

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

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: 8/1/14

Well information:

API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf Owner	UL	Sec	Twp	N/S	Rng	W/E
30-045-31439-00-00	MCKENZIE A	003	XTO ENERGY, INC	G	A	San Juan	F	P	9	30	N	12	W

Application Type:

- ☒ P&A ☐ Drilling/Casing Change ☐ Location Change
☐ Recomplete/DHC (For hydraulic fracturing operations review EPA Underground injection control Guidance #84)
☐ Other:

Conditions of Approval:

Notify NMOCD 24hrs prior to beginning operations

Extend Ojo Alamo plug up to 305 feet.

NMOCD Approved by Signature

9-15-14
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 <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM024158
2. Name of Operator XTO ENERGY INC.		6. If Indian, Allottee or Tribe Name NMNM104899
3a. Address 382 CR 3100 AZTEC, NM 87410	3b. Phone No. (include area code) 505-333-3630	7. If Unit or CA/Agreement, Name and/or No. NMNM104899
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 660' FSL & 990' FEL SESE SEC.9 (P) -T30N-R12W N.M.P.M.		8. Well Name and No. MCKENZIE A #3
		9. API Well No. 30-045-31439
		10. Field and Pool, or Exploratory Area BASIN FRUITLAND COAL
		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 type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<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 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 and surface reclamation plan.

OIL CONS. DIV DIST. 3

AUG 14 2014

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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

Notify NMOCD 24 hrs
prior to beginning
operations



H₂S POTENTIAL EXIST

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) SHERRY J. MORROW	Title REGULATORY ANALYST
Signature <i>Sherry J. Morrow</i>	Date 8/1/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by <i>Troy Salyers</i>	Title Petroleum Eng.	Date 8/13/2014
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	

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.

NMOCD AV

McKenzie A #3
Sec 9, T 30 N, R 12 W
San Juan County, New Mexico
6/30/2014

Plug and Abandon Procedure

AFE Number: 1406090

Spud Date: 5/15/2003

Surface Casing: 7", 20#, J-55 csg @ 233'. Cmt'd w/64 sx. Circ 9 bbls cmt to surf.

Production Casing: 4-1/2", 10.5#, J-55 csg @ 2,239'. Cmt'd w/215 sx. Circ 20 bbls cmt to surf.
Capacity: .0159 bbls/ft or .6699 gal/ft

Production Tubing: 2-3/8" string

Rod String: 3/4" string

Pump: 1-1/2" insert pump

Perforations: Fruitland Coal: 1,928' – 1,951'

PBTD: 2,196'

Recent Production: INA since 4/22/2013. 10 mcfpd, 10 bwpd.

Notify NMOCD & BLM 24 hours prior to beginning plugging operations

1. Check for COA's and approved NOI before beginning operations.
2. Test rig anchors.
3. Set flowback tank.
4. MIRU completion rig. Review JSA.
5. Kill well.
6. TOH & LD rods and pump.
7. ND WH. NU & FT BOP.
8. TOH tubing.
9. TIH 3-7/8" bit & 3-7/8" string mill to 1,928'. TOH.
10. TIH 4-1/2" CR and set @ $\pm 1,900'$. PT tubing. Sting out of CR and circulate hole clean.

11. PT casing and CR to 550 psig. If casing does not test, contact engineer.
12. MIRU cement truck. Review JSA.
13. **Perforation Isolation Plug (1,900' – 1,850')**: Pump 10 sx Class "B" cement (15.6 ppg, 1.18 cuft/sx yield) down tubing and spot a balanced plug from 1,900' – 1,850' (volume calculated with 50' excess).
14. **Fruitland Coal Top Plug (1,447' – 1,347')**: Pump 15 sx Class "B" cement (15.6 ppg, 1.18 cuft/sx yield) down tubing and spot a balanced plug from 1,447' – 1,347' (volume calculated with 50' excess).
See COA
15. **Kirtland & Ojo Alamo Top Plug (553' – 331')**: Pump 20 sx Class "B" cement (15.6 ppg, 1.18 cuft/sx yield) down tubing and spot a balanced plug from 553' – 331' (volume calculated with 50' excess).
See COA
16. **Surface Plug (283' – Surface)**: Pump 30 sx Class "B" cement (15.6 ppg, 1.18 cuft/sx yield) down tubing and spot a balanced plug from 283' – Surface (volume calculated with 50' excess).
17. TOH & LD tubing.
18. RDMO cement truck.
19. WOC 4 hours.
20. Cut off WH. Fill in casing as needed with cement. Install above ground P&A marker.
21. Cut off anchors and reclaim location.

