

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED
OMB NO. 1004-0137
Expires July 31, 2010

JUN 16 2008

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.

Lease Serial No

NMM-83503

If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

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

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.

GRASSY CANYON #7

2. Name of Operator

XTO Energy Inc.

9. API Well No.

30-045-33575

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, M, or Survey Description)

SHL: 1330' FNL & 1385' FWL SEC 30E-T32N-R7W

BHL: 665' FNL & 665' FWL SEC 30D-T32N-R7W

10. Field and Pool, or Exploratory Area

BASIN FRUITLAND COAL

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

☐ Notice of Intent

☒ Subsequent Report

☐ Final Abandonment Notice

☐ 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 **SPUD**

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. spudded 12-1/4" surface hole 6/11/2008 & drilled to 330'. Set 8-5/8", 24#, J-55, ST&C csg @ 327' & cemented surface csg w/265 sx Type V cement mixed @ 15.60 ppg (1.18 yield). Circ 25 bbl cement to surface 6/11/2008. PT surface csg to 1000 psi f/30 min. Csg lost over 10%. BLM rep Oscar Torres on loc. Decided it was Shoe Leak. Okayed to drill ahead.

RCVD JUN 19 '08

OIL CONS. DIV.

DIST. 3

Drilling ahead. . . .

ACCEPTED FOR RECORD

JUN 16 2008

FARMINGTON FIELD OFFICE

BY *[Signature]*

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

WANETT MCCAULEY

Title **FILE CLERK**

Signature

Wanett McCauley

Date **6/13/2008**

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.

NMOCD