Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

5 Lease Serial No
NMSF077383A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
NMNM73958

1 Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

8 Well Name and No.
KUTZ FEDERAL 12E

2. Name of Operator
XTO ENERGY INC

Contact: DOLENA (DEE) JOHNSON
E-Mail: dee_johnson@xtoenergy.com

9. API Well No.
30-045-29779-00-S1

3a. Address
382 ROAD 3100
AZTEC, NM 87410

3b Phone No (include area code)
Ph: 505-333-3164
Fx: 505-333-3284

10. Field and Pool, or Exploratory
~~BASIN DAKOTA~~
Basin Mancos

4. Location of Well *(Footage, Sec , T., R , M , or Survey Description)*
Sec 21 T28N R10W NWNW 970FNL 1000FWL

11. County or Parish, and State
SAN JUAN COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ 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 recomplete 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 recompletion 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 site is ready for final inspection.)

XTO Energy proposes to open additional pay in the Basin Dakota formation, recomplete to the Basin Manco formation and put this will on pump per the attached procedure. Please also see the attached C102 plat for the Mancos.

A W/2 CA will be required in the Mancos

RCVD MAR 23 '10
OIL CONS. DIV.
DIST. 3

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

Electronic Submission #82926 verified by the BLM Well Information System
For XTO ENERGY INC, sent to the Farmington
Committed to AFMSS for processing by JIM LOVATO on 03/19/2010 (10JXL0064SE)

Name *(Printed/Typed)* DOLENA (DEE) JOHNSON — Title REGULATORY COMPLIANCE TECH

Signature (Electronic Submission) — Date 03/18/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By JIM LOVATO — Title PETROLEUM ENGINEER — Date 03/22/2010

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 Farmington

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

NMOCD

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
Fee Lease - 3 Copies
State Lease - 4 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30-045-29779	97232	BASIN MANCOS

[4] Property Code	[5] Property Name	[6] Well Number
022756	KUTZ FEDERAL	12E

[7] OGRID No.	[8] Operator Name	[9] Elevation
5380	XTO Energy. Inc.	5934'

[10] Surface Location

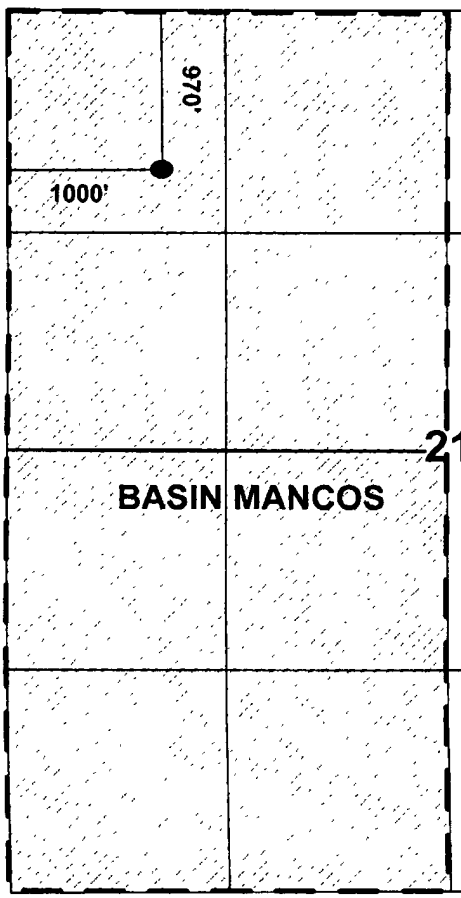
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	21	28-N	10-W		970'	NORTH	1000'	WEST	SAN JUAN

[11] Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
SAME									

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
MC. 320 acres			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



[17] OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true & complete to the best of my knowledge & belief and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division

Signature: Dolena C Johnson

Printed Name: DOLENA JOHNSON

Title: REGULATORY COMP TECH

Date: 03/18/2010

[18] SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true & correct to the best of my belief.

6/23/1984
Date of Survey

Original Survey Signed By:

John A. Vukonich

14831
Certificate Number

WFL__
TJF__

Kutz Federal #12E
Sec 21, T 28 N, R 10 W
San Juan County, New Mexico

Frac the Dakota and Mancos, and PWOP

SURF CSG: 8-5/8", 24#, J-55, STC CSG @ 308'. CIRC CMT TO SURF.

