Amended FORM APPROVED Form 3160-5 UNITED STATES OMB NO. 1004-0137 (August 2007) -- DEPARTMENT OF THE INTERIOR Expires July 31, 2010 BUREAU OF LAND MANAGEMENT 5. Lease Serial No. SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an NMNM-19163 6. If Indian, Allottee or Tribe Name abandoned well. Use Form 3160-3 (APD) for such proposals. 7. If Unit or CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE - Other instructions on page 2 Type of Well Oil Well Well Name and No. X Gas Well Other WF FEDERAL 20 #1 2. Name of Operator XIO ENERGY INC. 9. API Well No. 3a. Address 3b. Phone No. (include area code) 30-045-29649 382 CR 3100 AZTEC, NM 87410 505-333-3630 10. Field and Pool, or Exploratory Area 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) BASIN FRUITLAND COAL/TWIN 915' FSL & 1600' FWL MOUNDS FRUITLAND SAND PC SEC. 20 (N) -T30N-R14W SESW N.M.P.M. 11. County or Parish, State SAN JUAN CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION X Notice of Intent Acidize Deepen Production (Start/Resume) Water Shut-Off Alter Casing Fracture Treat Reclamation Well Integrity Subsequent Report New Construction Casing Repair Recomplete Plug and Abandon Temporarily Abandon Change Plans Final Abandonment Notice Water Disposal Convert to Injection Plug Back 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. intends to plug and abandon this well per the attached procedure. Please see also, the attached current and proposed wellbore diagrams. XTO Energy Inc. plans to use the C-144 CLEZ Permit #7475 that was approved on 1/14/2011 for the P&A. RCVD DEC 12'12 OIL CONS. DIV. DIST. 3 I hereby certify that the foregoing is true and correct Name (Printed/Typed) SHERRY J. Title REGULATORY ANALYST

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

SHERRY J. MORROW

Title REGULATORY ANALYST

Date 12/6/12

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Original Signed: Stephen Mason

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.

P

PLUG AND ABANDONMENT PROCEDURE

December 3, 2012

WF Federal 20 #1

Twin Mounds Pic	ctured Cliffs / Bas	sin Fruitland Coal
915' FSL and 160	00' FWL, Section	20, T30N, R14W
San Juan County	, New Mexico / A	API 30-045-29649
Lat: N	/ Long: W	

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Note: All cement volumes use 100% excess outside pipe and 50' excess inside. The stabilizing wellbore fluid will be water or drilling mud with sufficient weight to balance all exposed formation pressures. Cement is <u>Class B mixed at 15.6 ppg with 1.18 cf/sxs</u> yield or <u>Class B with 18% salt</u> by weight of water (for expansion, MSHA requirement through the Fruitland Coal zone).

PROCEDURE:	P	R	<u></u>	C	F	n	П	IR	F٠
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- This project requires a NMOCD C-144 CLEZ Closed-Loop System Permit for the use of an A-Plus steel tank to handle waste fluids circulated from the well and cement wash up.
- Rods: Yes X , No , Unknown , Size 2.375" , Length 1171'
 Packer: Yes , No X , Unknown , Type ...
 If this well has rods or a packer, then modify the work sequence in step #2 as appropriate.
- Comply with all applicable MSHA, NMOCD, BLM and BHP Billiton safety regulations. Conduct safety
 meeting for all personnel on location. MOL and RU daylight pulling unit. Lay relief line to the waste
 pit and blow well down, kill well with water as necessary. ND wellhead and NU BOP. Test BOP. Pull
 rod and tubing from well if present.
- 2. PU a 3.875" bit and tally a 2.375" tubing workstring. TIH and clean out to PBTD (1247') or as deep as possible. Circulate well clean with water. Rig up Jet West wireline and run a Gamma Neutron log and a directional survey log. Adjust the milling intervals as appropriate from these logs.
- 3. Plug #1 (Pictured Cliffs perforations and Fruitland perforations, 1079' to 1247'): TIH with open ended workstring to PBTD. Load the well with water and establish injection rate into the perforations. Mix 50 sxs cement with 18% salt (by weight of water) and spot a balanced plug inside the 4.5" casing to cover Pictured Cliffs perforations. TOH with the workstring, load the casing with water, shut in well and then squeeze approximately 30 sxs (6.3 bbls cement) into the perforations; squeeze the TOC down to approximately 1097'. (Note: This is not the final abandonment of the Fruitland perforations. The intent is to fill the PC perforations with cement. WOC.

