

Submit Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 87240
 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

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 June 19, 2008

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

WELL API NO. 30-045-32107
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: GRACIA STATE 32 O
8. Well Number #4
9. OGRID Number 5380
10. Pool name or Wildcat BASIN FC / W. KUTZ FC

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

2. Name of Operator
 XTO Energy Inc.

3. Address of Operator
 382 CR 3100 AZTEC, NM 87410

4. Well Location
 Unit Letter O : 1200 feet from the SOUTH line and 1800 feet from the EAST line
 Section 32 Township 26N Range 11W NMPM County SAN JUAN

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
 6,263' GL

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

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK PLUG AND ABANDON
 TEMPORARILY ABANDON CHANGE PLANS
 PULL OR ALTER CASING MULTIPLE COMPL
 DOWNHOLE COMMINGLE

OTHER:

SUBSEQUENT REPORT OF:

- REMEDIAL WORK ALTERING CASING
 COMMENCE DRILLING OPNS. P AND A
 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.

XTO Energy Inc. intends to plug and abandon this well per the attached procedure. Please see also the attached current and proposed wellbore diagrams.

* Extend FC plug up to 942'
 * Move Kirtland plug to 564'-464'
 * OJO and surface plug ok
 * Set PC retainer below FC perforations

RCVD JAN 14 '13
 OIL CONS. DIV.
 DIST. 3

Spud Date: Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Sherry J. Morrow TITLE REGULATORY ANALYST DATE 1/11/2013
sherry_morrow@xtoenergy.com
 Type or print name SHERRY J. MORROW E-mail address: sherry_morrow@xtoenergy.com PHONE 505-333-3630

For State Use Only
 APPROVED BY [Signature] TITLE Deputy Oil & Gas Inspector, District #3 DATE 1-28-13
 Conditions of Approval (if any): N

PLUG AND ABANDONMENT PROCEDURE

November 9, 2012

Gracia State 32 O #4

Basin Fruitland Coal / W. Kutz Pictured Cliffs
1200' FSL and 1800' FEL, Section 32, T26N, R14W
San Juan County, New Mexico / API 30-045-32107
Lat: _____ / Lat: _____

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 a NMOCD C-144 CLEZ Closed-Loop System Permit for the use of an A-Plus steel tank to handle waste fluids circulated from the well and cement wash up.
2. Install and test location rig anchors. Comply with all NMOCD, BLM, and Operator safety regulations. MOL and RU daylight 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. ND wellhead and NU BOP. Function test BOP.
3. Rods: Yes , No _____, Unknown_____.
Tubing: Yes , No _____, Unknown_____, Size 2.375" , Length 1440'.
Packer: Yes _____, No , Unknown_____, Type _____.
If this well has rods or a packer, then modify the work sequence in step #2 as appropriate.
4. **Plug #1 (Pictured Cliffs interval, 1260' – 1225')**: Round trip 4.5" gauge ring to 1260' or as deep as possible. RIH and set 4.5" wireline cement retainer at 1260'. Pressure test tubing to 1000 PSI. Circulate well clean. Dump bail 35' of Class B cement (3 sxs) above CR to isolate the Pictured Cliffs interval. TOH.
5. **Plug #2 (Fruitland interval, 1211' – 1014')**: RIH and set 4.5" cement retainer at 1211'. Circulate well clean. Attempt to pressure test casing to 800 PSI. If casing does not test then spot or tag subsequent plugs as appropriate. Mix 15 sxs Class B cement inside casing to isolate the Fruitland perforations and top. PUH.
6. **Plug #3 (Kirtland, Ojo Alamo top and 8.625" casing shoe, 762' – 0')**: Attempt to pressure test the bradenhead 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 45 sxs cement and spot a balanced plug from 491' 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 casing from 491' (or appropriate depth as determined by BLM/NMOCD) and the annulus from the squeeze holes to surface. Shut in well 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.

