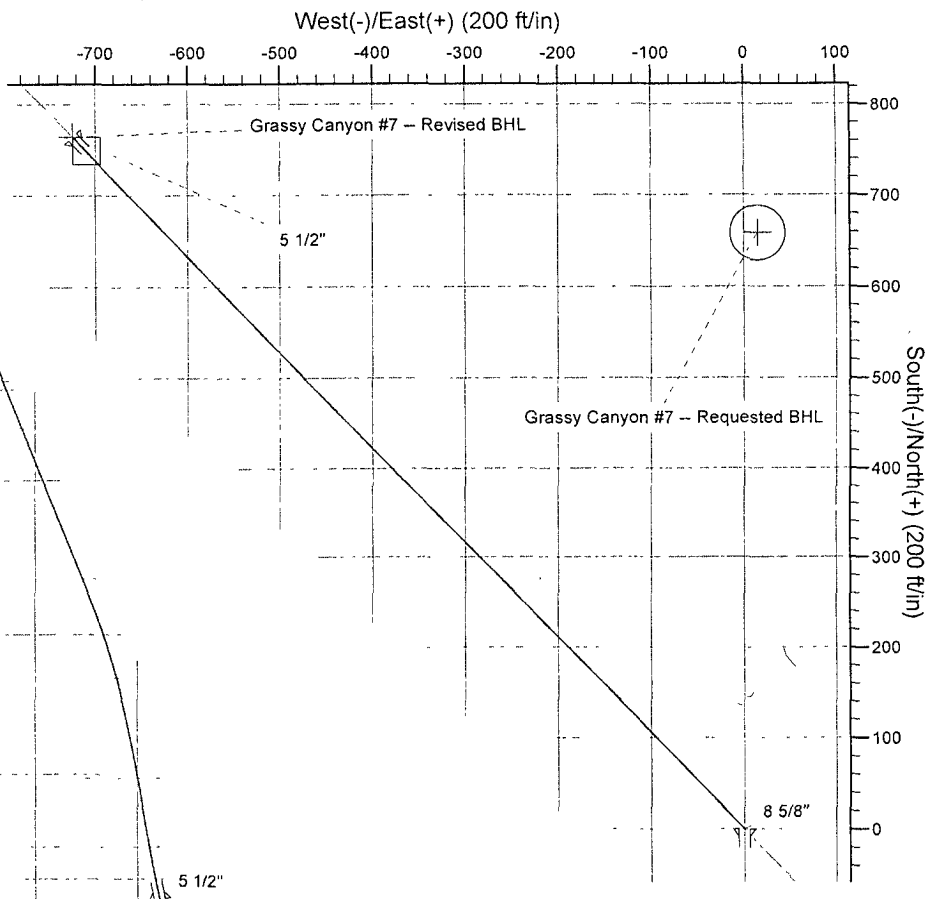
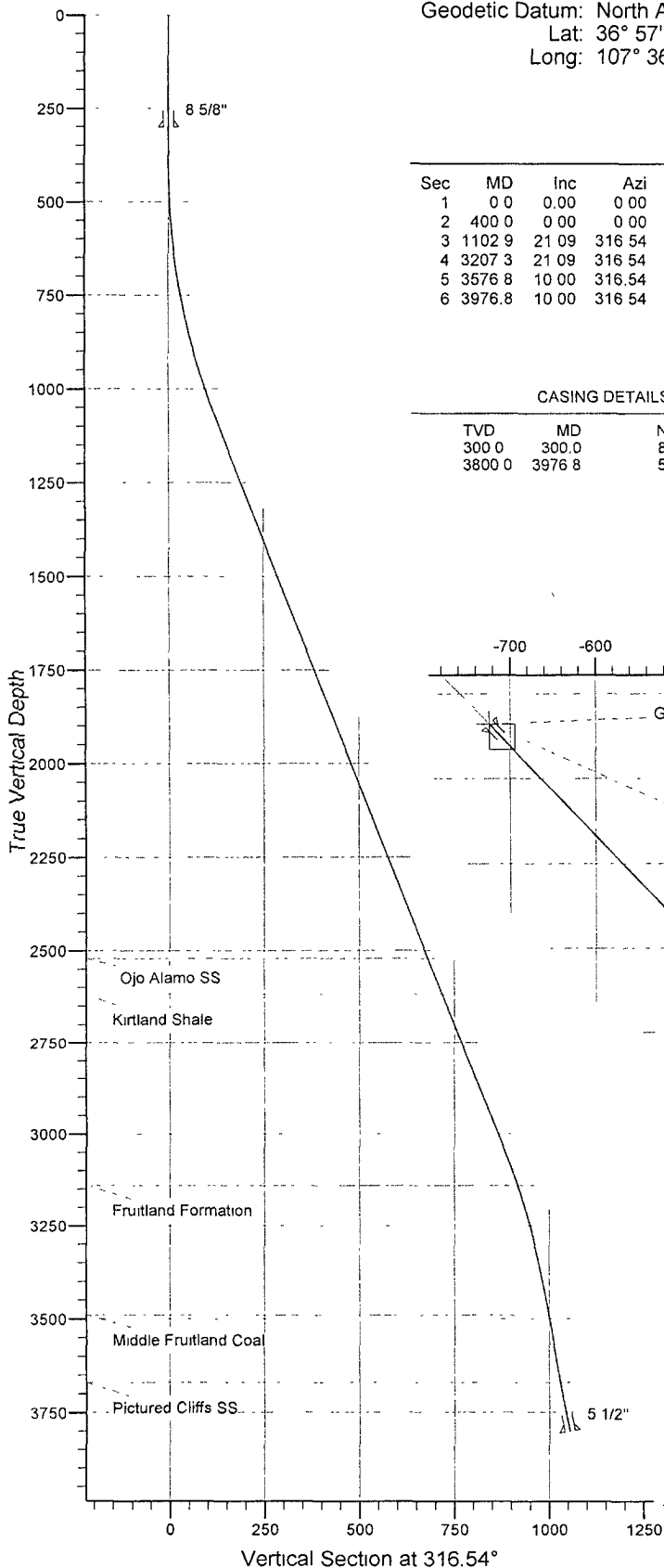
Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0 0	0.00	0 00	0 0	0 0	0 0	0 00	0 00	0.0	
2	400 0	0 00	0 00	400 0	0.0	0 0	0 00	0 00	0.0	
3	1102 9	21 09	316 54	1087 1	92 8	-88 0	3 00	316 54	127 9	
4	3207 3	21 09	316 54	3050 6	642 4	-608 8	0.00	0 00	885 0	
5	3576 8	10 00	316.54	3406 1	714 1	-676.8	3 00	180.00	983 9	
6	3976.8	10 00	316 54	3800.0	764 6	-724 6	0 00	0.00	1053.4	Grassy Canyon #7 -- Revised BHL