PLUG AND ABANDONMENT PROCEDURE

December 3, 2012

WF Federal 20 #1

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Procedure Continued:

- 4. While WOC, pick up a 3.875" mill tooth bit, 6 3-1/8" drill collars and TIH to 800'. Finish WOC and then TIH and tag cement. Drill out the cement inside the casing to 1105' (Note: TOC must be 5 to 8' below the bottom of the planned milled interval (1096') to allow for the nose of the section mill tool). TOH with this BHA and LD the bit.
- 5. PU a flat bottom mill, the 3.875" section milling tool and the 6 3-1/8" drill collars (this is the under reaming bottom hole assembly, BHA). TIH with BHA and 2.375" drill pipe to 1072'. Rig up drilling equipment and establish circulation with high vis mud.
- 6. Note: The intervals to be mill out below are from ground level not KB.
- 7. **Mill out the 4.5" casing from 1072' to 1096'.** Start milling out the 4.5" casing at 1072'. Mill per the tool hands instructions for weight on mill, circulation rate and power swivel's RPM. Circulate well clean with mud. TOH with 2.375" pipe and the BHA. LD section mill toll and the TIH with bit to clean out to 1105' or as deep as possible.
- 8. Rig up a wireline truck and run a caliper log through the milled interval to insure all the 4.5" casing from the planned milling depths (1072' 1096') has been removed. Re-mill as appropriate. Re-log as necessary.
- 9. **Perforate the 4.5" casing with 3 SPF from 991' 992' and 985' to 986'.** This is to isolate Coal Seam #9 and the depths should be modified as appropriate from the logs run in step #2.
- 10. Plug #2 (Pictured Cliffs and Fruitland Coal interval, 1105' to 5\$3'): TIH with 2.375" workstring to 1105' (drill out depth in step #4.) and circulate the well clean. Then pump a 5 bbls fresh water spacer ahead of the cement. Mix 44 sxs cement with 18% salt (by weight of water) and spot a balanced plug from 1106' to 583' to fill the milled interval and to cover the Fruitland top. TOH with tubing. Squeeze cement into Fruitland interval to 1000 PSI.
- 11. WOC. Then TIH with tubing and tag cement. Pressure test the 4.5" casing to 800#. Spot Plug #3 based on cement tag.
- 12. Plug #3 (Fruitland top and 7" Surface casing shoe, from 178' to Surface): Connect the pump line to the bradenhead valve. Pressure test the BH annulus to 300#; note the fluid volume to load. If the BH annulus tests, then mix approximately 15 sxs cement with or without 18% salt cement and spot a balanced plug inside the 4.5" casing from 178' to surface to cover the Fruitland top and 7" surface casing shoe. TOH and LD the tubing. If the BH annulus does not test, then perforate at the appropriate depth and fill the bradenhead annulus and 4.5" casing with cement to surface. TOH and LD tubing. Shut in well and WOC.
- 13. ND BOP and cut off wellhead below surface. Install P&A marker with cement to comply with regulations. RD, MOL. Cut off anchors and clean up location.



