Form 3160-5 ↑ (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED OMB NO 1004-0137 Expires July 31, 2010

5 Lease Serial No.

SEE ATTACHED LIST

APR 3 C 2005 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 For	m 3160-3 (APD) for suc	<i>h propusals</i> ef Land Mane Farmington Fleid C	gement Mico
SUBMIT IN TRIPLICA	7 If Unit or CA/Agreement, Name and/or N		
I. Type of Well			NW CHA CHA UNIT
Oil Well X Gas Well Other	8 Well Name and No		
2. Name of Operator			VARIOUS WELLS
XIO ENERGY INC.			9 API Well No
3a Address	3b	Phone No (mchude area code)	J All Well No
382 CR 3100 AZTEC, NM 87410		505-333-3100	10 Field and Pool, or Exploratory Area
4 Location of Well (Footage, Sec., T, R, M, or Survey).	Description)		
T29N & R14W			II. Co. A. Davida Cont
			11 County or Parish, State
12 CHECK ADDIODDIA		DE MARKON CARMONICAE	SAN JUAN NM
12. CHECK APPROPRIATI	E BOX(ES) TO INDICA	LE NATURE OF NOTICE, F	REPORT, OR OTHER DATA
TYPE OF SUBMISSION		TYPE OF ACT	ION
Notice of Intent	Acidize	Deepen Proc	duction (Start/Resume) Water Shut-Off
	Alter Casing		lamation Well Integrity
X Subsequent Report		= ==	
	Casing Repair	=	omplete X Other WEIL STATUS
Final Abandonment Notice	Change Plans	Plug and Abandon Tem	porarily Abandon UPDATE
	Convert to Injection	Plug Back Wat	ei Disposal
Per request from Steve Mason w/RI his letter dated 04/09/2009.	M, XTO has attached	the plans for the NW	Cha Cha Unit wells listed on RCUD MAY 5'09
			OIL CONS. DIV.
			DIST. 3
	,		2
14 I hereby certify that the foregoing is true and correct Name (Printed/Typed)			
DOLENA JOHNSON		Title REGULATORY COMPLIANCE TECHNICIAN	
Signature Adopa C English	,	Date 04/29/2009	
THIS	S SPACE FOR FEDERA	L OR STATE OFFICE USE	ANTICUMINATION OF THE PROPERTY
Approved by		Title	Nac 0 1 2000
Conditions of approval, if any, are attached. Approval of this not the applicant holds legal or equitable title to those rights in the sul		Office	FARIANGTON FEE DOSTAGE
entitle the apply and to conduct operations thereon			LALMINGTON LIET OF LEADING

Title 18 U.S.C. Section 1001, and Fitle 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

The following is the plan for testing the following wells located in the Northwest Cha Cha Unit, T 29 N. R 14 W that have been shut in

Well#	Sec	Lease #		
39	27	14-20-603-2168A	Plug and abandon by July 30, 2009	30-045-07920
50	27	14-20-603-2168A	Test well by Aug 31, 2009. If uneconomical plug otherwise return to production.	30-045-07837
35	28	14-20-603-2168A	Water Injection well. Plugging or returning well to injection status will depend on the status of producing wells. Determination to be made by Aug 31, 2009.	30-045-07932
49	28	14-20-603-2168A	Test in progress. Determination to plug or return to production to be made by Aug 31, 2009.	30-045-29126
40	23	14-20-603-2172	Tested. Plug and abandon by July 30, 2009	30.045-29165
27	23	14-20-303-2198A	Test well by Aug 31, 2009. If uneconomical plug otherwise return to production.	30.045.29164
25	22	14-20-603-2199	Test well by Aug 31, 2009. If uneconomical plug otherwise return to production.	30-045-Z9163
26	22	14-20-603-2199	Water Injection well. Plugging or returning well to injection status will depend on the status of producing wells. Determination to be made by Aug 31, 2009.	30-045-29187
32	22	14-20-603-2199	Plug and abandon by July 30, 2009.	30-045- 29121
48	27	14-20-603-2168A	Test well by Aug 31, 2009. If uneconomical plug otherwise return to production.	30-045-29123

Testing will require rig work and minimum facilities work to return the wells to a producing status. The wells require production of at least one month to determine its economic status after flush production.