Checklist

Regulatory:

1. NOI to P&A on form C-103 & 3160-5
2. Submit a post-work sundry on form C-103 & 3160-5 which details the P&A work and location work within 30 days of completing all required restoration work.

Equipment:

1. 1 flowback tank
2. If tbg does not PT, 2,000' 2-3/8" workstring
3. 4-1/2" cement retainer
4. 3-7/8" string mill
5. 75 sx Class "B" cement
6. 1 above ground marker

Services:

1. Completion rig
2. Cement truck



XTO - Wellbore Diagram

Current

Well Name: McKenzie A 03

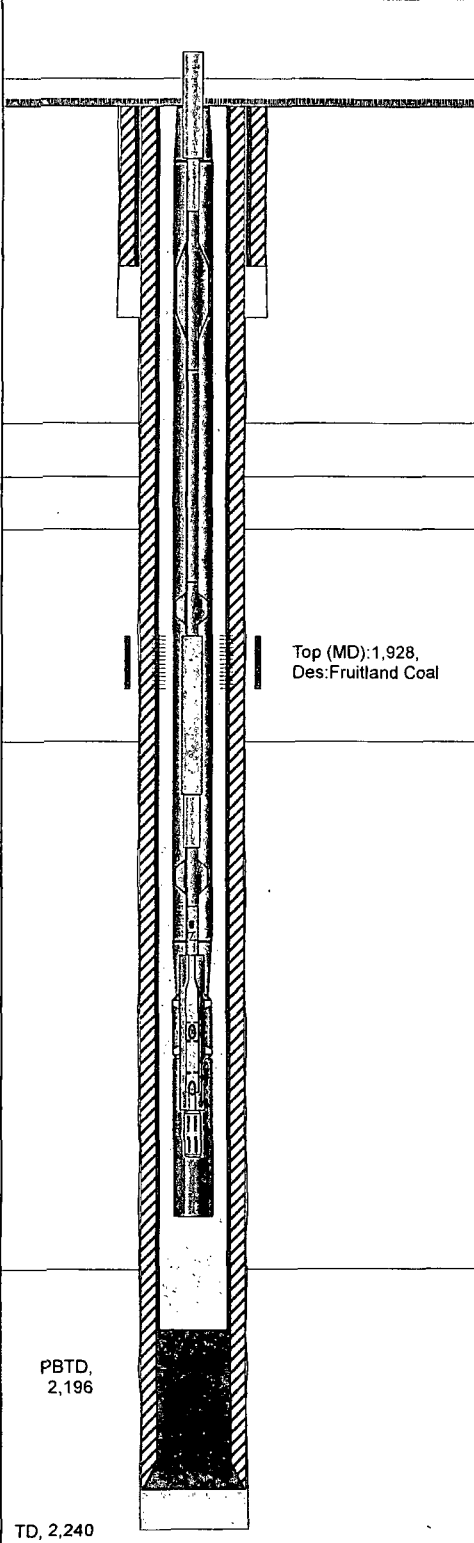
API/UWI 30045314390000	E/W Dist (ft) 990.0	E/W Ref FEL	N/S Dist (ft) 660.0	N/S Ref FSL	Location T30N-R12W-S09	Field Name Basin Fruitland Coal	County San Juan	State/Province New Mexico
Well Configuration Type Vertical	XTO ID B 68976	Orig KB Elev (ft) 5,732.00	Gr Elev (ft) 5,726.00	KB-Grd (ft) 6.00	Spud Date 5/15/2003	PBTD (All) (ftKB) Original Hole - 2196.0	Total Depth (ftKB) 2,240.0	Method Of Production Beam

