

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

MAR 09 2011

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

Bureau of Land Management

15. Lease Serial No.
NMSF-078872A
16. If Indian, Allottee or Tribe Name
N/A
17. If Unit or CA/Agreement, Name and/or No.
N/A
8. Well Name and No.
BOLACK 16 #3
9. API Well No.
30-045-32068
10. Field and Pool, or Exploratory Area
BASIN FRUITLAND COAL
WEST KUTZ PICTURED CLIFFS
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)
660' FSL & 660' FEL SESE Sec.16(P)-T27N-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 <u>DOWNHOLE</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>COMINGLE</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 permission to DHC this well per NMCD Rule 19.15.12.11 C(2) in the Basin Fruitland Coal (71629) & the West Kutz Pictured Cliffs (79680) pools upon completion of the PC. Both pools are in the NMCD pre-approved pool combinations for DHC in the San Juan Basin. Please see the attached spreadsheets for justification of proposed allocations.

Allocations are as follows:

West Kutz Pictured Cliffs:	Oil: 100%	Gas: 91%	Water: 100%
Basin Fruitland Coal:	Oil: 0%	Gas: 9%	Water: 0%

Ownership in pools is diverse & notification was made to owners by CRR on 2/11/2011. DHC will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights.

RCVD MAR 14 '11
OIL CONS. DIV.

DHC 3554 A2

DIST. 3

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)
WANETT MCCAULEY
Signature Janett McCauley
Title REGULATORY COMPLIANCE TECHICIAN
Date 3/08/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Joe Hewitt
Title GCB
Date 3-10-11
Office FFO
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.

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.

NMCD

Monthly Production Rates

	OIL	GAS	WATER
Pictured Cliffs	0	2569	38
Fruitland Coal	0	243	0
Total	0	2832	38

Average initial production for completions performed post-1998 in 9 section area NW/4 of township 27N-11W
Most Recent Active Production (below)

	Percent Production		
	OIL	GAS	WATER
Pictured Cliffs	100%	91%	100%
Fruitland Coal	0%	9%	0%
Total	100%	100%	100%

Fruitland Coal Production

	OIL	GAS	WATER
2/28/2009	0	159	0
3/31/2009	0	295	0
4/30/2009	0	274	0
5/31/2009	0	0	0
6/30/2009	0	0	0
7/31/2009	0	0	0
Average	0	243	0

API	DB ID	LEASE NAME	NO.	RESERVOIR	SEC	LOCATION	FIELD	OPERATOR	1st PROD	FBMO	Pre-WO rate MMcf/Mo	Post WO rate MMcf/Mo	Post-Pre MMcf/Mo	Incr. FBMO	EUR GAS
30045066630000	516021	BOLACK, ALICE	8	PICTURED CLIFFS	9	27 N 11 W	KUTZ W	XTO ENERGY	19520229	11/11/1999	100	2,750	2,650	170,742	843,391
30045065840000	516013	BOLACK, ALICE	11	PICTURED CLIFFS	16	27 N 11 W	KUTZ W	XTO ENERGY	19510831	7/11/2003	100	3,500	3,400	459,268	1,562,886
30045065830000	516119	SCHWERDTFEGER	10	PICTURED CLIFFS	16	27 N 11 W	KUTZ W	XTO ENERGY	19520131	9/30/2003	100	3,500	3,400	157,930	686,672
30045065030000	516120	SCHWERDTFEGER	11	PICTURED CLIFFS	17	27 N 11 W	KUTZ W	XTO ENERGY	19520229	9/30/2003	350	2,350	2,000	134,502	1,312,586
30045066610000	516018	BOLACK, ALICE	5	PICTURED CLIFFS	9	27 N 11 W	KUTZ W	XTO ENERGY	19510731	10/31/2003	150	3,800	3,650	365,319	1,033,307
30045069230000	516122	SCHWERDTFEGER	13	PICTURED CLIFFS	5	27 N 11 W	KUTZ W	XTO ENERGY	19520131	6/30/2004	1,000	2,000	1,000	140,903	878,779
30045068270000	516123	SCHWERDTFEGER	14	PICTURED CLIFFS	5	27 N 11 W	KUTZ W	XTO ENERGY	19520131	6/30/2004	100	3,200	3,100	155,346	837,783
30045067460000	516128	SCHWERDTFEGER	7	PICTURED CLIFFS	8	27 N 11 W	KUTZ W	XTO ENERGY	19520131	7/31/2004	100	3,200	3,100	144,781	812,215
30045064980000	516016	BOLACK, ALICE	14	PICTURED CLIFFS	16	27 N 11 W	KUTZ W	XTO ENERGY	19520131	12/31/2004	100	2,000	1,900	58,805	1,207,171
30045067450000	516019	BOLACK, ALICE	6	PICTURED CLIFFS	9	27 N 11 W	KUTZ W	XTO ENERGY	19520131	7/31/2008	450	800	350	11,077	505,773
											Average - PC FBMO		2,455	336,561	1,135,966
30045242680000	516631	MUDGE A	11	PICTURED CLIFFS	18	27 N 11 W	KUTZ W	XTO ENERGY	19830331		1,100	3,599	2,499		263,772
30045283970000	516479	FEDERAL COAL 18	24	PICTURED CLIFFS	18	27 N 11 W	KUTZ W	XTO ENERGY	19961231		0	4,800	4,800		248,403
30045300390000	516639	MUDGE A	7R	PICTURED CLIFFS	6	27 N 11 W	KUTZ W	XTO ENERGY	20010331		0	2,500	2,500		113,693
30045305190000	521743	MUDGE A	8R	PICTURED CLIFFS	6	27 N 11 W	KUTZ W	XTO ENERGY	20050228		0	1,900	1,900		68,245
											Average - New PC Producers		2,925		143,447

Average New Completion Rate Increase
2,589