

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.RECEIVED
MAY 27 2010

SUBMIT IN TRIPLICATE - Other instructions on page 2

Bureau of Land Management
Farmington Field Office

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)

1739' FNL & 1021' FEL SENE SEC 33 (H) -T27N-R11W

5. Lease Serial No.

NMSF078896

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

FEDERAL 33 #42

9. API Well No.

30-045-28836

10. Field and Pool, or Exploratory Area

BASIN FRUITLAND COAL

WEST 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

☒ 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.)

XTO Energy Inc. requests approval for an exception to NMOCD Rule 303-C to permit downhole commingle of production from the Basin Fruitland Coal (71629) pool & the West Kutz Pictured Cliffs (79680) pool in the Federal 33 #42. XTO proposes to downhole commingle these pools upon completion of the PC. Please see the attached spreadsheet for justification of proposed allocations. Recommended allocations are:

West Kutz Pictured Cliffs:	Oil: 100%	Gas: 84%	Water: 100%
Basin Fruitland Coal:	Oil: 0%	Gas: 16%	Water: 0%

Both pools are in the NMOCD pre-approved pool combinations for downhole commingle in the San Juan Basin. Ownership in pools is diverse and notification was made to owners by CRR on 5/05/2010. DHC will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights. The OCD was notified of our intent to DHC via Form C-103 on 5/25/2010.

RCVD JUN 3 '10
OIL CONS. DIV.
DIST. 3

DHC 342A2

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

WANETT MCCAULEY

Title

REGULATORY COMPLIANCE TECHNICIAN

Signature

Wanett McCauley

Date

5/25/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Joe Hermit

Title

GCO

Date

5-28-10

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

NMOCD

Pictured Cliffs: to be added to the Federal 33-42

Remaining Gas in Place in the Pictured Cliffs, from Volumetrics, is 1041 MMCF (page 2)

In adjacent wells in the 9 section area, modern (post 1983) Pictured Cliffs completions when commingled with the Fruitland Coal, average 368 MMCF and 4599 Bbls water (page 3)

Given expected recoverable gas of 365 MMCF and 4600 BW, and using the production profile of adjacent wells with a 12% decline, well is expected to IP at 3900 MCF/mo and 49 BW/mo.

Fruitland Coal

Past 6 mos. production average in Federal 33-42

	Oil	Gas	Water
8/31/2009	0	799	0
9/30/2009	0	613	0
10/31/2009	0	969	0
11/30/2009	0	1081	0
12/31/2009	0	675	0
1/31/2010	0	344	0
Average	0	747	0

Monthly Production

	Oil	Gas	Water
Pictured Cliffs	0	3900	49
Fruitland Coal	0	747	0
Total	0	4647	49

Allocation

Percent

	Oil	Gas	Water
Pictured Cliffs	100%	84%	100%
Fruitland Coal	0%	16%	0%
Total	100%	100%	100%

Volumetrics Pictured Cliffs

Federal 33-31										
Pictured Cliffs: 1/4 Section										
Volumetric Method Only										
Reservoir Data:				Calculated Values:				Volumetrics:		
Initial Res Pressure	1100	psia		Z Factor (Initial)	0.870316			Volumetric Method		
Reservoir Temp	110	deg F		Z Factor (Current)				OGIP	1563.5095	MMCF
Standard Pressure	14.7	psia		Z Factor (Aband)	0.993587			GIP at Aband	62.251429	MMCF
Standard Temp	60	deg F						EUR	1501.258	MMCF
Cum Production	460	MMCF		Bg (Initial)	0.012749	cu ft/SCF		Recovery Factor	0.9601848	
Res Press at Cum		psia		Bg (Current)		cu ft/SCF		Remaining gas	1041.258	MMCF
Abandonment Press	50	psia		Bg (Aband)	0.320202	cu ft/SCF		Material Balance Method (not calc)		
Net Thickness	22	ft						OGIP		MMCF
Areal Extent	160	acre						GIP at Aband		MMCF
Porosity	20	%						EUR		MMCF
Water Saturation	35	%						Recovery Factor		
Gas Gravity	0.645557							Remaining gas	#VALUE!	MMCF