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XTO - Wellbore Diagram

Well Name: WF Federal 20-01 E/W Dist (ft) Location County N/S Dist (ft) N/S Ref 30045296490000 1 600 0 ΕW/I 915.0 **FSI** T30N-R14W-S20 Twin Mounds Pictured Cliffs San Juan New Mexico Well Configuration Type XTO ID B Orig KB Elev (ft) Gr Elev (ft) KB-Grd (ft) Spud Date PBTD (All) (ftKB) Total Depth (ftKB) Method Of Production Vertical 7/24/1998 1,300.0 77602 5,592.00 5,587.00 5.00 Original Hole - 1247.0 Well Config Vertical: Original Hole, 8/15/2012 1:55:51 PM 是更得更多 ALREADY STATES Zones ftKB HKB Zane Zone Top (ftKB) (MD) Ind (TVD) 1.089.0 Fruitland Coal 1 079 0 Pictured Cliffs 1,100.0 1,110.0 TABLE Casing Strings -10 Casing Description OD (in) Wt (lbs/ft) String Grade Top Connection Set Depth (ftK. Surface 20.00 J-55 128.0 OD (in) Wt (lbs/ft) String Grade et Depth (fth Casing Description Production 4 1/2 10.50 J-55 1,300.0 Cement String Type 11 Surface Casing Cement Surface, 128.0ftKB casino Cmt w/50 sx. Circ cmt to surf. 128 Description String **Production Casing Cement** Production, 1,300.0ftKB casing Cmt w/130 sx. Circ cmt to surf. 1,061 THE STREET 1.079 Shot Dens Diameter Date Top (MD):1,079, (shots/ft) Top (ftKB) Btm (ftKB) (°), 3.0 Des:Fruitland Coal 3/23/1999 1,079.0 1,089.0 Fruitland Coal 1,089 Pictured Cliffs 3/18/1999 1,100.0 1.110.0 3.0 Tubing Strings 1. 12 July 1. 1. 1. Set Depth (ftKB) **Tubing Description** 1.100 Tubing - Production 1/25/2008 1,170.2 Top (MD):1,100, **Tubing Components** Des:Pictured Cliffs Top 1.110 Item Description Jts Model OD (in) (lbs/: Gra. Thread Len (ft) Top (ftKB) Btm (ftKB) 36 T&C 2 3/8 4.70 J-55 1,134.08 1.139.1 Tubing 5.0 Upset 1.112 Seat Nipple 1,139.1 2 3/8 1 10 1,140.2 **OEMA** 1 2 3/8 4.70 J-55 30.00 A Section of 1,113 Rods String Length (ft) Set Depth (ftKB) Rod Description 1,163.00 Rod String 1/26/2008 1,152,5 1.137 3.24.8 3.24.8 Rod Components Model OD (in) Grade [[] Len (ft) (ftKB) (ftKB) 图 图tm (ftKB) Polished Rod 1 1/4 22,00 -10.5 11.5 1.138 3/4 D 1,050.00 11.5 1,061.5 Sucker Rod 42 1 1/2 K Sinker Bar 2 50.00 1.061.5 1.111.5 Shear Coupling 1 1 1/2 1.00 1,111.5 1.112.5 1,139 Sinker Bar 1 1/2 25.00 1,112.5 1,137.5 1,137.5 Lift Sub 1 1.00 1,138.5 1,138.5 3/4 Spiral Rod Guide 1.00 1,139.5 1,139 1,139.5 Rod Insert Pump 1 1/2 12.00 1,151.5 1.00 1,151.5 1,152.5 Strainer Nipple 1,140 Stimulations & Treatments MTP (psi) rac Start Date Top Perf (ft... Bottom Pe... Total Prop. ATP (psi) ISIP (psi) 40,360.0 1,610.0 1,010.0 1110 29 3,94... 3/18/1999 1100 20# linear gel pre-pad & 70Q N2 foamed 20# linear gel carrying 40,360# 16/30 AZ sd Frac Start Date | Top Perf (ft... | Bottom Pe... | V (slurry) (... | Total Prop... | AIR (b... | ATP (psi) MTP (psi) ISIP (psi) 1,153 22,684.0 3/23/1999 1079 1089 1,672.0 4,29.. 4,298.0 22 20# linear gel pre-pad & 70Q N2 foamed 20# linear gel carrying 22,684# 20/40 AZ sd. 1.170 Screen out on 3 ppg sand stage. Design was 40,000# sd (1 - 4 ppg). PBTD. 1,247 1.247 TD, 1,300 1,300

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Report Printed: 8/15/2012

WF Federal 20-1

Proposed P&ATwin Mounds Pictured Cliffs / Basin Fruitland Coal 915' FSL & 1600' FWL, Section 20, T-30-N, R-14-W San Juan County, NM / API 30-045-29649

Lat: N____/ Long: W ___

Today's Date: 12/03/12

Fruitland Top @ 633'

Fruitland Coal Seam #9' - 985' - 991'

Fruitland Coal Seam #8: 1078' - 1090'

6.25" Hole

Pictured Cliffs @ 1097'

Spud: 7/24/98 Completed: 3/25/99 Elevation: 5587' GL 8.75" Hole

TD 1300'

PBTD 1247'

TOC at Surface, Circulate cement per tower report

20#, J-55 Casing set @ 128' 50 sxs cement, Circulated to surface

Plug #3: 178' - 0' Class B cement, 15 sxs

Plug #2: 1106' - 583' Class B cement, 50 sxs

Perforate @ 985'

Perforate @ 991'

Fruitland Coal Perforations: 1079' - 1089'

Mill out casing from 1072' to 1096'

Plug #1: 1097' - 1247' Class B cement, 50 sxs

Pictured Cliffs Perforations: 1100' - 1110'

4.5" 10.5# J-55 Casing set @ 1300' Cemented with 130 sxs (153 cf) cement circulated per tower report.