

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☒ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ☐ Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
 [B] ☐ Offset Operators, Leaseholders or Surface Owner
 [C] ☐ Application is One Which Requires Published Legal Notice
 [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] ☐ Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate and complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name

Signature

Title

Date

e-mail Address



2700 Farmington Ave, K-1 Farmington, NM 87401
Phone: (505) 324-1090 FAX: (505) 564-6700

July 13, 2005

Mr. Will Jones
New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Subject: Application for Downhole Commingle
Kutz Federal #16
Unit L Sec 33-T28N- R10W; 30-045-33038
Basin Dakota/Basin Mancos/Otero Chacra
SF046563; San Juan, NM

Dear Mr. Jones:

Enclosed please find an administrative application form (C107A) and attachments for downhole trim mingling for the captioned well. All Working interest, net royalty interest and overriding royalty interest owners have been notified by certified, return receipt mail on July 13, 2005 of XTO Energy Inc. plans to downhole trim mingle the Kutz Federal #16. Trim mingling of zones will not reduce the recovery of these pools, but will improve recovery of liquids, thus eliminating redundant surface equipment. Waste will not result and correlative rights will not be violated. Notice of our intent has been filed with the BLM on form 3160-5.

Any questions pertaining to this matter, please call me at (505) 566-7925.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Melissa M. Osborne'.

Melissa M. Osborne
Regulatory Compliance Tech

xc: Wellfile
OCD, Aztec Office
BLM, Farmington

RECEIVED
JUL 18 2005
OIL CONSERVATION
DIVISION

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, NM 87505

RECEIVED

JUL 18 2005

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-045-33038
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator XTO ENERGY INC.		6. State Oil & Gas Lease No. SF046563
3. Address of Operator 2700 FARMINGTON AVE, SUITE K-1, FARMINGTON, NM 87401		7. Lease Name or Unit Agreement Name Kutz Federal
4. Well Location Unit Letter <u>L</u> : <u>2175'</u> feet from the <u>South</u> line and <u>845'</u> feet from the <u>West</u> line Section <u>33</u> Township <u>28N</u> Range <u>10W</u> NMPM San Juan County		8. Well Number #16
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6083' GL		9. OGRID Number 167067
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/> Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____ Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____		

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: Downhole Commingle ☒

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

XTO Energy Inc. requests approval for an exception to Rule 303-C to permit DH trim mingle of Production from the Basin Dakota (71599), Basin Mancos (97232) & Otero Chacra (82329) in Kutz Federal #16.. XTO Energy, Inc plans to downhole trim mingle these pools upon completion of this well.

Allocations are based upon a 9 section EUR and are calculated as follows:

Basin Dakota:	Gas 85%	Oil 81%
Basin Mancos	Gas 5%	Oil 19%
Otero Chacra	Gas 10%	Oil 0%

Working interest, net royalty interest and overriding interest owners have been notified by certified, return receipt mail on July 13th, 2005. The BLM has been notified with form 3160-5 of our intent to DH Trim mingling. Downhole trim mingle will offer an economical method of production while protecting against reservoir damage, waste of reserves and violation of correlative rights.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Melissa M Osborne TITLE Regulatory Compliance Tech DATE 07/13/2005
Type or print name Melissa M Osborne E-mail address: Regulatory@xtoenergy.com Telephone No. 505-566-7925
For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____
Conditions of Approval (if any): _____

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-33038	² Pool Code 71559/97232/82329	³ Pool Name Basin Dakota/Basin Mancos/Otero Chacra
⁴ Property Code 22756	⁵ Property Name Kutz Federal	⁶ Well Number 16
⁷ OGRID No. 167037	⁸ Operator Name XTO Energy Inc.	⁹ Elevation 6083' GL

