Form 3160-5 (August 2007)

UNITED STATES . DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM AI	PPRO	VED
OMB NO	1004	-0137
Expires Ju	ly 31,	2010

5=bease Serial No.
NNSF077383
6 If Indian, Allottee or Tribe Name

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. JUL 2.5 2011

			, , , , , ,		<i>J</i> 2011		
SUBMIT IN TRIPLICAT	E - Other instruction	ns on _l	page 2 F arm i B ure au o	ington	Field O	ficulf Unit or C emen.	A/Agreement, Name and/or No
1 Type of Well Oil Well X Gas Well Other					}	8 Well Name JC DAVIDS	
2 Name of Operator XIO ENERGY INC.						0 40111/411	
3a Address		3b Ph	one No. (include are	ea code,		9 API Well N 30-045-07	
382 CR 3100 AZTEC, NM 87410			505-333-3100				Pool, or Exploratory Area
4 Location of Well (Footage, Sec., T, R, M, or Survey L	-					FULCHER KI	JTZ PICTURED CLIFFS
990' FSL & 990' FWL SWSW Sec.28	(M) -T28N-R10W	N.M.E	ν.М.		}	11 County o	r Parish, State
						SAN JUAN	NM
12. CHECK APPROPRIATE	BOX(ES) TO INI	DICATI	NATURE OF N	OTIC			
TYPE OF SUBMISSION			TYF	PE OF A	ACTION		
X Notice of Intent	Acidize		Deepen		Production (Start/Resume)	Water Shut-Off
	Alter Casing		Fracture Treat		Reclamation		Well Integrity
Subsequent Report	Casing Repair		New Construction		Recomplete		Other
Final Abandonment Notice	Change Plans	x	Plug and Abandon		Temporanly	Abandon	
R I Pinal Abandonment Notice	Convert to Injection	on	Plug Back		Water Dispo	sal	
* Bring to p of kirlland/OA plug to * Bring to p of kirlland/OA plug to * Bring bottom of Fruit land plug						23.20°	21-122
14 I hereby certify that the foregoing is true and correct Name (<i>Printed/Typed</i>)				,			4.00
DOLENA JOHNSON		T	Title REGULATORY COMPLIANCE TECHNICIAN				
Signature Toloral Johnson	>	D	ate 07/22/20)11			
V THIS	SPACE FOR FED	ERAL	OR STATE OFF	FICE L	JSE		
Approved by Original Signed: Stephen M	lason		Title			D	ate JUL 2 8 2011
Conditions of approval, if any, are attached. Approval of this notice the applicant holds legal or equitable title to those rights in the subject the applicant to conduct operations thereon.		fy that	Office				
Title 18 U S C Section 1001, and Title 43 U S C Section 1212, r fictitious or fraudulent statements or representations as to any mat			ingly and willfully to ma	ake to an	ny departmen	t or agency of the	United States any false,

JC Davidson C #1

Location 990' FSL & 990' FWL, Section 28, T28N, R10W, San Juan County, NM

API: 30-045-07126

Open Perfs: Pictured Cliffs – 2,075'- 2,136'

PLUG AND ABANDONMENT PROCEDURE

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 Class B, mixed at 15.6 ppg with a 1.18 cf/sx yield.

- 1. This project requires an approved NMOCD C-144 CLEZ Closed-Loop System Permit for the use of an approved steel tank to handle waste fluids circulated from the well and cement wash up.
- 2. Install and test location rig anchors. Comply with all NMOCD, BLM, and Operator safety regulations. MIRU pulling unit. Conduct safety meeting for all personnel on location. Record casing, tubing and bradenhead pressures. NU relief line and blow down well. Kill well with water as necessary and at least pump tubing capacity of water down the tubing. TOH and LD rods and pump. ND wellhead and NU BOP. Function test BOP. TOH with tubing and LD BHA.
- 3. Round trip a 3-1/2" casing scraper to 2,025'.
- 4. Plug #1 (Pictured Cliffs, 2,075' 1,975'): TIH and set a 3-1/2" CICR at 2,025'. Load casing with water and circulate well clean. Pressure test casing to 1000# If the casing does not test, then spot or tag subsequent plugs as necessary Mix cement and pump 9 sxs Class B cement (5 sxs below CICR and 4 sxs above CICR) to cover the Pictured Cliffs top. TOH.

1830 1730

5. Plug #2 (Fruitland Coal, 1,740'-1,640'): TIH and perforate 3 squeeze holes at 1,240'. TIH and set a 3-1/2" CICR at 1,660'. Mix and Pump 17 sxs cement (9 sxs outside 5-1/2" casing, 4 sxs below the CICR, and 4 sxs above the CICR) to cover the Fruitland Coal top TOH.

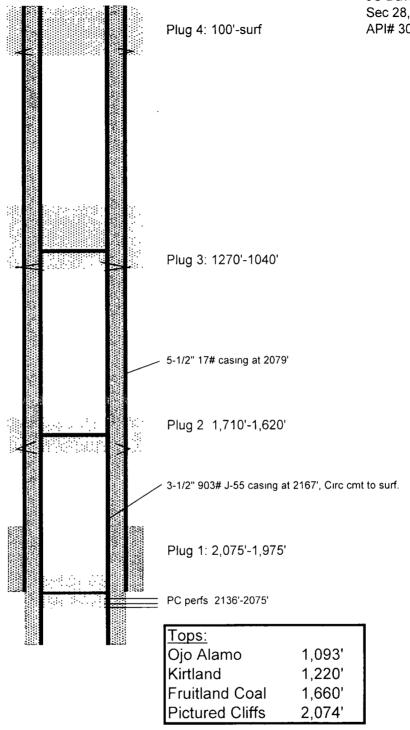
120 925

- 6. Plug #3 (Kirtland and Ojo Alamo tops, 1,270' 1,040'): TIH and perforate 3 squeeze holes at 1,270'. TIH and set a 3-1/2" CICR at 1,220'. Mix and Pump 46 sxs cement (36 sxs outside 5-1/2" casing, 4 sxs below the CICR, and 6 sxs above the CICR) to cover the Kirtland and Ojo Alamo tops. PUH.
- 7. Plug #4 (Surface hole, 100'-surface): Perforate 3 squeeze holes at 100'. Establish circulation to surface. Mix and pump approximately 230 sxs cement down the 3-1/2" casing until good cement returns at surface. Shut in well and WOC
- 8. ND BOP and cut off casing below surface casing flange. Install P&A marker with cement to comply with regulations. RD, move off location, cut off anchors and restore location.

Tops:

Ojo Alamo	1,093'	Fruitland Coal	1,660'	
Kirtland	1,220'	Pictured Cliffs	2,074'	

JC Davidson C#1 Sec 28, T28N, R10W API# 30-045-07126



BUREAU OF LAND MANAGEMENT FARMINGTON DISTRICT OFFICE

1235 LA PLATA HIGHWAY FARMINGTON, NEW MEXICO 87401

Attachment to notice of Intention to Abandon:

Re: Permanent Abandonment Well: 1 J.C. Davidson C

CONDITIONS OF APPROVAL

- 1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Lease."
- 2. Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 599-8907.
- 3. The following modifications to your plugging program are to be made:
- a) Place the Fruitland plug from 1830' 1730'. Bring bottom of Fruitland plug to 1833' (1833' 1730')
- b) Place the Kirtland/Ojo Alamo plug from 1200' 925' inside the 3 ½" and outside the 5 ½" casing.

* Bring top of Kirlland/OA plug to 892' ain't bottom of plug to 1216' (1216'-892')

You are also required to place cement excesses per 4.2 and 4.4 of the attached General Requirements.

Office Hours: 7:45 a.m. to 4:30 p.m.