

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.

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)

505-333-3204

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

735' ENL & 1705' FEL NWNE Sec. 4 (B) - T29N-R13W N.M.P.M.

NOV 16 2010

Farmington Field Office
Bureau of Land Management

5. Lease Serial No.

NMSE-078643A

6. If Indian, Allottee or Tribe Name

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

NMM-108262 BASIN FC

8. Well Name and No.

FARMINGTON #2

9. API Well No.

30-045-30814

10. Field and Pool, or Exploratory Area

BASIN FRUITLAND COAL

FULCHER KUTZ PICTURED CLIFFS

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

- | | | | |
|---|---|--|---|
| <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 recomple 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-A to permit DHC of production from the Basin Fruitland Coal (71629) & the Fulcher Kutz Pictured Cliffs (77200) pools in the Farmington #2. Both pools are in the NMOC pre-approved pool combinations for DHC in the San Juan Basin. XTO proposes to downhole commingle these pools upon completion of the PC and OAP of the FC. R-11363

Recommended allocations (please see attached spreadsheet) are based on a 9-section EUR & are as follows:

Basin Fruitland Coal:	Gas: 38%	Water: 21%	Oil: 0%
Fulcher Kutz Pictured Cliffs:	Gas: 62%	Water: 79%	Oil: 100%

The NMOC was notified of our intent to DHC via Form C-103 on 11/15/10. Ownership is common, therefore owner notification is not necessary. Downhole commingling will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights.

DHC 3490 AZ

RCVD NOV 23 '10
OIL CONS. DIV.

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

LORRI D. BINGHAM

Title REGULATORY ANALYST

Signature

Date 11/15/10

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Joe Smith

Title

Geo

Date

11-18-10

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.

NMOC Office
FFO



FARMINGTON #2
735' FNL & 1,705' FEL, Section 4, T 29 N, R 13 W
San Juan County, New Mexico
API 30-045-30814

Proposed Down-hole Commingled Allocation Percentages

The Farmington #2 is currently completed in the Basin Fruitland Coal only. XTO Energy proposes to complete the Fulcher Kutz Pictured Cliffs and produce the well as a down-hole commingled Fruitland Coal and Pictured Cliffs well. Proposed allocation percentages were calculated based on the estimated ultimate recovery of all Fruitland Coal and Pictured Cliffs wells in the surrounding nine sections. Ownership in the two zones is common, and down-hole commingling will not decrease the value of the well. Please see the attached spreadsheet for data and calculations.

Average EUR for wells in surrounding sections:

AVERAGE EUR		
	FC	PC
Gas	511,756	822,885
Water	54,184	200,224
Oil	0	0

Proposed allocation percentages based on average EUR:

PROPOSED ALLOCATIONS		
	FC	PC
Gas	38%	62%
Water	21%	79%
Oil	0%	100%

WELL INFORMATION						CUM (MCF)		EUR (MCF)		CUM (BW)		EUR (BW)	
API	NAME	NUMBER	OPERATOR	FC	PC	FC	PC	FC	PC	FC	PC	FC	PC
3004532127	Picway	1	XTO	-	343,959	-	635,071	-	63,015	-	116,348	-	116,348
3004529507	Tiger	3	XTO	-	937,480	-	1,017,939	-	167,986	-	182,403	-	182,403
3004529521	Tiger	4	XTO	-	729,703	-	729,703	-	123,573	-	123,573	-	123,573
3004528992	Northridge	1	XTO	-	1,602,137	-	1,646,042	-	123,733	-	127,124	-	127,124
3004529294	Northridge	2	XTO	-	2,151,936	-	2,589,500	-	197,026	-	237,088	-	237,088
3004533266	Ruby	1	McElvain	-	76,484	-	464,297	-	48,052	-	291,700	-	291,700
3004531995	F-RPC 4	1	XTO	-	290,951	-	728,965	-	289,322	-	724,884	-	724,884
3004534564	Picway	2	XTO	51,462	-	297,489	-	43,876	-	-	-	-	-
3004534469	Picway	3	XTO	39,007	-	564,240	-	64,804	-	-	-	-	-
3004534468	Picway	4	XTO	32,045	-	598,983	-	105,180	-	-	-	-	-
3004532156	Arnie	1T	XTO	119,990	-	314,845	-	7,533	-	-	-	-	-
3004529618	Tiger	7	XTO	777,146	-	778,039	-	75,926	-	-	-	-	-
3004529544	Tiger	8	XTO	399,004	-	399,173	-	14,605	-	-	-	-	-
3004529951	Tiger	14	XTO	251,517	-	296,181	-	13,442	-	-	-	-	-
3004533793	Northridge	3	XTO	21,203	-	21,203	-	29,517	-	-	-	-	-
3004530814	Farmington	2	XTO	69,319	-	69,607	-	7,028	-	-	-	-	-
3004533419	F-LOG 5	3	XTO	311,755	-	1,658,652	-	127,242	-	-	-	-	-
3004533543	F-LOG 5	4	XTO	143,367	-	686,420	-	75,777	-	-	-	-	-
3004529667	Arnie	1	XTO	601,385	23	601,883	23	12,667	93	12,667	93	12,667	93
3004533422	Wildwood	1	McElvain	85,766	33,352	693,491	269,690	62,269	7,704	62,269	7,704	62,269	7,704
3004534318	Wildwood	3	McElvain	10,540	7,323	184,371	147,620	118,704	6,783	118,704	6,783	136,734	136,734
				511,756	822,885	54,184	200,224	54,184	200,224	54,184	200,224	54,184	200,224
				1,334,641		254,408		254,408		254,408		254,408	
				0.38	0.62	0.21	0.79	0.21	0.79	0.21	0.79	0.21	0.79

AVERAGE EUR		
	FC	PC
Gas	511,756	822,885
Water	54,184	200,224
Oil	0	0

PROPOSED ALLOCATIONS		
	FC	PC
Gas	38%	62%
Water	21%	79%
Oil	0%	100%