

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



New Mexico Oil Conservation Division approval and conditions listed below are made in accordance with OCD Rule 19.15.7.11 and are in addition to the actions approved by BLM on the following 3160-4 or 3160-5 form.

Operator Signature Date: 5/28/14

Application Type:

☒ P&A ☐ Drilling/Casing Change ☐ Recomplete/DHC
☐ Location Change ☐ Other:

Well information:

API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf_Owner	UL	Sec	Twp	N/S	Rng	W/E
30-039-21474-00-00	VALENCIA CANYON UNIT	005	XTO ENERGY, INC	G	A	Rio Arriba	F	P	26	28	N	4	W

Conditions of Approval:

Notify NMOCD 24hrs prior to beginning operations

Extend Ojo Alamo plug to 3472

Provide CBL to agencies prior to cementing

NMOCD Approved by Signature

6-12-14
Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM 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

MAY 29 2014

2. Name of Operator

XTO ENERGY INC.

3a. Address

382 CR 3100 AZTEC, NM 87410

3b. Phone No. (Include area code)

505-333-3176

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

1185' FSL & 850' FEL SESE SEC. 26 (P) - T28N-R4W N.M.P.M.

5. Lease Serial No.

NMM-14920

6. If Indian, Allottee or Tribe Name

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

US FOREST SERVICE SURFACE

8. Well Name and No.

VALENCIA CANYON UNIT #5

9. API Well No.

30-039-21474

10. Field and Pool, or Exploratory Area

CHOZA MESA PICTURED CLIFFS

11. County or Parish, State

RIO ARRIBA 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
☐ Change Plans ☒ Plug and Abandon ☐ Temporarily Abandon
☐ 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 recompleat 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 recompleat 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 and will be using a Closed Loop System. Please see also, the attached current and proposed wellbore diagrams.

OIL CONS. DIV DIST. 3

JUN 06 2014

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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

KRISTEN D. BABCOCK

Title REGULATORY ANALYST

Signature

Kristen D. Babcock

Date 5/28/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Troy Salyers

Title

Petroleum Engineer

Date

6/3/2014

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

LWA _____
MTG _____
Approved _____

PLUG AND ABANDONMENT PROCEDURE

May 21, 2014

Valencia Canyon Unit #5

Choza Mesa Pictured Cliffs
1185' FSL and 850' FEL, Section 26, T28N, R4W
Rio Arriba County, New Mexico / API 30-039-21474
Lat: _____ / Lat: _____

Note: All cement volumes use 100% excess outside pipe and 50' excess inside. The stabilizing wellbore fluid will be 8.3 ppg, sufficient to balance all exposed formation pressures. All cement will be Class B, mixed at 15.6 ppg with a 1.18 cf/sx yield.

1. Install and test location rig anchors. Comply with all NMOCD, BLM, and Operator safety regulations. MOL and RU daylight pulling unit. Conduct safety meeting for all personnel on location. Record casing, tubing and bradenhead pressures. NU relief line and blow down well. Kill well with water as necessary and at least pump tubing capacity of water down the tubing. ND wellhead and NU BOP. Function test BOP.
2. Rods: Yes _____, No X_____, Unknown_____.
Tubing: Yes X_____, No _____, Unknown_____, Size 2-3/8"_____, Length 4240'_____.
Packer: Yes _____, No X_____, Unknown_____, Type _____.
If this well has rods or a packer, then modify the work sequence in step #2 as appropriate.

NOTE: BLM requires a CBL log to be run on all wells where the cement did not circulate to surface or where a T.S. or CBL log was not previously run. The procedure will be modified as necessary based on the CBL. ✓

3. **Plug #1 (Pictured Cliffs interval and Fruitland top, 4050' – 3858'):** Round trip 4.5" gauge ring to 4050' or as deep as possible. RIH and set 4.5" CR at 4050'. Pressure test tubing to 1000#. Circulate well clean. *Pressure test casing to 800 PSI. If casing does not test, then spot or tag subsequent plug as appropriate.* Mix and pump 19 sxs Class B cement above CR to isolate the Pictured Cliffs interval and cover the Fruitland top. PUH.

