Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

REC			ED
-----	--	--	----

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

SED 15 201 5. Lease Serial No

SUNDRY NOTICES		ON WELLS	DEL YO CAL	NMSF-0810	061
Do not use this form for abandoned well. Use Form	proposals to drill on 3160-3 (APD) for	or to re-enter anguical r such proposals. Far	u of Land Man mington Ficid	6. If Indian, A agement Mc2	Allottee or Tribe Name
SUBMIT IN TRIPLICAT	TE - Other instruction	ns on page 2		7. If Unit or (NMM-7376	CA/Agreement, Name and/or No.
1 Type of Well Oil Well X Gas Well Other 2 Name of Operator				8 Well Name	
XIO ENERGY INC.				9 API Well N	No.
3a Address		3b. Phone No (include ar	ea code)	30-045-07	
382 CR 3100 AZTEC, NM 87410		505-333-3100			d Pool, or Exploratory Area
4 Location of Well (Footage, Sec., T., R, M, or Survey I	Description)			BASIN DAK	OTA
800 FSL & 990' FWL SWSW SEC.2	5 (M) -T29N-R10W	N.M.P.M.			
				11 County of	or Parish, State
	·			SAN JUAN	NM_
12. CHECK APPROPRIATE	E BOX(ES) TO INI	DICATE NATURE OF N	IOTICE, REPO	RT, OR OTH	IER DATA
TYPE OF SUBMISSION		TY	PE OF ACTION		
X Notice of Intent	Acidize	Deepen	Production	(Start/Resume)	Water Shut-Off
Subsequent Report	Alter Casing	Fracture Treat	Reclamatio		Well Integrity X Other MESAVERDE
	Casing Repair	New Construction			X Other MESAVERDE
Final Abandonment Notice	Change Plans	Plug and Abandon	Temporani	y Abandon	
	Convert to Injection	on Plug Back	Water Disp	osal	
Describe Proposed or Completed Operation (clearly lift the proposal is to deepen directionally or recomp Attach the Bond under which the work will be perfollowing completion of the involved operations it testing has been completed. Final Abandonment it determined that the final site is ready for final inspective.	olete horizontally, give softened or provide the fithe operation results in Notices shall be filed on the ction.)	ubsurface locations and meast Bond No on file with BLM, in a multiple completion or re- ly after all requirements, inc	sured and true ver /BIA Required s ecompletion in a r cluding reclamation	tical depths of subsequent reponew interval, a on, have been c	all pertinent markers and zones. orts shall be filed within 30 days Form 3160-4 shall be filed once completed, and the operator has

RCVD SEP 17'09

OIL CONS. DIV.

DIST. 3

Title REGULATORY CLERK	
Date 09/11/09	1 ,
RAL OR STATE OFFICE USE	
Title	Date SEP 1 5 2003
that Office	
	Date 09/11/09 ERAL OR STATE OFFICE USE Title

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 jurisdictions

HARE GAS COM C #1 SEC 25, T 29 N, R 10 W SAN JUAN, NEW MEXICO

MESAVERDE

AFE/Well #: 904776 / 97011

SURF CSG: 8-5/8", 22.7#, ARMCO CSG @ 530'. CMT'D W/370 SX. 10 SX CMT TO SURF.

PROD CSG: 4-1/2", 10.5#, J-55, LT&C CSG @ 6,488'. PBTD @ 6,451'. CMT'D W/650 SX. DID

NOT CIRC CMT TO SURFACE.

CAPACITY = 0.0159 BPF OR 0.6699 GPF

BURST = 4,790 PSI

WELLHEAD RATING 3,000 PSI.

PERFS: DK: 6,352'-6,362' & 6,406'-6,416'

FORMATIONS: BLANCO MESAVERDE (WELL # 97011, AFE # 904776)

- 1. MI 3-400 bbl frac tanks, 1 flow back tank. Fill the frac tanks with 2% KCl water. NOTE: Have frac co test wtr for compatibility prior to frac & add biocide. Heat wtr in the frac tanks so that wtr temperature @ frac time is +/- 80deg F. Hot oil trk must be clean to avoid contaminating the frac fld.
- 2. MIRU PU. ND WH. NU BOP.
- 3. TOH w/tbg. ND BOP. NU frac vlv. RDMO PU
- 4. MIRU wireline services. RU full lubricator. RIH and set a 4-1/2" CBP at 5,000' (make sure plug is not set in csg collar).
- 5. Load hole w/2% KCl wtr & PT CBP & csg to 3,000 psig for 5". Rls press. Skip to step 8 if it holds pressure.
- 6. If pressure does not hold. PU & TIH w/pkr & RBP. Isolate casing leak.
- 7. Repair casing leak as necessary.
- 8. Run GR/CBL/CCL/RST cased hole log fr/5,000' 1,000'. Check that there is decent cement isolating proposed MV perfs. Report Results to Geoffrey Steiner. Correlate RST log with offset wells. Check Perfs with Engineer before perforating.
- 9. Perf Point Lookout with 3-1/8" select fire csg gun with 1 JSPF (Owen HSC-3125-302 or similar, 10 gm charges, 0.34" dia., 21.42" penetration, 19 holes). POH with csg gun. RD WL truck.

