

District I 1625 N. French Dr., Hobbs, NM 88240
District II 1301 W. Grand Ave., Artesia, NM 88210
District III 1000 Rio Brazos Rd., Aztec, NM 87410
District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

WELL API NO. 30-025-08883
5. Indicate Type of Lease STATE X FEE X
6. State Oil & Gas Lease No. N/A
7. Lease Name or Unit Agreement Name Arrowhead Grayburg Unit
8. Well Number 196
9. OGRID Number 005380
10. Pool name or Wildcat Arrowhead - Grayburg

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)
1. Type of Well: Oil Well [ ] Gas Well [ ] Other Injector [ ]

2. Name of Operator XTO Energy Inc.

3. Address of Operator 200 N. Loraine, Ste 800, Midland, Texas 79701

4. Well Location Unit Letter G: 2310 feet from the North line and 2310 feet from the East line Section 12 Township 22-S Range 36-E NMPM Lea County

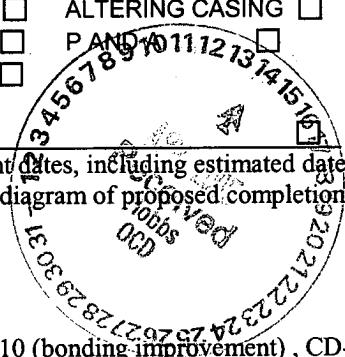
11. Elevation (Show whether DR, RKB, RT, GR, etc.)

Pit or Below-grade Tank Application [ ] or Closure [ ]
Pit type steel Depth to Groundwater 200' Distance from nearest fresh water well 1000+ Distance from nearest surface water 1000+
Pit Liner Thickness: mil Below-Grade Tank: Volume bbls: Construction Material

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:
PERFORM REMEDIAL WORK X PLUG AND ABANDON [ ]
TEMPORARILY ABANDON [ ] CHANGE PLANS [ ]
PULL OR ALTER CASING [ ] MULTIPLE COMPL [ ]
OTHER: [ ]

SUBSEQUENT REPORT OF:
REMEDIAL WORK [ ] ALTERING CASING [ ]
COMMENCE DRILLING OPNS. [ ] P AND [ ]
CASING/CEMENT JOB [ ]
OTHER: [ ]



13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

- 1) MIRU PU, ND WH, NU BOP. MI & Rack 2 7/8" WS
2) PU & RIH w/ Tapered Mill on 2 7/8" WS to base of 5 1/2" csg. POH w/ WS & tools.
3) RU WL. RIH w/ CIBP on WL. Set CIBP @ +/- 3635' (+/- 20' above 5 1/2" csg shoe). POH w/ WL.
4) RIH w/ 4.5" 11.35 # J-55 FJ Liner to +/- 3610'. RU BJ Services. Pump 110 sx Cl C + additives {BA-10 (bonding improvement), CD-32 (thinning agent), EC-1 (bonding improvement) & 3% NaCl (accelerator)}. RD BJ Services. WOC for 24 hours.
NOTE: 3610' of 5 1/2" x 4 1/2" annular volume is 0.0266 cu ft / ft x 3610' is 96.03 cu ft. 0% excess is 70 sx Cl C + add & 50% excess is 105 sx Cl C + add
5) RIH w/ bit on 2 7/8" WS. RU reverse unit. Drill out cement & CIBP. RIH to top of sand plug. CO sand plug (3711' to 3890'). POH w/ bit & WS. RD reverse unit.
6) RIH w/ treating packer on 2 7/8" WS. Test in hole to 5000 psi below slips. Set packer @ +/- 3575'. Load backside with fresh water.
7) RU Cudd. Establish rate on FW. Pump 5000 gal ACIDTOL 15% HCL 9010 in 4 stages per the attached pump schedule using 3000 lbs Coarse Rock Salt in 10# Brine as diversion. Pump job @ 4-5 bpm @ 4000 psi maximum pressure. Flush to bottom of OH with fresh water. RD Cudd.
8) If necessary, flow back well to tank with steel lines.
9) Once well is dead, release packer & TOH w/ packer & WS.
10) TIH w/ 2 3/8" IPC injection tubing & packer. Set packer @ +/- 3600'.
11) Perform MIT & return well to injection. Put well back on injection @ 500 BWIPD & monitor pressures.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines [ ], a general permit [ ] or an (attached) alternative OCD-approved plan [ ].

SIGNATURE [Signature] TITLE Regulatory DATE 4/4/05

Type or print name DeeAnn Kemp E-mail address: Telephone No. 432-620-6724
For State Use Only OC FIELD REPRESENTATIVE II/STAFF MANAGER

APPROVED BY: [Signature] TITLE DATE APR 18 2005

Conditions of Approval (if any):