Well Config: Vertical - Original Hole, 6/30/2014 10:06:41 AM

Schematic	Actual
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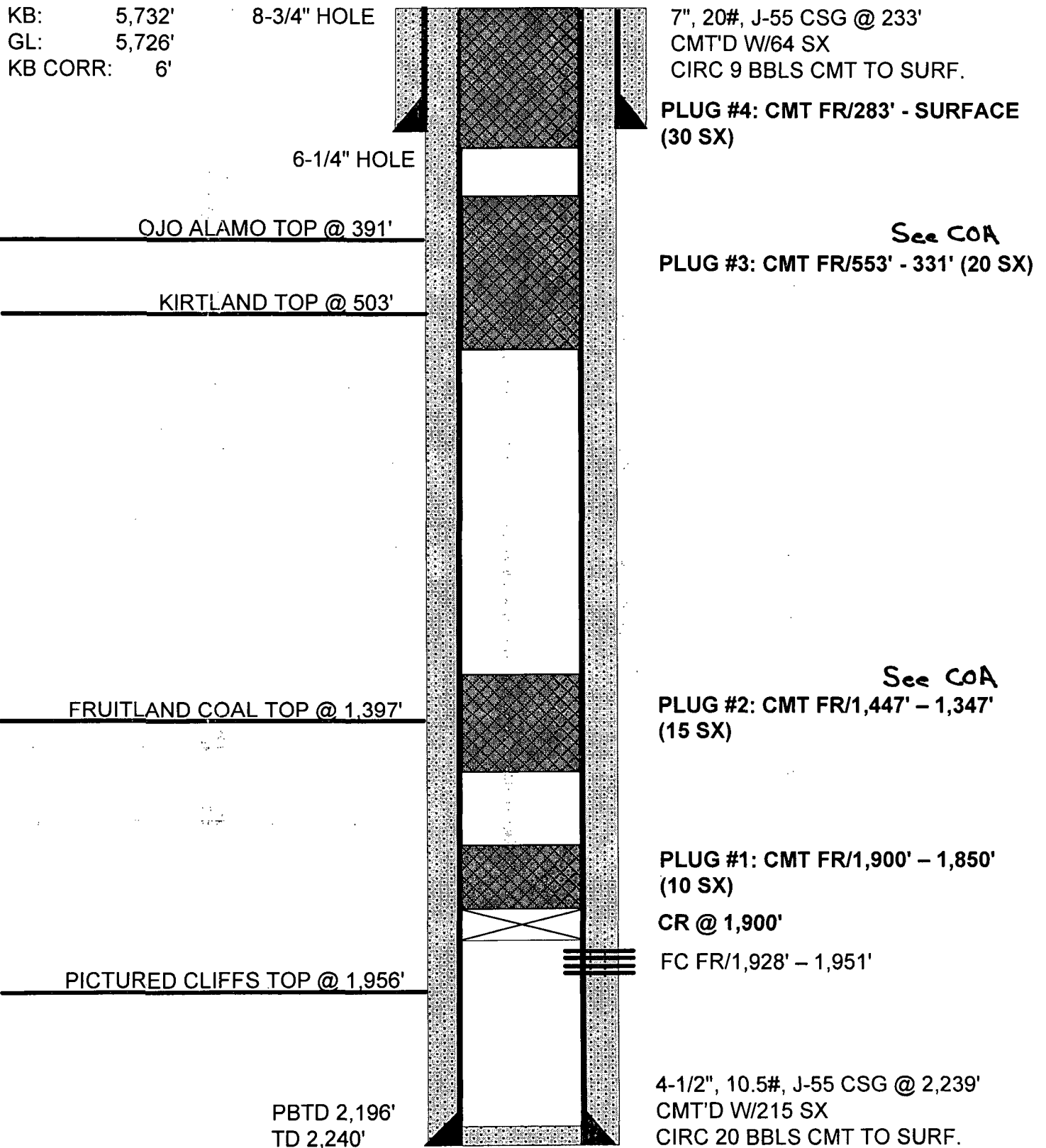
Incl	ftKB (TVD)	ftKB (MD)
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Zones									
Zone		Top (ftKB)		Btm (ftKB)					
Fruitland Coal		1,928.0		1,951.0					
Casing Strings									
Casing Description	OD (in)	Wt (lbs/ft)	String Grade	Top Connection	Set Depth (ftK...				
Surface	7	20.00	J-55		233.0				
Casing Description	OD (in)	Wt (lbs/ft)	String Grade	Top Connection	Set Depth (ftK...				
Production	4 1/2	10.50	J-55		2,239.0				
Cement									
Description	Type			String					
Surface Casing Cement	casing			Surface, 233.0ftKB					
Comment									
Cmt'd with 64 sx. Circ 9 bbls cmt to surf.									
Description	Type			String					
Production Casing Cement	casing			Production, 2,239.0ftKB					
Comment									
Cmt'd with 215 sx. Circ 20 bbls cmt to surf.									
Perforations									
Date	Top (ftKB)	Btm (ftKB)	Shot Dens (shots/ft)	Hole Diameter (in)	Phasing (%)	Curr... Status	Zone		
5/30/2003	1,928.0	1,951.0	3.0	0.450		Ac...	Fruitland Coal		
Tubing Strings									
Tubing Description		Run Date			Set Depth (ftKB)				
Tubing - Production		3/27/2012			2,011.6				
Tubing Components									
Item Description	Jts	Model	OD (in)	Wt (lbs/ft)	Grade	Top Thread	Len (ft)	Top (ftKB)	Btm (ftKB)
Tubing	62	T&C Upset	2 3/8	4.70	J-55		1,974.51	6.0	1,980.5
Seat Nipple	1		2 3/8				1.10	1,980.5	1,981.6
OEMA	1		2 3/8	4.70	J-55		30.00	1,981.6	2,011.6
Rods									
Rod Description		Run Date		String Length (ft)			Set Depth (ftKB)		
Rod String		3/27/2012		1,997.00			1,991.0		
