State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division

New Mexico Oil Conservation Division approval and conditions listed below are made in accordance with OCD Rule 19.15.7.11 and are in addition to the actions approved by BLM on the following 3160-4 or 3160-5 form.

Operator Signature Date:

Application Type:

☒ P&A ☐ Drilling/Casing Change ☐ Recomplete/DHC

☐ Location Change ☐ Other: _____

Well information:

API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf Owner	UL	Sec	Twp	N/S	Rng	W/E
30-045-33889-00-00	BUTTE	002	XTO ENERGY, INC	G	A	San Juan	F	C	18	30	N	13	W

Conditions of Approval:

Notify NMOCD 24hrs prior to beginning operations

Add a plug from 1494'-1594'. This plug is not required to be tagged

Brand Powell

FEB 19 2014

NMOCD Approved by Signature

Date

1220 South St. Francis Drive • Santa Fe, New Mexico 87505
Phone (505) 476-3460 • Fax (505) 476-3462 • www.emnrd.state.nm.us/ocd

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires July 31, 2010

RECEIVED
JAN 22 2014

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 page 2*

5. Lease Serial No.
NMNM09867A

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.
BUITE #2

2. Name of Operator
XTO Energy Inc.

9. API Well No.
30-045-33889

3a. Address
382 CR 3100, AZtec, NM 87410

3b. Phone No. (*include area code*)
505-333-3100

10. Field and Pool, or Exploratory Area
BASIN FRUITLAND COAL

4. Location of Well (*Footage, Sec., T., R., M., or Survey Description*)
1085' FNL & 1225' FWL NENW SEC 18 (C)-T30N-R13W

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
	☐ 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. intends to plug and abandon this well per the attached procedure and will be using a Closed Loop System. Please also see the attached current & proposed wellbore diagrams, as well as reclamation plan.

RCVD JAN 24 '14
OIL CONS. DIV.
DIST. 3

14. I hereby certify that the foregoing is true and correct
Name (*Printed/Typed*) KRISTEN D. BABCOCK
Title REGULATORY ANALYST

Signature Kristen D. Babcock
Date 1/17/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Original Signed: Stephen Mason
Title
Date JAN 23 2014

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

Butte #2
Sec 18, T 30 N, R 13 W
San Juan County, New Mexico

Plug and Abandon Procedure

AFE Number: 1400312

Spud Date: 11/28/2006

Surface Casing: 8-5/8", 24#, J-55 csg @ 232'. Cmt'd w/150 sx. Circ 10 bbls cmt to surf.

Production Casing: 5-1/2", 15.5#, J-55 csg @ 1,735'. Cmt'd w/124 sx (lead) & 100 sx (tail). Circ 10 bbls cmt to surf.
Capacity: .023802 bbls/ft or .9997 gal/ft

Production Tubing: 46 jts 2-3/8", 4.7#, J-55, 8rd EUE tbg & 2-3/8" x 1-3/4" x 10' x 14' THE (DV) pmp. EOT @ 1,532'.

Rod String: 1-1/4" x 16' PR w/8' lnr, 2 – 3/4" rod subs (8' & 8'), 54 – 3/4" rods, 3 - 3/4" rods w/5 MOG per rod, 1 - 1-1/4" sb, 13K shear tl, 1-1/4" sb & pmp plngr.

Perforations: Fruitland Coal: 1,349' – 1,493'

PBTD: 1,582'

Recent Production: Has downhole failure. INA since 9/30/2010. 0 mcfpd, 160 bwpd

Notify NMOCD & BLM 24 hours prior to beginning plugging operations

1. Check for COA's and approved NOI before beginning operations.
2. Test rig anchors.
3. Set flowback tank.
4. MIRU completion rig. Review JSA.
5. Kill well. TOH rods & pump plunger. ND WH. NU & FT BOP. TOH & LD tubing and pump.
6. TIH with 4-3/4" bit & 4-3/4" string mill on 2-3/8" workstring to 1,349'. TOH.
7. TIH 5-1/2" CR and set @ ±1,300'. Circulate hole clean.
8. PT casing and CR to 550 psig. If casing does not test, contact engineer.
9. MIRU cement truck. Review JSA.

