

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED

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

AUG 07 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.

Bureau of Land Management  
Farmington Field Office

Lease Serial No.

NMM-024158

Indian Allottee or Tribe Name  
Office

SUBMIT IN TRIPLICATE - Other instructions on page 2

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, M, or Survey Description)

30N, 12W, section 20 C

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

8 Well Name and No.

SAN JUAN FEDERAL # 1T

9 API Well No

30-045-33188

10. Field and Pool, or Exploratory Area

BASIN FRUITLAND COAL/  
FULCHER KUTZ PICTURED CLIFFS

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 ALLOCATIONS

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. proposes to allocate the downhole commingle (DHC-2374AZ) of the Fruitland Coal and the Fulcher Kutz PC per attached documentation to:

|                       |          |           |            |
|-----------------------|----------|-----------|------------|
| Basin Fruitland Coal: | Gas: 20% | Oil: 0%   | Water: 70% |
| Fulcher Kutz PC:      | Gas: 80% | Oil: 100% | Water: 30% |

RCVD AUG 11 '08  
OIL CONS. DIV.

DIST. 3

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

LORRI D. BINGHAM

Title REGULATORY COMPLIANCE TECH

Signature

Date 8/6/08

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Joe Hewitt

Title Geo

Date 8-8-08

Office FFO

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.

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.

by

**San Juan Federal #1T**  
**Allocation Percentages**

The proposed gas and oil production allocation percentages are based on estimated average ultimate recovery per well of the 20 Fruitland Coal wells and 9 Pictured Cliffs wells in T30N R12W. Water allocation is based on cumulative water production per well. Please see attached Fruitland Coal and Pictured Cliffs E.U.R. analysis.

Proposed Allocation Percentages:

| Pool            | Oil  | Water | Gas |
|-----------------|------|-------|-----|
| Fruitland Coal  | 0%   | 70%   | 80% |
| Pictured Cliffs | 100% | 30%   | 20% |

Basin Fruitland Coal (Per well avg. est. ultimate gas, oil and water recovery prod.)

| BW     | MCF       |
|--------|-----------|
| 50,837 | 1,682,653 |

Fulcher Pictured Cliffs Pool (Per well avg. est. ultimate gas, oil and water recovery prod.)

