

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0137
Expires July 31, 2010

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 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)

505-333-3630

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

695' FNL & 1885 FWL NENW SEC. 27 (C) - T29N-R14W N.M.P.M.

5. Lease Serial No.

14-20-603-2168A

6. If Indian, Allottee or Tribe Name

NAVAJO TRIBE

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

8. Well Name and No.

NV NAVAJO 27 #2

9. API Well No.

30-045-31040

10. Field and Pool, or Exploratory Area

KUTZ WEST PICTURED CLIFFS
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

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- | | | | |
|---|---|--|---|
| ☐ Acidize | ☐ Deepen | ☐ Production (Start/Resume) | ☐ Water Shut-Off |
| ☐ Alter Casing | ☐ Fracture Treat | ☐ Reclamation | ☐ Well Integrity |
| ☐ Casing Repair | ☐ New Construction | ☒ Recomplete | ☒ Other <u>DOWNHOLE</u> |
| ☐ Change Plans | ☐ Plug and Abandon | ☐ Temporarily Abandon | <u>COMMINGLING</u> |
| ☐ Convert to Injection | ☐ Plug Back | ☐ 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 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 recompletion 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 requests approval for an exception to NMOC Rule 303A to permit DHC of production from the Kutz West Pictured Cliffs (79680) & the Basin Fruitland Coal (71629) pools in the NV Navajo 27 #2. Both pools are in the NMOC pre-approved pool combinations for DHC in the San Juan Basin. Allocations are based on a 9-section EUR (please see attached spreadsheet) and were submitted previously with the NOI to recompleate the Fruitland Coal.

PC:	Oil:	100%	Water:	48%	Gas:	46%
FC:	Oil:	0%	Water:	52%	Gas:	54%

RCVD MAR 23 '10
OIL CONS. DIV.
DIST. 3

Ownership is common in both zones; therefore, there are no owners to notify of our intent to DHC. NMOC was notified of our intent to DHC via Form C-103 on 3/15/2010. Downhole commingling will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights.

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

WANETT MCCAULEY

Title REGULATORY COMPLIANCE TECHNICIAN

Signature

Date 3/15/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title GCO

Date 3-22-10

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 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.

NV NAVAJO 27 #2
Unit C, Sec 27, T 29 N, R 14 W / API 30-045-31040
San Juan County, New Mexico

DHC Allocation Percentages

The proposed gas, oil, and water allocation percentages for the Pictured Cliffs and Fruitland Coal in the NV Navajo 27 #2 are based on the estimated ultimate recovery of the wells in the nine surrounding sections. Please see the attached spreadsheet with gas, oil, and water EUR analysis for supporting data and calculations.

Below are the average EUR's for each formation in the nine surrounding sections:

RESERVOIR	OIL (BBL)	WATER (BBL)	GAS (MCF)
Fruitland Coal	0	115,906	341,571
Pictured Cliffs	0	108,310	289,559
Total	0	224,217	631,130

Below are the proposed allocations based on the average EUR's above:

RESERVOIR	% OIL	% WATER	% GAS
Fruitland Coal	0%	52%	54%
Pictured Cliffs	100%	48%	46%
Total	100%	100%	100%

Allocation Navajo 27-2

RESERVOIR	OIL (BBL)	WATER (BBL)	GAS (MCF)
Fruitland Coal	0	115,906	341,571
Pictured Cliffs	0	108,310	289,559
Total	0	224,217	631,130

RESERVOIR	% OIL	% WATER	% GAS
Fruitland Coal	0%	52%	54%
Pictured Cliffs	100%	48%	46%
Total	100%	100%	100%

