OIL COMS. DIV UNITED STATES FORM APPROVED OMB NO. 1004-0137 DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT Expires March 31, 2007 5. Lease Serial No De not use this form for proposals to drill or to re-enter and proposals.

SUBMIT IN TRIPLICATE

SUBMIT IN TRI NMSF077383 6. Af Indian, Allottee or Tribe Name 算に合きい 7; If Unitior CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE - Other instructions on reverse side 0.70 FAREMENT 1. Type of Well 8. Well Name and No. X Gas Well Oil Well Other FEDERAL GAS COM # 1F 2. Name of Operator XIO Energy Inc. 9. API Well No. 3b. Phone No. (include area code) 3a. Address 30-045-33553 2700 Farmington Ave., Bldg. K. Ste 1 Farmington 505-324-1090 10. Field and Pool, or Exploratory Area 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) BASIN DAKOTA OTERO CHACRA 1715' FNL & 720' FEL SEC 28H-T28N-R10W 11. County or Parish, State SAN JUAN NM CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Production (Start/Resume) Water Shut-Off Notice of Intent Acidize Deepen Alter Casing Fracture Treat Reclamation Well Integrity Subsequent Report New Construction Other PT PROD CSG Casing Repair Recomplete Change Plans Plug and Abandon Temporarily Abandon Final Abandonment Notice Convert to Injection Plug Back Water Disposal 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. did not circ to surf for the production casing on the 1st stage of cmt. TOC was recorded @ 4572'. Pressure tested casing to 2600 psig for 30 min w/chart. Incr'd pressure to 3850 psig for 5 min. Tstd OK. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Title LORRAI D. BINGHAM REGULATORY COMPLIANCE TECH Date 12/12/06 THIS SPACE FOR FEDERAL OR STATE OFFICE USE

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 within its jurisdiction.

Approved by

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

Office