Single Zone Wells																		
API	LEASE NAME	NO.	RESERVOIR	SEC	LOCATION	FIELD	OPERATOR	1st PROD	LAST PROD	CUM GAS	REM GAS	CUM WATER	EUR OIL	EUR GAS	DLY OIL	DLY GAS	DLY WAT	DECLINE
30045288360000	FEDERAL 33	42	FRUITLAND COAL	33	27 N 11 W	BASIN	XTO ENERGY	19930731	20100101	839,529	28,598	461	0	868,127	0	27.1	0	0.1
30045230310000	BOLACK J	1	FRUITLAND COAL	28	27 N 11 W	BASIN	XTO ENERGY	19940131	20011001	120,474	0	0	0	120,474	0	2.5	0	0.1
30045290140000	SCHWERDTFEGER 28	1	FRUITLAND COAL	28	27 N 11 W	BASIN	XTO ENERGY	19940228	20100101	2,570,011	686,857	5,360	0	3,256,868	0	196.4	0	0.1
30045062410002	DOUTHIT C FEDERAL	2	FRUITLAND COAL	27	27 N 11 W	BASIN	BURLINGTON RESOU	19950201	19990501	9,472	0	0	0	9,472	0	2.9	0	0.1
30045237960001	DELHI TAYLOR D	1E	FRUITLAND COAL	3	26 N 11 W	BASIN	CONOCOPHILLIPS CO	19981201	20091201	338,074	96,571	1,458	0	434,645	0	42.8	0	0.1
30045301840000	DOUTHIT C FEDERAL	100	FRUITLAND COAL	34	27 N 11 W	BASIN	BURLINGTON RES	20030331	20100101	19,181	0	1,511	0	19,181	0	12.3	1.8	0.1
30045063060000	BOLACK	4	FRUITLAND COAL	28	27 N 11 W	BASIN	XTO ENERGY	20040930	20080701	17,243	35,472	673	93	52,715	0	16.8	0.8	0.1
30045305340000	HENDERSON 5	1	FRUITLAND COAL	5	26 N 11 W	KUTZ W	XTO ENERGY	20050430	20080401	38,572	0	934	0	38,572	0	10.2	0.4	0.1
30045320690000	SCHWERDTFEGER 28	2	FRUITLAND COAL	28	27 N 11 W	BASIN	XTO ENERGY	20061130	20090501	1,558	0	0	0	1,558	0	1.8	0	0.1
30045325820000	HENDERSON 5	2	FRUITLAND COAL	5	26 N 11 W	BASIN	XTO ENERGY	20080731	20100101	136,677	0	1,080	0	136,677	0	339.7	1.9	0.1
30045325880000	HENDERSON 5	3	FRUITLAND COAL	5	26 N 11 W	BASIN	XTO ENERGY	20080831	20100101	161,040	0	640	0	161,040	0	330.7	1.1	0.1
Average Post 2000 Single Zone Fruitland Coal										62,379	5,912	806	16	68,291	0	119	1	0.1
30045062970000	SCHWERDTFEGER	2	PICTURED CLIFFS	28	27 N 11 W	KUTZ WE	AZTEC OIL & GAS CO	19510201	19760101	220,997	0	0	0	220,997	0	1.4	0	0.12
30045062400000	SCHWERDTFEGER	6	PICTURED CLIFFS	28	27 N 11 W	KUTZ W	XTO ENERGY	19510531	20091201	591,376	135,827	10,021	0	727,203	0	25.8	2.5	0.12
30045062980000	BOLACK	1	PICTURED CLIFFS	28	27 N 11 W	KUTZ WE	EL PASO NATURAL G	19520101	19590101	216,602	0	0	0	216,602	0	0.7	0	0.12
30045060780000	MEAD B	1	PICTURED CLIFFS	3	26 N 11 W	KUTZ WE	MERRION OIL & GAS C	19591101	20000201	201,409	0	0	0	201,409	0	18.1	0	0.12
30045060010000	NAVAJO	1	PICTURED CLIFFS	3	26 N 11 W	KUTZ WE	MERRION OIL & GAS C	19591101	20030801	150,629	0	60	0	150,629	0	14.4	0	0.12
30045245510000	DOUTHIT A FEDERAL COM	6	PICTURED CLIFFS	27	27 N 11 W	KUTZ W	BURLINGTON RES	19820930	20100101	1,072,146	113,665	567	0	1,185,811	0	54.7	0.3	0.12
30045242690000	FEDERAL 32	41	PICTURED CLIFFS	32	27 N 11 W	KUTZ W	XTO ENERGY	19830131	20100101	1,126,952	59,184	10,592	0	1,186,136	0	32.2	1.7	0.12
30045247950000	FEDERAL 33	11	PICTURED CLIFFS	33	27 N 11 W	KUTZ W	XTO ENERGY	19830131	20100101	777,998	66,462	775	0	844,460	0	22	0	0.12
30045247940000	FEDERAL 33	31	PICTURED CLIFFS	33	27 N 11 W	KUTZ W	XTO ENERGY	19830131	20100101	454,171	94,710	6,416	0	548,881	0	19.3	1.8	0.12