See COA
4. **Plug #2 (Kirtland and Ojo Alamo tops, 3582' – 3310'):** Mix and pump 25 sxs cement inside casing to cover the Kirtland and Ojo Alamo tops. PUH.

See COA
5. **Plug #3 (Nacimiento top, 2180' – 2080'):** Mix and pump 12 sxs cement inside casing to cover the Nacimiento top. TOH and LD tubing.
6. **Plug #4 (Surface Casing shoe, 369' to Surface):** Perforate 3 squeeze holes at 369'. Establish circulation out bradenhead with water and circulate the BH annulus clean. Mix approximately 120 sxs Class B cement and pump down the 4.5" casing to circulate good cement out bradenhead. Shut in well and WOC.
7. ND BOP and cut off casing below surface casing flange. Install P&A marker with cement to comply with regulations. RD, move off location, cut off anchors and restore location.



XTO - Wellbore Diagram

Well Name: Valencia Canyon Unit 05

API/UWI	E/W Dist (ft)	E/W Ref	N/S Dist (ft)	N/S Ref	Location	Field Name	County	State/Province
30039214740000	850.0	FEL	1,185.0	FSL	T28N-R04W-S26	Chozo Mesa PC	Rio Arriba	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	71120	7,343.00	7,333.00	10.00	9/18/1977	Original Hole - 4323.0	4,375.0	Plunger Lift

Well Config: Vertical - Original Hole, 3/27/2014 11:10:08 AM

Schematic - Actual		Incl	ftKB (TVD)	ftKB (MD)	Zone		Top (ftKB)	Btm (ftKB)						
					Pictured Cliffs		4,100.0	4,316.0						
					Casing Strings									
				10	Casing Description	OD (in)	Wt (lbs/ft)	String Grade	Top Connection	Set Depth (ftKB)				
					Surface	8 5/8	24.00	K-55		319.0				
					Casing Description	OD (in)	Wt (lbs/ft)	String Grade	Top Connection	Set Depth (ftKB)				
				319	Production	4 1/2	10.50	K-55		4,375.0				
					Cement									
					Description	Type	String							
					Surface Casing Cement	casing	Surface, 319.0ftKB							
				1,500	Comment									
					Cmt'd w/250 sx cmt w/2% CACL2. Circ 11 sx cmt to surf.									
					Description	Type	String							
					Production Casing Cement	casing	Production, 4,375.0ftKB							
				4,100	Comment									
					Cmt'd w/1145 sx50/50 POZMIX w/6% gel & 2#/SX MTP. Tailed in w/120 sx CL B cmt. DID NOT CIRC CMT TO SURF.									
				4,110	Perforations									
					Date	Top (ftKB)	Btm (ftKB)	Shot/Dens (shots/ft)	Hole Diameter (in)	Phasing (°)	Cur Status	Zone		
				4,126	10/13/1977	4,100.0	4,110.0	1.0				Pictured Cliffs		
					10/13/1977	4,126.0	4,156.0	1.0				Pictured Cliffs		
					10/13/1977	4,168.0	4,180.0	1.0				Pictured Cliffs		
				4,156	10/13/1977	4,246.0	4,268.0	1.0				Pictured Cliffs		
					10/13/1977	4,282.0	4,316.0	1.0				Pictured Cliffs		
				4,168	Tubing Strings									
					Tubing Description	Run Date	Set Depth (ftKB)							
					Tubing - Production		4,239.6							
				4,180	Tubing Components									
					Item Description	Jts	Model	OD (in)	Wt (lbs/ft)	Grade	Top Thread	Len (ft)	Top (ftKB)	Btm (ftKB)
				4,205	Tubing	136	T&C Upset	2 3/8	4.70	J-55		4,195.20	10.0	4,205.2
					Tubing	1	T&C Upset	2 3/8	4.70	J-55		32.80	4,205.2	4,238.0
				4,238	Seat Nipple	1		2 3/8				1.10	4,238.0	4,239.1
					Notched Collar	1		2 3/8				0.50	4,239.1	4,239.6
				4,239	Rods									
					Rod Description	Run Date	String Length (ft)	Set Depth (ftKB)						
				4,240	Rod Components									
					Item Description	Jts	Model	OD (in)	Grade	Len (ft)	Top (ftKB)	Btm (ftKB)		
				4,246	Stimulations & Treatments									
					Frac Start Date	Top Perf (ft)	Bottom Pe...	V (slurry) (...)	Total Prop...	AIR (b...	ATP (psi)	MTP (psi)	ISIP (psi)	
					10/13/1977	4110	4316			12	2,050.0		1,700.0	
				4,268	Comment									
					F. PERFS FR/4100'-4316' W/65,268 GALS FOAM & 378,000 LBS 10/20 SD @ 12 BPM & 2050 PSIG. ISIP 1700 PSIG. 15" SIP 15 PSIG.									
				4,282										
				4,316										
				4,323										
				4,375										