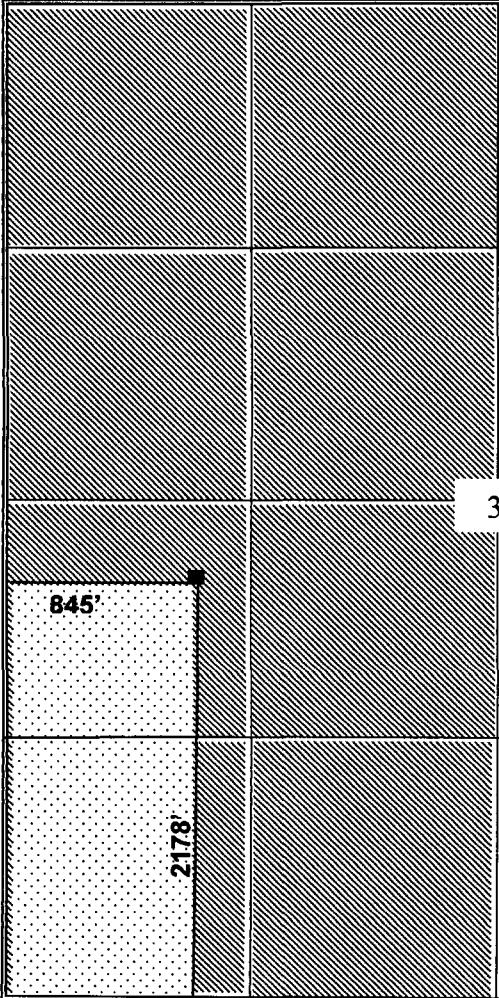
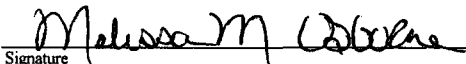
¹⁰ Surface Location

UL or lot no. L	Section 33	Township 28N	Range 10W	Lot Idn	Feet from the 2175'	North/South line South	Feet from the 845'	East/West line West	County San Juan
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres DK W/2 320 ac MA/CH SW/4160 ac	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature Melissa M. Osborne Printed Name Regulatory Compliance Tech Title and E-mail Address April 20th, 2004 Date
	¹⁸ SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i> August 30th, 2004 Date of Survey Signature and Seal of Professional Surveyor: John A. Vukonch Certificate Number 14831

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1000 Rio Brazos Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE
☒ Single Well
☐ Establish Pre-Approved Pools
EXISTING WELLBORE
☐ Yes ☒ No

APPLICATION FOR DOWNHOLE COMMINGLING

XTO Energy Inc. 2700 Farmington Ave, Suite K-1 Farmington, NM 87401

Operator Address
Kutz Federal #16 L Sec 33, T28N-R10W San Juan County
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 167037 Property Code 22756 API No 30-045-33038 Lease Type ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
	<i>UNDES</i>		
Pool Name	Otero Chacra	<i>WC</i> Basin Mancos	Basin Dakota <input checked="" type="checkbox"/>
Pool Code	82329 <input checked="" type="checkbox"/>	97232 <input checked="" type="checkbox"/>	71599 <input checked="" type="checkbox"/>
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	2,180' - 2,945'	4,340' - 4,707'	6,419' - 6,679'
Method of Production (Flowing or Artificial Lift)			
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)			
Producing, Shut-In or New Zone	New Zone	New Zone	New Zone
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: Rates:	Date: Rates:	Date: Rates:
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 0% - 10%	Oil Gas 19% - 5%	Oil Gas 81% - 85%

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?

Yes ☐ No ☒

If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?

Yes ☒ No ☐

Are all produced fluids from all commingled zones compatible with each other?

Yes ☒ No ☐

Will commingling decrease the value of production?

Yes ☐ No ☒

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application?

Yes ☒ No ☐

NMOCD Reference Case No. applicable to this well: _____

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE *Melissa M Osborne* TITLE Regulatory Compliance Tech DATE July 13, 2005

