Form 3160-5 (August 2007)

UNITED STATES. DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

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

5. Lease Serial No.

| NMNM- | 27 | በገበ |
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6. If Indian, Allottee or Tribe Name

| Oil Well X Gas Well Other | | r such proposals. | abandoned well. Use Form | | | | |
|---|--|------------------------------|--|--|--|--|--|
| Type of Well Gas Well Other Charge of Period Charge of Land Mark 2 6 2 | 7. If Umt or CA/Agreement, Name and/or N | ons on page 2RECEIVE | SUBMIT IN TRIPLICAT | | | | |
| 3a. Address 3b. Phone No. (include area code) 382 CR 3100 AZTEC, NM 87410 \$505-333-3100 4. Location of Well (Footage, Sec. T. R. M. or Survey Description) 790' FSL & 790' FWL SWSW SEC 25 (M) -T26N-R13W 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE TYPE OF SUBMISSION TYPE OF A X Notice of Intent Abandonment Notice Casing Repair New Construction Plug Back Plug and Abandon Treat Report Change Plans Plug Back Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of the proposal is to despen directionally or recomplete hoizentally, give substrace locations and measured am Affaithment of the proposal is to despen directionally or recomplete hoizentally, give substrace locations and measured am Affaithment of the proposal is to despen directionally or recomplete the proof to only in the MBHALA. Relating has been completed. Final Abandonment Notice pertain results in a multiple completion or recomplete lesting has been completed. Final Abandonment Notice shall be filed only after all requirements, including recompleted. Final Abandonment Notice operation results in a multiple completion or recomplete lesting has been completed. Final Abandonment Notice operation results in a multiple completion or recomplete lesting has been completed. Final Abandonment Notice operation results in a multiple completion or recomplete lesting has been completed. Final Abandonment Notice operation results in a multiple completion or recomplete lesting has been completed. Final Abandonment Notice operation results in a multiple completion or recomplete lesting has been completed. Final Abandonment Notice operation results in a multiple completion or recomplete lesting has been completed. Final Abandonment Notice operation results in a multiple completion or recomplete lesting has been completed. Final Abandonment Notice op | 8. Well Name and No. | 1. Type of Well MAR 2 & 2010 | | | | | |
| 38. Address 382 CR 3100 AZTEC, NM 87410 4. Location of Well (Footage, Sec. T. R. M. or Survey Description) 790' FSL & 790' FWL SWSW SEC 25 (M) -T26N-R13W 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE TYPE OF SUBMISSION 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE TYPE OF SUBMISSION 13. Notice of Intent Acidize | BAYLESS BLACKHILLS #1 | duragu of Land Manag | 2 Name of Operator | | | | |
| 382 CR 3100 AZTEC, NM 87410 4. Location of Well (Footage, Sec. T. R. M., or Survey Description) 790' FSL & 790' FWL SWSW SEC 25 (M) -T26N-R13W 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE TYPE OF SUBMISSION TYPE OF A Acidze | 9. API Well No. | Farmington Field O | | | | | |
| 4. Location of Well (Footage, Sec., T. R., M., or Survey Description) 790' FSL & 790' FWL SWSW SEC 25 (M) -T26N-R13W 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE TYPE OF SUBMISSION | 30-045-25736 | | | | | | |
| 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE TYPE OF SUBMISSION TYPE OF A | 10. Field and Pool, or Exploratory Area BISTI FARMINGION | 505-333-3100 | | | | | |
| TYPE OF SUBMISSION Acidize | BISII PARMINGION | | | | | | |
| TYPE OF SUBMISSION X Notice of Intent | 11. County or Parish, State | | , 30 155 a 750 1772 5767 526 25 7 | | | | |
| TYPE OF SUBMISSION X Notice of Intent | SAN JUAN NM | | | | | | |
| Subsequent Report | EPORT, OR OTHER DATA | DICATE NATURE OF NOTICE, RE | 12. CHECK APPROPRIATE | | | | |
| Alter Casing | NC | TYPE OF ACTION | TYPE OF SUBMISSION | | | | |
| Subsequent Report Casing Repair New Construction Image: Plug and Abandon Image: Plug an | ction (Start/Resume) Water Shut-Off | Deepen Produc | X Notice of Intent | | | | |
| Casing Repair New Construction Plug Back Change Plans Plug and Abandon The proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and Attach the Bond under which the work will be performed or provide the Bond No. on file with BLMBIA. Refollowing completion of the involved operations. If the operation results in a multiple completion or recomplete sting has been completed. Final Abandonment Notices shall be filed only after all requirements, including redetermined that the final site is ready for final inspection.) XTO Energy Inc. proposes to plug & abandon this well per the attached provided the provided that the foregoing is true and correct Name (Printed Typed) BARBARA A. NICOL Title REGULATORY of Date 03/24/2010 | nation Well Integrity | Fracture Treat Reclan | | | | | |
| Describe Proposed or Completed Operation (clearly state all pertuents), including estimated starting date of the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Refollowing completion of the involved operations. If the operation results in a multiple completion or recomplete testing has been completed. Final Abandoment Notices shall be filed only after all requirements, including redetermined that the final site is ready for final inspection.) XTO Energy Inc. proposes to plug & abandon this well per the attached proposed for the proposed for the proposed form of the proposed f | mplete Other | New Construction Recon | Subsequent Report . | | | | |
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| Name (Printed/Typed) BARBARA A. NICOL Signature Name (Printed/Typed) Title REGULATORY O Date 03/24/2010 | RCVD APR 1'10 OIL CONS. DIV. DIST. 3 | well per the attached proce | | | | | |
| | PLIANCE TECHNICIAN | Date 03/24/2010 | Name (Printed/Typed) BARBARA A. NICOL Signature DAWAWA A. Mi | | | | |
| | Deta MAN 2 V 2040 | | | | | | |
| Approved by Original Signed: Stephen Mason | Date MAR 3 1 2010 | I itle | Approved by Original Signed: Stephen M | | | | |

