Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

| FORM APPROVED |
|-----------------------|
| OMB NO. 1004-013 |
| Expires July 31, 2010 |

5. Lease Serial No.

| " SUNDRY NOTICES AND | REPORTS (| ON WELLS | | NMNM-22046 | |
|--|--|---|---|--|--|
| Do not use this form for prop | osals to drill o | or to re-enter an | | 6. If Indian, All | lottee or Tribe Name |
| Do not use this form for propagation abandoned well. Use Form 310 | 60-3 (APD) for | such proposals | ALL BENE | ŅAVAJO SUR | |
| SUBMIT IN TRIPLICATE - (| Other instruction | ns on page 2 | | 1 | A/Agreement, Name and/or No JD OCT 16 14 |
| 1. Type of Well | | | 8 2014 | | CUNC DIII |
| Oil Well X Gas Well Other | | E ir obas i | Tiol (Am- | 8. Well Name a | |
| 2. Name of Operator | | Euresy of Land | | GALLEGOS F | EDERAL 26-12-7 #1 |
| XTO ENERGY INC. | | | | 9. API Well No | NIST 3 |
| 3a. Address | | 3b. Phone No. (include are | a code) | 30-045-288 | 99 |
| 382 CR 3100 AZTEC, NM 87410 4. Location of Well (Footage, Sec., T., R., M., or Survey Descri, | intion | 505-333-3630 | | | Pool, or Exploratory Area |
| | , | N W D W | | BASIN FRUI | ILAND COAL |
| 2482' FSL & 1413' FWL NESW Sec.7(K) | -T26N-R12W | N.M.P.M. | | 11. County or | Parish, State |
| | | | | SAN JUAN | NM |
| 12. CHECK APPROPRIATE BO | X(ES) TO IND | DICATE NATURE OF N | OTICE, REPO | | |
| TYPE OF SUBMISSION | | | E OF ACTION | | |
| X Notice of Intent | Acidize | Deepen | Production | (Start/Resume) | Water Shut-Off |
| | Alter Casing | Fracture Treat | Reclamatio | m | Well Integrity |
| Subsequent Report | Casing Repair | New Construction | H | | |
| | | | Recomplet | | Other |
| Final Abandonment Notice | Change Plans | X Plug and Abandon | | y Abandon | |
| | Convert to Injection | n Plug Back | Water Disp | oosal | |
| 13. Describe Proposed or Completed Operation (clearly state If the proposal is to deepen directionally or recomplete h Attach the Bond under which the work will be performe following completion of the involved operations. If the cleating has been completed. Final Abandonment Notices determined that the final site is ready for final inspection.) | orizontally, give suited or provide the E operation results in s shall be filed on | ubsurface locations and meas Bond No. on file with BLM/ n a multiple completion or re | ured and true ver BIA. Required s completion in a r | tical depths of al ubsequent report new interval, a Fo | I pertinent markers and zones. It is shall be filed within 30 days form 3160-4 shall be filed once |
| XTO Energy Inc. intends to plug and a | | - | _ | | l be using a |
| Closed Loop System. Please see also t | he attached | current and propos | sed wellbore | diagrams. | |
| BLM'S APPROVAL OR ACCEPTANCE OF ACTION DOES NOT RELIEVE THE LESS OPERATOR FROM OBTAINING ANY OTI AUTHORIZATION REQUIRED FOR OPEI ON FEDERAL AND INDIAN LANDS | EE AND HER | Notify NMOCD 24 hrs prior to beginning operations | oee A | attachei Ons of A |) FOR PPROVAL |

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

SHERRY J. MORROW

Title REGULATORY ANALYST

Date 10/7/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Ton Salvers

Conditions of approval, if arly, 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.

| BRB | |
|----------|--|
| MTG | |
| Approved | |

Gallegos Federal 26-12-7 #1 Sec 7, T 26 N, R 12 W San Juan County, New Mexico 9/9/2014

Plug and Abandon Procedure

AFE Number:

1408192

Spud Date:

12/26/1992

Surface Casing:

7", 20#, J-55 csg @ 126'. Cmt'd w/50 sx. Circ 2 bbls cmt to surf.

Production Casing:

4-1/2", 10.5#, J-55 csg @ 1,298'. Cmt'd w/160 sx. Circ 4 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" rod insert pump

Perforations:

Fruitland Coal: 1,131' - 1,150'

PBTD:

1,260'

Recent Production:

INA since 8/27/2014. 14 mcfpd, 0 bwpd (downhole failure).

