

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

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.

JUN 23 2011

Lease Serial No

NMM048570

6 If Indian, Allottee or Tribe Name

Bannington Field Ctr
Bureau of Land Management
7 Unit or CA/Agreement, Name and/or No.

NMM73799

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)

505-333-3100

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

815' ENL & 890' FEL NENE SEC. 32 (A) -T29N-R10W

8. Well Name and No

SKELLY GAS COM #1

9. API Well No

30-045-07735

10. Field and Pool, or Exploratory Area

BASIN DAKOTA

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

☐ Acidize☐ Deepen☐ Production (Start/Resume)☐ Water Shut-Off☐ Alter Casing☐ Fracture Treat☐ Reclamation☐ Well Integrity☒ Casing Repair☐ New Construction☐ Recomplete☒ Other CSG SOZ☐ Change Plans☐ Plug and Abandon☐ Temporarily AbandonVERBAL APPROVAL☐ 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 Inc. received verbal approval to resqueeze from 3,898' - 4,120' due to fluid entry in this well of 3.4 bbls/day water calculated volume. Approval given by Charlie Perrin (OCD) @ 4:30 p.m., 6/21/2011; and Troy Salyers (BLM) @ 9:26 a.m., 6/22/2011. (See attached XTO Verbal Approval Form).

The previous C-144 CLEZ Pit Permit approval will remain in effect until the rig moves off.

RCVD JUL 1 '11
OIL CONS. DIV.
DIST. 3

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS

CONDITIONS OF APPROVAL
Adhere to previously issued stipulations.

* PT csg. to 500psig / 30 minutes minimum. Report results

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

BARBARA A. NICOL

Title REGULATORY COMPLIANCE TECHNICIAN

Signature

Barbara A. Nicol

Date 06/22/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Troy L Salyers

Title

PE

Date

6/27/11

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.

NMMOCD

XTO

Verbal Approval Form

Well Name	Well #	API #	County/State	XTO Employee Requesting Verbal Approval
Skelly Gas Com	#1	30-045-07735	San Juan/NM	Mike Logan
Detailed Description of Proposed Action Requiring Verbal Approval				
Resqueeze 3,898' - 4,120' 6/22/11 per Charlie Perrin due to fluid entry of 3.4 bbls/day water calculated volume.				
Name of Agency	Verbal Approval Given By	Date/Time of Verbal Approval	COA's	
BLM	Troy Salyers	6/22/11 9:26 a.m.		
OCD	Charlie Perrin	6/21/11 4:30 p.m.		
Is Pit Permit C144-CLEZ Required? (NM only)	Verbal Pit Approval Given By	Date/Time of Pit Verbal Approval	COA's	
Previous approval remains until rig moves off	Brandon Powell	6/14/2011 2:30 p.m.		