CASING DETAILS

TVD	MD	Name	Size
300 0	300.0	8 5/8"	8-5/8
3800 0	3976 8	5 1/2"	5-1/2

FORMATION TOP DETAILS

TVDPPath	MDPath	Formation
2521 0	2639 7	Ojo Alamo SS
2619 0	2744 7	Kirtland Shale
3141 0	3303 3	Fruitland Formation
3490.0	3662 0	Middle Fruitland Coal
3670 0	3844.8	Pictured Cliffs SS



XTO Energy

San Juan Basin (NAD 83)

Grassy Canyon #7

Grassy Canyon #7

Grassy Canyon #7

Plan: Permitted Wellbore

Standard Planning Report

09 June, 2008

XTO Energy, Inc.
Planning Report

Database:	EDM 2003.14 Single User Db	Local Co-ordinate Reference:	Well Grassy Canyon #7
Company:	XTO Energy	TVD Reference:	Rig KB @ 6905.0ft (AWS #507)
Project:	San Juan Basin (NAD 83)	MD Reference:	Rig KB @ 6905.0ft (AWS #507)
Site:	Grassy Canyon #7	North Reference:	True
Well:	Grassy Canyon #7	Survey Calculation Method:	Minimum Curvature
Wellbore:	Grassy Canyon #7		
Design:	Permitted Wellbore		

Project:	San Juan Basin (NAD 83), San Juan Co., NM, Directional wells in T30N, R12W (NAD 83)		
Map System:	US State Plane 1983	System Datum:	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	New Mexico Western Zone		

Site:	Grassy Canyon #7, T32N, R7W		
Site Position:		Northing:	2,167,540.87 ft
From:	Lat/Long	Easting:	2,787,312.68 ft
Position Uncertainty:	0 0 ft	Slot Radius:	"
		Latitude:	36° 57' 23 112 N
		Longitude:	107° 36' 48 708 W
		Grid Convergence:	0 13 °

Well:	Grassy Canyon #7, Slant Well to Fruitland Coal		
Well Position	+N/-S	0 0 ft	Northing:
	+E/-W	0 0 ft	Easting:
Position Uncertainty	0 0 ft	Wellhead Elevation:	6,893 0 ft
		Latitude:	36° 57' 23 112 N
		Longitude:	107° 36' 48 708 W
		Ground Level:	6,893 0 ft

Wellbore:	Grassy Canyon #7		
Magnetics:	Model Name	Sample Date	Declination
			(°)
	IGRF200510	6/6/2008	10 21
			Dip Angle
			(°)
			63 76
			Field Strength
			(nT)
			51,199

Design:	Permitted Wellbore		
Audit Notes:			
Version:	Phase:	PROTOTYPE	Tie On Depth:
			0 0
Vertical Section:	Depth From (TVD)	+N/-S	+E/-W
	(ft)	(ft)	(ft)
	0 0	0 0	0 0
			Direction
			(°)
			316 54