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 & pump.
- 7. ND WH. NU & FT BOP.
- 8. TOH & LD tubing.
- 9. TIH 3-7/8" bit to 1,131' on 2-3/8" workstring. TOH.
- 10. TIH 4-1/2" CR and set @ ±1,100'. 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.

See COA

- 13. **Perforation Isolation & Fruitland Coal Top Plug (1,100' 820'):** Pump 26 sx Class "B" cement (15.6 ppg, 1.18 cuft/sx yield) down tubing and spot a balanced plug from 1,100' 820' (volume calculated with 50' excess).
- 14. **Kirtland Top, Casing Shoe & Surface Plug (205' Surface):** Pump 20 sx Class "B" cement (15.6 ppg, 1.18 cuft/sx yield) down tubing and spot a balanced plug from 205' Surface (volume calculated with 50' excess).
- 15. TOH & LD tubing.
- 16. RDMO cement truck.
- 17. WOC 4 hours.
- 18. Cut off WH. Fill in casing as needed with cement. Install above ground P&A marker.
- 19. 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. I flowback tank
- 2. 1,150' 2-3/8" workstring
- 3. 4-1/2" cement retainer
- 4. 3-7/8" bit
- 5. 46 sx Class "B" cement
- 6. 1 above ground marker

Services:

- 1. Completion rig
- 2. Cement truck



XTO - Wellbore Diagram
Current

Well Name: Gallegos Federal 26-12-07-01

| API/UWI 30045288990000 | | N Dist (ft) 1,413 | 3.0 | FWL | | ,482.0 | N/S R | FSL | Location T26N-R12W-S07 | | | Field Name Basin Fruitland Coal | | | | _{unty} an Juan | New N | State/Province New Mexico | | |
|----------------------------------|---------|-----------------------|-----------|--|--------|------------------|--------------|---|------------------------------|-------------|---------------|------------------------------------|----------------|--|--------------------|------------------------------|--------------------------------|---------------------------|--|--|
| Well Configuration Type Vertical | | о ID В '996 | C | 5,982.00 | Gr Ele | v (ft) 977.00 | KB-G | d (ft) 5.00 | Spud Date 12/26/ | 992 | | STD (All) (fti Original I | | 1260 | | tal Depth (ft 1,305.0 | | Of Production | | |
| | | | Original | Hole, 9/12/2014 1 | | | ! | Zones | 12/20/ | 332 | | Onginari | 1010 - | 1200 | .0 | 1,000.0 | Deam | | | |
| | 2-6- | | Antural | | | ftKB | ftKB | | Zone | | | | Top (ft | KB) | | | Btm (ftK | В) | | |
| | scrie | matic - A | Actual | | ind | (TVD) | (MD) | Fruitland | Coal | | | | | | 1,131 | .0 | | 1,150 | | |
| | | | | | | | | Casing S | trings | | 35.0. | - 1 | 411 451 | | | | | | | |
| | | | | | | | -8 | Casing Description OD (in Surface | | | | (in) Wt (lbs/ft) Strir 7 20.00 | | | | rade lop 55 | Connection | Set Depth (ft 126.0 | | |
| | | | | ALERT PROPERTY OF THE PROPERTY | | | | | | | OD (in) | | (ibs/ft) | | String G | | Connection | Set Depth (ft | | |
| | | 5 | Productio | | | | | 4 | | 10.5 | | J- | | | 1,298.0 | | | | | |
| | 100 | | | | | | Cement | | | | | | | | | | | | | |
| | | | | | | | 9 | Description Type Surface Casing Cement casing | | | | | | | | String Surface, 126.0ftKB | | | | |
| | | | | | | | 126 | Comment | | | | | , | | | | | | | |
| [2] | 1 | | l | | ļ | | | | sx CI B cm | t w/2 | | | pps | Floce | le. Cir | | cmt to surf. | | | |
| - | | | | | | | 130 | Description Production | n Casing C | emer | | Type casing | | | | | String Production, 1,298.0ftKB | | | |
| | | 10 | | | - | | 155 | Comment | | | | | | | | | | | | |
| | T. | | | | | | 155 | | l w/ 85 sx C 1/4 pps Floo | | | | | | s Floc | ele f/b Ta | iil 75 sx Cl (| 3 w/2% | | |
| | | 18 | | | | | 205 | | | | 0110 4 | | | Juii. | | | | | | |
| | | | | | | | | Perforation | ons | | | | | Hole | - | | | | | |
