Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO 1004-0137
Expires July 31, 2010
5. Lase Serial No

SUNDRY NOTICES AND REPORTS ON WELLS

DEC 1 1 20(NMSF-078101

6. If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals: Farmington Field Office If Unit or CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE - Other instructions on page 2 NMM-119350 (FC) Type of Well 8 Well Name and No Oil Well X Gas Well Other SHIPP GAS COM #1E 2. Name of Operator XIO ENERGY INC. 9. API Well No 3a Address 3b. Phone No (include area code) 30-045-25246 382 CR 3100 AZTEC, NM 87410 505-333-3100 10 Field and Pool, or Exploratory Area Location of Well (Footage, Sec., T., R., M., or Survey Description) W. KUTZ PICTURED CLIFFS/ BASIN FRUITLAND COAL 790' FNL & 1040' FEL NENE Sec. 1 (A) -T27N-R13W N.M.P.M. 11 County or Parish, State SAN JUAN CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA 12. TYPE OF ACTION TYPE OF SUBMISSION Açıdıze Deepen Production (Start/Resume) Water Shut-Off Notice of Intent Alter Casing Fracture Treat Reclamation Well Integrity Subsequent Report Other ISOLATE PC Casing Repair New Construction Recomplete Temporarily Abandon Change Plans Plug and Abandon Final Abandonment Notice Plug Back Water Disposal Convert to Injection 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 of 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. set a CICR above the PC zone @ 1400' FS on 12/08/2008 and reset the EOT @ 1377'. We will leave the PC zone isolated while we test the FC zone of this well. RCUD DEC 16'0R M CMS. NV. DIST. 3

I hereby certify that the foregoing is true and correct Name (Printed/Typed) Title REGULATORY COMPLIANCE TECHNICIAN Signature Date 12/10/2008 MACPIENT WITH WITH THIS SPACE FOR FEDERAL OR STATE OFFICE USE Title Approved by 15 2008 Conditions of approval, if any, are attached Approval of this notice does not warrant or certify that Office FARMINGTON FIELD OFFICE 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