Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires July 31, 2010

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.

5 Lease Serial No.
NMNM99003

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.
WF FEDERAL 31 2

2 Name of Operator
XTO ENERGY INC

Contact: LORRI BINGHAM
E-Mail: Lorri_bingham@xtoenergy.com

9. API Well No
30-045-30726-00-C1

3a Address
382 ROAD 3100
AZTEC, NM 87410

3b. Phone No. (include area code)
Ph: 505-333-3204
Fx: 505-213-0558

10 Field and Pool, or Exploratory
BASIN FRUITLAND COAL
TWIN MOUNDS

4 Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 31 T30N R14W NWNW 890FNL 909FWL

11 County or Parish, and State
SAN JUAN COUNTY, 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
BP	☐ 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 site is ready for final inspection.)

XTO Energy Inc. proposes to plug and abandon this well per the attached procedure. Please see also, the attached current and proposed wellbore diagrams for additional information.

RCVD JAN 11 '12
OIL CONS. DIV.
DIST. 3

Notify NMOCD 24 hrs prior to beginning operations

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #127315 verified by the BLM Well Information System
For XTO ENERGY INC, sent to the Farmington
Committed to AFMSS for processing by STEVE MASON on 01/09/2012 (12SXM0058SE)

Name *(Printed/Typed)* LORRI BINGHAM — Title REGULATORY ANALYST

Signature (Electronic Submission) — Date 01/04/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By STEPHEN MASON — Title PETROLEUM ENGINEER — Date 01/09/2012

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 Farmington

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

NMOCD AV

A-PLUS WELL SERVICE, INC.

P.O. BOX 1979
Farmington, New Mexico 87499
505-325-2627 * fax: 505-325-1211

PLUG AND ABANDONMENT PROCEDURE

December 28, 2011

WF Federal 31 #2

Twin Mounds Pictured Cliffs / Basin Fruitland Coal
890' FNL and 909' FWL, Section 31, T30N, R14W
San Juan County, New Mexico / API 30-045-30726

Note: All cement volumes use 100% excess outside pipe and 50' excess inside. The stabilizing wellbore fluid will be water or drilling mud with sufficient weight to balance all exposed formation pressures. Cement is Class B mixed at 15.6 ppg with 1.18 cf/sxs yield or Class B with 18% salt by weight of water (for expansion, MSHA requirement through the Fruitland Coal zone).

MILL OUT CASING AND PLUGGING PROCEDURE:

1. This project requires a NMOCD C-144 CLEZ Closed-Loop System Permit for the use of an A-Plus steel tank to handle waste fluids circulated from the well and cement wash up.

2. Comply with all applicable MSHA, NMOCD, BLM and BHP Billiton safety regulations. Conduct safety meeting for all personnel on location. MOL and RU daylight pulling unit. Lay relief line to the waste pit and blow well down, kill well with water as necessary. ND wellhead and NU BOP. Test BOP. Pull rod and tubing from well if present.

3. Rods: Yes__X__, No_____, Unknown_____.
   Tubing: Yes __X__, No ____, Unknown_____, Size _____, Length _____.
   Packer: Yes____, No __X__, Unknown_____, Type _____.
   If this well has rods or a packer, then modify the work sequence in step #2 as appropriate.

4. PU a 3.875" bit and tally a 2.375" PH-6 tubing or equivalent workstring. TIH with bit and clean out to PBTD (831') or as deep as possible. Circulate well clean with water.

5. **Rig up Jet West wireline and run a Gamma - Neutron log and a directional survey log. Adjust the milling intervals as appropriate from these logs.**

6. **Plug #1 (Pictured Cliffs perforations and Fruitland perforations, 880' – 756'):** TIH with open ended workstring to PBTD. Load the well with water. Mix 50 sxs cement with 18% salt (by weight of water) and spot a balanced plug inside the 4.5" casing to cover Pictured Cliffs and Fruitland perforations (up to 220'). TOH with the workstring, load the casing with water, shut in well and then hesitation squeeze approximately 30 sxs (6.3 bbls cement) into the perforations; squeeze the TOC down to approximately 700'. (Note: This is not the final abandonment of the Fruitland interval; the intent is to abandon the PC perforations and fill the FtC perforations with cement to help the milling operations.) WOC overnight.

