

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

FORM APPROVED
OMB NO. 1004-0137
Expires March 31, 2007

RECEIVED

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.

APR 23 2008

SUBMIT IN TRIPLICATE - Other instructions on reverse side

HOBBS OCD

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMLC034548
2. Name of Operator XTO Energy Inc.		6. If Indian, Allottee or Tribe Name
3a. Address 200 N. Loraine, Ste. 800 Midland, TX 79701	3b. Phone No. (include area code) 432.620.6709	7. Unit or CA/Agreement, Name and/or No. NBA642X
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Unit Ltr: N B N 2045 E 600-370 feet from the South line and 1880 feet from the west line. Section: X 18 Township: 22S Range: 37E		8. Well Name and No. Arrowhead Grayburg Unit #217
		9. API Well No. 30-025-31582
		10. Field and Pool, or Exploratory Area Arrowhead; Grayburg
		11. County or Parish, State Lea NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Restim/Frac</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>Ref Written</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	<u>Order# 08-BJB-031</u>

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 recomplete 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 recompletion 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.)

1. Test csg to 500 psi. 30 minutes
2. MI & r4ack 3900' of 2-7/8" work string.
3. RUPU. TIH w/ 4-3/4" bit, 6 3-1/2" drill collars, & work string. Tag up on cement on top of CIBP located at 3540'. Drill out CIBP & cement and continue to PBDT at 3865'. Circulate clean and POH.
4. TIH w/4-3/4" bit, scraper & work string. Clean-out to TD & circ clean & POH.
5. TIH w/composite CICR. Set CICR at 3550'. Squeeze perfs from 3585-3862 w/cement. Order out 250 sxs Premium Plus C Cement + 10% bwoc A-10 + 2% bwoc Calcium Chloride plus 150 sxs of Class C. Max rate 3 BPM/Max Press 1200 psi. SI for 36 hrs.
6. TIH, drill out CICR, cement, & CIBP. Clean-out to 3790 & circ clean. TOH. Test squeeze to 500 psi. Resqueeze if necessary.
7. TIH w/CIBP & set @ 3789'. Test to 500 psi again. POH.
8. TIH w/3-3/8" perf gun & perf well as follows w/120 degree phasing, 0.38' hole size, & 38 penetration.
 - a. Zone 3 - 3764-66 (3', 9 holes)
 - b. Zone 3 - 3745-55 (10', 30 holes)
 - c. POH

After 6/30/08 the well must be online or plans to P & A must be submitted.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Sherry Pack

Title

Regulatory Analyst

Date 3/28/2008

APPROVED

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

OC DISTRICT SUPERVISOR/GENERAL MANAGER

APR 17 2008

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

WESLEY W. INGRAM

PETROLEUM ENGINEER



Ref: NMLC034548
API 30-025-31582
Form 3160-5 continued

- 9 TIH w/ pkr, collar locator, and workstring. Set pkr at 3665'. Open by-pass and pump 500 gals of 20% NEFE acid to the packer. Close by-pass. Break down perfs and follow with 1,000 gals of 15% viscosified Acidtrol System using 60 1.3 sg ball sealers as diversion. Flush with 25 bbls of 9# brine. **Max Rate/Pressure: 2 BPM/900 psi.** Be prepared to pump into backside at no higher pressure than 500 psi.
- 10 Shut well in for 2 hours.
- 11 Open well back to pit through 8/64". Let well flow down and open another 8/64ths. Continue until well dies. Rig up swab and swab until it is determined productivity and oil/gas cut of well. Decision on next step; 1) Restim with small frac or larger acid
- 12 If decision is to restimulate the well stimulate as follows: Max Rate: 5 BPM/1500 psi.
 - a. 1000 gals of 15% viscosified Acidtrol System Mix BJ Unichem's Scale Sorb 3
 - b. 10 bbl 9# brine spacer
 - c. 500 gals of 30# gelled brine with 1 ppg GRS.
 - d. 10 bbl 9# brine spacer
 - e. 2000 gals of 15% viscosified Acidtrol System BJ Unichem's Scale Sorb 3
 - f. Flush with 50 bbls of 9# brine
 - g. Shut well in for 2 hours.
- 13 RUPU. TOH with production equipment or pkr and workstring depending on previous decision. .
- 14 Contact Engineering to determine if we pump test or continue with completion.
- 15 TIH with 3-3/8" perf gun and perf well as follows with 120 degree phasing, 0.38" hole size, and 38" penetration.
 - a. Zone 2 – 3725-26 (2', 6 holes)
 - b. Zone 2 – 3700-01 (2', 4 holes)
 - c. Zone 2 – 3684-86 (3', 9 holes)
 - d. Zone 2 – 3674-75 (2', 4 holes)
 - e. POH.



AGU #217

Ref: NMLC034548

API 30-025-31582

Form 3160-5 continued

- 16 TIH with RBP, pkr, collar locator, and workstring. Set RBP at 3665'. Pull pkr to 3550+. Open by-pass and pump 500 gals of 20% NEFE Acid. Close by-pass and flush with 20 bbls of 9# brine. **Max Rate/Pressure: 1 BPM/500 psi.** Be prepared to pump into backside at no higher pressure than 500 psi.
- 17 Shut well in for 2 hours.
- 18 Open well back to pit through 8/64". Let well flow down and open another 8/64ths. Continue until well dies. Rig up swab and swab until it is determined productivity and oil/gas cut of well. Pull pkr and run production equipment.
- 19 If decide to restimulate the well stimulate as follows: Max Rate: 5 BPM/1500 psi.
 - a. 1000 gals of 15% viscosified Acidtrol System Mix BJ Unichem's Scale Sorb 3
 - b. 10 bbl 9# brine spacer
 - c. 500 gals of 30# gelled brine with 1 ppg GRS.
 - d. 10 bbl 9# brine spacer
 - e. 2000 gals of 15% viscosified Acidtrol System BJ Unichem's Scale Sorb 3
 - f. Flush with 50 bbls of 9# brine
 - g. Shut well in for 2 hours.
- 20 Determine prod. equipment to run and TIH with tbg and lift equipment and RWTP.

Anticipated Date for AGU #217 to return to production: June 30, 2008