

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 JUN 2006

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

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

XTO ENERGY INC.

3a. Address

2700 Farmington Ave., Bldg. K, Ste 1 Farmington,

3b. Phone No. (include area code)

505-324-1090

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

1000' FNL, 1190' FWL SEC24, T27N, R12W "D"

5. Lease Serial No.

NMM02691

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

FEDERAL GAS COM

J #1E

9. API Well No.

30-045-26115

10. Field and Pool, or Exploratory Area

BASIN DAKOTA/GALLEGOS GALLUP

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 DOWNHOLE

COMMINGLE

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. is requesting an administrative approval for an exemption to Rule 303-C to permit downhole commingling of production from the Basin Dakota pool (71599) and the Gallegos Gallup (26980).

XTO proposes to downhole commingle these pools upon completion of the well. The proposed allocations are based on an individual pool average production of wells located in a nine-section surrounding are. Based upon the average production, XTO proposes to allocate the commingled production as follows:

Basin Dakota:	Gas: 77%	Water: 53%	Oil: 53%
Gallegos Gallup:	Gas: 23%	Water: 47%	Oil: 47%

Ownership in the well's pools is not common and notification by certified, return receipt mail to WI, ORRI, NRI owners was completed on 4/20/06. There have been no objections of our intention to DHC this well. Downhole commingling will offer an economical method of production while protecting against reservoir damage, waste of reserves and protection of correlative rights. The NMOC has been notified of our intent to DHC this well.

CONDITIONS OF APPROVAL

Adhere to previously issued stipulations.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

LORRI D. BINGHAM

Title

REGULATORY COMPLIANCE TECH

Date 5/15/06

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Matt Hallert

Title

PETE ENG

Date

6-6-06

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

BLM-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.

NMOC

Owners are the same in both wells, but interest is different.
Federal Gas Com J 1E GA & DK

ALLEN M TONKIN JR
412 SAN PASQUALE SW
ALBUQUERQUE, NM 87104-1135

CASWELL SILVER PARTNERSHIP
C/O P AND M PETROLEUM MGMT
518 17TH STREET, #230
DENVER, CO 80202-0000

EUREKA GAS COMPANY, INC
PO BOX 4037
MIDLAND, TX 79704-0000

FRANK W PODPECHAN
PO BOX 3226
TULSA, OK 74101-3226

LINLEY T SOLARI
PO BOX 1783
EL PRADO, NM 87529-0000

MMS XTO FEDERAL
C/O XTO ENERGY INC
810 HOUSTON STREET
FORT WORTH, TX 76102-6298

NANCY P TONKIN REV TRUST
NANCY P TONKIN TRUSTEE
1524 PARK AVE S W
ALBUQUERQUE, NM 87104-1024

NANCY T CUTTER REV TRUST
NANCY T CUTTER TRUSTEE
UTA DATED AUGUST 24, 1995
1524 PARK AVENUE S W
ALBUQUERQUE, NM 87104-1024

XTO ENERGY INC.
810 HOUSTON STREET
FORT WORTH, TX 76102-6298

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 87240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.
30-045-26115

5. Indicate Type of Lease
STATE ☐ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name:
FEDERAL GAS COM J

8. Well Number
1E

9. OGRID Number
167067

10. Pool name or Wildcat
BASIN DAKOTA/GALLEGOS GALLUP

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:
Oil Well ☐ Gas Well ☒ Other

2. Name of Operator
XTO Energy Inc.

3. Address of Operator
2700 Farmington Ave., Bldg. K, Ste 1 Farmington, NM 87401

4. Well Location
Unit Letter D : 1000 feet from the NORTH line and 1190 feet from the WEST line

Section 24 Township 27N Range 12W NMPM County SAN JUAN

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
5886'

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐ CHANGE PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐

OTHER: DOWNHOLE COMMINGLE ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

XTO reqsts apprvl f/exemption to Rule 303-C to permit DHC of prod fr/Basin DK (71599) & Gallegos Gallup (26980) upon completion of drlg. The proposed alloc are based on individual pool average prod of wells in a 9-section surrounding area. Based on avg prod, XTO proposes to allocate the congl prod as:

Basin Dakota Gas: 77% Water: 53% Oil: 53%

Gallegos Gallup Gas: 23% Water: 47% Oil: 47%

Ownership in these pools is not common & notice was given by certified, return receipt mail to WI, ORRI, NRI owners on 4/20/06. No obj were rcvd. DHC will offer an economical method of prod while guarding against resrvr damage, waste of resrv's & protection of correlative rights. BLM was notified of intent.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐ , a general permit ☐ or an (attached) alternative OCD-approved plan ☐

SIGNATURE Lorri D. Bingham TITLE REGULATORY COMPLIANCE TECH DATE 5/16/06

Type or print name LORRI D. BINGHAM

E-mail address: REGULATORY@XTOENERGY.COM

Telephone No. 505-324-1090

For State Use Only

APPROVED BY _____ TITLE _____ DATE _____

Conditions of Approval, if any: