

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.

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

382 CR 3100 AZTEC, NM 87410

3b. Phone No. (include area code)

505-333-3100

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

SHL: 1200' FSL & 1925' FEL SEC 34O-T28N-R4W

BHL: 1900' FSL & 2300' FWL SEC 34K-T28N-R4W

5. Lease Serial No

NM-14922

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No
VALENCIA CANYON UNIT8. Well Name and No
VCU #45C

9. API Well No

30-039-29697

10. Field and Pool, or Exploratory Area

BASIN FRUITLAND COAL *choza mesa*
~~S. BLANCO PICTURED CLIFFS~~ *PC*

11. County or Parish, State

RIO ARRIBA 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 DOWNHOLECOMMINGLE

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.)

choza mesa PC
XTO Energy Inc. proposes to downhole commingle production from the Basin Fruitland Coal (71629) and the ~~Blanco Pictured Cliffs (71629)~~ upon completion of the well. Allocations for pools is based upon stabilized daily gas & water rates. No oil has been produced from either zone but if any is produced it will share the same allocation as gas:

PC:	Oil 63.16%	Water 71.43%	Gas 63.16%
FC:	Oil 36.84%	Water 28.57%	Gas 36.84%

RCVD OCT 17 '07
OIL CONS. DIV.
DIST. 3

Ownership is diverse between pools and owners were notified on 10/8/2007 via certified, return-receipt US mail. Downhole commingling will offer an economical method of production while guarding against reservoir damage, waste of reserves & protection of correlative rights. The NMCD was notified of our intent to downhole commingle via submittal of form C103 on 10/8/2007.

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

HOLLY C. PERKINS

Title

REGULATORY COMPLIANCE TECH

Date 10/8/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Joe Hewitt

File

600

Date

10-15-07

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

FF

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.

NMCD

RECEIVED

OCT 10 2007

District I
1625 N. French Dr., Hobbs, NM 88240

District II
811 South First, 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 & Natural Resources Department

Bureau of Land Management
Farmington Field Office

Form C-102
Revised August 15, 2000

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

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED
REPORT

1 API Number 30-039-21489		2 Pool Code 71629/72439		3 Pool Name Chuska Mesa PC	
4 Property Code 22849		5 Property Name VALENCIA CANYON UNIT			6 Well Number 45C
7 OGRID No. 5380		8 Operator Name XTO Energy, Inc.			9 Elevation 7197'

10 Surface Location

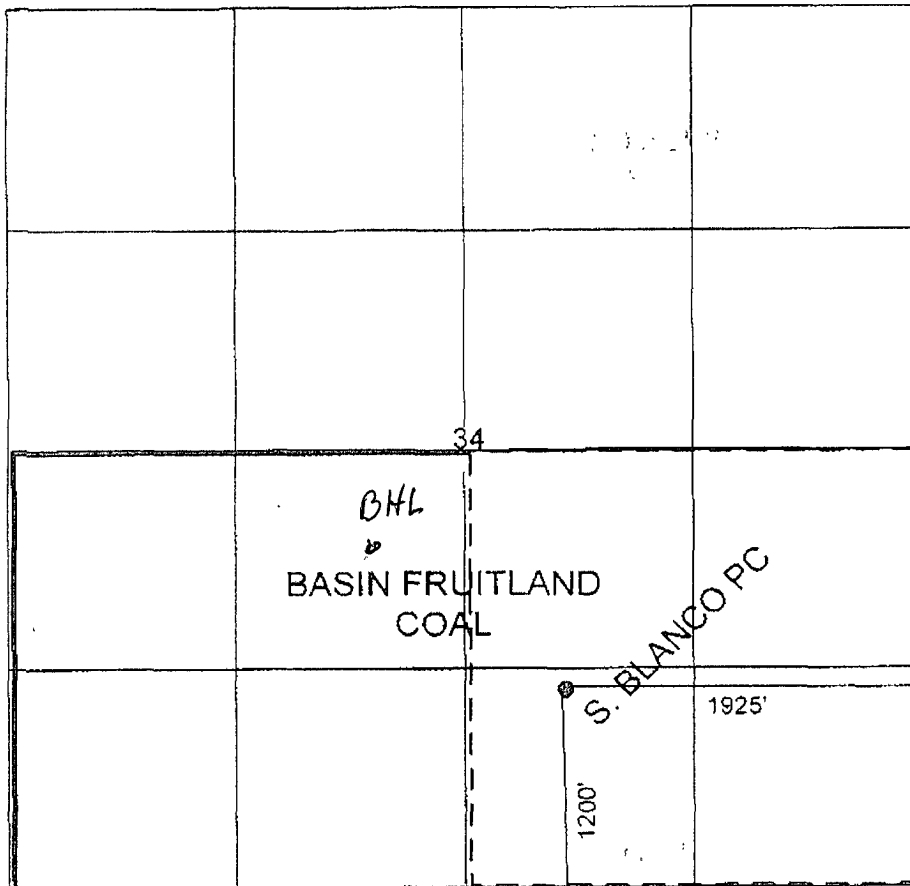
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	34	28N	4W		1200	SOUTH	1925	EAST	RIO ARriba

