Form 3160_{*}5' (August 2007)

UNITED STATÈS DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

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

4 20	-603-2199	

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abandoned well. Use Forr		such proposals.	MAY 11 20	INAVAJO LAND				
SUBMIT IN TRIPLICAT	TE - Other instructio	ns on page 2 டிவ	u ci Land Man minglen Fleld (Centery or CA/A	greement, Name and/or No			
1 Type of Well Oil Well Gas Well X Other INJEC 2 Name of Operator	8 Well Name and No NW CHA CHA #26							
XIO ENERGY INC.								
3a Address	,	3b Phone No (include ar	rea code)	9 API Well No				
382 CR 3100 AZTEC, NM 87410	•	505-333-3100	ŕ	30-045-29187 10 Field and Pool, or Exploratory A				
4 Location of Well (Footage, Sec., T., R., M., or Survey I	Description) 22 (I) –T29N–R14W	N.M. P.M.		CALLUP	or supremiery rules			
	(=,	- · · · · · · · · · · · · · · · · · · ·	11 County or Parish, State SAN JUAN NM					
12. CHECK APPROPRIATE	F ROX(FS) TO INE	DICATE NATURE OF	NOTICE REPO					
TYPE OF SUBMISSION	BOX(ES) TO INI		TPE OF ACTION		MIN			
X Notice of Intent	Acidize	Deepen	Production	ı (Start/Resume)	Water Shut-Off			
_	Alter Casing	Fracture Treat	Reclamation	on	Well Integrity			
Subsequent Report	Casing Repair	New Construction	Recomple		Other			
1-			= .	L	Office			
Final Abandonment Notice	Change Plans	X Plug and Abandon		lly Abandon				
LE CONTRACTOR OF THE PARTY OF T	Convert to Injection	on Plug Back	Water Dis	posal				
testing has been completed. Final Abandonment of determined that the final site is ready for final inspection. XOT Energy Inc., intends to plug attached current and proposed well.	ction) and abandon thi							
				ROVD M	AY 21 '10			
				OIL CONS. DIV.				
			·	D	S1.3			
14. I hereby certify that the foregoing is true and correct Name (Printed Typed)		1						
Name (Printed Typed) LORRI (D., BINGHAM		Title REGULA	ATORY ANALYS	T				
Signature Signature	am	Date 5/10/10						
		ERAL OR STATE OF	FICE USE					
Approved by Original Signed: Steph	en Mason	Title	 	Date	MAY 1 8 2010			
Conditions of approval, if any, are attached Approval of this not the applicant holds legal or equitable title to those rights in the sub- entitle the applicant to conduct operations thereon	oce does not warrant or cert oject lease which would for	office Office						

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

NW CHA CHA UNIT #26 Cha Cha Gallup / API 30-045-29187 2,077' FSL & 317' FEL, Section 22, T 29 N, R 14 W San Juan County, New Mexico

Plug and Abandonment Procedure

Surface Casing:

8-5/8", 24#, J-55 @ 225'. Cmt 195 sx. Circ 50 sx cmt to surface.

Production Casing:

5-1/2", 15.5#, J-55 @ 5,346'.

Cmt 455 sx 65/35 POZ & 100 sx Cl "B" cmt. Circ cmt to surf

PBTD:

5,306'

Tubing:

2-3/8" tubing with 5-1/2" packer @ 4,973'

Perforations:

Gallup: 5,092' - 5,150'

- 1) MIRU PU.
- 2) ND WH. NU BOP.
- 3) Release packer. TOH with tubing and packer.
- 4) TIH 5-1/2" casing scraper on 2-3/8" tubing to 5,030'. PT tubing to 1,000 psig. TOH.
- 5) TIH 5-1/2" CICR on 2-3/8" tubing. Set CICR @ 5,030'.
- 6) PT tubing to 1,000 psig.
- 7) Sting out of CICR. Circulate TCA with water. PT casing to 500 psig for 30 minutes with chart. If casing does not test, tag and spot subsequent plugs as appropriate.
- 8) MIRU cement equipment.

