

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SEP 21 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.

Farmington Field Office
Bureau of Land Management
Case Serial No
17203609

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)

1800' FNL & 800' FWL SWNW Sec. 10 (E) - T25N-R11W NMM

6 If Indian, Allottee or Tribe Name

NAVAJO

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

NMM-75914 (DAKOTA)

8 Well Name and No

HUN NE PAH #1

9 API Well No.

30-045-21214

10 Field and Pool, or Exploratory Area

BASIN DAKOTA/BASIN MANCOS

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 requests approval, per NMOCD Rule 19.15.12.11 C(2), to downhole commingle production from the Basin Dakota (71599) and the Basin Mancos (97232) pools in the Hun Ne Pah #1. XTO proposes to downhole commingle upon completion of the Mancos. Please see attached spreadsheets for justification of proposed allocations.

Basin Dakota	Oil: 1%	Gas: 13%	Water: 5%
Basin Mancos	Oil: 99%	Gas: 87%	Water: 95%

The pools are not pre-approved combinations for downhole commingle in the San Juan Basin and the NMOCD was notified of our intent via Form C-107A on 9/20/2011. Ownership is common in both zones; therefore notification was not necessary. DHC 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)

WANETT MCCAULEY

Title REGULATORY COMPLIANCE TECHNICIAN

Signature

Wanett McCauley

Date 9/20/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Joe Hunt

Title Geo

Date 9-21-11

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 FFD

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.

NMOCD



Average Monthly Production

	Oil	Gas	Water
Dakota	3	459	5
Mancos	467	2945	90
Total	470	3405	95

previous 6 month avg. in Huh Ne Pah 1

stabilized Mancos Production in 9 section area

% Production

	Oil	Gas	Water
Dakota	1%	13%	5%
Mancos	99%	87%	95%
Total	100%	100%	100%

Dakota Only, Past 6 mos. production

Date	Oil	Gas	Water
11/30/2010	.0	498.0	.0
12/31/2010	.0	447.0	13.0
1/31/2011	5.0	428.0	.0
2/28/2011	.0	536.0	.0
3/31/2011	10.0	490.0	15.0
4/30/2011	3.0	357.0	2.0
Average	3	459	5

There have been 3 wells, Canyon 7E and Canyon 19, completed into the Mancos after having established production in the Dakota in this 9 section area of T25N R11W. These wells were used in establishing allocation factors for future commingling. The Canyon 5 is another Mancos producer recently added, but it is not commingled with any other intervals.

Canyon 19

Added the Mancos in April 2006

Stabilized Mancos Only Production				
	BOPM	MCFPM	BWPM	
Mancos	OIL	GAS	WATER	
9/30/06	497	609	80	
10/31/06	392	790	0	
11/30/06	612	1095	0	
12/31/06	366	904	0	
1/31/07	309	777	0	
2/28/07	429	760	0	
Average	434	823	13	

Canyon 5

Added the Mancos in Nov 2010

Mancos Only Production				
	BOPM	MCFPM	BWPM	
Mancos	OIL	GAS	WATER	
12/31/10	848	5024	210	
1/31/11	907	5632	123	
2/28/11	430	5269	83	
3/31/11	904	5623	0	
4/30/11	503	5054	160	
Average	718	5320	115	

Canyon 8E

Added the Mancos in July 2010

Stabilized Mancos Only Production				
	BOPM	MCFPM	BWPM	
Mancos	OIL	GAS	WATER	
11/30/2010	931	6294	-3	
12/31/2010	440	5257	22	
1/31/2011	393	3969	297	
2/28/2011	207	4825	48	
3/31/2011	529	4244	77	
4/30/2011	224	3415	77	
Average	454	4668	86	

	Oil	Gas	Water	Oil	Gas	Water	Oil	Gas	Water	Oil	Gas	Water	
	Mancos Allocated	Dakota Allocated	Total Allocated	Last Dakota production before Mancos add									
11/30/2010	931	4158	0	0	2889	0	931	7047	0	10/31/2009	0	932	20
12/31/2010	440	3546	24	0	2464	1	440	6010	25	11/30/2009	0	904	0
1/31/2011	393	2786	285	0	1936	15	393	4722	300	12/31/2009	0	680	0
2/28/2011	207	3291	48	0	2287	3	207	5578	51	1/31/2010	0	927	0
3/31/2011	529	2948	76	0	2049	4	529	4997	80	2/29/2010	0	736	0
4/30/2011	224	2459	76	0	1709	4	224	4168	80	3/31/2010	0	338	0

Canyon 7E

Added the Mancos in Dec 2008

Stabilized Mancos Only Production				
	BOPM	MCFPM	BWPM	
Mancos	OIL	GAS	WATER	
3/31/09	297	1074	211	
4/30/09	363	990	176	
5/31/09	258	1029	178	
6/30/09	78	258	0	
7/31/09	266	1422	192	
8/31/09	297	1053	117	
Average	260	971	146	

Average Mancos		
OIL	GAS	WATER
467	2945	90