

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.

MAY 13

5. Lease Serial No.

NMSF080382A

6. Indian, Allottee or Tribe Name

Farrington Field Office

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

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)

935' ENL & 1845' FEL NWNE SEC 08 (B) - T27N-R11W NMM

8. Well Name and No.

SCHWERTFEGER 8 #2E

9. API Well No.

30-045-32230

10. Field and Pool, or Exploratory Area

BASIN DAKOTA

BASIN MANCOS

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 DOWNHOLECOMINGLE

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 recomple 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 recomple 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 to DHC this well per NMCD Rule 19.15.12.11 C(2) in the Basin Dakota (71599) & the Basin Mancos (97232) pools. XTO proposes to DHC these pools upon completion of the Mancos. Please see attached spreadsheets for justification of proposed allocations. Recommended allocations are as follows:

| | | | | | | |
|---------------|------|------|------|-----|--------|-----|
| Basin Dakota: | Oil: | 0% | Gas: | 8% | Water: | 25% |
| Basin Mancos: | Oil: | 100% | Gas: | 92% | Water: | 75% |

Ownership is common in both zones; therefore, there are no owners to notify. The pools are not in the NMCD pre-approved pool combinations for DHC in the San Juan Basin and the NMCD was notified of our intent via Form C-107A on 5/12/2011. DHC will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights.

RCVD MAY 27 '11

OIL CONS. DIV.

DIST. 3

SF DHC 4389

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

WANETT MCCAULEY

Title REGULATORY COMPLIANCE TECHNICIAN

Signature

Wanett McCauley

Date 5/12/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Joe Hewitt

Title Geo

Date 5-20-11

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.

NMCD

Allocations are based off of an average of uncommingled Gallup recoveries in the 9-section in proportion to the current Dakota recovery from the 8 #2E. Further Dakota production is expected to be minimal from the subject well. Since water production from the offset wells was not recorded during their productive periods, it was assumed that 75% of the water will come from the Gallup zone.

| | MBO | MMCF | MBW |
|---------------------------|------------|-------------|------------|
| Frontier B-2 | 41 | 233 | |
| Frontier B-4 | 49 | 177 | |
| Frontier C-2 | 73 | 279 | |
| Santa Fe G-1 | 31 | 116 | |
| Santa Fe G-2 | 9 | 50 | |
| Gallup Average | 41 | 171 | ? |
| Schwerdtfeger 8-2E | 0 | 16 | 5 |
| TOTAL (GP+DK) | 41 | 187 | ? |

| % Production | | | |
|---------------------|------------|------------|--------------|
| | Oil | Gas | Water |
| Dakota | 0% | 8% | 25% |
| Gallup | 100% | 92% | 75% |

| P_DATE | OIL | GAS | WATER | PROD_WELLS | DAYS_ON | P_COMMENT |
|------------|-----|-------|-------|------------|---------|-------------------------------------|
| 7/31/2002 | | | | | | ACQUIRED FROM MARATHON |
| 10/31/2007 | 0 | 0 | 0 | 0 | 0 | |
| 11/30/2007 | 0 | 0 | 0 | 0 | 0 | |
| 12/31/2007 | 0 | 0 | 0 | 0 | 0 | |
| 1/31/2008 | 0 | 0 | 0 | 0 | 0 | |
| 2/29/2008 | 0 | 0 | 0 | 0 | 0 | |
| 3/31/2008 | 0 | 11 | 0 | 1 | 5 | |
| 4/30/2008 | 2 | 269 | 240 | 1 | 30 | DRILL & COMPLETE |
| 5/31/2008 | 2 | 119 | 100 | 1 | 31 | ACIDIZE/SET CIBP @ 6618'/PWOP |
| 6/30/2008 | 8 | 1534 | 320 | 1 | 30 | |
| 7/31/2008 | 18 | 1686 | 314 | 1 | 31 | |
| 8/31/2008 | 0 | 1001 | 246 | 1 | 31 | |
| 9/30/2008 | 15 | 625 | 227 | 1 | 30 | |
| 10/31/2008 | 15 | 477 | 554 | 1 | 31 | |
| 11/30/2008 | 9 | 455 | 313 | 1 | 30 | |
| 12/31/2008 | 1 | 60 | 0 | 1 | 31 | PUMP CHANGE/REPAIR HOLE IN TUBING |
| 1/31/2009 | 23 | 761 | 630 | 1 | 31 | |
| 2/28/2009 | 5 | 547 | 328 | 1 | 28 | |
| 3/31/2009 | 2 | 685 | 165 | 1 | 31 | |
| 4/30/2009 | 0 | 713 | 84 | 1 | 30 | |
| 5/31/2009 | 0 | 544 | 1 | 1 | 31 | PRESSURE TEST TBG/CHECK PUMP ACTION |
| 6/30/2009 | 0 | 675 | 240 | 1 | 30 | D.O. CIBP/PUMP CHANGE/REPAIR H.I.T. |
| 7/31/2009 | 8 | 476 | 80 | 1 | 31 | |
| 8/31/2009 | 7 | 368 | 160 | 1 | 31 | PUMP CHANGE/REPAIR HOLE IN TUBING |
| 9/30/2009 | 0 | 981 | 330 | 1 | 30 | |
| 10/31/2009 | 0 | 884 | 160 | 1 | 31 | |
| 11/30/2009 | 51 | 539 | 188 | 1 | 30 | PUMP CHANGE/REP H.I.T./REP ROD PART |
| 12/31/2009 | 1 | 401 | 250 | 1 | 31 | |
| 1/31/2010 | 0 | 326 | 164 | 1 | 31 | |
| 2/28/2010 | 10 | 613 | 88 | 1 | 28 | |
| 3/31/2010 | 0 | 195 | 0 | 1 | 31 | PRESSURE TEST TBG/CHECK PUMP ACTION |
| 4/30/2010 | 0 | 200 | 80 | 1 | 30 | |
| 5/31/2010 | 0 | 252 | 0 | 1 | 31 | |
| 6/30/2010 | 0 | 0 | 0 | 0 | 0 | |
| 7/31/2010 | 0 | 0 | 0 | 0 | 2 | |
| 8/31/2010 | 0 | 49 | 0 | 1 | 1 | |
| 9/30/2010 | 4 | 199 | 0 | 1 | 30 | |
| 10/31/2010 | 0 | 36 | 0 | 1 | 31 | |
| 11/30/2010 | 0 | 41 | 0 | 1 | 30 | |
| | 181 | 15722 | 5262 | | | |