Rod Components									
Item Description	Jts	Model	OD (in)	Grade	Len (ft)	Top (ftKB)	Btm (ftKB)		
Polished Rod	1		1 1/4		16.00	-6.0	10.0		
Rod Sub	3		3/4	D	18.00	10.0	28.0		
Sucker Rod w/Molded Guides	12		3/4	D	300.00	28.0	328.0		
Sucker Rod	61	WCN-78	3/4	D	1,525.00	328.0	1,853.0		
Sucker Rod w/Molded Guides	3		3/4	D	75.00	1,853.0	1,928.0		
Sinker Bar	2		1 1/4	K	50.00	1,928.0	1,978.0		
Lift Sub	1		1		1.00	1,978.0	1,979.0		
Spiral Rod Guide	1		3/4		0.40	1,979.0	1,979.4		
RHBO Tool	1		3/4		0.60	1,979.4	1,980.0		
Rod Insert Pump	1		1 1/2		10.00	1,980.0	1,990.0		
Strainer Nipple	1		1		1.00	1,990.0	1,991.0		
Stimulations & Treatments									
Frac Start Date	Top Perf (ft...)	Bottom Pe...	V (slurry) (...)	Total Prop...	AIR (b...	ATP (psi)	MTP (psi)	ISIP (psi)	
6/3/2003	1928	1951		183,76...	41	1,320.0	2,114.0	569.0	
Comment									
Frac'd w/102,856 gals 20# XL gel wtr carrying 183,760# 20/40 Brady sd coated with Sandwedge.									



McKenzie A #3
Sec 9, T 30 N, R 12 W
San Juan County, New Mexico

Proposed P&A Diagram



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: McKenzie A #3.

CONDITIONS OF APPROVAL

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

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 from (1661-1561) ft. to cover the Fruitland top. BLM picks the top of the Fruitland at 1611 ft.
- b) Set plug #3 from (649-390) ft. to cover the Kirtland and Ojo Alamo tops. BLM picks the top of the Kirtland at 599 ft., top of Ojo Alamo at 440 ft.

Note: Low concentrations of H₂S (10 ppm- 20ppm GSV) have been reported in wells within a 1 mile radius of this location.

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.