

SEP 23 2014
SUNDAY 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 page 2

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NOOC14203612
2. Name of Operator XTO ENERGY INC.		6. If Indian, Allottee or Tribe Name NAVAJO
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. SWI4290
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1000' FNL & 1060' FEL NENE SEC.13 (A) -T25N-R11W N.M.P.M.		8. Well Name and No. CANYON #12
		9. API Well No. 30-045-21499
		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	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 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	<u>DIST. 3</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 recompleate 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 recompleation 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 to DHC this well per NMOCD Rule 19.15.12.11 C(2) in the Basin Dakota (71599) & the Basin Mancos (97232) in the Canyon #12. XTO proposes to downhole commingle these pools upon completion of the Mancos. Please see the attached spreadsheet for justification of the following proposed allocations:

Basin Dakota:	Oil: 6%	Gas: 63%	Water: 43%
Basin Mancos:	Oil: 94%	Gas: 37%	Water: 57%

Pools are in the NMOCD pre-approved pool combinations for DHC in the San Juan Basin per order R-12984-B. Ownership is common in all zones; therefore, there are no owners to notify of our intent to DHC. DHC 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 to DHC via Form C-103 on 9/22/2014.

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) SHERRY J. MORROW	Title REGULATORY ANALYST
Signature <i>Sherry J. Morrow</i>	Date 9/22/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by <i>Joe Morrow</i>	Title EO	Date 9-24-14
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	

Canyon #12 Allocation Calculation

Average production based on offset 9-section wells.

	Canyon 6			Canyon 7E			Canyon 8E			Canyon 11			Canyon 19			Hun Ne Pah 1E		
	GAS	OIL	WTR	GAS	OIL	WTR	GAS	OIL	WTR	GAS	OIL	WTR	GAS	OIL	WTR	GAS	OIL	WTR
rate prior to adding pay (Dakota only)	2500	10	0	2000	5	48	700	0	3	1200	5	20	1800	12	6	2000	4	60
rate after adding pay (Dakota + Mancos)	7,000	200	1	2,800	150	79	1,800	100	43	3,000	400	25	2,000	60	34	2,000	80	63
calculated Mancos prod	4,500	190	1	800	145	31	1,100	100	40	1,800	395	5	200	48	28	0	76	3
% Dakota	36	5	0	71	3	61	39	0	7	40	1	80	90	20	18	100	5	95
% Mancos	64	95	100	29	97	39	61	100	93	60	99	20	10	80	82	0	95	5

AVERAGE			
	GAS	OIL	WTR
% Dakota	63	6	43
% Mancos	37	94	57