

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-045-08003
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name VALDEZ A
8. Well Number #1
9. OGRID Number 167067
10. Pool name or Wildcat BASIN DAKOTA

SUNDRY NOTICES AND REPORTS ON WELLS
(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.)

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

2. Name of Operator
XTO ENERGY INC.

3. Address of Operator
2700 FARMINGTON AVE, SUITE K-1, FARMINGTON, NM 87401

4. Well Location
Unit Letter I : 1,850' feet from the SOUTH line and 990' feet from the EAST line
Section 24 Township 29N Range 11W NMPM County SAN JUAN

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
5,467' GR

Pit or Below-grade Tank Application ☒ or Closure ☐

Pit type Cmt Waste Wtr Depth to Groundwater >100' Distance from nearest fresh water well >1 mile Distance from nearest surface water >1 mile

Pit Liner Thickness: 12 mil Below-Grade Tank: Volume bbls; Construction Material EARTHEN

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☒
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER:

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER:

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. plans to plug and abandon the Valdez A #1 per the attached procedure. XTO Energy also plans to install a lined, earthen pit to hold cement waste water from this procedure. The pit will be removed from location in accordance with NMOCDD division guidelines when work is complete.



I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed, or closed according to NMOCDD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Kelly K. Small TITLE DRILLING ASSISTANT DATE 01/26/05
Type or print name KELLY K. SMALL E-mail address: kelly_small@xtoenergy.com Telephone No. 505-324-1090

For State Use Only

APPROVED BY: Charles R. [Signature] TITLE SUPERVISOR DISTRICT # 3 DATE JAN 27 2005
Conditions of Approval (if any):

PLUG AND ABANDONMENT PROCEDURE

December 28, 2004

Valdez "A" #1

Basin Dakota

1,850' FSL and 990' FEL, Section 24, T29N, R11W
San Juan County, NM / API 30-045-08003

Note: All cement volumes use 100% excess outside pipe and 50' excess inside. The stabilizing wellbore fluid will be 8.3 ppg, sufficient to balance all exposed formation pressures. All cement will be ASTM Type III, mixed at 14.8 ppg with a 1.32 cf/sx yield.

1. Install and test rig anchors. Prepare blow pit. Comply with all NMOCD, BLM and XTO safety rules and regulations. Conduct safety meeting for all personnel on location. MOL and RU daylight pulling unit. NU relief line and blow well down; kill with water as necessary. ND wellhead and NU BOP and stripping head; test BOP.
2. TOH with 2.375" tubing (192 joints) and visually inspect; if necessary LD and use a workstring. TIH and tag CIBP at 6071'. Load casing with fresh water and circulate well clean. Attempt to pressure test casing to 500#. If the casing does not test, then spot or tag plugs as appropriate.
3. **Plug #1 (Dakota perforations, 6071' – 5971')**: Mix 11 sxs cement and spot a balanced plug above the existing CIBP to isolate the Dakota perforations. PUH to 5295'.
4. **Plug #2 (Gallup top, 5295' – 5195')**: Mix 11 sxs cement and spot a balanced plug inside the casing to cover the Gallup top. PUH to 3332'.
5. **Plug #3 (Mesaverde top, 3332' – 3232')**: Mix 22 sxs cement (extra due to old casing leaks) and spot a balanced plug inside the casing to cover the Mesaverde top. Note: annulus has been squeezed three times with a total of 200 sxs. TOH with tubing.
6. **Plug #4 (Chacra top, 2405' – 2305')**: Perforate 3 holes at 2405'. If the casing tested, then establish rate into squeeze holes. Set a 4.5" cement retainer at 2355' and test tubing. Establish rate into squeeze holes below CR. Mix and pump 46 sxs cement, squeeze 35 sxs outside the casing and leave 11 sxs inside to cover the Chacra top. TOH with tubing.
7. **Plug #5 (Picture Cliff and Fruitland top, 1770' – 1330')**: Perforate 3 holes at 1770'. If the casing tested, then establish rate into squeeze holes. Set a 4.5" cement retainer at 1720'. Establish rate into squeeze holes below CR. Mix and pump 92 sxs cement: squeeze 61 sxs outside the casing from 1770' to 1593' (DV tool) and leave 31 sxs inside the casing from 1770' to 1330' to cover the Picture Cliff and Fruitland tops. TOH with tubing.
8. **Plug #6 (Kirtland and Ojo Alamo tops, 670' – 445')**: Mix 16 sxs cement and spot a balanced plug inside the casing to cover the Kirtland and Ojo Alamo tops. TOH and LD tubing.
9. **Plug #7 (9-5/8" casing shoe and surface, 310' - Surface)**: Connect pump line to the bradenhead valve and pressure test the BH annulus to 300#. If it does not test, then perforate 3 squeeze holes at 310'. Establish circulation to the surface out the bradenhead with water. Mix and pump approximately 120 sxs cement down 4.5" casing to circulate good cement out the bradenhead. Shut well in and WOC. If the BH annulus does test, then perforate at 100' or the appropriate depth. Establish circulation to surface out the bradenhead. TIH with tubing to 310' and fill the casing and BH annulus with cement. TOH and LD tubing.
10. ND BOP and cut off wellhead below surface casing head. Install P&A marker with cement to comply with regulations. RD, MOL and cut off anchors. Restore location per BLM stipulations.

