

14. March 07 DATE IN	W. Jones ENGINEER	15. March 07 LOGGED IN	DHC TYPE	APP NO. 2CLP0707426942
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☒ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name

Signature

Title

Date

e-mail Address



2700 Farmington Ave, K-1 Farmington, NM 87401
Phone: (505) 324-1090 FAX: (505) 564-6700

March 9, 2007

Mr. Will Jones
New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Subject: Downhole Commingle Application
Gallegos #13E Sec 35-T26N- R11W
Basin Dakota & Wildcat Basin Mancos
NMNM12259; San Juan, NM

Dear Mr. Jones:

Enclosed please find an administrative application form (C107A) and attachments for downhole commingling of the Basin Dakota and Wildcat Basin Mancos pools. XTO Energy Inc. is drilling this well now and will downhole commingle at completion. All interest owners were been notified by certified mail, return receipt requested on March 9, 2007. The director may approve the proposed downhole commingling in the absence of any valid objections from any offset operator or any interest owners within 20 days after the receipt of the application if, in his opinion, waste will not result thereby and correlative rights will not be violated.

Any questions pertaining to this matter, please call me at (505) 324-1090.

Sincerely,

A handwritten signature in black ink that reads 'Holly C. Perkins'. The signature is written in a cursive, flowing style.

Holly C. Perkins
Regulatory Compliance Tech

xc: Well file
Ft. Worth Land
Brock Hendrickson

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 87240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-045-34008
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: GALLEGOS
8. Well Number 13E
9. OGRID Number 5380
10. Pool name or Wildcat BASIN DAKOTA / WC BASIN MANCOS
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6269'
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/> Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____ Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:
Oil Well ☐ Gas Well ☒ Other

2. Name of Operator
XTO Energy Inc.

3. Address of Operator
2700 Farmington Ave., Bldg. K, Ste 1 Farmington, NM 87401

4. Well Location
Unit Letter **L** : **1890** feet from the **SOUTH** line and **1020** feet from the **WEST** line
Section **35** Township **26N** Range **11W** NMPM County **SJ**

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6269'

12. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐
OTHER: **DOWNHOLE COMMINGLE** ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐
OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

XTO Energy requests approval to DHC production from the Basin DK (71599) & WC Basin Mancos (97232) upon completion of the well. The proposed allocations are based upon individual pool average EUR of wells located in a 12-section surrounding area:
Basin Dakota: Gas: 36% Water: 30% Oil: 5% WC Basin Mancos: Gas: 64% Water: 70% Oil: 95%
Ownership is diverse & owners were notified via return receipt certified mail on 3/9/2007. The DHC will offer an economical method of production, protect against reservoir damage, waste of reserves & correlative rights. Attached is supporting documentation for allocations, plats & copy of our 3160-5 sundry filed 3/9/2007.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been will be constructed or closed according to NMOCD guidelines ☐ , a general permit ☐ or an (attached) alternative OCD-approved plan ☐

SIGNATURE Holly C. Perkins TITLE REGULATORY COMPLIANCE TECH DATE 3/9/2007

Type or print name **HOLLY C. PERKINS** E-mail address: **Holly_perkins@xtoenergy.com** Telephone No. **505-324-1090**

For State Use Only

APPROVED BY _____ TITLE _____ DATE _____

Conditions of Approval, if any:

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410
DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-107A
Revised June 10, 2003

APPLICATION TYPE
☒ Single Well
☐ Establish Pre-Approved Pools
EXISTING WELLBORE
☐ Yes ☒ No

APPLICATION FOR DOWNHOLE COMMINGLING

Operator XTO Energy Inc. Address 2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401

Lease GALLEGOS Well No. 13E Unit Letter-Section-Township-Range L 35 26N 11W County SAN JUAN

OGRID No. 5380 Property Code _____ API No. 30-045-34008 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	<u>WILDCAT BASIN MANCOS</u> <i>Go2</i>	<u>BASIN DAKOTA</u> <i>Pro Go2</i>	
Pool Code	<u>97232</u> ✓	<u>71599</u> ✓	
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	<u>4966'</u> <u>5213'</u>	<u>5937'</u> <u>5213' 6056'</u>	
Method of Production (Flowing or Artificial Life)	<u>FLOWING</u>	<u>FLOWING</u>	
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)			
Producing, Shut-In or New Zone	<u>NEW DRILL</u>	<u>NW DRILL</u>	
Date and Oil/Gas/Water Rates of Last Production (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: _____ Rates: _____ Date: _____ Rates: _____	Date: _____ Rates: _____ Date: _____ Rates: _____	Date: _____ Rates: _____ Date: _____ Rates: _____
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil: <u>95%</u> % Gas: <u>64%</u> %	Oil: <u>5%</u> % Gas: <u>36%</u> %	Oil: _____ % Gas: _____ %