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

| WFL | |
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| TJF | |

Bayless Blackhills #1 - Farmington PLUG AND ABANDONMENT PROCEDURE

February 4, 2010

790' FSL & 790' FWL
Unit M, Section 25, T26N, R13W
San Juan County, NM API #30-045-25736
Latitude: N_____Longitude W_____

Note: All cement volumes use 100% excess outside pipe and 50' excess inside. The stabilizing wellbore fluid will be 8 3 ppg, sufficient to balance all exposed formation pressures. All cement will be Class B, mixed at 15.6 ppg with a 1.18 cf/sx yield.

- 1. This project requires the Operator to obtain an approved NMOCD C-144 CLEZ Closed-Loop System Permit for the use of an approved steel tank to handle waste fluids circulated from the well and cement wash up.
- Install and test location rig anchors. Comply with all NMOCD, BLM, and Operator safety regulations. MOL and RU daylight pulling unit. Conduct safety meeting for all personnel on location. Record casing, tubing and bradenhead pressures. NU relief line and blow down well Kill well with water as necessary and at least pump tubing capacity of water down the tubing. ND wellhead and NU BOP. Function test BOP.

| 3. | Rods. | Yes | _, No_ | X | , Unknown | ; | | | |
|----|---------|-----|--------|-----|-----------|---|------|----------|---------|
| | Tubing: | Yes | _, No_ | _X, | Unknown | | Size | , Length | Unknown |
| | Packer | Yes | , No | Χ . | Unknown | | Type | | |

- 4. Plug #1 (Pictured Cliffs, Fruitland Coal, Fruitland Sand, 1,000' 475'): TIH and tag existing CIBP at 1,001'. PUH and mix 17 sxs cement (in two stages) and spot a balanced plug inside the casing to cover the Pictured Cliff, Fruitland Coal, and Fruitland sand intervals. TOH with 1-1/4" tbg and WOC. TIH and tag cement 50' above the top interval. TOH.
- 5. Plug #2 (7" casing shoe, 142' Surface): Perforate 4 squeeze holes at 142'. Establish circulation out bradenhead valve. Mix approximately 45 sxs and pump cement down the 2-7/8" casing to circulate good cement out bradenhead valve. Shut in well and WOC.
- 6. ND BOP and cut off casing below surface casing flange. Install P&A marker with cement to comply with regulations. RD, move off location, cut off anchors and restore location.

Formation Tops:

Pictured Cliffs
Fruitland Coal

1,220' 795'

Farmington Sand

630'

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT FARMINGTON DISTRICT OFFICE

1235 LA PLATA HIGHWAY FARMINGTON, NEW MEXICO 87401

Attachment to notice of Intention to Abandon:

Re: Permanent Abandonment Well: 1 Bayless-Blackhills

CONDITIONS OF APPROVAL

- 1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Lease."
- 2. Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 599-8907.
- 3. The following modifications to your plugging program are to be made:
- a) Place the Kirtland/Ojo Alamo/7" Casing shoe/Surface plug from 220' to surface inside and outside the 2 7/8" casing where there is no cement.

You are also required to place cement excesses per 4.2 and 4.4 of the attached General Requirements.

Office Hours: 7:45 a.m. to 4:30 p.m.