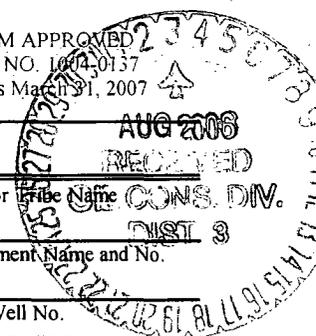


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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



WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well Oil Well Gas Well Dry Other
 b. Type of Completion: New Well Work Over Deepen Plug Back Diff. Resrv.,
 Other

2. Name of Operator: **XIO Energy Inc.** 070 FARMINGTON NM

3. Address: **2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM** 3a. Phone No. (include area code): **505-324-1090**

4. Location of Well (Report location clearly and in accordance with Federal requirements)*
 At surface: **1055' FNL & 730' FWL**
 At top prod. interval reported below
 At total depth: **6925'**

5. Lease Serial No.: **NMSF-077382**

6. If Indian, Allottee or Tribe Name: **CONS. DIV.**

7. Unit or CA Agreement Name and No.: **DIST 3**

8. Lease Name and Well No.: **RP HARGRAVE K #1G**

9. API Well No.: **30-045-33448**

10. Field and Pool, or Exploratory: **Basin Dakota**

11. Sec., T., R., M., or Block and Survey or Area: **SEC 16D-T27N-R10W**

12. County or Parish: **SAN JUAN** 13. State: **NM**

14. Date Spudded: **3/17/06** 15. Date T.D. Reached: **4/1/06** 16. Date Completed: D & A Ready to Prod. **7/25/06**

17. Elevations (DF, RKB, RT, GL)*: **6014'**

18. Total Depth: MD **6925'** TVD **6925'** 19. Plug Back T.D.: MD **6867'** TVD **6867'** 20. Depth Bridge Plug Set: MD **6867'** TVD **6867'**

21. Type Electric & Other Mechanical Logs Run (Submit copy of each): **GR/CCL**

22. Was well cored? No Yes (Submit analysis)
 Was DST run? No Yes (Submit report)
 Directional Survey? No Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt.(#ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12-1/4"	8-5/8"	24#		376'		244		0	
7-7/8"	5-1/2"	15.5#		6914'	4034'	1046		0	

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2-3/8"	6316'							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) DAKOTA	6245'	6474'	6245' - 6474'	0.34"	30	
B)						
C)						
D)						

26. Perforation Record

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
6245' - 6474'	A. w/1250 gals 15% NEFE HCl acid. Frac'd w/88,476 gals 60Q CO2 Purgel III LT CO2 foam frac fld carrying 170,900# sd.

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity	Gas Gravity	Production Method
	7/25/06	3	→	0	353	5			FLOWING
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr.	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	
1/4"	275	405	→	0	2824	40		SHOT IN	

28a. Production-Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr.	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	
			→						

ACCEPTED FOR RECORD
AUG 02 2006
FARMINGTON FIELD OFFICE

NMOCDC

(See instructions and spaces for additional data on page 2)

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. →	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	

28c. Production-Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. →	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

TO BE SOLD

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
				OJO ALAMO SS	813
				FRUITLAND FORMATION	1380
				LOWER FRUITLAND COAL	1809
				PICTURED CLIFFS SS	1831
				CHACRA SS	2728
				CLIFFHOUSE SS	3350
				MENEFEE	3463
				POINT LOCKOUT SS	4189
				GALLUP SS	5353
				GREENHORN LS	6156
				GRANEROS SH	6214
				1ST DAKOTA SS	6241
				BURRO CANYON SS	6489
				MORRISON FM	6526

32. Additional remarks (include plugging procedure):

33. Indicate which items have been attached by placing a check in the appropriate boxes:

- Electrical/Mechanical Logs (1 full set req'd)
 Geologic Report
 DST Report
 Directional Survey
 Sundry Notice for plugging and cement verification
 Core Analysis
 Other

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) LORRI D. BINGHAM

Title REGULATORY COMPLIANCE TECH

Signature 

Date 7/27/06

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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 within its jurisdiction.