

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
APR 29 2011

5. Lease-Serial No.

NMSF-079116

6. If Indian, Allottee or Tribe Name

7. (1) Unit or CA/Agreement, Name and/or No.

Bureau of Land Management

8. Well Name and No.

HANCOCK #4

9. API Well No.

30-045-06732

10. Field and Pool, or Exploratory Area

BASIN FRUITLAND COAL

WEST KUTZ PICTURED CLIFFS

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)

990' FNL & 990' FEL NENE Sec.11 (A) -T27N-R12W 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

☐ Acidize☐ Deepen☐ Production (Start/Resume)☐ Water Shut-Off☐ Alter Casing☐ Fracture Treat☐ Reclamation☐ Well Integrity☐ Casing Repair☐ New Construction☐ Recomplete☒ Other DOWNHOLE☐ Change Plans☐ Plug and Abandon☐ Temporarily AbandonCOMMINGLE☐ 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 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 requests permission to DHC this well per NMOC Rule 19.15.12.11 C(2) in the Basin Fruitland Coal (71629) & the West Kutz Pictured Cliffs (79680) pools. Both pools are in the NMOC pre-approved pool combinations for DHC in the San Juan Basin per NMOC Order R-11363. XTO proposes to downhole commingle these pools upon completion of the PC. Please see attached spreadsheet for justification of the following proposed allocations:

Basin Fruitland Coal	Oil:	0%	Gas:	10%	Water:	26%
West Kutz Pictured Cliffs	Oil:	100%	Gas:	90%	Water:	74%

Ownership is diverse & notification was made without protest by CRR on 3/29/2011. DHC will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights. The NMOC was notified of our intent to DHC via Form C-103 on 4/28/2011.

OIL CONS. DIV.

DIST. 3

RCVD MAY 9 '11

DHC 3584A7

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

WANETT MCCAULEY

Title REGULATORY COMPLIANCE TECHNICIAN

Signature

Date 4/28/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Joe Hunt

Title

Geo

Date

5-4-11

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

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.

NMOC

Allocations were determined by taking the last 6 months of FC production from the Hancock #4 and compared it to the 6 month average of production from PC wells seen after 6 months of production following a Full Body Make Over for wells in the 9-section. The Hancock #4 previously had production from the PC, but had never produced from this interval after a FBMO was performed.

Hancock 4 - FC production

Date	BOPM	MCF/M	BWPM
5/31/2009	0	461	60
6/30/2009	0	855	15
7/31/2009	0	853	40
8/31/2009	0	828	0
9/30/2009	0	636	0
10/31/2009	0	313	0
FC AVERAGE	0	658	19
FBMO Average	0	6021	55
TOTAL	0	6678	74

% Production

	Oil	Gas	Water
Fruitland Coal	0%	10%	26%
Pictured Cliffs	100%	90%	74%

PC Wells - After 6 months of FBMO production

Hancock 1

Date	BOPM	MCF/M	BWPM
8/31/2001	0	10563	0
9/30/2001	0	11993	0
10/31/2001	0	5191	
11/30/2001	0	12100	
12/31/2001	0	12439	
1/31/2002	0	11572	
AVERAGE	0	10643	0

Hancock 10

Date	BOPM	MCF/M	BWPM
12/31/1997	0	7036	0
1/31/1998	0	7455	0
2/28/1998	0	6651	0
3/31/1998	0	7469	0
4/30/1998	0	7291	0
5/31/1998	0	7682	0
AVERAGE	0	7264	0

Hancock 2

Date	BOPM	MCF/M	BWPM
10/31/2001	0	5191	
11/30/2001	0	4131	
12/31/2001	0	4135	0
1/31/2002	0	4066	87
2/28/2002	0	3956	89
3/31/2002	0	4207	91
AVERAGE	0	4281	67

Hancock 6

Date	BOPM	MCF/M	BWPM
11/30/1998	0	6334	150
12/31/1998	0	5552	125
1/31/1999	0	5365	0
2/28/1999	0	5228	153
3/31/1999	0	6117	156
4/30/1999	0	5918	145
AVERAGE	0	5752	122

Hancock 7

Date	BOPM	MCF/M	BWPM
10/31/1998	0	1869	122
11/30/1998	0	2110	152
12/31/1998	0	2371	90
1/31/1999	0	2508	81
2/28/1999	0	2104	55
3/31/1999	0	2011	12
AVERAGE	0	2162	85