30045251670000	DOUTHIT A FEDERAL COM	7	PICTURED CLIFFS	27	27 N 11 W	KUTZ WE	BURLINGTON RESOU	19831101	19890701	66,364	0	0	0	66,364	0	20.7	0	0.12
Average Post 1980 Single Zone Pictured Cliff Wells										699,526	66,804	3,670	0	766,330	0	30	1	0.12
Commingled PCCF/FLDC																		
API	LEASE NAME	NO.	RESERVOIR	SEC	LOCATION	FIELD	OPERATOR	1st PROD	LAST PROD	CUM GAS	REM GAS	CUM WATER	EUR OIL	EUR GAS	DLY OIL	DLY GAS	DLY WAT	DECLINE
30045247670000	MUDGE B	1	FRUITLAND COAL	29	27 N 11 W	BASIN	XTO ENERGY	19910531	20100101	954,562	97,039	1,811	0	1,051,601	0	106.5	0.3	0.1
30045247670000	FEDERAL 29	23	FRUITLAND COAL	29	27 N 11 W	BASIN	XTO ENERGY	19970930	20100101	479,102	255,332	5,200	0	734,434	0	81.2	2.7	0.1
30045247680000	FEDERAL 32	21	FRUITLAND COAL	32	27 N 11 W	BASIN	XTO ENERGY	19980930	20031201	110,364	0	276	0	110,364	0	0.9	0	0.1
30045247680000	FEDERAL 33	24	FRUITLAND COAL	33	27 N 11 W	BASIN	XTO ENERGY	19990331	20100101	414,176	141,250	5,750	0	555,426	0	54.7	3.1	0.1
30045247920000	MEAD B	1R	FRUITLAND COAL	3	26 N 11 W	BASIN	THOMPSON ENGINEE	20000301	20091201	21,117	0	4,284	0	21,117	0	4.5	0	0.1
30045247920000	FEDERAL 29	33	FRUITLAND COAL	29	27 N 11 W	BASIN	XTO ENERGY	20020731	20100101	141,360	131,066	20,245	0	272,426	0	41.3	1.8	0.1
30045247930000	FEDERAL 29	22	FRUITLAND COAL	29	27 N 11 W	BASIN	XTO ENERGY	20040131	20100101	206,425	458,650	200	0	665,075	0	45.9	0	0.1
30045247930000	FEDERAL 33	44	FRUITLAND COAL	33	27 N 11 W	BASIN	XTO ENERGY	20060430	20100101	75,540	437,938	216	0	513,478	0	23.8	0	0.1
30045249780000	NAVAJO	1R	FRUITLAND COAL	3	26 N 11 W	BASIN	THOMPSON ENGINEE	20090601	20091201	6,351	52,802	955	0	59,153	0	30.2	4.5	0.1
Average Post 2000 Commingled Coal Wells										90,159	216,091	5,180	0	306,250	0	29	1	0.1
30045249780000	MUDGE B	1	PICTURED CLIFFS	29	27 N 11 W	KUTZ WE	DEKALB ENERGY CO	19520501	19800901	882,859	0	0	0	882,859	0	0.3	0	0.12
30045249670000	FEDERAL 29	23	PICTURED CLIFFS	29	27 N 11 W	KUTZ WE	DOMINION OKLAHOM	19830101	19941201	28,330	0	492	0	28,330	0	1.9	0.1	0.12
30045249670000	FEDERAL 32	21	PICTURED CLIFFS	32	27 N 11 W	KUTZ WE	DOMINION OKLAHOM	19830101	19980501	57,803	0	1,139	0	57,803	0	3.3	0.1	0.12
30045298720000	FEDERAL 29	22	PICTURED CLIFFS	29	27 N 11 W	KUTZ W	XTO ENERGY	19830131	20100101	50,788	28,491	3,092	0	79,279	0	1.4	0	0.12
30045298720000	FEDERAL 29	33	PICTURED CLIFFS	29	27 N 11 W	KUTZ W	XTO ENERGY	19830131	20100101	478,080	35,175	3,700	0	513,255	0	0.8	0	0.12
30045063010000	FEDERAL 33	24	PICTURED CLIFFS	33	27 N 11 W	KUTZ W	XTO ENERGY	19830131	20100101	319,594	0	6,042	0	319,594	0	9.7	0.5	0.12
30045063010000	FEDERAL 33	44	PICTURED CLIFFS	33	27 N 11 W	KUTZ W	XTO ENERGY	19830131	20100101	430,056	0	5,251	0	430,056	0	10.7	0.5	0.12
30045313730000	MEAD B	1R	PICTURED CLIFFS	3	26 N 11 W	KUTZ WE	THOMPSON ENGINEE	20000301	20091201	454,910	266,268	869	0	721,178	0	108	0.5	0.12
30045313730001	NAVAJO	1R	PICTURED CLIFFS	3	26 N 11 W	KUTZ WE	THOMPSON ENGINEE	20031101	20091201	56,985	89,901	8,638	0	146,886	0	46.4	6.6	0.12
Average Post 1980 Commingled Pictured Cliff Wells										298,402	69,973	4,599	0	368,375	0	30	1	0.12