TYPE OR PRINT NAME Melissa M Osborne TELEPHONE NO. (505) 566-7925

E-MAIL ADDRESS _____

FEDERAL A	1 BP AMERICA PRODUCTION COMPANY	32 K	28N 10W GALLUP	7	158	0	7	158
KUTZ DEEP GAS COM D	1E XTO ENERGY INCORPORATED	27 I	28N 10W CHACRA	0	100	3	0	369
KUTZ FEDERAL C	1 XTO ENERGY INCORPORATED	27 G	28N 10W CHACRA	0	193	1	0	310
Average							0	340
MARTIN C FEDERAL	1 XTO ENERGY INCORPORATED	3	27N 10W DAKOTA	88	5,316	3	88	5,736
MARTIN C FEDERAL	1E XTO ENERGY INCORPORATED	3 P	27N 10W DAKOTA	0	83	1	2	888
R P HARGRAVE J	1 XTO ENERGY INCORPORATED	3 N	27N 10W DAKOTA	64	3,068	4	64	3,383
R P HARGRAVE J	1E XTO ENERGY INCORPORATED	3 F	27N 10W DAKOTA	8	1,073	14	9	1,540
HARGRAVE FEDERAL	1 TENNECO OIL COMPANY	4 C	27N 10W DAKOTA	26	1,076	0	26	1,076
FEDERAL F	2 XTO ENERGY INCORPORATED	4 H	27N 10W DAKOTA	85	5,887	4	85	6,707
FEDERAL F	2E XTO ENERGY INCORPORATED	4 O	27N 10W DAKOTA	1	174	2	3	653
R P HARGRAVE L	1 XTO ENERGY INCORPORATED	4 M	27N 10W DAKOTA	30	2,738	2	30	3,193
R P HARGRAVE L	1E XTO ENERGY INCORPORATED	4	27N 10W DAKOTA	7	1,014	3	8	1,355
C A MCADAMS C	1 XTO ENERGY INCORPORATED	5 P	27N 10W DAKOTA	34	2,214	3	35	2,559
C A MCADAMS C	2 XTO ENERGY INCORPORATED	5 K	27N 10W DAKOTA	19	2,554	4	3	597
C A MCADAMS C	1E XTO ENERGY INCORPORATED	5	27N 10W DAKOTA	10	1,143	3	11	1,383
C A MCADAMS C	2E XTO ENERGY INCORPORATED	5 F	27N 10W DAKOTA	8	830	4	10	1,013
FEDERAL GAS COM	2 XTO ENERGY INCORPORATED	27 M	28N 10W DAKOTA	99	8,636	8	99	9,565
FEDERAL GAS COM	2E XTO ENERGY INCORPORATED	27 A	28N 10W DAKOTA	0	119	6	0	459
KUTZ DEEP GAS COM D	1 XTO ENERGY INCORPORATED	27 F	28N 10W DAKOTA	47	3,662	2	47	3,988
KUTZ DEEP GAS COM D	1E XTO ENERGY INCORPORATED	27 I	28N 10W DAKOTA	4	601	2	5	671
DAVIDSON GAS COM F	1 XTO ENERGY INCORPORATED	28 M	28N 10W DAKOTA	46	3,502	2	47	3,853
DAVIDSON GAS COM F	1E XTO ENERGY INCORPORATED	28 A	28N 10W DAKOTA	6	919	1	6	1,255
FEDERAL GAS COM	1 XTO ENERGY INCORPORATED	28 F	28N 10W DAKOTA	44	4,259	4	46	4,633
FEDERAL GAS COM	1E XTO ENERGY INCORPORATED	28 J	28N 10W DAKOTA	1	252	7	3	920
HUBBELL A	1 BURLINGTON RESOURCES O&G CO LP	29 B	28N 10W DAKOTA	33	4,178	1	34	4,250
HUBBELL A	1E XTO ENERGY INCORPORATED	29 F	28N 10W DAKOTA	8	903	2	9	1,119
HUBBELL GAS COM C	1 XTO ENERGY INCORPORATED	29 N	28N 10W DAKOTA	48	5,423	1	49	5,863
HUBBELL GAS COM C	1E XTO ENERGY INCORPORATED	29 I	28N 10W DAKOTA	11	1,411	3	13	1,798
FEDERAL A	1 XTO ENERGY INCORPORATED	32 K	28N 10W DAKOTA	42	4,662	3	43	5,028
FEDERAL A	1E XTO ENERGY INCORPORATED	32 E	28N 10W DAKOTA	0	227	2	1	689
FRED FEASEL L	1 XTO ENERGY INCORPORATED	32 H	28N 10W DAKOTA	48	4,945	4	50	5,341
FRED FEASEL L	1E XTO ENERGY INCORPORATED	32 I	28N 10W DAKOTA	6	1,115	4	8	1,575
FRED FEASEL H	1 XTO ENERGY INCORPORATED	33 H	28N 10W DAKOTA	37	3,874	4	39	4,149
FRED FEASEL H	1E XTO ENERGY INCORPORATED	33 O	28N 10W DAKOTA	8	1,172	8	9	1,532
KUTZ FEDERAL	13E XTO ENERGY INCORPORATED	33 K	28N 10W DAKOTA	27	2,713	1	26	2,715
KUTZ FEDERAL	2E CONOCO INCORPORATED	34 E	28N 10W DAKOTA	0	139	6	4	843
MCLEOD	2 CONOCOPHILLIPS COMPANY	34 L	28N 10W DAKOTA	2	467	143	2	467
MCLEOD	1 XTO ENERGY INCORPORATED	34 G	28N 10W DAKOTA	85	6,686	18	87	7,209
FRED FEASEL J	1E XTO ENERGY INCORPORATED	34 O	28N 10W DAKOTA	76	4,260	3	76	4,607
FRED FEASEL J	1E XTO ENERGY INCORPORATED	34 O	28N 10W DAKOTA	8	1,014	4	8	1,272
Average							29	2,808

