

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM 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.

5. Lease Serial No.

SF 047039 B

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

XTO Energy Inc.

3a. Address

2700 Farmington Ave., Bldg. K, Ste 10 Farmington,

3b. Phone No. (include area code)

364-1090

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

990' FSL &amp; 660' FEL, UL P, Sec 18, T28N, R10W

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

8. Well Name and No.

Kutz Federal #15

9. API Well No.

30-045-33037

10. Field and Pool, or Exploratory Area

Basin Dakota/  
Otero Chacra

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☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☐ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☒ Other DownholeCommingling

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 NMOC Rule 303-C to permit DHC of production from the Basin Dakota & Otero Chacra in the Kutz Federal #15. XTO Energy, Inc. proposes to downhole commingling these pools upon completion of this well.

Allocations are based upon a 9-section EUR and are calculated as follows:

Basin Dakota	Gas	90%	Oil	100%
Otero Chaca	Gas	10%	Oil	0%

Both pools are included in the New Mexico Oil Conservation Division pre-approved pool combinations for downhole commingling in the San Juan Basin. Working Interest, net royalty interest & overriding royalty interest owners have been notified by certified, return receipt mail on June 29th, 2005. The NMOC has been notified of our intent by submission of a C-103. Downhole commingling 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)

Melissa M Osborne

Title

Regulatory Compliance Tech

Date 06/29/2005

## THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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

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.

NMOC



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

June 29, 2005

RE: Notice of Intent to Apply for Downhole Commingling

Kutz Federal #15  
P Sec 18, T28N, R10W; 990' FSL & 660' FEL  
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 (71599) and the Otero Chacra (82329) pools in the Kutz Federal #15. We propose to downhole commingle production from both pools after this well is drilled and upon approval from the NMOCD. NMOCD requires all interest owners be notified of intent to downhole commingle if ownership is different between pools.

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. Based upon the 9-section EUR's for the Basin Dakota and Otero Chacra, XTO Energy Inc. proposes allocation of commingled production as follows:

Pool	Oil	Gas
Basin Dakota	100%	90%
Otero Chacra	0%	10%

If you need additional information or have any questions, I may be contacted at (505) 566-7925. 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,

A handwritten signature in cursive script that reads 'Melissa M Osborne'.

Melissa M Osborne  
Regulatory Compliance Tech

xc: Well File  
FW Land Dept.