| BW     | MCF     |
|--------|---------|
| 21,556 | 433,581 |

| API            | LEASE NAME           | NO. | RES | SEC | LOCATION  | FIELD   | OPERATOR      | 1st PROD | LAST PRD | CUM GAS   | REM GAS   | CUM WTR | EUR OIL | EUR GAS   | DLY GAS | DLY WTR | DECLINE |
|----------------|----------------------|-----|-----|-----|-----------|---------|---------------|----------|----------|-----------|-----------|---------|---------|-----------|---------|---------|---------|
| 30045289380000 | SAN JUAN FEDERAL     | 1   | FC  | 20  | 30 N 12 W | BASIN   | XTO ENERGY    | 19930531 | 20080501 | 955,896   | 0         | 131,454 | 0       | 955,896   | 285.9   | 11.2    | 7       |
| 30045289390000 | SAN JUAN FEDERAL     | 2   | FC  | 20  | 30 N 12 W | BASIN   | XTO ENERGY    | 19930531 | 20080501 | 1,502,722 | 0         | 59,056  | 0       | 1,502,722 | 212     | 1.9     | 7       |
| 30045289740000 | FOOTHILLS C          | 1   | FC  | 19  | 30 N 12 W | BASIN   | XTO ENERGY    | 19930731 | 20080401 | 1,058,402 | 845,164   | 144,582 | 0       | 1,903,566 | 165.2   | 16.9    | 7       |
| 30045289910000 | TEXAKOMA-AMOCO A     | 1   | FC  | 21  | 30 N 12 W | BASIN   | XTO ENERGY    | 19940131 | 20080501 | 1,233,814 | 1,666,888 | 103,113 | 0       | 2,900,702 | 439.3   | 6.9     | 7       |
| 30045290270000 | TEXAKOMA-FOOTHILLS D | 1   | FC  | 19  | 30 N 12 W | BASIN   | XTO ENERGY    | 19940131 | 20080501 | 1,547,748 | 709,163   | 157,758 | 0       | 2,256,911 | 304.1   | 16.9    | 7       |
| 30045289940000 | TEXAKOMA-FARMINGTON  | 1   | FC  | 30  | 30 N 12 W | BASIN   | XTO ENERGY    | 19940531 | 20080501 | 1,674,680 | 807,010   | 64,125  | 0       | 2,481,690 | 259.4   | 1.9     | 7       |
| 30045296650000 | MCCOY GAS COM D      | 2   | FC  | 28  | 30 N 12 W | BASIN   | XTO ENERGY    | 19990131 | 20080501 | 2,528,981 | 618,555   | 22,845  | 0       | 3,147,536 | 318.5   | 0.1     | 7       |
| 30045290750000 | JUHAN                | 1   | FC  | 29  | 30 N 12 W | BASIN   | XTO ENERGY    | 19990831 | 20080501 | 1,215,821 | 0         | 8,940   | 0       | 1,215,821 | 248     | 0.3     | 7       |
| 30045299530000 | FEDERAL GAS COM E    | 2   | FC  | 30  | 30 N 12 W | BASIN   | XTO ENERGY    | 20000930 | 20080501 | 1,138,400 | 709,533   | 2,729   | 0       | 1,847,933 | 280     | 0       | 7       |
| 30045299000000 | BROWN                | 3   | FC  | 29  | 30 N 12 W | BASIN   | XTO ENERGY    | 20010131 | 20080501 | 1,646,696 | 543,061   | 3,828   | 0       | 2,189,757 | 376.6   | 1.3     | 7       |
| 30045304300000 | FARMINGTON LAKE      | 1   | FC  | 21  | 30 N 12 W | BASIN   | XTO ENERGY    | 20010731 | 20080501 | 1,192,913 | 0         | 91,340  | 0       | 1,192,913 | 423.4   | 30.6    | 7       |
| 30045306740000 | FEDERAL 18           | 1   | FC  | 18  | 30 N 12 W | BASIN   | XTO ENERGY    | 20020531 | 20080501 | 791,707   | 641,365   | 11,611  | 0       | 1,433,072 | 284.3   | 3.8     | 7       |
| 30045308100000 | FLOYD                | 7   | FC  | 17  | 30 N 12 W | BASIN   | BAYLESS, ROBE | 20020630 | 20080201 | 776,536   | 1,540,242 | 78,803  | #REF!   | 2,316,778 | 305.4   | 13.3    | 7       |
| 30045308080000 | FLOYD                | 8   | FC  | 17  | 30 N 12 W | BASIN   | BAYLESS, ROBE | 20020731 | 20080201 | 717,595   | 1,653,717 | 62,116  | #REF!   | 2,371,312 | 327.9   | 13.2    | 7       |
| 30045312870000 | MCCOY GAS COM D      | 3   | FC  | 28  | 30 N 12 W | BASIN   | XTO ENERGY    | 20030331 | 20080501 | 1,130,495 | 1,059,763 | 8,535   | 0       | 2,190,258 | 524.7   | 0.7     | 7       |