Point Lookout Perfs

PERF	CCL								
4,356'		4,290'		4,232'		4,197'		4,161'	
4,345'		4,282'		4,221'		4,193'		4,130'	
4,326'		4,263'		4,204		4,190'		4,124'	
4,302'		4,246'		4,200'		4,172'			

- 10. MIRU acid & frac equip. BD Point Lookout perfs from 4,124'-4,356' and EIR with 2% KCl water. Acidize with 1,500 gals of 15% NEFE HCl and 38 green Bioballs at +/- 12 BPM down 4-1/2" csg. Max TP 3,000 psig. Flush with 3,045 gals 2% KCl water (3 bbls over flush) or until ball off. Surge off balls.
- 11. Frac Point Lookout perfs from 4,124'-4,356' down 4-1/2" csg at 30 BPM with 51,000 gals 70Q, N2 foamed, 12# XL gelled (Delta 140), 2% KCl water carrying 67,000# 20/40 BASF sand and 18,000# 20/40 RC sand. Do not exceed 3,000 psig. Est TP 2,200 psig. Flush with 2,720 gals linear gel (1 bbl under flush). Record ISIP, 5", 10" and 15" SIP's.

POINT	1.0	OKOUT	SCHEDUL	Æ.

Stage	BPM	Fluid	Vol Gals	Prop Conc	Prop
Pad	30	70Q XL foam	9,000		
2	30	70Q XL foam	14,000	1	14,000# 20/40 BASF
3	30	70Q XL foam	13,000	2	26,000# 20/40 BASF
4	30	70Q XL foam	9,000	3	27,000# 20/40 BASF
6	30	70Q XL foam	6,000	3	18,000# 20/40 RC BASF
Flush	25	Linear gel	2,720		
Total	67,000	# 20/40 BASF	18,000# 20/4	0 SLC	

- 12. RU lubricator.
- 13. RIH and set a 4-1/2" CBP at 4,070' (Check that plug is not set in csg collar). Load hole w/2% KCl wtr & PT CBP to 2,000 psig for 5". Rls press.
- 14. Perf Menefee with 3-1/8" select fire csg gun with 1 JSPF (Owen HSC-3125-302 or similar, 10 gm charges, 0.34" dia., 21.42" penetration, 25 holes). POH with csg gun. RD WL truck.

Menefee Perfs

PERF	CCL								
4,023'		3,962'		3,895'		3,840'		3,768'	
4,020'		3,959'		3,882'		3,835'		3,748'	
3,990'		3,947'		3,879'		3,827'		3,741'	
3,987'		3,934'		3,853'		3,802'		3,678	
3,973'	7	3,920'		3,847'		3,774'		3,668'	

15. MIRU acid & frac equip. Acidize MN perfs fr/3,668'-4,023' with 1,500 gals of 15% NEFE HCl and 40 green Bioballs at +/- 12 BPM down 4-1/2" csg. Max TP 3,000 psig. Flush with 2,820 gals 2% KCl water (3 bbls over flush). Ball off and shear frac plug pins. Surge off balls.

16. Frac Menefee perfs fr/3,668'-4,023' down 4-1/2" csg at 35 BPM with 58,000 gals 70Q, N2 foamed, 12# XL gelled (Delta 140), 2% KCl water carrying 76,000# 20/40 BASF and 21,000# 20/40 CRC sand. Do not exceed 3,000 psig. Est TP 2,700 psig. Flush with 2,415 gals 55Q, N2 foamed linear gel (1 bbls under flush). Record ISIP, 5", 10" and 15" SIP's.

MENEFEE SCHEDULE

Stage	BPM	Fluid	BH Slurry Vol	Prop Conc	Prop	
Pad	35	12# 70Q foam	11,000		\	
2	35	12# 70Q foam	15,000	1	15,000# 20/40 BASF	
3	35	12# 70Q foam	14,000	2	28,000# 20/40 BASF	
4	35	12# 70Q foam	11,000	3	33,000# 20/40 BASF	
5	35	12# 70Q foam	7,000	3	21,000# 20/40 CRC	
Flush	35	55Q linear gel	2,415			
Total 76,000# 20/40 BASF 21,000# 20/40 SLC						

- 17. SWI 4 hrs. RDMO acid and N2 frac equip. Install flowback manifold. Flowback well thru a choke manifold to flowback tank. Start with 8/64" ck. Increase choke size as appropriate.
- 18. MIRU PU.
- 19. ND frac vlv & NU BOP. MIRU air/foam unit.
- 20. TIH with 3-7/8" bit, string mill, SN and 2-3/8" tubing. CO to 4,070' (CBP). DO CBP @ 4,070'.
- 21. CO to CBP @ 5,000'. DO NOT drill this plug out. Circulate wellbore clean. RDMO air/foam unit.
- 22. TOH w/bit & tbg.
- 23. TIH with tubing & land tubing at ± 4,251'. SN at ± 4,250'. ND BOP. NU WH. RDMO PU.
- 24. Schedule 1st delivery.
- 25. Report rates and pressures to Ryan Lavergne.

Produce Mesaverde long enough for DHC allocations. Wait for DHC approval before continuing.

- 26. MIRU PU. ND WH. NU BOP
- 27. TOH w/tbg.
- 28. TIH with 3-7/8" bit, string mill, SN and 2-3/8" tubing. CO to plug at 5,000'. DO plug @ 5,000'. CO to 6,451' (PBTD). Circulate wellbore clean. RDMO air/foam unit.
- 29. TOH with tubing and mill. Lay down mill. TIH with NC, SN, and 2-3/8" tubing to surface. Land tubing at ±6,381'. SN at ±6,380. ND BOP. NU WH.
- 30. RU swab. Swab well until clean fluid is obtained and well kicks off.
- 31. RDMO PU.

- 32. RWTP.
- 33. Report rates and pressures to Ryan Lavergne.

Regulatory:

- 1. Recompletion
 - a. NOI
 - b. C-144
 - c. Completion report
 - d. C-104
- 2. DHC application
- 3. Cmt remediation NOI If needed

Equipment:

- 1. TBG: 202 jts 2-3/8" tubing, SN, and NC.
- 2. 3-7/8" bit
- 3. 3-7/8" string mill
- 4. 2 4-1/2" CBP's