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

SUNDRY NOTICES AND REPORTS ON WELLS

JUN 25 2009

5. Lease Serial No. NMSF-078243

6 If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposition of Land Management Farmington Field Office

7. If Unit or CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE - Other instructions on page 2 1. Type of Well 8. Well Name and No. Oil Well X Gas Well Other Owens #1 2. Name of Operator XIO ENERGY INC. 9 API Well No 3a. Address 3b. Phone No. (include area code) 30-045-10866 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) Blanco Mesaverde 990' FSL & 990' FWL SWSW Sec. 07 (M) -T31N-12W N.M.P.M. 11 County or Parish, State SAN JUAN CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA 12 TYPE OF SUBMISSION TYPE OF ACTION X Notice of Intent Acidize Deepen Production (Start/Resume) Water Shut-Off Alter Casing Fracture Treat Reclamation Well Integrity Subsequent Report Casing Renair New Construction Recomplete Other OMF SOZ 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 13. 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., received verbal approval from Jim Lovato w/BIM at 6:30 p.m., on 06/19/09 and Kelly Roberts w/OCD at 6:30 p.m., on 06/19/09 to a Cmt Sqz as follows: Leak isolated fr/3,894' - 3,924'. TOC @ 3,950' by CBL. Set CICR @ 3,840'. Pmp 75 sx w/fluid loss followed by 50 sx w/1% CaCl. Squeeze time approx 3:00 p.m. 06/23/2009. Cullin Johnson called both Kelly Roberts w/NMOCD and Jim Lovato w/BIM w/updated procedure @ 11:45 a.m., 06/23/2009. XTO received verbal approval for the C144-CIEZ permit from Kelly Roberts w/NMOCD at 6:30 p.m., 06/19/2009. RCVD JUL 14'09 file 592 results w/m 30 days of conducting c3q. repair operations OIL CONS. DIV. DIST. 3 I hereby certify that the foregoing is true and correct Name (Printed/Typed) BARBARA J CONDER Title REGULATORY CLERK Date 06/23/2009 THIS SPACE FOR FEDERAL OR STATE OFFICE USE Approved by Date Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that Conditions of approval, if any, are attached. Approval of this inche subject lease which will of the applicant holds legal or equitable title to those rights in the subject lease which will of the applicant holds legal or equitable title to those rights in the subject lease which will of the applicant holds legal or equitable title to those rights in the subject lease which will of the applicant holds legal or equitable title to those rights in the subject lease which will of the applicant holds legal or equitable title to those rights in the subject lease which will of the applicant holds legal or equitable title to those rights in the subject lease which will of the applicant holds legal or equitable title to those rights in the subject lease which will be applied to the applicant holds legal or equitable title to those rights in the subject lease which will be applied to the applicant holds legal or equitable title to those rights in the subject lease which will be applied to the applicant holds legal or equitable title to those rights in the subject lease which will be applied to the applied to

XTO Verbal Approval Form

County/State XTO Employee Requesting Verbal Approval	San Juan, NM Cullin Johnson	ulring Verbal Approval	eze a casing leak.	@ 3,840'. Pmp 75 sx w/fluid loss followed by 50 sx w/1% CaCl. Squeeze time approx. 3 p.m. 06/23/09		COÁIS	Report leak to cement phone. Rptd @ 6:30 PM	Report leak to Kelly Roberts. Rptd @ 6:30 PM		COA'SI		
API#	30-045-10866	 Detailed Description of Proposed Action Requiring Verball Approval	Xto is requesting verbal approval to squeeze a casing leak.	@ 3,840'. Pmp 75 sx w/fluid lo		Date/filme/of/Verball Approval	6/19/2009 17:45	6/19/2009 17:30		"Date/Time of PittVerbal "Approval	6/19/2009 17:30	
#ilipM	#1		Xto is requ	OC @ 3,950' by CBL. Set CICR		Verbal Approval Given By:	Jim Lovato	Kelly Roberts		VerbaliPit/Approval Given	Kelly Roberts	
	Owens			Leak isolated fr/3,894' - 3,924'. TOC @ 3,950' by CBL.		Name of Agency.	BLM	ОСО		is PitiPermit Citta CuEZ Required? (NM VerbailPit Approval Given only)	Yes	