| | 1 | 10 | | | | | 820 | | | | - | | t Dens | Diame | ter Pha | asing Curr. | | | | |
| [4] | 1 | 10 | | | | i | | Date | Top (ft | (B) 31.0 | Btm (| 150.0 | ots/ft) 4.0 | (in) | | (°) Statu | Fruitland | Cone Coal | | |
| | 1 | | | | | | 870 | T. 4.1 | | | | .00.01 | | | | | Traition | | | |
| 1 | | 10 | | | | | 908 | Tubing St Tubing Descr | | | TR | un Date | | | | Set Dec | oth (ftKB) | | | |
| Ø | Ш | | | | | | 900 | | Production | | - 1 | | 5/14/2 | 010 | | | 1,191 | 5 | | |
| | ₩. | 10 | | | | | 1,095 | Tubing C | omponents | | | | | | | | | | | |
| | | 10 | | | | | ., | Item De | escription | Jts | Mod | el OD (in | Wt (lbs/ | Gra | Top Thread | Len (ft | Top (ftKB |) Btm (ftKi | | |
| 1 | | 10 | | | | - | 1,100 | Tubing | Joan Pilon | | T&C | | | | 8RD | 1,089. | | .0 1,094 | | |
| Ø 1 | | | | | | | | | | | Upse | 1 | | <u> </u> | EUE | | | | | |
| | e di la | | | | | | 1,102 | Tubing | | 2 | T&C Upse | | 4.70 | J-55 | 8RD EUE | 65. | 66 1,094 | .8 1,160 | | |
| | | 18 | | | | | 1,131 | Seat Nipp | nle . | | Opse | 2 3/8 | <u> </u> | | 8RD | 1 | 10 1,160 | 4 1,161 | | |
| | 4 | | | | | | 1,101 | Courtipp | ,,,, | | | 2 0/0 | 1 | ŀ | EUE | | 1,100 | 1,701. | | |
| 12 | | | | | | | 1,134 | OEMA | | 1 | | 2 3/8 | 4.70 | J-55 | 8RD | 30. | 00 1,161 | .5 1,191 | | |
| | | | | | | | | | | | <u> </u> | | | | EUE | | | | | |
| | | | Top (I | MD):1,131, | | | 1,134 | Rods | | | | | | | | | | | | |
| | | | Des:F | ruitland Coal | | | 4.450 | Rod Descript Rod String | | Run | Date 5/1 | 4/2010 | 5 | String Le | ength (ft 1,181 | | Set Depth (ft | кв) 173.5 | | |
| "1 | | | | | | | 1,150 | Rod Com | - | | 3/ 1 | 4/2010 | | | 1,101 | .00 | 1, | 173.3 | | |
| | | 10 | | | | | 1,159 | | Description | | Jts | Model | 00 | (in) C | Frade | Len (ft) | Top (ftKB) | Btm (ftKB | | |
| | | 110 | | | | | 1,159 | Polished I | | | 1 | · | | 1/4 | | 16.0 | | | | |
| 7/11 | | 10 | | | | l i | 1,160 | Sucker Ro | | | 36 | | | 3/4 C | | 900.0 | | | | |
| | | 110 | | | | | 1,100 | 4 | od w/Snap | On | 9 | | | 3/4 E |) | 225.0 | 0 908. | 5 1,133 | | |
| | 4 | | | | | | 1,160 | Guides Shear Too | ol 21½ | | 1 | - | | 3/4 | | 0.5 | 0 1122 | 5 1,134 | | |
| | | | | | | | | | od w/Snap |)n | 1 | | | 3/4 | ,_ | 0.5 25.0 | | | | |
| | | | | | | | 1,161 | Guides | ou wronap t |)" | - '] | | | 3/7 L | | 25.0 | 1,134. | 1,139 | | |
| | | | | | | | 4 475 | Lift Sub | | | 1 | | | 1 | | 1.0 | 0 1,159. | | | |
| | | | | | 1 | | 1,170 | Spiral Ro | | | 1 | | | 3/4 | | 0.5 | | | | |
| | | | | | | | 1,173 | Rod Inser | | | 1 | | 1 | 1/2 | | 12.0 | | | | |
| | Ш | | | | | | 1,173 | Strainer N | | | 1 | | | 1 | | 1.0 | 0 1,172. | 5 1,173 | | |
| | Ш | | | | | | 1,174 | Stimulati | ons & Trea | tmer | nts | N/ (atuma) | / Tot | ol Drop | MAID | /h ATD / | oi) MTO (o | ei) ISID (pei) | | |
| | | | | | | | ., | 8/10/199 | ate Top Perf (ft. | | om Pe 1150 | V (slurry) | | ал Ргор 2 7 ,20. | AIR 5 | | 50.0 2,73 | si) ISIP (psi) 1,060. | | |
| M I | | | | | | | 1,192 | Comment | | | | | | | | | | | | |
| | | | | | | | | | foam, ISIP | | | | | | | | | | | |
| PBTD, 1,260 | | | | | | | 1,260 | 1,75U. IVI | TP 2,730. P | ampe | eu 952 | z, IUU SCT | UI NZ | , 3,∠0 | U# 10 | mesn, & | 124,000# \$ | oariu | | |
| | 2.0 | | | | | | 1 200 | | | | | | | | | | | | | |
| 2 | | | | | | | 1,298 | | | | | | | | | | | | | |
| TD, 1,305 | | | | | | | 1,305 | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | 1 | L | | | _ | | | | | | | D.: : - | 14.0100.1.1 | | |
| www.peloton.co | om | | | | | | | Page | 1/1 | | | | | | | Report | Printed: 9 | /12/2014 | | |