10. **Perforation Isolation & Fruitland Coal Top Plug (1,300' – 751'):** Pump 70 sx Class "B" cement (15.6 ppg, 1.18 cuft/sx yield) down tubing and spot balanced plug from 1,300' – 751' (volume calculated with 50' excess).

11. **Casing Shoe Plug (282' - Surface):** Pump 40 sx Class "B" cement (15.6 ppg, 1.18 cuft/sx yield) down tubing and spot a balanced plug from 282' - Surface (volume calculated with 50' excess).

12. TOH & LD tubing.

13. RDMO cement truck.

14. WOC 4 hours.

15. Cut off WH. Fill in casing as needed with cement. Install above ground P&A marker.

16. Cut off anchors and reclaim location.

XTO - Wellbore Diagram

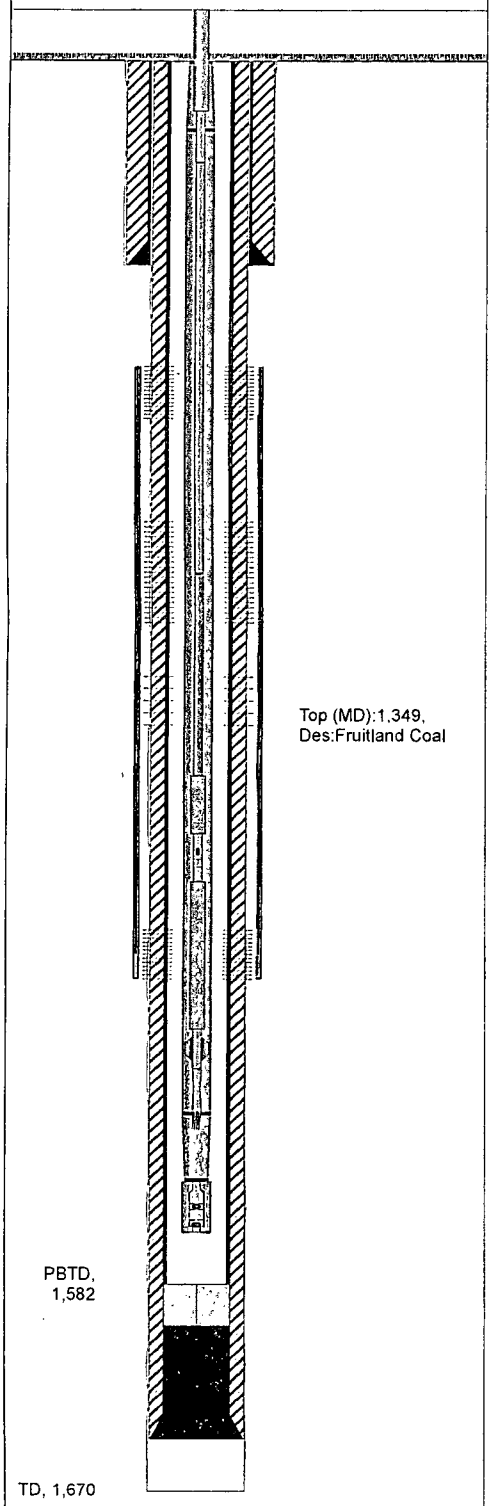
Well Name: Butte 02

API/UWI	E/W Dist (ft)	E/W Ref	N/S Dist (ft)	N/S Ref	Location	Field Name	County	State/Province
30045338890000	1,225.0	FWL	1,085.0	FNL	T30N-R13W-S18	Basin Fruitland Coal	San Juan	New Mexico

Well Configuration Type	XTO ID B	Orig KB Elev (ft)	Gr Elev (ft)	KB-Grd (ft)	Spud Date	PBTD (All) (ftKB)	Total Depth (ftKB)	Method Of Production
Vertical	67652	5,736.00	5,730.00	6.00	11/28/2006	Original Hole - 1582.0	1,670.0	Beam

