

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED

JUL 09 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.

Bureau of Land Management  
Farmington Field Office

5 Lease Serial No.

NMSF-077383

6 If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

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

NMM-73958-DK

1 Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

8 Well Name and No.

KUTZ FEDERAL #12F

2. Name of Operator

XTO Energy Inc.

9 API Well No

30-045-34383

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)

1220' FSL & 2525' FWL SEC 21N-T28N-R10W

10 Field and Pool, or Exploratory Area

BASIN DK/WC BASIN MC/  
OTERO CH

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

TYPE OF ACTION

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

☐ 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 DOWNHOLE

COMMINGLE

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 for an exception to NMOCD Rule 303-C to permit DHC of production from the Basin Dakota, the Wildcat Basin Mancos & the Otero Chacra pools in the Dutz Federal #12 F. XTO proposes to downhole commingle these pools upon completion of this well.

RCVD JUL 17 '08

Allocations for the DK & MC are based upon average production from a nearby well. Allocations for the Chacra are based on a 9-section EUR. Please see attachments for further explanation. OIL CONS. DIV.

Wildcat Basin Mancos:	Oil: 75%	Gas: 41.5%	Water: 29%
Basin Dakota	Oil: 25%	Gas: 41.5%	Water: 57%
Otero Chacra	Oil: 0%	Gas: 17%	Water: 14%

DIST. 3

Pools are not included in the NMOCD pre-approved pool combination of DHC in the San Juan Basin. Working interest, net royalty interest & overriding royalty interest owners have been notified by certified, return receipt mail on 6/17/08. The NMOCD has been notified of our intent by submission of a C-107A. Downhole commingling will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights.

DHC pending -

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

LORRI D. BINGHAM

Title REGULATORY COMPLIANCE TECH

Signature

Date 7/7/08

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Joe Hewitt

Title

Geo

Date

7-15-08

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.

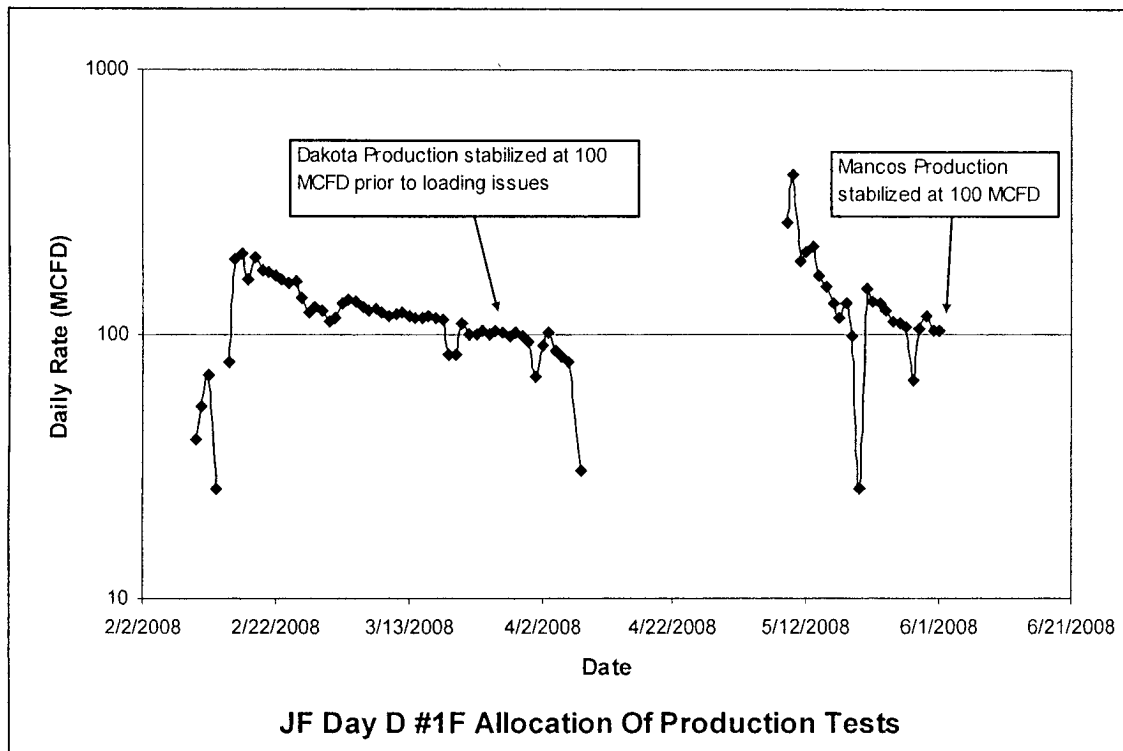
NMOCD

# Kutz Federal #12F

Allocations for the Dakota and Mancos were taken from those used on the JF Day D #1F, an offset Dakota/Mancos test well. The stabilized rates for the JF Day D #1F are shown in table 1 below. Wells within a nine section area of the Kutz Federal #12F that were completed in the Chacra after the year 2000 were used to determine Chacra allocations. Table 3 lists those wells, their location, and average production volumes for the area. Table 2 shows the final allocations for the Kutz Federal #12F, a Dakota/Mancos/Chacra well.

**Table 1: JF Day D #1F Rates**

	OIL	GAS	WATER
<b>Mancos</b>	3 BOPD	100 MCFD	2 BWPD
<b>Dakota</b>	1 BOPD	100 MCFD	4 BWPD



**Table 2: Allocations**

	OIL	GAS	WATER
<b>Mancos</b>	75%	41.5%	29%
<b>Dakota</b>	25%	41.5%	57%
<b>Chacra</b>	0 %	17%	14%



382 CR 3100  
Aztec, NM 87410

June 17, 2008

Interest Owners

Subject: Notice of Intent to Apply for Downhole Commingling  
Kutz Federal #12F  
Unit N, Sec 21, 28N, R10W

XTO Energy Inc is submitting an application to the New Mexico Oil Conservation Division (NMOCD) to downhole commingle production from the Basin Dakota and the Wildcat Basin Mancos pools in the Kutz Federal #12F. 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 Mancos	Gas: 41.5%	Water: 29%	Oil: 75%
Basin Dakota	Gas: 41.5%	Water: 57%	Oil: 25%
Otero Chacra	Gas: 17%	Water: 14%	Oil: 0%

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) 333-3100. 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 black ink, appearing to read 'Lorn D. Bingham', written over a horizontal line.

Lorn D. Bingham  
Regulatory Compliance Tech

xc: well file