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	34	28N	4W		1900	SOUTH	2300	WEST	RIO ARriba

12 Dedicated Acres PC 160 ac FC 320 ac	13 Joint or Infill	14 Consolidation Code	15 Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

[Signature]
Signature

Lorri D Bingham

Printed Name

Regulatory Compliance Tech

Title

8/23/06

Date

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief
3-21-1985

Date of Survey

Original Survey Signed By:

JOHN A. VUKONICH

14831

Certificate Number

VCU 45C

The Pictured Cliffs stabilized production rate was 60 MCF. The stabilized rate for the Fruitland Coal formation was 35 MCFD. Based on these stabilized rates we calculated gas allocation percentages of 36.84% for the FC and 63.16% 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 28.57% of the water production and the PC will be allocated 71.43% of the water production. Ownership between the pools is identical.

Pool	Oil	Water	Gas
PC	63.16%	71.43%	63.16%
FC	36.84%	28.57%	36.84%

Stabilized Daily rates	FC	PC
Gas	35 MCFD	60 MCFD
water	2 bbls	5 bbls



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

October 8, 2007

Interest Owners

Subject: Notice of Intent to Downhole Commingle
VCU #45C API # 30-039-29697
1200' FSL & 1925' FEL Sec 34O-T28N-R04W
Basin Fruitland Coal / S Blanco Pictured Cliffs

XTO Energy Inc is submitting an application to the New Mexico Oil Conservation Division (NMOCD) to downhole commingle production from the Basin Fruitland Coal and the S Blanco Pictured Cliffs pools in the Valencia Canyon Unit #45C. Both pools are included in NMOCD pre-approved pool combinations for downhole commingling in the San Juan Basin. Commingling of these pools will minimize operating costs, should add reserves and improve economics of the well.

The proposed allocation percentages for each pool are as follows:

Pictured Cliffs	Gas: 63.16%	Water: 71.43%	Oil: 63.16%
Fruitland Coal	Gas: 36.84%	Water: 28.576%	Oil: 36.84%

NMOCD requires all interest owners be notified of intent to downhole commingle if ownership is different between zones. If you need additional information or have any questions, I may be contacted at (505) 324-1090. If you have any objections to our application, please contact me within twenty (20) days of the date of this letter.

Sincerely,

A handwritten signature in black ink that reads "Holly C. Perkins". The signature is fluid and cursive.

Holly C Perkins
Regulatory Compliance Tech

cc. well file

MMS XTO FEDERAL
C/O XTO ENERGY INC
810 HOUSTON STREET
FORT WORTH, TX 761026298

VCU #45C DHC

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