| 30045316190000 | FARMINGTON LAKE      | 2   | FC  | 21  | 30 N 12 W | BASIN   | XTO ENERGY    | 20030630 | 20080501 | 594,276   | 0         | 9,499   | 0       | 594,276   | 237.6   | 5.1     | 7       |
| 30045299230000 | FLOYD                | 3   | FC  | 17  | 30 N 12 W | BASIN   | BAYLESS, ROBE | 20030731 | 20080201 | 456,348   | 836,189   | 23,936  | #REF!   | 1,292,537 | 165.8   | 16.6    | 7       |
| 30045319740000 | FOOTHILLS C          | 2   | FC  | 19  | 30 N 12 W | BASIN   | XTO ENERGY    | 20040731 | 20080501 | 611,746   | 567,718   | 1,098   | 0       | 1,179,464 | 447.2   | 0       | 7       |
| 30045323010000 | FEDERAL GAS COM E    | 3   | FC  | 30  | 30 N 12 W | BASIN   | XTO ENERGY    | 20050531 | 20080501 | 210,931   | 466,364   | 11,770  | 0       | 677,295   | 160.6   | 4.6     | 7       |
| 30045306430000 | AMOCO A              | 2   | FC  | 21  | 30 N 12 W | BASIN   | XTO ENERGY    | 20060630 | 20080501 | 2,621     | 0         | 19,603  | 0       | 2,621     | 4.6     | 16.6    | 7       |
|                |                      |     |     |     |           |         |               | AVERAGE  |          | 1,049,416 | 633,237   | 50,837  | #REF!   | 1,682,653 | 289     | 8       | 7       |
| API            | LEASE NAME           | NO. | RES | SEC | LOCATION  | FIELD   | OPERATOR      | 1st PROD | LAST PRD | CUM GAS   | REM GAS   | CUM WTR | EUR OIL | EUR GAS   | DLY GAS | DLY WTR | DECLINE |
| 30045290750000 | JUHAN                | 1   | PC  | 29  | 30 N 12 W | FULCHER | XTO ENERGY    | 19950228 | 20080501 | 366,036   | 0         | 17,167  | 0       | 366,036   | 37.1    | 0.7     | 7       |
| 30045299230000 | FLOYD                | 3   | PC  | 17  | 30 N 12 W | FULCHER | BAYLESS, ROBE | 19991031 | 20080201 | 393,087   | 447,346   | 68,717  | #REF!   | 840,433   | 88.7    | 12.5    | 7       |
| 30045331880000 | SAN JUAN FEDERAL     | 1T  | PC  | 20  | 30 N 12 W | FULCHER | XTO ENERGY    | 20060331 | 20080501 | 60,962    | 0         | 20,658  | 0       | 60,962    | 146.7   | 26.4    | 7       |
| 30045306430000 | AMOCO A              | 2   | PC  | 21  | 30 N 12 W | FULCHER | XTO ENERGY    | 20061130 | 20080301 | 242       | 0         | 7,578   | 0       | 242       | 3.9     | 20.3    | 7       |
| 30045091700000 | MONTGOMERY           | 1   | PC  | 28  | 30 N 12 W | FULCHER | REDFERN DEVE  | 19471101 | 19561001 | 340,449   | 0         | 0       | 0       | 340,449   | 0       | 0       | 7       |
| 30045299230000 | FLOYD                | 3   | PC  | 17  | 30 N 12 W | FULCHER | BAYLESS ROBE  | 19991001 | 20080201 | 369,251   | 473,571   | 67,962  | #REF!   | 842,822   | 93.9    | 17      | 7       |
| 30045255460000 | FOOTHILLS            | 2   | PC  | 19  | 30 N 12 W | FULCHER | TEXAKOMA OIL  | 19860101 | 19950401 | 27,489    | 0         | 11,865  | 0       | 27,489    | 0       | 0       | 7       |
| 30045091710000 | MCCARTY              | 1   | PC  | 29  | 30 N 12 W | FULCHER | SOUTHLAND RO  | 19461001 | 19870301 | 831,736   | 0         | 43      | 0       | 831,736   | 0       | 0       | 7       |
| 30045092040000 | HOLDER               | 1   | PC  | 29  | 30 N 12 W | FULCHER | SOUTHLAND RO  | 19461101 | 19840101 | 592,059   | 0         | 12      | 0       | 592,059   | 0       | 0       | 7       |
|                |                      |     |     |     |           |         |               | AVERAGE  |          | 331,257   | 153,486   | 21,556  | #REF!   | 433,581   | 74      | 15      | 7       |

|      | CUM WTR | EUR OIL | EUR GAS |
|------|---------|---------|---------|
| PCCF | 30%     | 100%    | 20%     |
| FLDC | 70%     | 0%      | 80%     |