Gracia State 32 O #4

Current

Basin Fruitland Coal / W. Kutz Pictured Cliffs

1200' FSL, 1800' FEL, Section 32, T-26-N, R-11-W,

San Juan County, NM / API #30-045-32107

Lat _____ / Long _____

Today's Date: 11/9/12

Spud: 4/13/04

FtC Completed: 5/7/04

PC Completed: 8/29/11

Elevation: 6253' GL
6269' KB

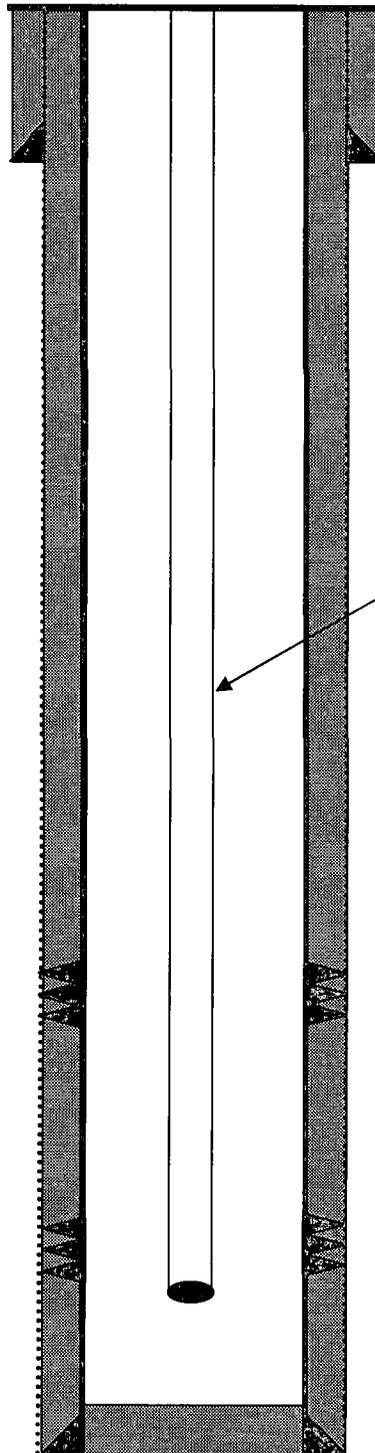
Ojo Alamo @ 289'

Kirtland @ 441'

Fruitland @ 1064'

Pictured Cliffs @ 1302'

6-1/4" hole



TOC circulated to surface per sundry notice

7" 20#, J-55 Casing set @ 226'
Cement with total 87 sxs to surface

2.375" tubing at 1440'
(43 jts, SN, MA with rods and pump)

Fruitland Coal Perforations:
1261' - 1276'

Pictured Cliffs Perforations:
1310' - 1350'

4.5", 10.5#, J-55 Casing set @ 1564'
Cement with 130 sxs

TD 1567'
PBD 1495'

Gracia State 32 O #4

Proposed P&A

Basin Fruitland Coal / W. Kutz Pictured Cliffs

1200' FSL, 1800' FEL, Section 32, T-26-N, R-11-W,

San Juan County, NM / API #30-045-32107

Lat _____ / Long _____

Today's Date: 11/9/12
Spud: 4/13/04
FtC Completed: 5/7/04
PC Completed: 8/29/11
Elevation: 6253' GL
6269' KB

Ojo Alamo @ 289'

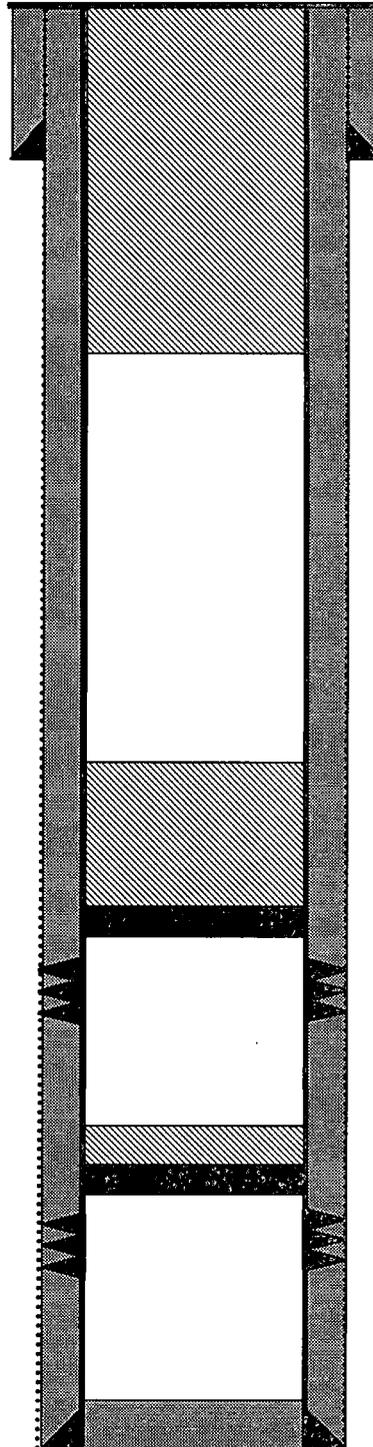
Kirtland @ 441'

Fruitland @ 1064'

Pictured Cliffs @ 1302'

9-7/8" hole

6-1/4" hole



TOC circulated to surface per sundry notice

7" 20#, J-55 Casing set @ 226'
Cement with total 87 sxs to surface

Plug #3: 491' - 0'
Class B cement, 45 sxs

Plug #2: 1211' - 1014'
Class B cement, 15 sxs

Set CR @ 1211'

Fruitland Coal Perforations:
1261' - 1276'

Plug #1: 1260' - 1225'
Dump bail 3 sxs Class B cement

Set CR @ 1260'

Pictured Cliffs Perforations:
1310' - 1350'

4.5", 10.5#, J-55 Casing set @ 1564'
Cement with 130 sxs (254 cf)

TD 1567'
PBSD 1495'