Form 3160-5 (April 2004)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB NO. 1004-0137 Expires March 31, 2007

5. Lease Serial No.

NMCE_077052

SUNDRY NOTICES AND REPORTS ON WELLS 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. If Unit or CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE - Other instructions on reverse side Type of Well Well Name and No. Oil Well X Gas Well Other JC GORDON "D" #3F 2. Name of Operator XIO Energy Inc. 9. API Well No. Phone No! (include area code 3a. Address 30-045-32584 2700 Farmington Ave., Bldg. K. Ste 1 Farmington 10. Field and Pool, or Exploratory Area 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) BASIN DAKOTA 2,395' FNL & 995' FWL 11. County or Parish, State SEC. 23, T27N, R10W san Juan NM CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA 12. TYPE OF SUBMISSION TYPE OF ACTION Water Shut-Off Notice of Intent Acidize Deepen Production (Start/Resume) Alter Casing Fracture Treat Reclamation Well Integrity Subsequent Report New Construction Casing Repair Recomplete Other Soud, Change Plans Plug and Abandon Temporarily Abandon & PT Surf Csq 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. spudded 12-1/4" hole @ 9:00 a.m., 04/05/05. Drld to 381' KB. TIH w/8 jts 8-5/8", 24.0#, J-55, ST&C csq to 336.09' KB. Cmt'd csq w/244 sx Type III cmt w/3% CaCl2 & 1/4 PPS celloflake (mixed @ 15.2 ppg, 1.28 cuft/sx). Circ 19 bbls cmt to surf. PT BOPE & surf csg to 1,000 psig for 30 min. Held OK. Drlg ahead..... FARMINGTON NM I hereby certify that the foregoing is true and correct Name (Printed/Typed) Title KELLY K. SMALL DRILLING ASSISTANT ACCEPTED FOR RECORD Date 04/12/05 THIS SPACE FOR FEDERAL OR STATE OFFICE USE Date Approved by

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 methings diction.

Office

Conditions of approval, if any, 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.