

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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.*

**RECEIVED**  
APR 09 2010  
Bureau of Land Management  
Farmington Field Office

5. Lease Serial No. **NOOC14203617**

If Indian, Allottee or Tribe Name **EASTERN NAVAJO**

7. If Unit or CA/Agreement, Name and/or No. **NMM75917 BASIN DAKOTA**

8. Well Name and No. **CANYON #8E**

9. API Well No. **30-045-29697**

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

11. County or Parish, State **SAN JUAN NM**

**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) **505-333-3630**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**1,000' FNL & 1,000' FWL NWNW SEC 14-T25N-R11W N.M.P.M.**

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <b>DOWNHOLE</b>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<b>COMMINGLE</b>
	<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 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 (71599) & the Basin Mancos (97232) in the Canyon #8E. 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 a <sup>6 months Arg</sup> 2 Mancos producing wells. ~~Section EUR~~ (please see attachments) and are calculated as follows:

Basin Dakota	Oil: 0%	Gas: 41%	Water: 5%
Basin Mancos	Oil: 100%	Gas: 59%	Water: 95%

Both pools are not in the NMOCD pre-approved pool combinations for DHC in the San Juan Basin and the NMOCD was notified of our intent via Form C-107A on 4/07/2010. 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  
OIL CONS. DIV.  
DIST. 3

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

Name (Printed/Typed) **WANETT MCCAULEY** Title **REGULATORY COMPLIANCE TECHNICIAN**

Signature *Wanett McCauley* Date **4/07/2010**

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by *Joe Hewitt* Title **Geo** 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 **FFD**

**NMOCD**  
4-15

Average Monthly Production

	Oil	Gas	Water
Dakota	0	623	5
Gallup	347	897	80
<b>Total</b>	<b>347</b>	<b>1519</b>	<b>84</b>

previous 6 month avg. in Canyon 8E

stabilized Mancos Production in 9 section area

% Production

	Oil	Gas	Water
Dakota	0%	41%	5%
Gallup	100%	59%	95%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Dakota Only, Past 6 mos. production

Date	Oil	Gas	Water
8/31/2009	0	121	0
9/30/2009	0	171	7
10/31/2009	0	932	20
11/30/2009	0	904	0
12/31/2009	0	680	0
1/31/2010	0	927	0
<b>Average</b>	<b>0</b>	<b>623</b>	<b>5</b>

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