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XTO - Proposed P&A Wellbore Diagram

Well Name: Gallegos Federal 26-12-07-01 E/W Dist (ft) N/S Dist (ft) Location Field Name County State/Province 30045288990000 1.413.0 **FWL** 2.482.0 FSL T26N-R12W-S07 Basin Fruitland Coal San Juan New Mexico Well Configuration Type IXTO ID B Orig KB Elev (ft) KB-Grd (ft) PBTD (All) (ftKB) Total Depth (ftKB) Method Of Production Gr Elev (ft) Spud Date 12/26/1992 Vertical 67996 5,982.00 5,977.00 5.00 Original Hole - 1260.0 1,305.0 Beam Well Config: Vertical - Origina , 9/12/2014 10:39:34 AM Zones Frm Final Zone Top (ftKB) Fruitland Coal 1,131.0 1,150.0 **Casing Strings** OD (in) Wt (lbs/ft) Set Depth (ftK. Casing Description String Grade Top Connection Surface 7 20.00 J-55 126.0 Casing Description Set Depth (ftK Vt (lbs/ft) String Grade Top Connection OD (in) Production 4 1/2 1,298.0 10.50 J-55 Cement Surface Casing Cement Surface, 126.0ftKB casing Cmt w/ 50 sx Cl B cmt w/2% CaCl2 & 1/4 pps Flocele. Circ 2 bbls cmt to surf. Production Casing Cement casing Production, 1,298.0ftKB Commen Cmt Lead w/ 85 sx Cl B w/2% Metasilicate & 1/4 pps Flocele f/b Tail 75 sx Cl B w/2% CaCl2 & 1/4 pps Flocele. Circ 4-1/2 bbl cmt to surf. Cement Plug Production, 1,298.0ftKB plug Plug 1: Pmp 26 sx f/1,100' - 820'. String Description Cement Plug. 5-205 ftKB Cement Plug Production, 1,298.0ftKB Commen Kirtland 155 Plug 2: Pmp 20 sx f/205' - surf. Other in Hole OD (in) Cement Retainer 4.052 1,100.0 Perforations 870 Hole Diameter Shot Dens Phasing Top (ftKB) (shots/ft) (in) Btm (ftKB) (°) Date Zone 1,131.0 1,150.0 4.0 Fruitland Coal Cement Plug, 820-1,100 ftKB Cement Retainer, 4.052in, 1,100-1,102 ftKB 1.102 Fruitland Coal, 870 1,131 Perforated, 1,131-1,150 ftKB 1,150 Pictured Cliffs, 1,170 1,260 PBTD. 1.260 ftKB 1 298 TD, 1,305 ftKB

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Report Printed: 9/12/2014

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: Gallegos Federal 26-12-7 #1

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) Bring the top of plug #2 to 760 ft. to cover the Fruitland top. Adjust cement volume accordingly.

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.