Are all working, overriding, and royalty interests identical in all commingled zones? Yes _____ No X
If not, have all working, overriding, and royalty interests been notified by certified mail? Yes X No _____
Are all produced fluids from all commingled zones compatible with each other? Yes X No _____
Will commingling decrease the value of production? Yes _____ No X
If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes X No _____

NMOCD Reference Case No. applicable to this well: _____

ATTACHMENTS:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of all offset operators.
- Notification list of working, overriding, and royalty interests for uncommon interest cases.
- Any additional statements, data, or documents required to support commingling.

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
 - List of all operators within the proposed Pre-Approved Pools
 - Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
 - Bottomhole pressure data
- I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Holly C. Perkins TITLE REGULATORY COMPLIANCE TEC DATE 3/12/2007

TYPE OR PRINT NAME HOLLY C. PERKINS TELEPHONE NO. (505) 324-1090

E-MAIL holly.perkins@xtoenergy.com

DISTRICT I
1620 N. French Dr., Hobbs, N.M. 88240

DISTRICT II
1301 W. Grand Ave., Artesia, N.M. 88210

DISTRICT III
1000 Rio Grande Rd., Aztec, N.M. 87410

DISTRICT IV
1220 South St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 71599	³ Pool Name Basin Dakota
⁴ Property Code	⁵ Property Name GALLEGOS	⁶ Well Number 13E
⁷ OGRD No. 167067	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 6269'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
L	35	26-N	11-W		1890	SOUTH	1020	WEST	SAN JUAN

¹¹ Bottom Hole Location if Different From Surface

UL or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 512.320			¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.		

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

¹⁶		¹⁷ OPERATOR CERTIFICATION	
<p>FD. 2 1/2" BC. 1930 GLO</p> <p>1020'</p> <p>N 00-11-39 E 2638.0' (M)</p> <p>1890'</p> <p>S 89-53-39 E 2630.7' (M)</p> <p>FD. 2 1/2" BC. 1930 GLO</p>		<p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Kelly Smith</i> Signature Date</p> <p>Kelly Smith Printed Name</p>	
		¹⁸ SURVEYOR CERTIFICATION	
		<p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>MARCH 13, 2006 Date of Survey</p> <p><i>John A. Vukobratovic</i> Signature</p> <p>JOHN A. VUKOBRA TOVIC NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR 14831</p> <p>Certificate Number</p>	

DIRECT I
1635 N. French Dr., Hobbs, NM 88240

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State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

RECEIVED

070 FARMINGTON NM

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2 Well Code	3 Well Name
	97232	WILDCAT BASIN MANCOS
4 Property Code	5 Property Name	6 Well Number
	GALLEGOS	13E
7 Well No.	8 Operator Name	9 Location
167067	XTO ENERGY INC.	6269'

