

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

MAY 28 2010

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

Bureau of Land Management
Farmington Field Office

SUBMIT IN TRIPLICATE - Other instructions on page 2

1 Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2 Name of Operator

XTO ENERGY INC.

3a Address

382 CR 3100 AZTEC, NM 87410

3b Phone No (include area code)

505-333-3204

4 Location of Well (Footage, Sec, T, R, M, or Survey Description)

1185' ENL & 960' FWL NWNW SEC 8(D) -T27N-R11W NMM

5 Lease Serial No

NMSF080382A

6 If Indian, Allottee or Tribe Name

7 If Unit or CA/Agreement, Name and/or No

NMM94006

8 Well Name and No

SCHWERTFEGER 8 #3

9 API Well No

30-045-32149

10 Field and Pool, or Exploratory Area

BASIN FRUITLAND COAL

11 County or Parish, State

SAN JUAN

NM

12 CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☒ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice

TYPE OF ACTION

☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☐ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☒ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☐ Other

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleate 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 recompleation 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. intends to recompleate this well to the West Kutz Pictured Cliffs per the attached procedure. Please see also, the attached plat for the PC.

RCVD JUN 3 '10

OIL CONS. DIV.

DIST. 3

Hold C104 for Rule 5.9 compliance

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

LORRI D. BINGHAM

Title

REGULATORY ANALYST

Signature

Date

5/27/10

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Original Signed: Stephen Mason

Title

Date

JUN 01 2010

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

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.

NMOCD

Schwerdtfeger 8 #3
Unit I, Sec 8, T 27 N, R 11 W
San Juan County, New Mexico

Add the Pictured Cliffs

AFE/ACCT # 906346/97042

SURF CSG: 8-5/8", 24#, J-55 CSG @ 186'. CIRC CMT TO SURF WITH 150 SX.

PROD CSG: 5-1/2", 15.5#, J-55 CSG @ 2,084'. PBSD @ 2,038'. CMT TO SURF WITH 190 SX.
CAPACITY = 0.0238 BBLS/FT (0.1336 CUFT/FT).
BURST = 4,810 PSI (TREATING @ 80% = 3,840 PSI)

PERFS: FRUITLAND COAL:
LWR FC FR/1,776'-1,590' W/3 JSPF
UPR FC FR/1,842'-21' W/3 JSPF

Workover Procedure

- 1) Install and test rig anchors. Comply with all New Mexico OCD, BLM and XTO safety rules and regulations. Conduct safety meeting for all personnel on location. MIRU daylight pulling unit.
- 2) MI 2 - 400 bbl frac tanks and 1 flow back tank. Fill the frac tanks with 2% KCL water. Note: Have frac company run preliminary fluid quality tests and add biocide.
- 3) ND WH. NU BOP and test the BOP.
- 4) TOH with BHA.
- 5) Round trip a 4-3/4" bit and 5-1/2" casing scraper to 1,900', not a wireline gauge ring.
- 6) MIRU wireline truck. RU full lubricator. Use the Schwerdtfeger 8#3 GR/Induction Log dated 4/12/06. Perforate the Pictured Cliffs with a 3-1/8" csg gun with 3 JSPF (Owen HSC-3125-332, 120 phasing, 11 gm charges, 0.39" dia., 23.30" penetration, 18 holes). POH with csg gun.

Pictured Cliffs Perforations			
PERF	CCL	PERF	CCL
1,895'		1,882'	
1,892'		1,875'	
1,890'		1,872'	

- 7) TIH with a retrievable tension packer (5 1/2" Baker Arrow-set Fullbore with SN and SV) on 3-1/2" N-80 work string and set at 1,855'. Load tubing and PT to 3,800 psi for 2 minutes.
3-1/2" N-80 workstring: Capacity-0.0087 bbls/ft Burst-8,100 psi (80% yield)
- 8) ND BOP. NU frac valve.

- 9) MIRU frac equipment. BD Pictured Cliffs perms from 1,872'-1,895' and EIR with 2% KCl water. Acidize with 1,500 gals of 15% NEFE HCl (will not be running BS). Max TP 3,800 psig. Flush with 845 gals 2% KCl w/gasperm (3 bbls over flush). Record ISIP, 5", 10" and 15" SIP's. Frac Pictured Cliffs perms from 1,872'-1,895' down 3-1/2" tbg at 30 BPM with 45,160 gals 70Q, N2 foamed, friction reduced 2% KCl water carrying 43,340# 16/30 BASF sand and 22,000# 16/30 CRC sand. Max TP 3,800 psig. Expected TP 2,800 psig. After seeing a 1.5# drop on the blender densitometer, switch to flush. Flush to top perf with 680 gals 70Q, N2 foamed, friction reduced 2% KCl water. Shut down when the volume is 0 gals. Record ISIP. RDMO frac equipment.