Plan Sections											
Measured Depth	Inclination	Azimuth	Vertical Depth	+N/-S	+E/-W	Dogleg Rate	Build Rate	Turn Rate	TFO	Target	
(ft)	(°)	(°)	(ft)	(ft)	(ft)	(°/100ft)	(°/100ft)	(°/100ft)	(°)		
0 0	0 00	0 00	0 0	0 0	0 0	0 00	0 00	0 00	0 00		
400 0	0 00	0 00	400 0	0 0	0 0	0 00	0 00	0 00	0 00		
1,102 9	21 09	316 54	1,087 1	92 8	-88 0	3 00	3 00	0 00	316 54		
3,207 3	21 09	316 54	3,050 6	642 4	-608 8	0 00	0 00	0 00	0 00		
3,576 8	10 00	316 54	3,406 1	714 1	-676 8	3 00	-3 00	0 00	180 00		
3,976 8	10 00	316 54	3,800 0	764 6	-724 6	0 00	0 00	0 00	0 00	Grassy Canyon #7 -- 1	

XTO Energy, Inc.
Planning Report

Database:	EDM 2003 14 Single User Db	Local Co-ordinate Reference:	Well Grassy Canyon #7
Company:	XTO Energy	TVD Reference:	Rig KB @ 6905.0ft (AWS #507)
Project:	San Juan Basin (NAD 83)	MD Reference:	Rig KB @ 6905.0ft (AWS #507)
Site:	Grassy Canyon #7	North Reference:	True
Well:	Grassy Canyon #7	Survey Calculation Method:	Minimum Curvature
Wellbore:	Grassy Canyon #7		
Design:	Permitted Wellbore		

Planned Survey										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	
0 0	0 00	0 00	0 0	0 0	0 0	0 0	0 00	0 00	0 00	
100 0	0 00	0 00	100 0	0 0	0 0	0 0	0 00	0 00	0 00	
200 0	0 00	0 00	200 0	0 0	0 0	0 0	0 00	0 00	0 00	
300 0	0 00	0 00	300 0	0 0	0 0	0 0	0 00	0 00	0 00	
8 5/8"										
400 0	0 00	0 00	400 0	0 0	0 0	0 0	0 00	0 00	0 00	
500 0	3 00	316 54	500 0	1 9	-1.8	2 6	3 00	3 00	0 00	
600 0	6 00	316 54	599 6	7 6	-7 2	10.5	3 00	3 00	0 00	
700 0	9 00	316 54	698 8	17 1	-16 2	23 5	3 00	3 00	0 00	
800 0	12 00	316 54	797 1	30 3	-28 7	41 7	3 00	3 00	0 00	
900 0	15 00	316 54	894 3	47 2	-44 8	65 1	3 00	3 00	0 00	
1,000 0	18 00	316 54	990 2	67 8	-64.3	93 5	3 00	3 00	0 00	
1,102 9	21 09	316 54	1,087 1	92 8	-88 0	127.9	3 00	3 00	0 00	
1,200 0	21 09	316 54	1,177 7	118 2	-112.0	162.8	0 00	0 00	0 00	
1,300 0	21 09	316 54	1,271.0	144.3	-136 8	198.8	0 00	0 00	0 00	
1,400 0	21 09	316 54	1,364.3	170 4	-161 5	234 8	0 00	0 00	0 00	
1,500 0	21 09	316 54	1,457 6	196 5	-186.3	270 8	0 00	0 00	0 00	
1,600 0	21 09	316 54	1,551 0	222 6	-211 0	306 7	0 00	0 00	0 00	
1,700 0	21 09	316 54	1,644 3	248 8	-235 8	342 7	0 00	0 00	0 00	
1,800 0	21 09	316 54	1,737 6	274 9	-260.5	378 7	0 00	0 00	0 00	
1,900 0	21 09	316 54	1,830 9	301 0	-285 2	414 7	0 00	0 00	0 00	
2,000 0	21 09	316 54	1,924 2	327.1	-310 0	450.7	0 00	0 00	0 00	
2,100 0	21 09	316 54	2,017.5	353 2	-334 7	486 6	0 00	0 00	0 00	
2,200 0	21 09	316 54	2,110.8	379 3	-359 5	522 6	0 00	0 00	0 00	
2,300 0	21 09	316 54	2,204 1	405 4	-384 2	558 6	0 00	0 00	0 00	
2,400 0	21 09	316 54	2,297 4	431 6	-409 0	594 6	0 00	0 00	0 00	
2,500 0	21 09	316 54	2,390 7	457 7	-433 7	630 6	0 00	0 00	0 00	
2,600 0	21 09	316 54	2,484 0	483 8	-458 5	666 5	0 00	0 00	0 00	
2,639 7	21 09	316 54	2,521 0	494 1	-468 3	680.8	0 00	0 00	0 00	
Ojo Alamo SS										
2,700 0	21 09	316 54	2,577 3	509 9	-483 2	702.5	0 00	0 00	0 00	
2,744 7	21 09	316 54	2,619 0	521 6	-494 3	718.6	0 00	0 00	0 00	
Kirtland Shale										
2,800 0	21 09	316 54	2,670 6	536 0	-508 0	738 5	0 00	0 00	0 00	
2,900 0	21 09	316 54	2,763 9	562 1	-532 7	774.5	0 00	0 00	0 00	
3,000 0	21 09	316 54	2,857 2	588 2	-557 5	810 4	0 00	0 00	0 00	
3,100 0	21 09	316 54	2,950 5	614 4	-582 2	846 4	0 00	0 00	0 00	
3,207 3	21 09	316 54	3,050 6	642 4	-608 8	885 0	0 00	0 00	0 00	
3,300 0	18 30	316 54	3,137 9	665 1	-630 3	916.3	3 00	-3 00	0 00	
3,303 3	18.21	316 54	3,141 0	665 8	-631 0	917 3	3 00	-3 00	0 00	
Fruitland Formation										
3,400 0	15 30	316 54	3,233 6	686 0	-650 2	945 2	3 00	-3 00	0 00	
3,500 0	12 30	316 54	3,330 7	703 4	-666 6	969.0	3 00	-3 00	0 00	
3,576.8	10.00	316 54	3,406 1	714.1	-676.8	983 9	3 00	-3 00	0 00	
3,600 0	10.00	316 54	3,428 9	717 1	-679.6	987 9	0 00	0 00	0 00	
3,662 0	10 00	316 54	3,490 0	724 9	-687 0	998 7	0 00	0 00	0 00	
Middle Fruitland Coal										
3,700 0	10 00	316 54	3,527 4	729 7	-691 5	1,005 3	0 00	0 00	0 00	
3,800 0	10 00	316 54	3,625 9	742 3	-703 5	1,022 6	0 00	0 00	0 00	
3,844 8	10 00	316 54	3,670 0	747.9	-708.8	1,030 4	0 00	0 00	0 00	
Pictured Cliffs SS										
3,900 0	10 00	316 54	3,724 3	754 9	-715 4	1,040 0	0 00	0 00	0 00	
3,926 1	10 00	316 54	3,750 0	758.2	-718 5	1,044 5	0 00	0 00	0 00	