Well Config: Vertical - Original Hole, 1/9/2014 4:04:36 PM

Schematic - Actual



Incl	ftKB (TVD)	ftKB (MD)
		0
		6
		16
		32
		231
		232
		1,344
		1,349
		1,353
		1,359
		1,379
		1,382
		1,384
		1,420
		1,421
		1,457
		1,482
		1,482
		1,484
		1,493
		1,508
		1,508
		1,511
		1,518
		1,532
		1,582
		1,583
		1,627
		1,628
		1,670

Zones

Zone	Top (ftKB)	Btm (ftKB)
Fruitland Coal	1,349.0	1,493.0

Casing Strings

Casing Description	OD (in)	Wt (lbs/ft)	String Grade	Top Connection	Set Depth (ftK...
Surface	8 5/8	24.00	J-55		232.0
Production	5 1/2	15.50	J-55		1,628.0

Cement

Description	Type	String
Surface Casing Cement	casing	Surface, 232.0ftKB

Comment: Plug Down @ 3:30 Am, BBls Good Cement Back to Pit

Description	Type	String
Production Casing Cement	casing	Production, 1,628.0ftKB

Comment: Plug Down @ 0645 am, 10 Bbls returned to Surface

Perforations

Date	Top (ftKB)	Btm (ftKB)	Shot Dens (shots/ft)	Hole Diameter (in)	Phasing (°)	Curr... Status	Zone
12/21/2006	1,349.0	1,353.0	3.0				Fruitland Coal
12/21/2006	1,379.0	1,384.0	3.0				Fruitland Coal
12/21/2006	1,420.0	1,421.0	3.0				Fruitland Coal
12/21/2006	1,484.0	1,493.0	3.0				Fruitland Coal

Tubing Strings

Tubing Description	Run Date	Set Depth (ftKB)
Tubing - Production	9/11/2007	1,532.5

Tubing Components

Item Description	Jts	Model	OD (in)	Wt (lbs/...	Gra...	Top Thread	Len (ft)	Top (ftKB)	Btm (ftKB)
Tubing	46	T&C Upset	2 3/8	4.70	J-55		1,512.52	6.0	1,518.5
Tubing Barrel Pump	1		2 3/8				14.00	1,518.5	1,532.5

Rods

Rod Description	Run Date	String Length (ft)	Set Depth (ftKB)
Rod String	9/13/2007	1,510.80	1,510.8

Rod Components

Item Description	Jts	Model	OD (in)	Grade	Len (ft)	Top (ftKB)	Btm (ftKB)
Polished Rod	1		1 1/4		16.00	0.0	16.0
Rod Sub	2		3/4	D	16.00	16.0	32.0
Sucker Rod	54		3/4	D	1,350.00	32.0	1,382.0
Sucker Rod w/Molded Guides	3		3/4	D	75.00	1,382.0	1,457.0
Sinker Bar	1		1 1/4	C	25.00	1,457.0	1,482.0
Shear Coupling	1		3/4		0.40	1,482.0	1,482.4
Sinker Bar	1		1 1/4	C	25.00	1,482.4	1,507.4
Spiral Rod Guide	1		3/4		0.40	1,507.4	1,507.8
Pump Plunger	1		3/4		3.00	1,507.8	1,510.8