9 Sections Surrounding Sec 27 T29N R14W

API	LEASE NAME	NO.	RESERVOIR	SEC	LOCATION	FIELD	OPERATOR	1st PROD	LAST PRD	CUM OIL	REM OIL	CUM GAS	REM GAS	CUM WATER	EUR OIL	EUR GAS	DLY OIL	DLY GAS	DLY WAT	DECLINE
30045299540000	NAVAJO 27	3	FRUITLAND COAL	27	29 N 14 W	BASIN	XTO ENERGY	20031031	20090901	0	0	293,441	323,161	393,404	0	616,602	0	150	115.4	10
30045302210000	NAVAJO 28	1	FRUITLAND COAL	28	29 N 14 W	BASIN	XTO ENERGY	20031031	20090901	0	0	38,494	86,497	276,553	0	124,991	0	24.9	305.6	10
30045305210000	NAVAJO 34	1	FRUITLAND COAL	34	29 N 14 W	BASIN	XTO ENERGY	20031031	20090901	0	0	164,597	229,270	229,951	0	393,867	0	66	92.4	10
30045300990000	NAVAJO 26	1	FRUITLAND COAL	26	29 N 14 W	BASIN	XTO ENERGY	20040831	20090901	0	0	183,108	521,068	216,899	0	704,176	0	150	65.5	10
30045299550000	NAVAJO 27	1	FRUITLAND COAL	27	29 N 14 W	BASIN	XTO ENERGY	20040831	20090901	0	0	89,013	250,113	237,719	0	339,126	0	72	135.6	10
30045310460000	NV NAVAJO 22	3	FRUITLAND COAL	22	29 N 14 W	BASIN	XTO ENERGY	20040831	20090901	0	0	38,438	260,534	94,351	0	298,972	0	75	79.2	10
30045311930000	NV NAVAJO 35	1	FRUITLAND COAL	35	29 N 14 W	BASIN	XTO ENERGY	20040831	20090901	0	0	58,727	451,592	69,226	0	510,319	0	130	13.8	10
30045311920000	NV NAVAJO 35	3	FRUITLAND COAL	35	29 N 14 W	BASIN	XTO ENERGY	20040831	20090901	0	0	43,319	102,129	110,110	0	145,448	0	29.4	67.1	10
30045310410000	NV NAVAJO 21	4	FRUITLAND COAL	21	29 N 14 W	BASIN	XTO ENERGY	20040930	20090901	0	0	7,779	66,002	28,706	0	73,781	0	19	29.7	10
30045311690000	NV NAVAJO 26	4	FRUITLAND COAL	26	29 N 14 W	BASIN	XTO ENERGY	20041031	20090901	0	0	33,405	112,898	93,358	0	146,303	0	32.5	88.3	10
30045317770000	NV NAVAJO 22	2	FRUITLAND COAL	22	29 N 14 W	BASIN	XTO ENERGY	20050731	20090901	0	0	27,404	143,815	68,877	0	171,219	0	41.4	58	10
30045317760000	NV NAVAJO 21	2	FRUITLAND COAL	21	29 N 14 W	BASIN	XTO ENERGY	20050831	20090901	0	0	34,326	399,486	29,340	0	433,812	0	115	8.8	10
30045314370000	NV NAVAJO 35	2	FRUITLAND COAL	35	29 N 14 W	BASIN	XTO ENERGY	20050831	20090801	0	0	6,540	6,600	57,428	0	13,140	0	1.9	82.6	10
30045310550000	NV NAVAJO 21	3	FRUITLAND COAL	21	29 N 14 W	BASIN	XTO ENERGY	20050930	20090701	0	0	456	6,600	44,045	0	7,056	0	1.9	113.8	10
30045310380000	NV NAVAJO 28	2	FRUITLAND COAL	28	29 N 14 W	BASIN	XTO ENERGY	20051031	20090701	0	0	642	7,295	24,066	0	7,937	0	2.1	16.7	10
30045311840000	NV RACHELLE 23	4	FRUITLAND COAL	23	29 N 14 W	BASIN	XTO ENERGY	20060131	20090901	0	0	176,474	705,179	83,175	0	881,653	0	203	42.5	10
30045310390001	NV NAVAJO 34	2	FRUITLAND COAL	34	29 N 14 W	BASIN	XTO ENERGY	20060228	20090901	0	0	15,409	312,641	40,542	0	328,050	0	90	73.6	10
30045316160000	NV HAROLD 26	1	FRUITLAND COAL	26	29 N 14 W	BASIN	XTO ENERGY	20060331	20090901	0	0	128,266	521,068	154,432	0	649,334	0	150	73.6	10
30045312430000	NV NAVAJO 22	4	FRUITLAND COAL	22	29 N 14 W	BASIN	XTO ENERGY	20060331	20090801	0	0	15,019	46,549	21,408	0	61,568	0	13.4	53	10
30045314360000	NV PATRICIA 26	2	FRUITLAND COAL	26	29 N 14 W	BASIN	XTO ENERGY	20060331	20090901	0	0	114,559	420,328	112,725	0	534,887	0	121	71.5	10
