

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		5 Lease Serial No <b>14-20-603-2168A</b>
2 Name of Operator <b>XTO Energy Inc.</b>		6 If Indian, Allottee or Tribe Name <b>NAVAJO 27 #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>	7 If Unit or CA/Agreement, Name and/or No <b>2.0 FAD BLM</b>
4 Location of Well (Footage, Sec, T, R, M, or Survey Description) <b>1255' FNL &amp; 1120' FEL</b>		8 Well Name and No <b>NAVAJO 27 #1</b>
		9 API Well No <b>30-045-29955</b>
		10 Field and Pool, or Exploratory Area <b>BASIN FRUITLAND COAL/ WEST KUTZ PICTURED CLIFFS</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 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 checked="" 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 <b>DHC ALLOC</b>
	<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	

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.)

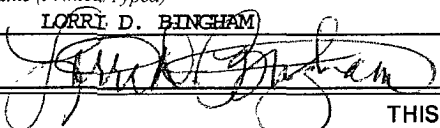
Please see attachments for explanation of DHC allocations.

RCVD AUG 16 '07

OIL CONS. DIV.

DIST. 3

DHC 59AZ

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) <b>LORRI D. BINGHAM</b>	Title <b>REGULATORY COMPLIANCE TECH</b>
	Date <b>8/7/07</b>

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by <b>Joe Ham</b>	Title <b>GEO</b>	Date <b>8-15-07</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	Office <b>FFD</b>	

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

## Navajo 27 #1

The Navajo 27 #1 was approved for downhole commingling the Aztec Pictured Cliffs pool and the Basin Fruitland Coal pool in 2000, pending production allocations. The Pictured Cliffs stabilized production rate was 1,200 MCFM (please see figure 1). The stabilized rate for the Fruitland Coal formation was 3,200 MCFM (please see figure 2). Based on these stabilized rates we calculated gas allocation percentages of 73% for the FC and 27% for the PC. No oil has been produced from either zone but if any is produced they will share the same allocation percentages as the gas. Based on the same production tests, the FC will be allocated 83% of the water production and the PC will be allocated 17% of the water production. Ownership between the pools is identical.

Pool	Oil	Water	Gas
PC	27%	17%	27%
FC	73%	83%	73%

Stabilized monthly rates	FC	PC
Gas	3,200 Mcf	1,200 Mcf
water	9,000 bbls	1,800 bbls