Form C-103 State of New Mexico Submit 3 Copies To Appropriate District Office Revised May 08, 2003 Energy, Minerals and Natural Resources ! District I WELL API NO. 1625 N. French Dr., Hobbs, NM 87240 30-045-32108 District II OIL CONSERVATION DIVISION 1301 W. Grand Ave., Artesia, NM 88210 5. Indicate Type of Lease 1220 South St. Francis Dr. District III STATE 😠 FEE \square 1000 Rio Brazos Rd., Aztec, NM 87410 Santa Fe, NM 87505 District IV 6. State Oil & Gas Lease No. 1220 S. St. Francis Dr., Santa Fe, NM 87505 SUNDRY NOTICES AND REPORTS ON WELLS O 7. Lease Name or Unit Agreement Name: (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG B STATE GAS COM BC DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FOR M.C-101) FOR SUCH PROPOSALS.) 8. Well Number 1. Type of Well: Gas Well Oil Well Other 9. OGRID Number 2. Name of Operator 167067 XIO Energy Inc. 10. Pool name or Wildcat 3. Address of Operator BASIN FRUITLAND COAL 2700 Farmington Ave., Bldg. K. Ste 1 Farmington 4. Well Location 730' NORTH Unit Letter feet from the line and 1,380' feet from the Section 32 Township 31N Range **NMPM** County SAN JUAN 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5,984 12. 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 CASING TEST AND **MULTIPLE** COMPLETION **CEMENT JOB** OTHER: OTHER: SPUD \mathbf{x} 13. 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 recompletion. XTO Energy Inc. spudded 8-3/4" hole @ 5:30 p.m. 05/03/04. Drld to 234' KB. TIH w/5 jts, 7", 20.0#, J-55, ST&C csg to 230' KB. Cmtd csg w/99 sx Type III cmt w/3% CaCl2 & 1/4#/sx celloflake (mixed @ 14.5 ppg, 1.42 cuft/sx). Circ 10 bbls cmt to surf. PT BOPE & surf csq to 850 psiq for 30 min. Held OK. Drlg ahead..... I hereby certify that the information above is true and complete to the best of my knowledge and belief. SIGNATURE_ DRILLING ENGINEER TITLE_ DATE ___ 05/05/04 Type or print name **JEFF PATTON** Telephone No. 505-324-1090 SEPUTY OIL & GAS INSPECTOR, DIST. @ MAY - 7 2004 (This space for State use) APPROVED BY

Conditions of approval, if any: