

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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.

RECEIVED

SUBMIT IN TRIPLICATE - Other instructions on page 2

APR 09 2010

Bureau of Land Management
Farmington Field Office

5 Lease Serial No
NOOC14203611

6. If Indian, Allottee or Tribe Name
EASTERN NAVAJO

7. If Unit or CA/Agreement, Name and/or No
NMNM75814 BASIN DAKOTA

8. Well Name and No
CANYON #6

9. API Well No
30-045-21300

10. Field and Pool, or Exploratory Area
BASIN DAKOTA/BASIN MANCOS

11 County or Parish, State
SAN JUAN NM

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)
505-333-3630

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
800' FSL & 800' FWL SWSW SEC 11-T25N-R11W N.M.P.M.

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

- | | | | |
|---|---|--|---|
| <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other <u>DOWNHOLE</u> |
| <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | <u>COMMINGLE</u> |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> 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 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 (71599) & the Basin Mancos (97232) in the Canyon #6. XTO proposes to downhole commingle these pools upon completion of the Mancos.

Allocations for Dakota are based upon production and allocations for the Mancos are based upon ^{Previous 6 mths} ~~Section EUR~~ (please see attachments) and are calculated as follows: 2 Mancos producing wells

Basin Dakota	Oil: 2%	Gas: 70%	Water: 0%
Basin Mancos	Oil: 98%	Gas: 30%	Water: 100%

Both pools are not in the NMOC pre-approved pool combinations for DHC in the San Juan Basin and the NMOC was notified of our intent via Form C-107A on 4/08/2010. Ownership is common in both zones; therefore, there are no owners to notify of our intent to DHC. Downhole commingling will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights.

DHC pending

RCVD APR 13 '10

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

WANETT MCCAULEY

Title REGULATORY COMPLIANCE TECHNICIAN

Signature

Wanett McCauley

Date 4/08/2010

DIST. 3

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Joe Harvitt

Title

GCO

Date

4-12-10

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

46 4-15

Average Monthly Production

	Oil	Gas	Water
Dakota	6	2080	0
Gallup	347	897	80
Total	353	2977	80

previous 6 month avg. in Canyon 6

stabilized Mancos Production in 9 section area

% Production

	Oil	Gas	Water
Dakota	2%	70%	0%
Gallup	98%	30%	100%
Total	100%	100%	100%

Dakota Only, Past 6 mos. production

Date	Oil	Gas	Water
8/31/2009	5	2652	0
9/30/2009	0	2247	0
10/31/2009	15	2256	0
11/30/2009	3	2228	0
12/31/2009	12	1145	0
1/31/2010	2	1954	0
Average	6	2080	0

There have been 2 wells, Canyon 7E and Canyon 19, completed into the Mancos after having established production in the Dakota in this 9 section area of T25N R11W. These wells were used in establishing allocation factors for future commingling.

Canyon 19

Added the Mancos in April 2006

Stabilized Mancos Only Production			
Mancos	BOPM	MCFPM	BWPM
	OIL	GAS	WATER
9/30/06	497	609	80
10/31/06	392	790	0
11/30/06	612	1095	0
12/31/06	366	904	0
1/31/07	309	777	0
2/28/07	429	760	0
Average	434	823	13

Canyon 7E

Added the Mancos in Dec 2008

Stabilized Mancos Only Production			
Mancos	BOPM	MCFPM	BWPM
	OIL	GAS	WATER
3/31/09	297	1074	211
4/30/09	363	990	176
5/31/09	258	1029	178
6/30/09	78	258	0
7/31/09	266	1422	192
8/31/09	297	1053	117
Average	260	971	146

Average Mancos		
OIL	GAS	WATER
347	897	80