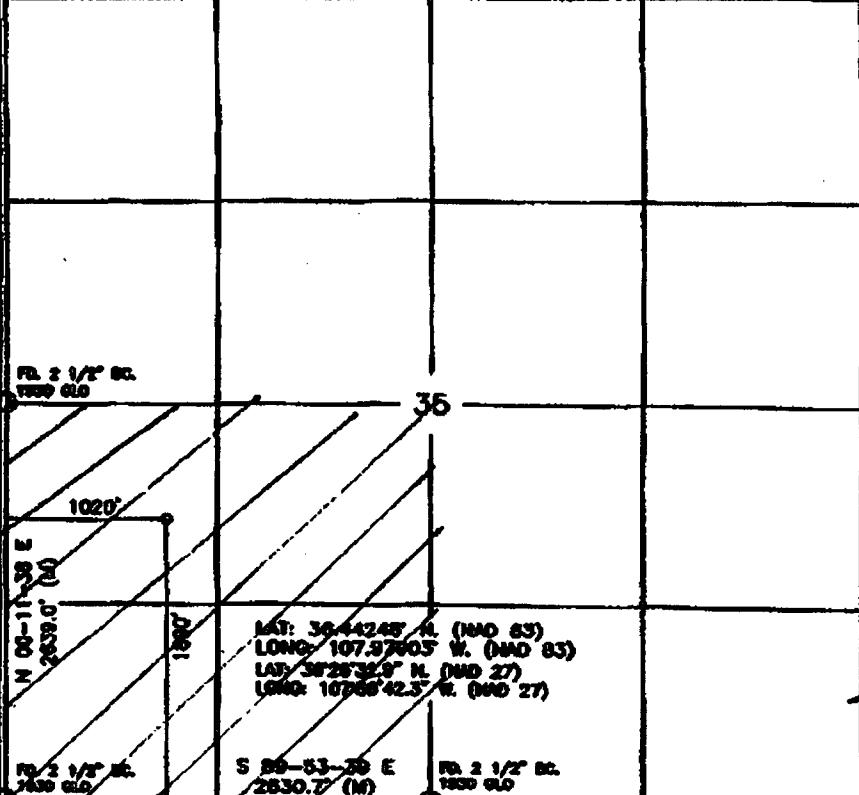
10 Surface Location

11 or 12 sec.	Section	Township	Range	13	14	15	16	17	18
L	35	25-N	11-W	1890	SOUTH	1020	WEST	SAN JUAN	

11 Bottom Hole Location if Different From Surface

11 or 12 sec.	Section	Township	Range	13	14	15	16	17	18
19 Dedicated Area				20 Well or Well		21 Completion Code		22 Order No.	
SW 1/4 160									

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>12</p>  <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p> <p>26</p> <p>27</p> <p>28</p> <p>29</p> <p>30</p> <p>31</p> <p>32</p> <p>33</p> <p>34</p> <p>35</p> <p>36</p> <p>37</p> <p>38</p> <p>39</p> <p>40</p> <p>41</p> <p>42</p> <p>43</p> <p>44</p> <p>45</p> <p>46</p> <p>47</p> <p>48</p> <p>49</p> <p>50</p> <p>51</p> <p>52</p> <p>53</p> <p>54</p> <p>55</p> <p>56</p> <p>57</p> <p>58</p> <p>59</p> <p>60</p> <p>61</p> <p>62</p> <p>63</p> <p>64</p> <p>65</p> <p>66</p> <p>67</p> <p>68</p> <p>69</p> <p>70</p> <p>71</p> <p>72</p> <p>73</p> <p>74</p> <p>75</p> <p>76</p> <p>77</p> <p>78</p> <p>79</p> <p>80</p> <p>81</p> <p>82</p> <p>83</p> <p>84</p> <p>85</p> <p>86</p> <p>87</p> <p>88</p> <p>89</p> <p>90</p> <p>91</p> <p>92</p> <p>93</p> <p>94</p> <p>95</p> <p>96</p> <p>97</p> <p>98</p> <p>99</p> <p>100</p> <p>101</p> <p>102</p> <p>103</p> <p>104</p> <p>105</p> <p>106</p> <p>107</p> <p>108</p> <p>109</p> 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to ensure that the well is drilled and completed in accordance with the requirements of the New Mexico Oil and Gas Conservation Act.</p> <p><i>Kyle Vaughan</i> 10/13/06 Kyle Vaughan Operator</p>
<p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual survey made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>MARCH 13, 2008 State of New Mexico Surveyor <i>[Signature]</i> Surveyor</p> <p>19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100 101 102 103 104 105 106 107 108 109 110 111 112 113 114 115 116 117 118 119 120 121 122 123 124 125 126 127 128 129 130 131 132 133 134 135 136 137 138 139 140 141 142 143 144 145 146 147 148 149 150 151 152 153 154 155 156 157 158 159 160 161 162 163 164 165 166 167 168 169 170 171 172 173 174 175 176 177 178 179 180 181 182 183 184 185 186 187 188 189 190 191 192 193 194 195 196 197 198 199 200 201 202 203 204 205 206 207 208 209 210 211 212 213 214 215 216 217 218 219 220 221 222 223 224 225 226 227 228 229 230 231 232 233 234 235 236 237 238 239 240 241 242 243 244 245 246 247 248 249 250 251 252 253 254 255 256 257 258 259 260 261 262 263 264 265 266 267 268 269 270 271 272 273 274 275 276 277 278 279 280 281 282 283 284 285 286 287 288 289 290 291 292 293 294 295 296 297 298 299 300 301 302 303 304 305 306 307 308 309 310 311 312 313 314 315 316 317 318 319 320 321 322 323 324 325 326 327 328 329 330 331 332 333 334 335 336 337 338 339 340 341 342 343 344 345 346 347 348 349 350 351 352 353 354 355 356 357 358 359 360 361 362 363 364 365 366 367 368 369 370 371 372 373 374 375 376 377 378 379 380 381 382 383 384 385 386 387 388 389 390 391 392 393 394 395 396 397 398 399 400 401 402 403 404 405 406 407 408 409 410 411 412 413 414 415 416 417 418 419 420 421 422 423 424 425 426 427 428 429 430 431 432 433 434 435 436 437 438 439 440 441 442 443 444 445 446 447 448 449 450 451 452 453 454 455 456 457 458 459 460 461 462 463 464 465 466 467 468 469 470 471 472 473 474 475 476 477 478 479 480 481 482 483 484 485 486 487 488 489 490 491 492 493 494 495 496 497 498 499 500 501 502 503 504 505 506 507 508 509 510 511 512 513 514 515 516 517 518 519 520 521 522 523 524 525 526 527</p>				

