State of New Mexico Submit 3 Copies To Appropriate District Form C-103 Office Energy, Minerals and Natural Resources Revised March 25, 1999 District I WELL API NO. 1625 N. French Dr., Hobbs, NM 87240 District II 30-045-31058 OIL CONSERVATION DIVISION 811 South First, Artesia, NM 87210 5. Indicate Type of Lease 2040 South Pacheco District III 1000 Rio Brazos Rd., Aztec, NM 87410 STATE X FEE \square Santa Fe, NM 87505 District IV 6. State Oil & Gas Lease No. 2040 South Pacheco, Santa Fe, NM 87505 E-1686; E-3149; E-3972 SUNDRY NOTICES AND REPORTS ON WELLS 7. Lease Name or Unit Agreement Name: (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) STATE GAS COM BR 1. Type of Well: Oil Well Gas Well X Other 2. Name of Operator 8. Well No. XIO Energy Inc. #1G 3. Address of Operator 9. Pool name or Wildcat 2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401 BLANCO MESAVERDE / BASIN DAKOTA 4. Well Location 845 feet from the 2600 line and feet from the_ line Section 02 Township 29N Range **NMPM** 10W County SAN JUAN 10. Elevation (Show whether DR, RKB, RT, GR, etc.) 5,984' GR 11. Check Appropriate Box to Indicate, Nature of Notice, Report, or Other Data NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: PERFORM REMEDIAL WORK PLUG AND ABANDON REMEDIAL WORK ALTERING CASING **TEMPORARILY ABANDON CHANGE PLANS** COMMENCE DRILLING OPNS. PLUG AND **ABANDONMENT PULL OR ALTER CASING MULTIPLE** CASING TEST AND COMPLETION **CEMENT JOB** OTHER: OTHER: SPUD & SET SURF CSG; TD & SET PROD CSG 12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation. 7/17/02 - 7/20/02: Spudded 12-1/4" hole 7/17/02. Drilled to 253' KB. TIH w/6 jts 9-5/8" surf csg to 248.14'. Cmt'd csg w/175 sx Cl "B" cmt w/2% CaCl2 & 1/4#/sx celloflake (15.6 ppg, 1.18 cuft/sx). Circ

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7/21/02 - 7/22/02: TIH w/63 jts 7", 20#, J-55 ST&C intermediate csg to 2,776.10'. Cmt'd csg w/250 sx Type III cmt w/3% extender, 2% gel, 2% Phenoseal (LCM) & 1/4#/sx cello (11.4 ppg & 2.94 cuft/sx) and 150 sx Type III cmt w/1% CaCl2 & 1/4#/sx celloflake (14.5 ppg & 1.40 cuft/sx). Circ 29 bbls cmt to surf. PT 7" intermed csg to 2,000 psig for 30 min. Held OK. Reached drillers TD of 7,241' KB on 8/6/02.

8/10/02: TIH w/174 jts 4-1/2", 10.5#, J-55, ST&C csg to 7,239' KB. Cmt'd csg w/60 sx Prem Lite HS (Cl "H" poz) w/2% KCl, 1/4#/sx celloflake, 0.5% FL, 0.2% dispersant, 0.3% retarder & 2% phenoseal (11.9 ppg & 2.36 cuft/sx) and 330 sc Prem Lite HS "CL "H" poz w/2% KCl, 1/4#/sx celloflake, 0.5% FL, 0.2% dispersant, 0.3% retarder & 2% phenoseal (12.5 ppg & 2.01 cuft/sx). TOC @ 2,300' by temp survey.

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I hereby certify that the information above is true and complete to the	best of my knowledge and belief.		
SIGNATURE (W Patton	TITLE DRILLING ENGINEER	DATE_	9/20/02
Type or print name JEFFREY W. PATTON		Telephone No.	505-324-1090
(This space for State use)	DESTRUCTION OF THE PROPERTY OF	SE	
APPROVED BY	TITLE	DATE	