

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB NO. 1004-0137  
Expires March 31, 2007

## WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Dry <input type="checkbox"/> Other		5. Lease Serial No. <b>NMSF-077383 A</b>							
b. Type of Completion: <input checked="" type="checkbox"/> New Well <input type="checkbox"/> Work Over <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input type="checkbox"/> Diff. Resvr. Other		6. If Indian, Allottee or Tribe Name							
2. Name of Operator <b>XIO Energy Inc.</b>		7. Unit or PCA Agreement Name and No.							
3. Address <b>2700 Farmington Ave., Bldg. K, Ste 1, Farmington, NM</b>		8. Lease Name and Well No. <b>FEDERAL GAS COM #3</b>							
3a. Phone No. (include area code) <b>505-324-1090</b>		9. API Well No. <b>30-045-32873</b>							
4. Location of Well (Report location clearly and in accordance with Federal requirements) At surface <b>665' FNL &amp; 690' FNL</b> <b>1365 740</b> At top prod. interval reported below <b>CHACRA: 1120 FNL &amp; 723 FNL</b> At total depth <b>7060' DAKOTA: 700 FNL &amp; 695 FNL</b>		10. Field and Pool, or Exploratory <b>OTERO CHACRA / BASIN DAKOTA</b>							
11. Sec., T., R., M., or Block and Survey or Area <b>SEC. 27E-T28N-R10W</b>		12. County or Parish <b>SAN JUAN</b>							
13. State <b>NM</b>		17. Elevations (DF, RKB, RT, GL)*							
14. Date Spudded <b>4/23/06</b>	15. Date T.D. Reached <b>5/6/06</b>	16. Date Completed <input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod. <b>6/30/06</b>							
18. Total Depth: MD <b>6592 7060'</b> TVD <b>6553</b>	19. Plug Back T.D.: MD TVD	20. Depth Bridge Plug Set: MD TVD							
21. Type Electric & Other Mechanical Logs Run (Submit copy of each) <b>GR/CCL</b>		22. Was well cored? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Was DST run <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit report) Directional Survey? <input type="checkbox"/> No <input checked="" type="checkbox"/> 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#		377'		240		0	
7-7/8"	5-1/2"	15.5#		7060'		1470		0	Circ 130 bbls to surf 2nd str
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"	6575'								
25. Producing Intervals					26. Perforation Record				
Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status			
A) <b>CHACRA</b>	3142'	3167'	3142' - 3167'	0.32"	56				
B)									
C) <b>BASIN DAKOTA</b>			6458-6657						
D)									
27. Acid, Fracture, Treatment, Cement Squeeze, Etc.									
Depth Interval	Amount and Type of Material								
3142' - 3167'	A. w/1,250 gals 15% NEFE HCl acid. Frac'd w/19,640 gals 70Q faomed 25# linear gelled, 2% KCl water carrying 53,000# 16/30 Brady sd & 21,000# Super LC 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
	6/30/06	3		0	28	0			FLOWING
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr.	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	
3/8"	465	545		0	224	0		SHUT 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	

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

NMOC D 8

ACCEPTED FOR RECORD

JUL 19 2006

FARMINGTON FIELD OFFICE

## 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	974
				FRUITLAND FORMATION	1586
				LOWER FRUITLAND COAL	2013
				PICTURED CLIFFS SS	2031
				CHACRA SS	2954
				CLIFFHOUSE SS	3606
				MENEFEE	3710
				POINT LOOKOUT SS	4362
				GALLUP SS	5565
				GREENHORN LS	6350
				GRANEROS SH	6415
				1ST DAKOTA	6451
				BURRO CANYON SS	6704
				MORRISON FM	6734

32. Additional remarks (include plugging procedure):

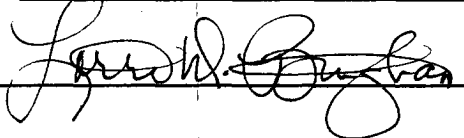
## 33. Indicate which items have been attached by placing a check in the appropriate boxes:

- ☐ 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. BINGHAMTitle REGULATORY COMPLIANCE TECH

Signature


Date 7/14/06

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.