30045333800000	NV NAVAJO 21	1	FRUITLAND COAL	21	29 N 14 W	BASIN	XTO ENERGY	20070930	20090901	0	0	35,996	694,757	47,721	0	730,753	0	200	91.6	10
							Average Fruitland Coal			0	0	71,686	269,885	115,906	0	341,571	0	80	80	10
30045303170000	WF NAVAJO 23	1	PICTURED CLIFFS	23	29 N 14 W	KUTZ W	XTO ENERGY	20010531	20090901	0	0	416,901	152,499	144,184	0	569,400	0	43.9	0	10
30045299550000	NAVAJO 27	1	PICTURED CLIFFS	27	29 N 14 W	KUTZ W	XTO ENERGY	20031031	20090901	0	0	80,477	104,214	44,592	0	184,691	0	30	55.7	10
30045299540000	NAVAJO 27	3	PICTURED CLIFFS	27	29 N 14 W	KUTZ W	XTO ENERGY	20031031	20090901	0	0	46,982	555,806	95,119	0	602,788	0	160	120.1	10
30045302210000	NAVAJO 28	1	PICTURED CLIFFS	28	29 N 14 W	KUTZ W	XTO ENERGY	20031031	20090901	0	0	2,743	108,730	63,148	0	111,473	0	31.3	395.5	10
30045305210000	NAVAJO 34	1	PICTURED CLIFFS	34	29 N 14 W	KUTZ W	XTO ENERGY	20031031	20090901	0	0	27,899	225,796	100,152	0	253,695	0	65	96.2	10
30045310400000	NV NAVAJO 27	2	PICTURED CLIFFS	27	29 N 14 W	KUTZ W	XTO ENERGY	20031031	20090901	0	0	94,501	96,571	350,010	0	191,072	0	27.8	88.4	10
30045300990000	NAVAJO 26	1	PICTURED CLIFFS	26	29 N 14 W	KUTZ W	XTO ENERGY	20040831	20090901	0	0	182,835	521,068	155,239	0	703,903	0	150	65.5	10
30045306150000	NAVAJO 28	3	PICTURED CLIFFS	28	29 N 14 W	KUTZ W	XTO ENERGY	20040831	20090901	0	0	29,450	225,796	203,672	0	255,246	0	65	155.8	10
30045310460000	NV NAVAJO 22	3	PICTURED CLIFFS	22	29 N 14 W	KUTZ W	XTO ENERGY	20040831	20090901	0	0	20,887	138,951	57,058	0	159,838	0	40	42.6	10
30045305200000	NV NAVAJO 27	4	PICTURED CLIFFS	27	29 N 14 W	KUTZ W	XTO ENERGY	20040831	20090901	0	0	132,593	416,854	305,093	0	549,447	0	120	162	10
30045310390000	NV NAVAJO 34	2	PICTURED CLIFFS	34	29 N 14 W	KUTZ W	XTO ENERGY	20040831	20090901	0	0	20,076	34,738	72,319	0	54,814	0	10	15	10
30045311930000	NV NAVAJO 35	1	PICTURED CLIFFS	35	29 N 14 W	KUTZ W	XTO ENERGY	20040831	20090901	0	0	25,516	187,585	33,545	0	213,101	0	54	5.9	10
30045311920000	NV NAVAJO 35	3	PICTURED CLIFFS	35	29 N 14 W	KUTZ W	XTO ENERGY	20040831	20090901	0	0	29,749	66,349	77,743	0	96,098	0	19.1	46.6	10
30045310410000	NV NAVAJO 21	4	PICTURED CLIFFS	21	29 N 14 W	KUTZ W	XTO ENERGY	20040930	20090901	0	0	6,926	45,159	61,317	0	52,085	0	13	29.7	10
30045311690000	NV NAVAJO 26	4	PICTURED CLIFFS	26	29 N 14 W	KUTZ W	XTO ENERGY	20041031	20090901	0	0	33,416	112,898	93,324	0	146,314	0	32.5	88.3	10
30045075960001	NW CHA CHA UNIT	76	PICTURED CLIFFS	35	29 N 14 W	KUTZ W	XTO ENERGY	20050228	20090101	0	0	8,265	19,801	27,668	0	28,066	0	5.7	0	10
30045317750000	NV NAVAJO 22	1	PICTURED CLIFFS	22	29 N 14 W	KUTZ W	XTO ENERGY	20051231	20090901	0	0	63,557	305,693	44,767	0	369,250	0	88	34.1	10
30045311860000	NV KEVIN 23	2	PICTURED CLIFFS	23	29 N 14 W	KUTZ W	XTO ENERGY	20060131	20090901	0	0	122,730	486,330	93,167	0	609,060	0	140	31.8	10
30045334330000	NV KYLE 23	3	PICTURED CLIFFS	23	29 N 14 W	KUTZ W	XTO ENERGY	20060331	20090901	0	0	29,603	321,673	35,774	0	351,276	0	92.6	69.7	10
							Average Pictured Cliffs			0	0	72,374	217,185	108,310	0	289,559	0	63	79	10