4685

- 9) Pump 42 sx Class "B" cement (15.6 ppg, 1.18 cuft/sk) down 2-3/8" tubing from 4,733' 5,020' (CICR). (Cement volume calculated with 50% excess.)
- Pump 17 sx Class "B" cement (15.6 ppg, 1.18 cuft/sk) down 2-3/8" tubing and spot balance plug from 1,904' 2,004'. (Cement volume calculated with 50% excess.)
- Pump 76 sx Class "B" cement (15.6 ppg, 1.18 cuft/sk) down 2-3/8" tubing and spot balance plug from 620' 1,067'. (Cement volume calculated with 50% excess.)
- Pump 47 sx Class "B" cement (15.6 ppg, 1.18 cuft/sk) down 2-3/8" tubing and spot balance plug from surface 275'. (Cement volume calculated with 50% excess.)
- 13) ND BOP. Clean out BOP.

^{*}Please notify BLM, NMOCD, and the Navajo Nation 48 hours prior to beginning operations.

- 14) LD 2-3/8" tubing.
- 15) Cut off wellhead. Fill in with cement as needed. Install P&A marker that complies with all regulations.
- 16) RDMO PU.
- 17) Cut off anchors. Reclaim location.

Regulatory:

- 1) C-144 Form
- 2) NOI for P&A on form C-103
- 3) Submit a post-work sundry on form C-103 which details the P&A work and location work within 30 days of completing all required restoration work.

Equipment

- 1) Flowback tank
- 2) +/- 5 jts 2-3/8" tubing
- 3) 1 5 1/2" casing scraper
- 4) 1 5 1/2" CICR (set on 2-3/8" tubing)
- 5) Cement equipment
- 6) 182 sx cl "B" cmt
- 7) P&A marker



XTO - Wellbore Diagram

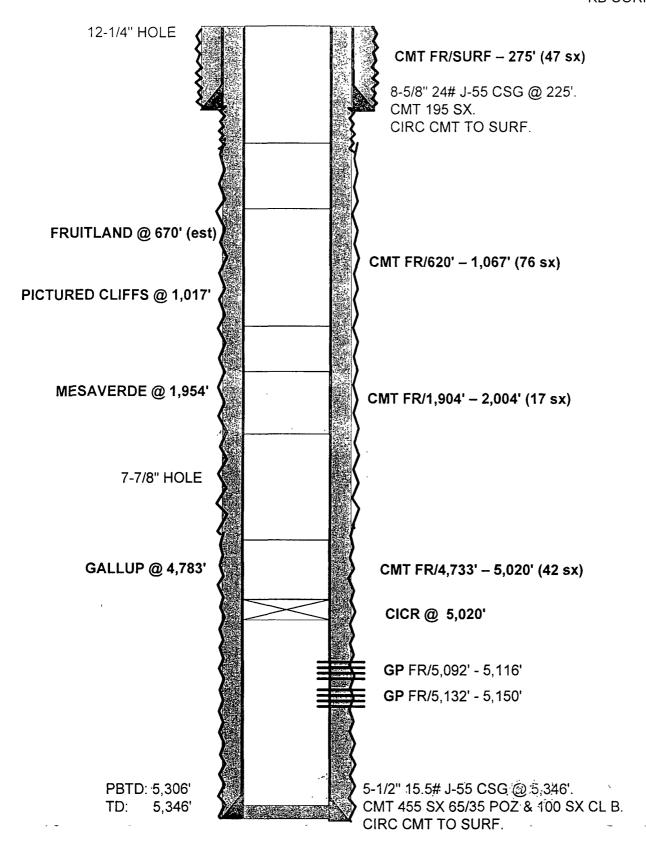
Well Name: NW Cha Cha Unit 26

045291870000	W Dist (ft) 317 0	E/W Ref FEL	N/S Dist (ft) 2,077 0	N/S F	FSL	T29N-R14	1W-S2		Cha G			1	Juan	State New Me				
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NW CHA CHA UNIT #26

API 30-045-29187 PROPOSED P&A

KB: 5,504' GL: 5,494' KB CORR: 10'



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: 26 Northwest Cha Cha Unit

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) Bring the top of the Gallup plug to 4685'.
- b) Place the Pictured Cliffs/Fruitland plug from 1041' 586'.

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.