

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000**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. NMSF047039A
2. Name of Operator XTO ENERGY INC		6. If Indian, Allottee or Tribe Name
3a. Address 2700 FARMINGTON AVE., BLDG K, SUITE 1 FARMINGTON, NM 87401		7. If Unit or CA/Agreement, Name and/or No. NMNM73949
3b. Phone No. (include area code) Ph: 505-324-1090 Fx: 505-564-6700		8. Well Name and No. KUTZ FEDERAL 11F
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 20 T28N R10W NWSW 1650FSL 665FWL		9. API Well No. 30-045-32652-00-X1
		10. Field and Pool, or Exploratory BASIN DAKOTA OTERO CHACRA
		11. County or Parish, and State SAN JUAN COUNTY, 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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Subsurface Commingling
	<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 recompletable 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 recompletable 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 site is ready for final inspection.)

XTO Energy Inc., proposes to downhole commingle production from the Basin Dakota pool (71599) and the Otero Chacra pool (82329). XTO will spud this well in March, 2005 and proposes to downhole commingle these pools upon completion of the well. The proposed allocations are based on an individual pool average EUR's in the immediate area. See attachments for supporting documentation and plats for this well. Based upon the average EUR, XTO proposes to allocate the commingled production as follows:

Basin Dakota	Gas 86%	Oil 100%	Water 100%
Otero Chacra	Gas 14%	Oil 0%	Water 0%

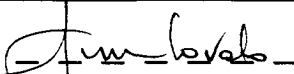
DH1816AZ

Ownership in this well's pools is not common and notification by certified mail to WI, ORRI and NRI owners has been completed. No objections were received. Downhole commingling will offer an

CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct. Adhere to previously issued stipulations.	
Electronic Submission #54833 verified by the BLM Well Information System For XTO ENERGY INC., sent to the Farmington Committed to AFMSS for processing by MATTHEW HALBERT on 03/25/2005 (05MXH0507SE)	
Name (Printed/Typed) HOLLY C PERKINS	Title REGULATORY COMPLIANCE TECH
Signature (Electronic Submission)	Date 03/08/2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By 	Title Petr. Eng	Date 4/1/05
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 NMOC

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

Additional data for EC transaction #54833 that would not fit on the form

32. Additional remarks, continued

economic method of production while protecting against reservoir damage, waste of reserves and violation of correlative rights. An application for DHC has been filed with the NMNOCD.