Submit to Appropriate District Office State of New Mexico Form C-105 State Lease - 6 copies Energy, Minerals and Natural Resources Revised June 10, 2003 Fee Lease - 5 copies WELL API NO. District I 1625 N. French, Hobbs, NM 88240 30-045-31804 District II OIL CONSERVATION DIVISION 5. Indicate Type Of Lease 1301 W. Grand Avenue, Artesia, NM 88210 1220 South St. Francis Dr. X FEE STATE District III Santa Fe, NM 87505 1000 Rio Brazos Rd., Aztec, NM 87410 6. State Oil & Gas Lease No. District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 WELL COMPLETION OR RECOMPLETION REPORT AND LOG 7. Lease Name or Unit Agreement Name 1a. Type of Well: GAS WELL X DRY 🗌 OIL WELL ADAIR b. Type of Completion: DIFF. OTHER OS. 8 NEW WELL WORK DEEPEN PLUG BACK 8. Well No. 2. Name of Operator XIO Energy Inc. 9. Pool name or Wildcat 3. Address of Operator BASIN FRUITLAND COAL 2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401 4. Well Location Unit Letter C: 1090 Feet From The ___ NORTH Line and 1510 Feet From The Range 10W NMPM Section 29 Township 29N SAN JUAN County 10. Date Spudded 11. Date T.D. Reached 12. Date Compl. (Ready to Prod.) 13. Elevations (DF & RKB, RT, GR, etc.) 14. Elev. Casinghead 5506' GR 2/9/04 2/17/04 3/29/04 16. Plug Back T.D. 17. If Multiple Compl. How Many Zones? 18. Intervals 15. Total Depth Rotary Tools Cable Tools Drilled By 0 - TD 19581 NO 19. Producing Interval(s), of this completion - Top, Bottom, Name 20. Was Directional Survey Made 1591' - 1745' FRUITLAND COAL 21. Type Electric and Other Logs Run 22. Was Well Cored AIL/GR/SP/CAL/TLD/Pe/CSN NO CASING RECORD (Report all strings set in well) **CASING SIZE** WEIGHT LB./FT. **DEPTH SET** HOLE SIZE CEMENTING RECORD AMOUNT PULLED 7" 2291 8-3/4" 0 J-55 20# 90 sx 4-1/2" J-55 10.5# 1951' 6-1/4" 0 330 sx 24. LINER RECORD TUBING RECORD SIZE TOP **BOTTOM** SACKS CEMENT **SCREEN** SIZE **DEPTH SET** PACKER SET 2-3/8" 1792' 26. Perforation record (interval, size, and number) 27. ACID, SHOT, FRACTURE, CEMENT, SQEEZE, ETC. **DEPTH INTERVAL** AMOUNT AND KIND MATERIAL USED 1738' - 1745' (0.49", 21 holes) 1738'-1745' A. w/509 gals 15% HCl acid. Frac'd 1591' - 1668' (0.49", 39 holes) w/104,673 gals delta 140 frac fl carrying 88,000# sd coated w/SW. Continued on back of form: PRODUCTION Production Method (Flowing, gas lift, pumping - Size and type pump) Date First Production Well Status (Prod. or Shut-in) FLOWING Date of Test Hours Tested Choke Size Prod'n For Oil - Bbl. Gas - MCF Water - Bbl. Gas - Oil Ratio Test Period 3/29/04 1.25" 73 34 Flow Tubing Calculated 24-Casing Pressure Oil - Bbl. Gas - MCF Water - Bbl. Oil Gravity - API -(Corr.) Press. Hour Rate 0 584 272 29. Disposition of Gas (Sold, used for fuel, vented, etc.) Test Witnessed By TO BE SOLD 30. List Attachments 31. I hereby certify that the hformation sho on both sides of this form is true and complete to the best of my knowledge and belief Printed Signature HOLLY C. PERKINS REG. SPECIALIST Title Date 3/29/04 E-mail address Holly

INSTRUCTIONS .

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico		Northeastern	Northeastern New Mexico		
T. Anhy	T. Canyon	T. Ojo Alamo	T. Penn. "B"		
T. Salt	T. Strawn	T. Kirtland-Fruitland 770	T. Penn. "C"		
B. Salt	T. Atoka	T. Pictured Cliffs 1765	T. Penn. "D"		
T. Yates	T. Miss	T. Cliff House	T. Leadville		
T. 7 Rivers	T. Deyonian	T. Menefee	T. Madison		
T. Oueen	T. Silurian	T. Point Lookout	T. Elbert		
T. Grayburg	T. Montoya	T. Mancos	T. McCracken		
T. San Andres	T. Simpson	T. Gallup	T. Ignacio Otzte		
T. Glorieta	T. McKee	Base Greenhorn	T. Granite		
T. Paddock	T. Ellenburger	T. Dakota	T. Farmington 885		
T. Blinebry	T. Gr. Wash	T. Morrison	T. Fruitland Fmt 1480		
T. Tubb	T. Delaware Sand	T. Todilto	T. Lwr Fruitland Coal 1730		
T. Drinkard	T. Bone Springs	T. Entrada	Т.		
T. Abo	T.	T. Wingate	T.		
T. Wolfcamp		T. Chinle	T.		
T. Penn	T.	T. Permain	T.		
T. Cisco (Bough C)	T.	T. Penn "A"	T.		
			OIL OR GAS		

			SANDS OR ZONES
No. 1, from	to	No. 3, from	to to
No. 2, from	to	No. 4, from	
	IMPORT	ANT WATER SANDS	
Include data on rate of water in	nflow and elevation to which wa	ater rose in hole.	
No. 1, from	to	feet	
No. 2, from	to	feet	
No. 3. from	to	feet	

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	То	Thickness in Feet	Lithology	From	То	Thickness in Feet	Lithology
			Continued fr/Section 27:	:	: -	;	
			1591' - 1668': A. w/866 gals				
			15% HCl acid. Frac'd w/59,259 gals Delta 140 frac fluid				
			carrying 76,500# sd coated				
			w/SW.				
L							