PLUG AND ABANDONMENT PROCEDURE

December 28, 2011

WF Federal 31 #2

Procedure Continued:

7. While WOC, pick up a 3.875" mill tooth bit, 6 - 3-1/8" drill collars and TIH to 600'. Finish WOC and then TIH and tag cement. Drill out the cement inside the casing down to 720' (Note: TOC must be 5 to 8' below the bottom of the planned milled interval (713') to allow for the nose of the section mill tool). TOH with this BHA and LD the bit.

8. PU a flat bottom mill, the 3.875" section milling tool and the 6 - 3-1/8" drill collars (this is the under reaming bottom hole assembly, BHA). TIH with BHA and workstring to 680'. Rig up drilling equipment and establish circulation with a low solids, high viscosity mud.

9. **Note: The intervals to be mill out below are from ground level - not KB.**

10. **Mill out the 4.5" casing from 680' to 713'.** Start milling out the 4.5" casing from 680' to 713'. Mill per the tool hands instructions for weight on mill, circulation rate and power swivel's RPM. Circulate well clean with mud. TOH with 2.375" pipe and the drill collars. TIH with open ended pipe and clean out to 720' or as deep as possible.

11. Rig up a wireline truck and run a caliper log through the milled interval to insure all the 4.5" casing from the planned milling depths (680' to 713') has been removed. Re-mill as appropriate. Re-log as necessary.

12. **Perforate the 4.5" casing with 3 SPF from 604' to 602' and 598' to 596'.** This is to isolate Coal Seam #9 and the depths should be modified as appropriate from the logs run in step #5.

13. **Plug #2 (Pictured Cliffs and Fruitland Coal interval, 720' to 554'):** TIH with 2.375" workstring to 720' (or drill out depth in step #7.) and circulate the mud from the well. Then pump a 5 bbls fresh water spacer ahead of the cement. Mix 60 sxs cement with 18% salt (by weight of water) and spot a balanced plug from 720' to 200' to fill the milled interval and to cover the Fruitland top. Displace cement with water. TOH with tubing and then hesitate squeeze the cement down to approximately to 360' inside the 4.5" casing.

14. WOC. Then TIH with tubing and tag cement. Pressure test the 4.5" casing to 800#.

15. **Plug #3 (7" Surface casing shoe, 460' to Surface):** Connect the pump line to the bradenhead valve. Pressure test the BH annulus to 300#; note the fluid volume to load. If the BH annulus tests, then mix approximately 35 sxs cement with or without 18% salt cement and spot a balanced plug inside the 4.5" casing from 460' to surface to cover the 7" surface casing shoe. TOH and LD the tubing. If the BH annulus does not test, then perforate at the appropriate depth and fill the bradenhead annulus and 4.5" casing with cement to surface. TOH and LD tubing. Shut in well and WOC.

16. ND BOP and cut off wellhead below surface. Install P&A marker with cement to comply with regulations. RD, MOL. Cut off anchors and clean up location.

WF Federal 31 #2

Current

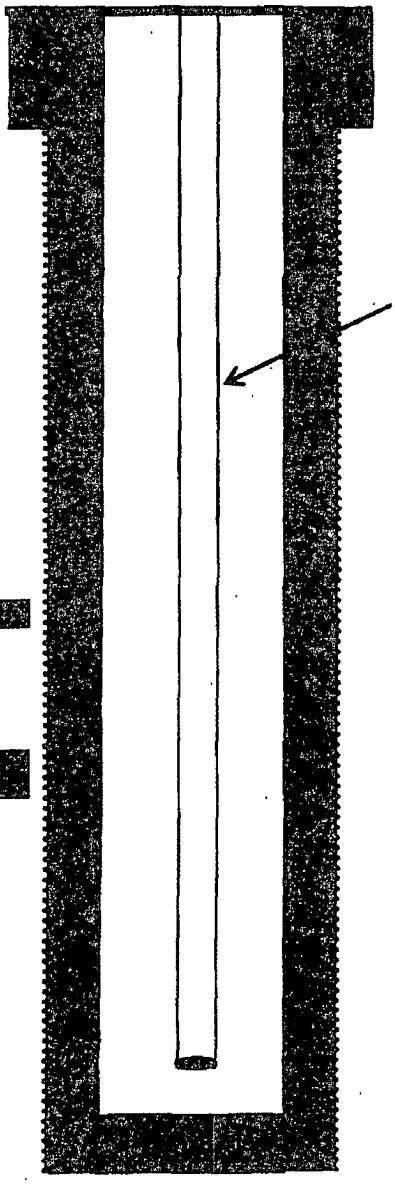
Twin Mounds Pictured Cliffs / Basin Fruitland Coal