The NW Cha Gallup wells were tied into a gathering system which separated the water and oil at a central tank battery. XTO Energy proposes to leave the gathering system and tank battery in its present form until the overall determination of the NW Ch Cha Unit is made. At the present time, the tested wells will produce into a single sealed tank. Water will be drawn off the bottom taking care not to draw oil or condensate out of the tank. The water will be hauled to an approved disposal well.

Upon testing of all the wells and determination of which wells if any are economical, a decision on the number and location of the water injection wells required may be determined. A plan of action will be submitted to the BLM outlining the disposition of the water injection wells, the gathering system and attending tank battery.

United States Department of the Interior RECEIVED

APR 15 2009

BUREAU OF LAND MANAGEMENT

Farmington Field Office 1235 La Plata Highway Farmington, New Mexico 87401 REGULATORY COMPLIANCE

IN REPLY REFER TO: 14-20-603-2168A et al. (WC) 3162.3-4 (21110)

April 9, 2009

Ms. Brenda Waller XTO Energy Inc. 328 CR 3100 Aztec, NM 87410

Dear Ms. Waller:

Reference is made to the following wells located in the Northwest Cha Cha Unit, T. 29 N., R. 14 W., San Juan County. New Mexico:

- 1) No. 39, 890' FNL & 890' FEL sec. 27, lease 14-20-603-2168A.*
- 2) No. 50, 1980' FSL & 1980' FWL sec. 27, lease 14-20-603-2168A.
- 3) No. 35, 330' FNL & 2310' FWL sec. 28, lease 14-20-603-2168A.
- 4) No. 49, 1761' FNL & 1741' FEL sec. 28, lease 14-20-603-2168A.*
- 5) No. 40, 71' FSL & 2000' FWL sec. 23, lease 14-20-603-2172.*
- 6) No. 27, 1884' FSL & 652' FWL sec. 23, lease 14-20-603-2198A.*
- 7) No. 25, 2431' FSL & 1889' FWL sec. 22, lease 14-20-603-2199.*
- 8) No. 26, 2077' FSL & 317' FEL sec. 22, lease 14-20-603-2199.
- 9) No. 32, 849' FSL & 682' FWL sec. 22, lease 14-20-603-2199.

Also referenced is our letter dated January 16, 2009, which required you to complete the evaluation of the subject wells and either return them to an active status or commence plug and abandon operations as approved by April 1, 2009. *Plugging procedures have already been approved others not note will require approved plugging procedures before plugging operation can commence.

You are in violation of 43 CFR 3163.1. This is a minor violation. If the violation is not corrected you may be subject to an assessment. You have until April 30, 2009 to correct this violation. Failure to comply within the time above may result in an assessment in accordance with 43 CFR 3163.1.

Under provisions of 43 CFR 3165.3, you may request an Administrative Review of the orders described above. Such request, including all supporting documents, must be filed in writing within 20 business days of receipt of this notice and must be filed with the State Director, Bureau of Land Management, P. O. Box 27115, Santa Fe, New Mexico 87502-0115. Such requests shall not result in a suspension of the order(s) unless the reviewing official so determines. Procedures governing appeals from instructions, orders or decisions are contained in 43 CFR 3165.4 and 43 CFR 4.400 et seq.

If you have any questions please contact Stephen Mason with this office at (505) 599-6364.

Sincerely.

Petroleum Engineer, Petroleum Management Team

cc: BIA, Window Rock; Navajo Nation Minerals Dept.; EPA

Submitted Sundry to BLM 4-29-09 with plan for all wells.