

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTRCUD JAN 5 '12
FORM APPROVED
OMB NO. 1010-0137
OP. CONS. DIV.
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

SUBMIT IN TRIPLICATE - Other instructions on page 2

DEC 23 2011

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMSF-078019	
2. Name of Operator XTO Energy Inc.		6. If Indian, Allottee or Tribe Name	
3a. Address 382 CR 3100, AZTEC, NM 87410	3b. Phone No. (include area code) 505-333-3630	7. If Unit or CA/Agreement, Name and/or No	
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1118' FNL & 1413' FEL NWNE SEC. 36 (B) - T28N-R11W N.M.P.M.		8. Well Name and No EH PIPKIN 36 #2	
		9. API Well No 30-045-27552	
		10. Field and Pool, or Exploratory Area BASIN FRUITLAND COAL FULCHER KUTZ PICTURED CLIFFS	
		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>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 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 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 per NMOCD Rule 19.15.12.11 C(2) to downhole commingle production from the Basin Fruitland Coal (71629) and the Fulcher Kutz Pictured Cliffs (77200) pools. XTO proposes to downhole commingle these pools upon completion. Please see the attached spreadsheets for justification of the following proposed allocations:

Fulcher Kutz PC	Oil: 100%	Gas: 76%	Water: 3%
Basin Fruitland Coal	Oil: 0%	Gas: 24%	Water: 97%

Pools are in the NMOCD pre-approved pool combinations for downhole commingle in the San Juan Basin. Ownership is common therefore, there are no owners to notify of our intent to DHC. Downhole commingling will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights. The NMOCD was notified of our intent via Form C-103 on 12/22/2011.

DHC 3683 AZ

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) WANETT MCCAULEY	Title REGULATORY COMPLIANCE TECHNICIAN
Signature Wanett McCauley	Date 12/22/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Joe Hewitt	Title Geo	Date 12-30-11
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.

NMOCD

Allocations are based off the well's current Fruitland Coal production and Pictured Cliffs production in the 9-section area where a 1950's-era well had minimal production and a later Pictured Cliffs producer redeveloped the area.

Monthly Production Rates

	OIL (Bbl/mo.)	GAS (KCF/mo.)	Water (Bbl/mo.)	
Pictured Cliffs	0	4701	0	Average production increase after adding replacement PC wells in 9-section
Fruitland Coal	0	1508	13	Previous 6-month average for Fruitland Coal production in EH Pipkin 36-2
Total	0	6209	14	

Percent Production			
	OIL	GAS	Water
Pictured Cliffs	100%	76%	3%
Fruitland Coal	0%	24%	97%
Total	100%	100%	100%

EH Pipkin 36-2 - Current Fruitland Coal production

	BO/Mo.	KCF/Mo.	BW/Mo.	
May-11	0	1758	0	
Jun-11	0	1109	0	
Jul-11	0	1302	0	
Aug-11	0	1187	0	
Sep-11	0	1759	0	
Oct-11	0	1932	80	
AVERAGE	0	1508	13	

The 3 wells shown below lie in the 9-section around the EH Pipkin 36-2 well where the Pictured Cliff formation as originally produced from a 1950s-era well with minimal production, and was later redeveloped with another wellbore.

Knauff 2

	BO/Mo.	KCF/Mo.	BW/Mo.
Jul-76	0	5687	0
Aug-76	0	4445	0
Sep-76	0	1861	0
Oct-76	0	4780	0
Nov-76	0	6266	0
Dec-76	0	6030	0
AVERAGE	0	4845	0

Martin GC B-1E - PC only

	BO/Mo.	KCF/Mo.	BW/Mo.
Jan-84	0	5225	0
Feb-84	0	6099	0
Mar-84	0	5052	0
Apr-84	0	357	0
May-84	0	6150	5
Jul-84	0	4614	3
AVERAGE	0	4583	1

	Oil	Gas	Water	Oil	Gas	Water	Oil	Gas	Water		Oil	Gas	Water
	Pictured Cliffs Allocated			Dakota Allocated			Total Allocated				Last Dakota production before PC add		
1/31/1984		6996		40	7542		40	14538	0	7/31/1983	101	13344	
2/29/1984		7390		67	8022		67	15412	0	8/31/1983	70	9817	
3/31/1984		6820		80	7545		80	14365	0	9/30/1983	74	9293	
4/30/1984		4719		67	4951		67	9670	0	10/31/1983	38	7992	
5/31/1984		7023	5	72	8440		72	15463	5	11/30/1983	59	8425	
7/31/1984		7174	3	62	6753	4	62	13927	7	12/31/1983	30	7009	

Martin 5R

	BO/Mo.	KCF/Mo.	BW/Mo.
Aug-99	0	5664	0
Sep-99	0	4809	0
Oct-99	0	4777	0
Nov-99	0	4406	0
Dec-99	0	4365	0
Jan-00	0	4031	0
AVERAGE	0	4675	0