890' FNL & 909'FW L, Section 31, T-30-N, R-14-W
San Juan County, NM / API #30-045-30726

Lat: N_____ / Long: W _____

Today's Date: **11/28/11**

Spud10/18/01
Completed: 8/13/03
Elevation: 5360' GL
5365' KB



8.75" Hole

TOC at Surface,
Circulate cement per tower report

7" 20#, J-55 Casing set @ 139'
60 sxs cement, Circulated to surface

2 375" Tubing at 741.7' KB
(23 joints, SN with rods and pump)

Fruitland Top @ 500" (estimate)

Fruitland Coal Seam #9: 597' to 603'

Fruitland Coal Seam #8: 690' to 703'

Fruitland Coal Perforations:
603'- 707'

Pictured Cliffs @ 880'

Pictured Cliffs Perforations:
709' – 710'

6.25" Hole

4.5" 10.5# J-55 Casing set @ 875'
Cemented with 50 sxs (168 cf)
cement circulated per tower report.

TD 880'
PBTD 831'

WF Federal 31 #2

Proposed Mill Out and P&A

Twin Mounds Pictured Cliffs / Basin Fruitland Coal

890' FNL & 909'FW L, Section 31, T-30-N, R-14-W
San Juan County, NM / API #30-045-30726

Lat: N_____ / Long: W _____

Today's Date: **12/28/11**

Spud10/18/01
Completed: 8/13/03
Elevation: 5360' GL
5365' KB

8.75" Hole

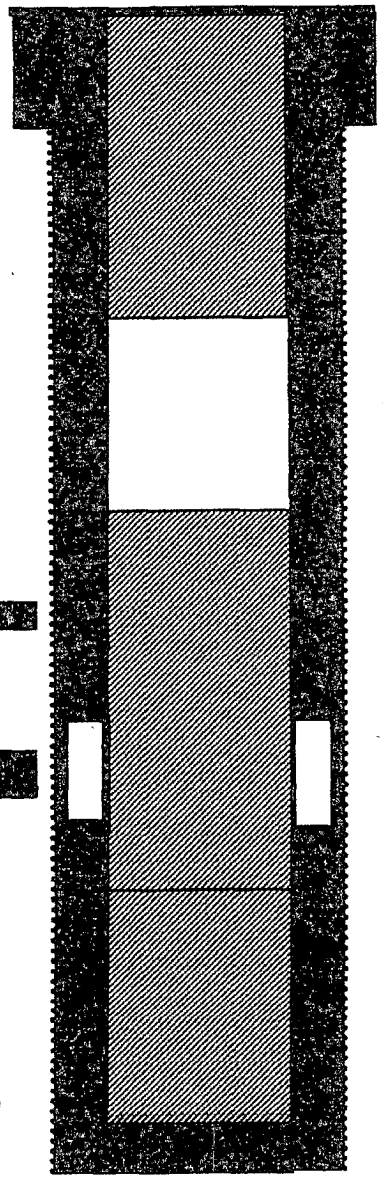
Fruitland Top @ ~~410~~ 342

Fruitland Coal Seam #9: 597' to 603'

Fruitland Coal Seam #8: 690' to 703'

Pictured Cliffs @ ~~880~~ 709

6.25" Hole



TD 880'
PBTD 831'

TOC at Surface,
Circulate cement per tower report

7" 20#, J-55 Casing set @ 139'
60 sxs cement, Circulated to surface

Plug #3: 460'– 0'
Class B cement, 35 sxs

Plug #2: 720'– 554'
Class B cement, 60 sxs

Perforate @ 604' to 602'

Fruitland Coal Perforations:
603'- 707'

Mill out Coal Zone:
680'- 713' (33' Interval)

Plug #1: 880'– 756'
Class B cement, 50 sxs

Pictured Cliffs Perforations:
709' – 710'

4.5" 10.5# J-55 Casing set @ 875'
Cemented with 50 sxs (168 cf)
cement circulated per tower report.

UNITED STATES DEPARTMENT OF THE INTERIOR
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: 2 WF Federal 31

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) You are required to have H2S monitoring equipment and personnel on location during plugging operations.

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.