Allocation:	Oil	Gas
Chacra	0%	10%
Gallup/Mancos	19%	5%
Dakota	81%	85%

Kutz Federal #16

BLM
1235 La Plata Hwy, Ste A
Farmington, NM 87401

Miriam I. Findley
6511 North County Road #3
Fostoria, OH 44830

B.B.L., Ltd.
P.O. Box 911
Breckenridge, TX 76424-0911

William L. Floyd, Jr.
16 East 77th Street Apt. 5A
New York, NY 10021

Rita Treasa Floyd
C/O Comerica Bank -TX Trustee
Attn: John W. Lowrie
P.O. Box 4167 (Mail Code 6605)
Houston, TX 77210-4167

Leon M. Ducharme Marital Trust
Rita Mae Ducharme & Joyce J.
Neville, Co-Trustees
2617 S. Wadsworth Circle
Lakewood, CO 80227-3220

Rita Mae Ducharme
2617 S. Wadsworth Circle
Lakewood, CO 80227-3220

Comstock Oil & Gas, Inc.
5300 Town & Country Blvd. #500
Frisco, TX 75034

TCW DR II Royalty Partnership
865 South Figueroa St #1800
Los Angeles, CA 90017

Mathias Family Trust 9/9/81
Barbara J. Mathias & Carol J.
Hopper Co-Trustees
3233 Spring Lane

Falls Church, VA 22041-2607

Virginia L. Mullin
2500 Cherry Creek S Drive Apt. 504
Denver, CO 80209

Bernard Hyde Dr Living Trust
Dated 4-6-88
Bernard Hyde Dr Trustee
28242 Yanez
Mission Viejo, CA 92692-1836

Richard P. Shooshan
686 E Union Street
Pasadena, CA 91101-1820



2700 Farmington Ave, K-1 Farmington, NM 87401
Phone: (505) 324-1090 FAX: (505) 564-6700

July 13, 2005

RE: Notice of Intent to Apply for Downhole Commingling

Kutz Federal #16
L Sec 33, T28N, R10W; 2,175' FSL & 845' FWL
San Juan County, NM

To: All working interest, royalty interest and overriding royalty interest owners.

XTO Energy Inc. is applying for permission to downhole trim mingle the Basin Dakota (71599), Basin Mancos (97232) and the Otero Chacra (82329) pools in the Kutz Federal #16. We propose to downhole trim mingle production from these pools after this well is drilled and upon approval from the NMOCD. NMOCD requires all interest owners be notified of intent to downhole trim mingle if ownership is different between pools.

Based upon the 9-section EUR's for the Basin Dakota, Basin Mancos and Otero Chacra, XTO Energy Inc. proposes allocation of trim mingled production as follows:

Pool	Oil	Gas
Basin Dakota	81%	85%
Basin Mancos	19%	5%
Otero Chacra	0%	10%

If you need additional information or have any questions, I may be contacted at (505) 566-7925. If you are opposed to trim mingling production from these pools please respond in writing within 20 days of the date of this letter to XTO Energy Inc., 2700 Farmington Avenue, Suite K-1, Farmington, NM 87401.

Sincerely,

A handwritten signature in cursive script that reads 'Melissa M Osborne'.

Melissa M Osborne
Regulatory Compliance Tech

xc: Well File
FW Land Dept.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires March 31, 2007

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 reverse side

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. SF 046563
2. Name of Operator XTO Energy Inc.		6. If Indian, Allottee or Tribe Name
3a. Address 2700 Farmington Ave., Bldg. K. Ste 1 Farmington,	3b. Phone No. (include area code) 364-1090	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2,175' FSL & 845' FWL, UL L, Sec 33, T28N, R10W		8. Well Name and No. Kutz Federal #16
		9. API Well No. 30-045-33038
		10. Field and Pool, or Exploratory Area Basin DK/Basin MA/ Otero Chacra
		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	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>Trim mingle</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-C to permit DH Trim mingling production from the Basin Dakota, Basin Mancos & Otero Charca in the Kutz Federal #16. XTO Energy Inc. proposes to downhole trim mingle thses pools upon completion of this well.

Allocations are based upon a 9-section EUR and are caculated as follows:

Basin Dakota	Gas 85%	Oil 81%
Basin Mancos	Gas 5%	Oil 19%
Otero Chacra	Gas 10%	Oil 0%

Working interest, net royalty interest and overriding interest owners have been notified by certified, return receipt mail on July 13th, 2005. The NMOC has been notified of our intent by submission of a C-103. Downhole Trim mingling will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights.

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Melissa M Osborne	Title REGULATORY COMPLIANCE TECH
Date 07/13/2005	

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date
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	

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.