

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

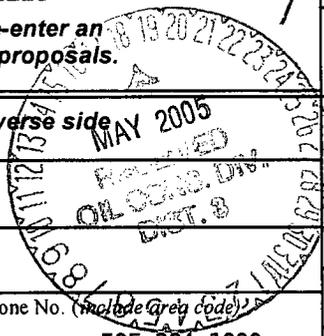
FORM APPROVED  
OMB NO. 1004-0137  
Expires March 31, 2007

**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		7. If Unit or CA/Agreement, Name and/or No. <b>NNMSF077951</b>	
2. Name of Operator <b>XTO Energy Inc.</b>		8. Well Name and No. <b>JACK FROST D #1</b>	
3a. Address <b>2700 Farmington Ave., Bldg. K. Ste 1 Farmington,</b>	3b. Phone No. (include area code) <b>505-324-1090</b>	9. API Well No. <b>30-045-06266</b>	
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) <b>SEC 26-T27N-R10W 1700' FNL &amp; 790' FWL</b>		10. Field and Pool, or Exploratory Area <b>BASIN DAKOTA ANGEL PEAK GALLUP</b>	
		11. County or Parish, State <b>SAN JUAN NM</b>	



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"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal
			<input type="checkbox"/> Water Shut-Off
			<input type="checkbox"/> Well Integrity
			<input checked="" type="checkbox"/> Other <u>DOWNHOLE</u>
			<u>COMMINGLE</u>

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. requests approval for an exception to Rule 303-C to permit the downhole commingle of production from the Basin Dakota and the Angel Peak Gallup in this well. It is proposed to downhole commingled production upon recompleat of the Angel Peak Gallup reservoir. Based upon a 9-section EUR for Dakota & Gallup, allocations are proposed as follows:

Basin Dakota (71599)	Oil	59%	Gas	51%
Angel Peak Gallup (02170)	Oil	41%	Gas	49%

Both of these pools are included in the New Mexico Oil Conservation division pre-approved pool combinations for downhole commingling in the San Juan Basin. The NMOCD has been notified of our intent by submission of form C103. Working interest, net royalty interest and overriding royalty interest owners have been notified by certified, return receipt mail on April 6, 2005. Downhole commingling will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights.

**CONDITIONS OF APPROVAL**

Adhere to previously issued stipulations.

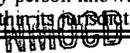
*DHC 1880A2*

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) <b>HOLLY C. PERKINS</b>	Title <b>REGULATORY COMPLIANCE TECH</b>
<i>Holly C. Perkins</i>	Date <b>4/26/05</b>

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by <i>[Signature]</i>	Title <b>Petr. Eng</b>	Date <b>5/17/05</b>
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.		

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.



RECEIVED  
BUREAU OF LAND MANAGEMENT  
SANTA FE, NEW MEXICO  
PN 4  
48



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

April 1, 2005

RE: Notice of Intent to Apply for Downhole Commingling

Jack Frost D #1  
Sec 26, T27N, R10W; 1700' FNL & 790' 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 commingle the Basin Dakota and the Angels Peak Gallup Pools in the Jack Frost D #1. We propose to downhole commingle production from both pools on initial completion. NMOCD requires all interest owners be notified of intent to downhole commingle if ownership is different between pools.

The proposed allocations are based on individual pool average EUR's in the area. Based upon this data, XTO Energy Inc. proposes to allocate the commingled production as follows:

Pool	Oil	Gas
Basin Dakota	59%	51%
Angels Peak Gallup	41%	49%

If you need additional information or have any questions, I can be contacted at (505) 324-1090. If you are opposed to commingling production from these two 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,

Teena Cospel  
Production Clerk

xc: Well File  
FW Land Dept.  
BLM