Valdez "A" #1

Proposed P&A

Basin Dakota

1850' FSL & 990' FEL, Section 24, T-29-N, R-11-W, San Juan County, NM

Lat: N _____ Long: W _____ / API #30-045-08003

Today's Date: 12/28/04

Spud: 5/15/60

Completed: 6/19/60

Elevation: 5,477' KB
5467' GL

12-1/4" hole

Ojo Alamo @ 495'

Kirtland @ 620'

Fruitland @ 1430'

Pictured Cliffs @ 1720'

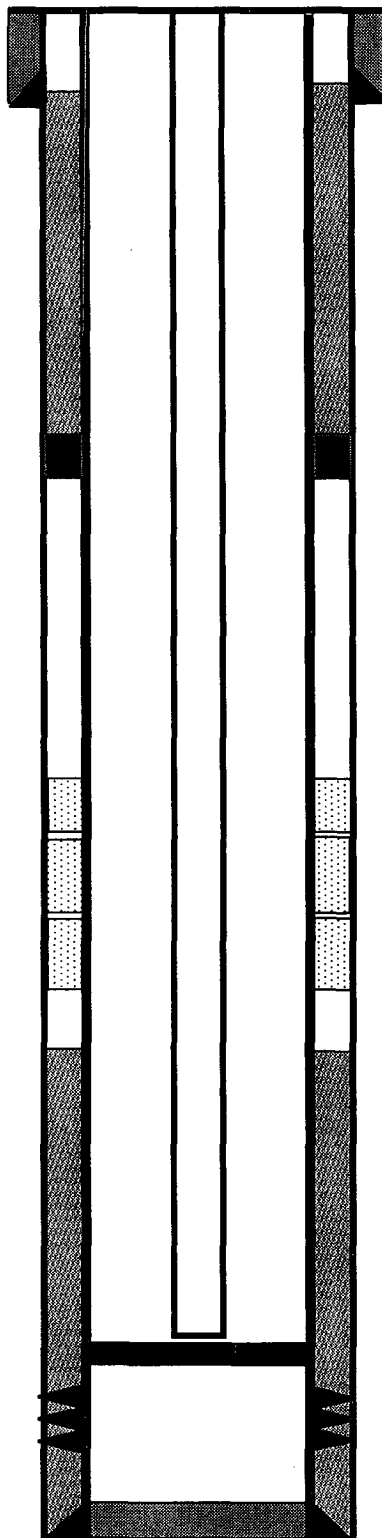
Chacra @ 2355'

Mesaverde @ 3282'

Gallup @ 5245'

Dakota @ 6100'

7-7/8" hole



TOC @ 200' (Calc, 75%)

9-5/8" 40#, J-55 Casing set @ 260'
Cement with 200 sxs, circulated

Well History

May '00: Pull tubing, isolate leak at 3740'.
Squeeze with 75 sxs, DO and PT OK.

Jul '04: Pull tubing, isolate leaks at 3288'
and 4076'. Squeeze 4076' with 50 sxs, set
CR and squeeze 3288' with 25 sxs; Do and
test. Re-squeeze 4075' with 50 sxs, DO and
test, slow leak to 400# then held. Acidize
perfs and land tubing.

Dec '04: Pull tubing, found old casing leaks
not holding. Set CIBP at 6071' and land
tubing.

