Form 3160-5 (August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM A	PPROVED
OMB NO	1004-0137
Expires Ju	ly 31, 2010

5 Lease Serial No

 02502

SUNDRY NOTICES AND REPORTS ON WELLS NMNM-03523 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. SUBMIT IN TRIPLICATE - Other instructions on page 2 7. If Unit or CA/Agreement, Name and/or No Type of Well OCT 27 2011 8. Well Name and No Oil Well X Gas Well Other FEDERAL 31 #21 2. Name of Operator Farmington Field Office XIO ENERGY INC. 3b Phone No (include area code)

9 API Well No 3a Address 30-045-24964 382 CR 3100 AZTEC, NM 87410 505-333-3100 10 Field and Pool, or Exploratory Area 4 Location of Well (Footage, Sec., T., R., M., or Survey Description) BASIN FRUITLAND COAL W. KUTZ PICTURED CLIFFS 990' FNL & 1650' FWL NENW Sec. 31 (C) -T27N-R11W N.M.P.M. 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 X Notice of Intent Acidize Deepen Production (Start/Resume) Water Shut-Off Alter Casing Fracture Treat Reclamation Well Integrity Subsequent Report Casing Repair New Construction Recomplete Other Plug and Abandon Change Plans Temporarily Abandon Final Abandonment Notice Convert to Injection Plug Back 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 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. If 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. proposes to plug and abandon this well per the attached procedure & wellbore diagram. RCVD OCT 31'11 OIL CONS. DIV. DIST. 3 I hereby certify that the foregoing is true and correct Name (Printed/Typed) Title DOLENA JOHNSON REGULATORY COMPLIANCE TECHNICIAN Signature Date 10/26/2011 THIS SPACE FOR FEDERAL OR STATE OFFICE USE Title Date Original Signed: Stephen Mason Approved by OCT 2 8 2011

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,

Office

Conditions of approval, if any are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equilibric files rights in the studies which would

fictitious or fraudulent statements or representations as to any matter within its jurisdiction

entitle the applicant to conduct operations thereon

	WFL
	JDB
AFE	approved

Federal 31-21

Location.

990' FNL & 1,650' FWL, Section 31, T27N, R11W, San Juan County, NM

API:

30-045-24964

Open Perfs:

Fruitland Coal - 1,518'- 1,566'

Pictured Cliffs - 1,580'- 1,600'

PLUG AND ABANDONMENT PROCEDURE

Note: All cement volumes use 100% excess outside pipe and 50' excess inside. The stabilizing wellbore fluid will be 8.3 ppg, sufficient to balance all exposed formation pressures. All cement will be Class B, mixed at 15.6 ppg with a 1.18 cf/sx yield.

- 1. This project requires an approved NMOCD C-144 CLEZ Closed-Loop System Permit for the use of an approved steel tank to handle waste fluids circulated from the well and cement wash up.
- Install and test location rig anchors. Comply with all NMOCD, BLM, and Operator safety regulations.
 MIRU pulling unit. Conduct safety meeting for all personnel on location. Record casing, tubing and
 bradenhead pressures. NU relief line and blow down well. Kill well with water as necessary and at
 least pump tubing capacity of water down the tubing. TOH and LD rods and pump. ND wellhead and
 NU BOP. Function test BOP. TOH with tubing and LD BHA.
- 3. Round trip a 3-7/8" bit to 1,500'.
- 4. Plug #1 (Fruitland Coal and Pictured cliffs, 1,500' 990'): TIH and set a 4-1/2" CICR at 1,500'. Load casing with water and circulate well clean. Pressure test casing to 600#. If the casing does not test, then spot or tag subsequent plugs as necessary. Mix cement and pump 53 sxs Class B cement (10sxs below CICR and a 43 sx balanced plug on top CICR) to cover the Fruitland Coal top. PUH to 650'.
- 5. Plug #2 (Kirtland and Ojo Alamo tops, 650' 390'): Mix and spot 24 sx Class B cement balanced plug to cover the Kirtland and Ojo Alamo tops. PUH to 183' and reverse out.
- 6. Plug #3 (Casing shoe, 183' Surface): Connect the pump line to the bradenhead valve and attempt to pressure test the BH annulus to 300 PSI; note the volume to load. If the BH annulus holds pressure, then establish circulation out casing valve with water. Mix approximately 18 sxs Class B cement and spot a balanced plug inside the casing from 183' to surface, circulate good cement out casing valve. TOH and LD tubing. Shut well in and WOC. If the BH annulus does not test, then perforate at the appropriate depth and attempt to circulate cement to surface filling the 4-1/2" casing and the BH annulus to surface. Shut well in and WOC.
- 7. ND BOP and cut off casing below surface casing flange. Install P&A marker with cement to comply with regulations. RD, move off location, cut off anchors and restore location.

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Casing shoe	133'	Fruitland Coal	1,040'
Ojo Alamo	440'	Pictured Cliffs	1,574'
Kirtland	600'		

Federal 31-21 Sec 31, T27N, R11W API# 30-045-24964 Plug 3: 183'-surf 8-5/8", 24#, casing at 133', cmt to surface Plug 2: 650'-390' 4-1/2" 10.5# casing at 1770', TOC 1465' (from TS) Plug 1: 1,500'-990' FC perfs: 1518'-1566 PC perfs: 1580'-1600' Tops: Casing shoe 133' Ojo Alamo 440' Kirtland 600' Fruitland Coal 1,040' Pictured Cliffs 1,574'