XTO Energy, Inc.

Planning Report

Database:	EDM 2003.14 Single User Db	Local Co-ordinate Reference:	Well Grassy Canyon #7
Company:	XTO Energy	TVD Reference:	Rig KB @ 6905 0ft (AWS #507)
Project:	San Juan Basin (NAD 83)	MD Reference:	Rig KB @ 6905 0ft (AWS #507)
Site:	Grassy Canyon #7	North Reference:	True
Well:	Grassy Canyon #7	Survey Calculation Method:	Minimum Curvature
Wellbore:	Grassy Canyon #7		
Design:	Permitted Wellbore		

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
Grassy Canyon #7 -- Requested BHL									
3,976.8	10.00	316.54	3,800.0	764.6	-724.6	1,053.4	0.00	0.00	0.00
5 1/2" - Grassy Canyon #7 -- Revised BHL									

Targets

Target Name	hit/miss target	Dip Angle (°)	Dip Dir (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
Grassy Canyon #7 -- Re	- plan hits target	0.00	0.00	3,800.0	764.6	-724.6	2,168,303.75	2,786,586.34	36° 57' 30.672 N	107° 36' 57.636 W
	- Rectangle (sides W30.0 H30.0 D0.0)									
Grassy Canyon #7 -- Re	- plan misses by 733.5ft at 3825.9ft MD (3651.4 TVD, 745.5 N, -706.5 E)	0.00	0.00	3,750.0	658.8	15.1	2,168,199.72	2,787,326.23	36° 57' 29.627 N	107° 36' 48.522 W
	- Circle (radius 30.0)									

Casing Points

Measured Depth (ft)	Vertical Depth (ft)	Name	Casing Diameter (")	Hole Diameter (")
300.0	300.0	8 5/8"	8-5/8	12-1/4
3,976.8	3,800.0	5 1/2"	5-1/2	7-7/8

Formations

Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)
2,639.7	2,521.0	Ojo Alamo SS	Sandstone	0.00	
2,744.7	2,619.0	Kirtland Shale	Shale	0.00	
3,303.3	3,141.0	Fruitland Formation		0.00	
3,662.0	3,490.0	Middle Fruitland Coal	Coal	0.00	
3,844.8	3,670.0	Pictured Cliffs SS	Sandstone	0.00	