Form 3160-5
(September 2001)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires January 31, 2004

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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

RECEIVED
070 FARMINGTON NM

5. Lease Serial No.
SF - 081078

6. If Indian, Allottee or Tribe Name

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

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
Armenta Gas Com #1R "C"

2. Name of Operator
XTO Energy Inc.

9. API Well No.
30-045-32193

3a. Address
2700 Farmington Ave., Bldg. K, Ste 1 Farmington,

3b. Phone No. (*include area code*)

10. Field and Pool, or Exploratory Area
Basin Dakota
Blanco Mesaverde

4. Location of Well (*Footage, Sec., T., R., M., or Survey Description*)
Surface Location: 210' FSL x 1,165' FEL in Sec 22, T29N, R10W

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	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Squeeze
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

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.)

XTO Energy Inc. is currently in the process of drilling the above mentioned well. On 9/2/04, 8-5/8" casing was set @ 4,169.72' and cemented with 1150 sx cement. Good circ was maintained during the cement job and 200 bbls of cement was circ to surface. While installing the bradenhead, it was noticed that gas bubbles were leaking from the annulus between the 8-5/8" intermediate casing string and the 13-3/8" surface casing (set @ 954').

XTO Energy would like to obtain approval to squeeze the 8-5/8" casing annulus as indicated in the attached procedure.

14. I hereby certify that the foregoing is true and correct
Name (*Printed/Typed*) Jeffrey W. Patton — Title Drilling Engineer

Date 9/9/04

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Original Signed: Stephen Mason — Title — Date SEP 10 2004

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

Armenta Gas Com "C" #1R

Bradenhead Repair

Procedure:

1. Continue to drill conventional vertical hole until a trip is needed.
2. Circ and condition mud as needed to clean up hole for trip. Treat mud with thinners as needed while squeeze work and drillout are completed up hole. Mud could possibly sit static from 48 to 72 hrs.
3. TOH and stand back drill string and BHA.
4. MIRU Baker Toolman and tools as required.
5. TIH and set 8-5/8" (32.0#/ft casing) Balance Valve Bridge Plug (or equivalent) @ ±3,000'.
6. PU off of Bridge Plug, shut pipe rams and pressure test plug to 2,000 psig for 5 min. If plug will not test, check for leaks and re-test. If plug fails to test, unseat plug and move up or down 2-4 feet. Again, get off plug, shut rams and re-test. If plug fails to test, TOH and check plug.
7. TOH.
8. MIRU Black Warrior wireline (or Computalog). Shoot 4 to 6 squeeze holes @ 2,400'. Use recommended charges as indicated by the wireline service company.
9. RDMO wireline truck.
10. PU & TIH with 8-5/8" retrievable squeeze packer to ±2,350'. Circ and load hole with fresh water before setting packer.
11. Open bradenhead valves to pit. Pressure up on drill pipe and SLOWLY attempt to breakdown squeeze perfs and est. circ to surf (with fresh water). DO NOT EXCEED 2,000 PSIG. If perfs will not breakdown, spot 250 gals 7-1/2% HCL acid (with recommended additives). Re-attempt to breakdown perfs.
12. If circ is est. to surf, continue pumping up to 50 bbls of fresh water.
13. Shut down pump. Unset packer and re-set ±120' above top squeeze perf. Re-est. circ to surf with 2 bbls wtr.
14. Document injection rate and pressure. Shut down. Call BJ Services for cement. **It's recommended to order 1,200 sx Type III cement and 0.3% CD-32 mixed @ 14.5 ppg, 1.41 cuft/sx, 6.80 gal wtr/sx.** Mix and pump cement at 3 BPM if possible. Monitor returns at surf. Continue to mix all of the cement if necessary. Displace cement with ± 32 bbls fresh water. Shut in drill pipe. Let cement set for 4 hrs.

15. If circ to surface can not be established, break down (unknown) formation with water. Est. an injection rate and pressure. **Call BJ Services and order 150 sx Type III cement with 0.3% CD-32 mixed at 14.5 ppg, 1.41 cuft/sx & 6.80 gal wtr/sx.** Attempt to squeeze perfs with cement. Use all cement and displace if possible. Walk up to squeeze press if possible. Do not over displace. Once cement is well below packer, shut well in for 4 hrs. Do not exceed 2,000 psig. If squeeze "locks-up", release packer and reverse out. TOH. Shut well in.
16. Leave well shut in for 8-12 hrs after squeeze. Continuously monitor bradenhead (casing annulus) for flow.
17. PU used 7-7/8" drill bit and drill out cement. Once bit is through cement, shut pipe rams and pressure test squeeze to 500 psig for 30 min. If squeeze will hold, TOH. If squeeze is leaking, establish injection rate and pressure. Call office for orders.
18. PU & TIH with Bridge Plug retrieving tool. Wash down on plug WITH MUD. Make sure mud is at correct mud weight and clean of cuttings. Mix new clean mud if necessary. Latch and release Bridge Plug. Watch for trapped pressure under plug. Monitor pits for flow. Circ and balance well as necessary. TOH with plug.
19. PU good bit and TIH with drilling BHA and drill pipe. Resume drill operations as planned.