PROD CSG: 4-1/2", 10.5#, J-55, ST&C CSG @ 6,799'. DV TL @ 3,103'. PBTD @ 6,747'.
CAPACITY = 0.0159 BBLS/FT (0.0895 CUFT/FT).
BURST = 4,790 PSI (TREATING @ 80% = 3,832 PSI)

CEMENT: 1ST STAGE W/ 500 SX CL "B", DID NOT CIRC TO SURF. 2ND STAGE W/ 600 SX CL "B". CIRC TO SURF.

PERFS: BURRO CANYON:
FR/6,631'-34' W/4 SPF.

Workover Procedure

1) Install and test rig anchors. Comply with all New Mexico OCD, BLM and XTO safety rules and regulations. Conduct safety meeting for all personnel on location. MIRU daylight pulling unit.

2) MI 4 - 400 bbl frac tanks and 1 flow back tank. Fill the frac tanks with 2% KCL water. Note: Have frac company run preliminary fluid quality tests and add biocide.

3) TOH w/ rods and pump. ND WH. NU BOP and test the BOP.

4) TOH w/tbg and BHA.

5) Round trip a 3-7/8" bit and 4-1/2" casing scraper to 6,620', not a wireline gauge ring.

6) TIH and set a CIBP @ 6,620'. TOH w/ tbg.

7) ND BOP. NU frac valve.

8) Perf the Dakota with 3-1/8" csg gun with 2 JSPF (Titan EXP-3323-361T, 22.7 gm, 0.36" dia., 35.63" pene, 34 holes) or equivalent performance charges. POH with csg gun.

Dakota Perfs		
6,523'	6,461'	6,438'
6,482'	6,459'	6,381'
6,480'	6,457'	6,379'
6,477'	6,453'	6,360'
6,473'	6,445'	6,356'
6,468'	6,440'	

9) MIRU frac equipment. BD perfs with fresh water and EIR. Acidize Dakota perfs with 1,500 gals of 15% NEFE HCl acid (FE control, surf & CL additives) and 51 - 1.1 SG RCN BS @ 12 BPM. Flush with 4,480 gals 2% KCl water (3 bbls over flush). Record ISIP, 5", and 10" SIPs. RIH w/gauge ring and junk basket past perfs.

10) Frac Dakota perfs fr/6,523'-6,356' down casing at 30 BPM. Pump 70Q CO2 Purgel III foam gelled fluid w/98,750# 20/40 BASF proppant followed by 26,250# 20/40 BASF proppant coated with Expedite Lite. Flush with 4,120gals (2 bbls short of top perf). Est. TP 3,380 psig. Pump frac @ 30 BPM. Max TP @ 3,800 psig. Frac schedule:

Dakota Frac Schedule						
Stage	BPM	Fluid	Foam Vol.	Clean Vol. (gal)	Prop	Cum. Prop
Water	5	2% KCl Water	-	500	-	-
Acid	12	15% HCL Acid	-	1,500	-	-
Flush	12	2% KCl Water	-	4,480	-	-
Pad	30	70Q CO2 foam	8,100	2,400	-	-
0.5 ppg	30	70Q CO2 foam	9,600	2,900	4,800# 20/40	4,800# 20/40
1 ppg	30	70Q CO2 foam	9,600	2,900	9,600# 20/40	14,400# 20/40
2 ppg	30	70Q CO2 foam	10,800	3,200	21,600# 20/40	36,000# 20/40
3 ppg	30	70Q CO2 foam	8,400	2,500	25,250# 20/40	61,250# 20/40
4 ppg	30	70Q CO2 foam	9,375	2,800	37,500# 20/41	98,750# 20/40
4 ppg	30	70Q CO2 foam	6,500	2,000	26,250# 20/40 w/ Expedite Lite	125,000# 20/40
Flush	30	2% KCl Water	-	4,120	-	-
Total	62,375 gals Delta-R			29,300	125,000# 20/40	

Record ISIP & 5" SIP.

11) TIH with a 4-1/2" CBP and set @ 3,200'. TOH with tbg.

12) Perf the Chacra with 3-1/8" csg gun with 3 JSPF (Titan EXP-3323-361T, 22.7 gm, 0.36" dia., 35.63" pene, 62 holes) or equivalent performance charges. POH with csg gun.

Chacra Perfs	
PERF	PERF
3,096'-3,086'	2,994'-2,984'

13) MIRU frac equipment. BD perfs with fresh water and EIR. Acidize the Chacra perfs with 1,250 gals of 15% NEFE HCl acid (FE control, surf & CL additives) and 93 - 1.1 SG RCN BS @ 12 BPM down casing. Flush with 2,200 gals fresh water (3 bbls over flush). Record ISIP, 5", and 10" SIPs. RIH w/gauge ring and junk basket past perfs.

14) Frac the Chacra perfs fr/3,096'-2,984' down casing at 30 BPM. Pump 70Q CO2 Purgel III foam gelled fluid w/68,000# 20/40 BASF proppant followed by 12,000# 20/40 BASF proppant coated with Expedite Lite. Flush with 1,975 gals (2 bbls short of top perf). Est. TP 2,100 psig. Pump frac @ 30 BPM. Max TP @ 3,800 psig. Frac schedule:

Chacra Frac Schedule						
Stage	BPM	Fluid	Foam Vol.	Clean Vol. (gal)	Prop	Cum. Prop
Water	5	2% KCl Water	-	500	-	-
Acid	12	15% HCL Acid	-	1,250	-	-
Flush	12	2% KCl Water	-	2,200	-	-
Pad	30	70Q CO2 foam	9,720	2,900	-	-
0.5 ppg	30	70Q CO2 foam	16,000	4,800	8,000# 20/40	8,000# 20/40
1 ppg	30	70Q CO2 foam	8,000	2,400	8,000# 20/40	16,000# 20/40
2 ppg	30	70Q CO2 foam	10,000	3,000	20,000# 20/40	36,000# 20/40
3 ppg	30	70Q CO2 foam	10,600	3,180	32,000# 20/40	68,000# 20/40
3 ppg	30	70Q CO2 foam	4,000	1,200	12,000# 20/40 w/ Expedite Lite	80,000# 20/40
Flush	30	2% KCl Water	-	1,975	-	-
Total	58,320 gals Delta-R			23,450	80,000# 20/40	

Record ISIP & 5" SIP.

15) Install flowback manifold. Flowback well thru a choke manifold to flowback tank. Start with an 8/64" choke. Increase choke size as appropriate.

16) ND frac valve. NU BOP.

17) TIH w/3-7/8" bit, bit sub, and 2-3/8" tubing. CO to CBP (3,200'). DO CBP @ 3,200'. CO to CIBP (6,620'). Circulate wellbore clean. TOH w/tbg & bit.

18) TIH with tubing & BHA as follows:
   a) 1 - 2-3/8" jt w/ 1/2" vent hole located 1' from top (open ended)
   b) 2-3/8" (1.78" ID) API SN
   c) 9- jts 2-3/8" tbg
   d) 1- 5-1/2" TECH TAC
   e) ±195 jts - 2-3/8" tubing to surface, EOT @ 6,650', SN @ 6,620', TAC @ 6,330'.

19) ND BOP. NU WH.

20) TIH with rod assembly as follows:
   - 2" X 1-1/4" X 16' X 2' RWAC pump
   - 3/4" X 4' Guided rod sub w/ mold-on guides
   - 3/4" – 21,000lb HF shear tool
   - 6 - 1-1/4" API K sinker bars with stabilizer rods
   - 28 - 3/4" API D Molded Guide Rods w/ T-couplings
   - 230- 3/4" API D Rods w/ T-couplings
   - 1-1/4" X 22' Polished Rod w/ 10' liner

21) Space out pump with spacer subs. Load tubing and long stroke with rig to ensure pump action. HWO.

22) RDMO PU.

23) Set a used Lufkin C-160-200-74 pumping unit with an Arrow C-96 engine (or equivalent) & cement base.

24) Set unit in crank hole & sheave meter so it will pump @ 4 x 74" spm.

25) Set counter weights (4 - 3CRO) 7.1" from max.

26) Gauge tanks. Shoot FL and run dynamometer during pumping unit startup. Start well pumping at 4 SPM and 74" SL for 24 hours. Check fluid level and tank gauges.

27) Report pre and post start up data to Derick Lucas

Regulatory:

1. Acquire approval to recomplete to the Mancos
2. DHCM Dakota & Mancos
3. Acquire approval of C-144

Equipment:

- 3-7/8" bit & bit sub
- 1 – 4-1/2" CIBP
- 1 – 4-1/2" CBP

Rods:

- 2" X 1-1/4" X 16' X 2' RWAC pump
- 3/4" X 4' Guided rod sub w/ mold-on guides
- 3/4" – 21,000lb HF shear tool
- 6 - 1-1/4" API K sinker bars with stabilizer rods
- 28 - 3/4" API D Molded Guide Rods w/ T-couplings
- 230- 3/4" API D Rods w/ T-couplings
- 1-1/4" X 22' Polished Rod w/ 10' liner