DV Tool at 1593'
Cmt with 300 sxs (432 cf)

Casing leak: 3256' - 3283',
Sqzd with 25 sxs; (2004)

Casing leak: 3740',
Sqzd with 75 sxs; (2000)

Casing leak: 4044' - 4076',
Sqzd with 50 sxs + 50 sxs; (2004)

TOC @ 4850' (Calc, 75%)

CIBP @ 6071' (12/14/04)

Dakota Perforations:
6107' - 6282'

4-1/2" 9.5#, J-55 Casing set @ 6403'
Cement with 375 sxs (472 cf)

TD 6403'
PBTD 6338'

Valdez "A" #1

Proposed P&A

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1850' FSL & 990' FEL, Section 24, T-29-N, R-11-W, San Juan County, NM

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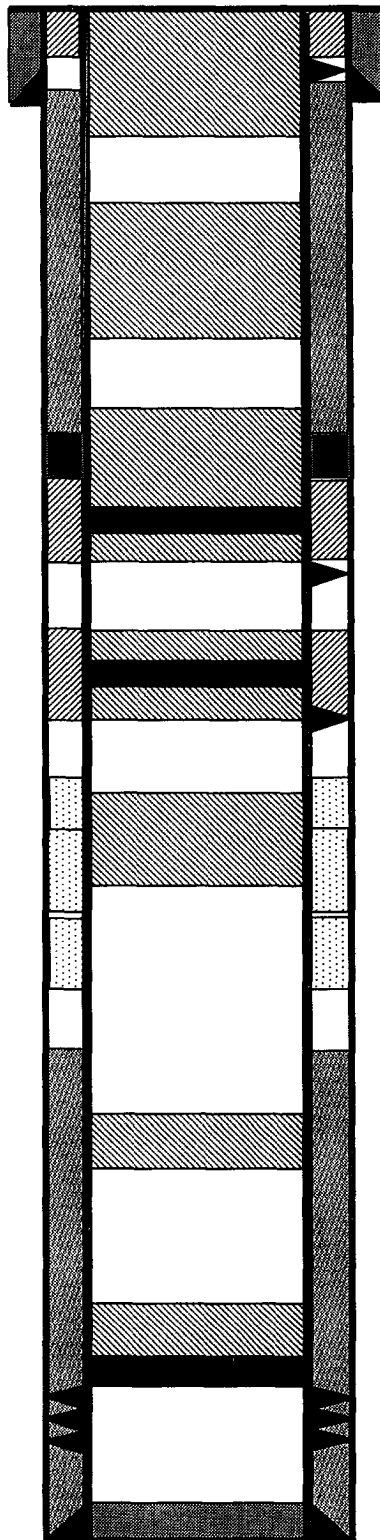
Chacra @ 2355'

Mesaverde @ 3282'

Gallup @ 5245'

Dakota @ 6100'

7-7/8" hole



Perforate @ 310' or 100'

Plug #7: 310' - Surface
Type III cement, 120 sxs

TOC @ 200' (Calc, 75%)

9-5/8" 40#, J-55 Casing set @ 260'
Cement with 200 sxs, circulated

Plug #6: 670' - 445'
Type III cement, 16 sxs
inside casing.

DV Tool at 1593'
Cmt with 300 sxs (432 cf)

Set CR @ 1720'

Perforate @ 1770'

Plug #5: Total 92 sxs:
1770' - 1593'
Outside with 61 sxs;
1770' - 1380'
Inside with 31 sxs.

Set CR @ 2355'

Perforate @ 2405'

Plug #4: 2405' - 2305'
Type III cement, 46 sxs:
35 sxs outside casing
and 11 sxs inside.

Casing leak: 3256' - 3283',
Sqzd with 25 sxs; (2004)

Casing leak: 3740',
Sqzd with 75 sxs; (2000)

Plug #3: 3332' - 3132'
Type III cement, 22 sxs
inside casing, (extra due
to casing leaks).

Casing leak: 4044' - 4076',
Sqzd with 50 sxs + 50 sxs; (2004)

TOC @ 4850' (Calc, 75%)

Plug #2: 5295' - 5195'
Type III cement,
11 sxs inside casing.

CIBP @ 6071' (12/14/04)

Dakota Perforations:
6107' - 6282'

Plug #1: 6071' - 5971'
Type III cement,
11 sxs inside casing.

4-1/2" 9.5#, J-55 Casing set @ 6403'
Cement with 375 sxs (472 cf)

TD 6403'
PBD 6338'