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2700 Farmington Ave, K-1, Farmington, NM 87401
Phone: (505) 324-1090 FAX: (505) 564-6700

March 9, 2007

Interest Owners

Subject: Application for Downhole Commingle
Gallegos #13E
Sec 35-T26N-R11W

XTO Energy Inc has submitted an application to the New Mexico Oil Conservation Division (NMOCD) to downhole commingle production from the Basin Dakota and Wildcat Basin Mancos pools in the Gallegos #13E. Commingling of these pools will minimize operating costs, add reserves and improve economics of the well. Allocations are based on production determined from monthly average production rates.

The proposed allocation percentages for each pool are as follows:

Basin Dakota	Gas: 36%	Water: 30%	Oil: 5%
WC Basin Mancos	Gas: 64%	Water: 70%	Oil: 95%

NMOCD requires all interest owners be notified of intent to downhole commingle if ownership is different between pools. If you need additional information or have any questions, I may be contacted at (505) 324-1090. If you have any objections to our application, please contact me, in writing, within twenty (20) days of the date of this letter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Holly C. Perkins'.

Holly C. Perkins
Regulatory Compliance Tech

xc: well file

MMS-BUREAU OF INDIAN AFFAIRS NAVAJO
AREA ALLOTTED
810 HOUSTON ST, STE 2000
FORT WORTH, TX 761026298

XTO ENERGY INC.
810 HOUSTON STREET
FORT WORTH, TX 761026298

DUGAN PRODUCTION CORPORATION
P O BOX 420
FARMINGTON, NM 874990420

GALLEGOS 13E MC

GALLEGOS 13E MC

GALLEGOS 13E DK

MMS XTO FEDERAL
C/O XTO ENERGY INC
810 HOUSTON STREET
FORT WORTH, TX 761026298

MMS-BUREAU OF INDIAN AFFAIRS NAVAJO
AREA ALLOTTED
810 HOUSTON ST, STE 2000
FORT WORTH, TX 761026298

XTO ENERGY INC.
810 HOUSTON STREET
FORT WORTH, TX 761026298

GALLEGOS 13E DK

GALLEGOS 13E DK

GALLEGOS 13E DK

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0137
Expires March 31, 2007

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 reverse side

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMM12259
2. Name of Operator XTO Energy Inc.		6. If Indian, Allottee or Tribe Name
3a. Address 2700 FARMINGTON SUITE K-1, FARMINGTON, NM 87401	3b. Phone No. (include area code) 505-324-1090	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1890' FSL & 1020' FWL SEC 35L-T26N-R11W		8. Well Name and No. GALLEGOS #13E
		9. API Well No. 30-045-34008
		10. Field and Pool, or Exploratory Area BASIN DAKOTA WILDCAT 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			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other DOWNHOLE
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	COMMINGLE
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 recomplete 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 Inc. is requesting approval to DHC production from the Basin Dakota (71599) and the Wildcat Basin Mancos (97232) upon completion. The proposed allocations are based upon an individual pool average EUR of wells located in a 12-section surrounding area. Attached is supporting documentation for allocations, plats & copies of our C107A and C103 filed with the NMOC in Santa Fe. Based on the average UER, XTO proposes allocations as follows:

Basin Dakota:	Gas: 36%	Water: 30%	Oil: 5%
Wildcat Basin Mancos:	Gas: 64%	Water: 70%	Oil: 95%

Ownership is diverse and owners were given notice via certified mail, return receipt, on March 9, 2007. The downhole commingle will offer an economical method of production, protect against reservoir damage, waste of reserves & correlative rights. The NMOC in Santa Fe has been notified via submittal of Forms C103 & C107A dated 3/9/2007.

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

HOLLY C. PERKINS

Title

REGULATORY COMPLIANCE TECHDate **3/9/2007****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.