Top (MD):4,100.
Des:Pictured Cliffs

PBTD, 4,323

TD 4,375

Top (MD): 4,100,
Des: Pictured Cliffs

PBTD,
4,323

TD, 4,375

Valencia Canyon Unit #5

Proposed P&A

Choza Mesa Pictured Cliffs

1185' FSL, 850' F&L, Section 26, T-28-N, R-4-W,

Rio Arriba County, NM / API #30-039-21474

Today's Date: 5/21/14

Spud: 9/17/77

Completed: 10/20/77

Elevation: 7333' GL
7343' KB

12.25" hole

8-5/8", 24#, K-55 Casing set @ 319'
Cement with 250 sxs (Circulated to Surface)

Perforate @ 369'

Plug #4: 369' - 0'
Class B cement, 120 sxs

TOC unknown, did not
circulate and calculated
cement should have been
to surface. Similar wells
have casing issues above
the 1100'.

See COA

Plug #3: 2180' - 2080'
Class B cement, 12 sxs

See COA

Plug #2: 3582' - 3310'
Class B cement, 25 sxs

Plug #1: 4050' - 3858'
Class B cement, 19 sxs

Set CR @ 4050'

Pictured Cliffs Perforations:
4100' - 4316'

4.5", 10.5#, K-55 Casing set @ 4375'
Cement with 1265' sxs (1771 cf)

7-7/8" hole

TD 4375'
PBSD 4333'

Nacimiento @ 2130' *est

Ojo Alamo @ 3360' *est

Kirtland @ 3532' *est

Fruitland @ 3908' *est

Pictured Cliffs @ 4098'

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
6251 COLLEGE BLVD.
FARMINGTON, NEW MEXICO 87402

Attachment to notice of
Intention to Abandon:

Re: Permanent Abandonment
Well: Valencia Canyon Unit #5

CONDITIONS OF APPROVAL

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Lease."

2. Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 564-7750.

3. The following modifications to your plugging program are to be made:

- a) *Set plug #2 (3851-3524) ft. to cover the Kirtland and Ojo Alamo tops. Adjust cement volume accordingly.
- b) *Set plug #3 (2478-2378) ft. to cover the Nacimiento top.

Note: Plugs 1 and 2 can be combined to be set from the CR @ 4050 ft. to 3524 ft. This will be to the discretion of the operator.

***Plugs 1, 2 and 3 will be set inside assuming good cement isolation on backside of 4.5" production casing. Operator will run a CBL to verify cement top. Outside plugs will be required if cement top is not adequate for zonal isolation. Submit electronic copy of the log for verification to the following BLM address: tsalyers@blm.gov**

You are also required to place cement excesses per 4.2 and 4.4 of the attached General Requirements.

Office Hours: 7:45 a.m. to 4:30 p.m.