Pictured Cliffs						
Stage	BPM	Fluid System	Foam Vol gals	Clean Vol Gals	Prop	Sand Size
Load & Break	3	2% KCl wtr	—	500	—	—
Acid	10	15% NEFE HCl	—	1,500	—	—
Acid Flush	10	2% KCl wtr & Gasperm	—	845	—	—
Pad	30	70Q N2 FR Slickwater	1,000	300	—	—
Pre Pad	30	70Q N2 FR Slickwater	9,000	2,700	—	—
0.5 ppg	30	70Q N2 FR Slickwater	3,780	1,134	1,890	16/30
1 ppg	30	70Q N2 FR Slickwater	10,800	3,240	10,800	16/30
2 ppg	30	70Q N2 FR Slickwater	7,200	2,160	14,400	16/30
3 ppg	30	70Q N2 FR Slickwater	5,400	1,620	16,250	16/30
3 ppg	30	70Q N2 FR Slickwater	7,300	2,190	22,000	16/30 CRC
Flush	30	70Q N2 FR Slickwater	680	204	—	—
Total	45,160 gals FR Slickwater			16,400gal		65,340# 16/30

- 10) Install flowback manifold. Flowback well through a choke manifold to flowback tank. Start with an 8/64" choke. Increase choke size as appropriate.
- 11) ND frac valve. NU BOP.
- 12) Release packer and TOH.
- 13) MIRU AFU. TIH w/4-3/4" bit, bit sub, and 2-3/8" tubing. CO to 2,038' (PBTD). Circulate wellbore clean. TOH w/tbg & bit.
- 14) TIH with tubing BHA as follows:
- 1- 12' OEMA w/ 3/8" vent hole located 1' from top & stop pin
 - 2-3/8" (1.78" ID) API SN
 - ±61 jts - 2-3/8" tubing to surface, EOT @ 2,012', SN @ 2,000'.
- 15) Swab well until clean fluid is obtained.
- 16) ND BOP. NU WH.

17) TIH with rod assembly as follows:

- 2" X 1-1/4" X 10' RWAC-Z pump
- 1" X 1' lift sub
- spiral rod guide
- RHBO tool
- 4 - 1-1/4" API K sinker bars with stabilizer rods
- 8 - 3/4" API D Molded Guide Rods w/ T-couplings
- 68 - 3/4" API D Rods w/ T-couplings
- 1-1/4" X 16' Polished Rod w/ 8' liner

18) Space rods out with subs as necessary.

19) Load tubing and long stroke with rig to ensure pump action. HWO.

20) RDMO PU.

21) Gauge tanks. Shoot FL and run dynamometer during pumping unit startup. Start well pumping at 4 SPM and 54" SL and adjust as necessary. Check fluid level and tank gauges.

22) Report pre and post start up data to Derick Lucas

Regulatory:

1. Acquire approval to OAP the Pictured Cliffs
2. Acquire approval of C-144
3. DHCM the Fruitland Coal and Pictured Cliffs

Equipment:

- 4-3/4" bit & bit sub
- 5-1/2" casing scraper
- 3-1/2" workstring (1,900')
- 1- tension packer (5 1/2" Baker Arrow-set Fullbore with SN and SV)

Rods:

- 2" X 1-1/4" X 10' RWAC-Z pump
- 1" X 1' lift sub
- spiral rod guide
- RHBO tool
- 4 - 1-1/4" sinker bars with stabilizer rods
- 8 - 3/4" API D Molded Guide Rods w/ T-couplings
- 68 - 3/4" API D Rods w/ T-couplings
- 1-1/4" X 16' Polished Rod w/ 8' line

District I

1625 N. French Dr., Hobbs, NM 88240

District II

811 South First, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico

Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-102

Revised October 19, 2009

Submit on copy to appropriate

District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-32149	² Pool Code 79680	³ Pool Name W. KUTZ PICTURED CLIFFS
⁴ Property Code 030340	⁵ Property Name SCHWERTDFEGER 8	
⁷ OGRID No. 5380	⁸ Operator Name XTO Energy, Inc.	⁶ Well Number 3 ⁹ Elevation 6117'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	8	27-N	11-W		1185'	NORTH	960'	WEST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
SAME									

¹² Dedicated Acres PC: 160 ACRES	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
--	-------------------------------	----------------------------------	-------------------------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	¹⁷ OPERATOR CERTIFICATION	
	<i>I hereby certify that the information contained herein is true & complete to the best of my knowledge & belief and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division</i>	
	Signature: Printed Name: LORRI D. BINGHAM	
	Title: REGULATORY ANALYST Date: 5/27/10	
	¹⁸ SURVEYOR CERTIFICATION	
	<i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true & correct to the best of my belief.</i>	
	Date of Survey: 6/23/1984 Original Survey Signed By: John A. Vukonich	
	Certificate Number: 14831	