Submit to Appropriate District Office ·State of New Mexico Form C-105 State Lease - 6 copies Energy, Minerals and Natural Resources Revised June 10, 2003 Fee Lease - 5 copies District I WELL API NO. 1625 N. French, Hobbs, NM 88240 OIL CONSERVATION DIVISION 30-048-32107 District II 1301 W. Grand Avenue, Artesia, NM 88210 5. Indidate Type Of Lease 1220 South St. Francis Dr. STATE FEE District III Santa Fe, NM/\$7305 1000 Rio Brazos Rd., Aztec, NM 87410 6. State Oil & Gas Lease No. MAY 2004 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 WELL COMPLETION OR RECOMPLETION REPORT AND LOGAL la. Type of Well: 7. Lease Name or Unit Agreement Name GAS WELL X OIL WELL OTHER GRACIA STATE 32 "O" b. Type of Completion: NEW WORK DEEPEN RESVR. U OTHER 2. Name of Operator 8. Well No. XIO Energy Inc. 3. Address of Operator 9. Pool name or Wildcat 2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401 BASIN FRUITLAND COAL 4. Well Location SOUTH Unit Letter O : 1200 Feet From The ___ Line and ______**1800** __ Feet From The Line Township 26N **NMPM** Range 11W County SAN JUAN 10. Date Spudded 11. Date T.D. Reached 12. Date Compl. (Ready to Prod.) 13. Elevations (DF & RKB, RT, GR, etc.) 14. Elev. Casinghead 4/13/04 4/15/04 5/7/04 6253' GR 18. Intervals Drilled By 15. Total Depth 16. Plug Back T.D. 17. If Multiple Compl. How Cable Tools Rotary Tools Many Zones? 15161 NO 19. Producing Interval(s), of this completion - Top, Bottom, Name 20. Was Directional Survey Made 1261' - 1276' FRUITLAND COAL NO 21. Type Electric and Other Logs Run 22. Was Well Cored AIL/SP/GR/CAL/TLD/PE/CSN/MCFL/CCL NO CASING RECORD (Report all strings set in well) 23 CASING SIZE WEIGHT LB./FT. **DEPTH SET HOLE SIZE** CEMENTING RECORD AMOUNT PULLED 7" 20# 9-7/8" J-55 226' 87 sx, TOC @ 161' 0 4-1/2" 10.5# J-55 1564' 6-1/4" 130 sx 0 LINER RECORD TUBING RECORD SIZE TOP BOTTOM SACKS CEMENT | SCREEN SIZE **DEPTH SET** PACKER SET 2 3/8" 1352' 26. Perforation record (interval, size, and number) 27. ACID, SHOT, FRACTURE, CEMENT, SQEEZE, ETC. DEPTH INTERVAL AMOUNT AND KIND MATERIAL USED 1261' - 1276' (0.49" DIA, TTL 48 HOLES) 1261' - 1276' A. w/711 gals 15% HCl ac. Frac'd w/113,077 gals 65 Q N2 20# borate XL gelled FW carrying 139,024# 20/40 brady sd & 26,808# 16/30 sd 28. **PRODUCTION** Date First Production Production Method (Flowing, gas lift, pumping - Size and type pump) Well Status (Prod. or Shut-in) FLOWING Date of Test Hours Tested Choke Size Prod'n For Oil - Bbl. Gas - MCF Water - Bbl. Gas - Oil Ratio Test Period 5/7/04 24 N/A Flow Tubing Casing Pressure Calculated 24-Oil - Bhl Gas - MCF Water - Bbl. Oil Gravity - API -(Corr.) Hour Rate O 29. Disposition of Gas (Sold, used for fuel, vented, etc.) Test Witnessed By TO BE SOLD 30. List Attachments 31. I hereby certiff both sides of this form is true and complete to the best of my knowledge and belief Printed Signature Name HOLLY C. PERKINS Title REG COMPLIANCE TECH Date 5/7/04 E-mail address Holly perkins@xtoenergy.com

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southea	stern New Mexico	Northeas	tern 1	New Mexico
T. Anhy	T. Canyon	T. Ojo Alamo	289	T. Penn. "B"
T. Salt	T. Strawn	T. Kirtland-Fruitland	441	T. Penn. "C"
B. Salt	T. Atoka	T. Pictured Cliffs	1302	T. Penn. "D"
T. Yates	T. Miss	T. Cliff House		T. Leadville
T. 7 Rivers	T. Devonian	T. Menefee		T. Madison
T. Oueen	T. Silurian	T. Point Lookout		T. Elbert
T. Grayburg	T. Montoya	T. Mancos		T. McCracken
T. San Andres	T. Simpson	T. Gallup		T. Ignacio Otzte
T. Glorieta	T. McKee	Base Greenhorn		T. Granite
T. Paddock	T. Ellenburger	T. Dakota		T FRINGTON SINDSTONES 627
T. Blinebry	T. Gr. Wash	T. Morrison		T. FRUITLAND FMT 1064
T. Tubb	T. Delaware Sand	T. Todilto		T. LWR FRUITLAND COAL 1261
T. Drinkard	T. Bone Springs	T. Entrada		T. LEWIS SHALE 1490
T. Abo	T.	T. Wingate		T.
T. Wolfcamp		T. Chinle		T.
T. Penn	T.	T. Permain		T.
T. Cisco (Bough C)	T.	T. Penn "A"		T.
				OIL OR GAS

			SANDS OR ZONES	
No. 1, from	to	No. 3, from	to	
No. 2, from	to	No. 4, from	to	
	IMPOR ³	TANT WATER SANDS		
Include data on rate of water	inflow and elevation to which w	ater rose in hole.		
No. 1, from	to	feet	••••••	
No. 2, from	to	feet	·	
No. 3. from	to	feet		
	LITHOLOGY RECO	ORD (Attach additional sheet if	necessary)	

From	То	Thickness in Feet	Lithology	From	То	Thickness in Feet	Lithology
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