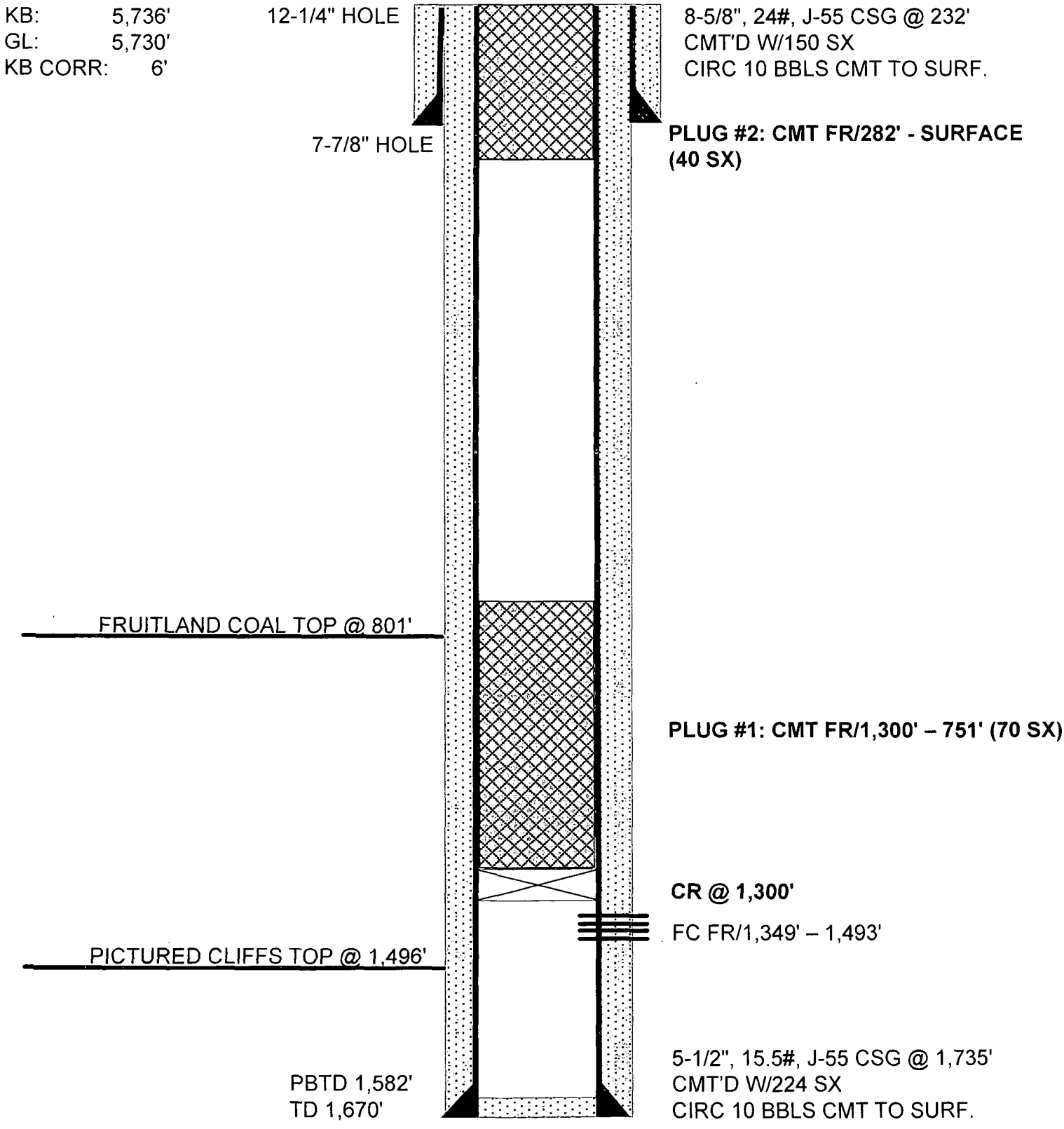
Stimulations & Treatments

Frac Start Date	Top Perf (ft...	Bottom Pe...	V (slurry) (...	Total Prop...	AIR (b...	ATP (psi)	MTP (psi)	ISIP (psi)
12/22/2006								

Comment

Butte #2
Sec 18, T 30 N, R 13 W
San Juan County, New Mexico

Proposed P&A Diagram



P&A Reclamation Plan

1/17/2014

BUTTE 2

API 30-045-33889

Lease # NMNM-09867-A

Lat: 36.81734, Long: -108.24749

Footage: 1085' FNL & 1225' FWL

NE/NW Sec. 18C, T30N, R13W

1.0 PURPOSE and SCOPE

1.1) The purpose of this document is to ensure final reclamation of associated pad and access roads as required by applicable laws and regulations. Properly performed reclamation procedures are required to preserve Private, Public, Tribal and National Forest lands, mitigating any possible environmental/surface owner issues that could potentially arise. This reclamation plan is designed to provide environmentally sound, safe, prudent and specific guidelines, while implementing Best Management Practices, to assist in returning disturbed soils to a level consistent with the surrounding topography prior to the approved disturbance.

2.0 PRE-RECLAMATION SITE INSPECTION

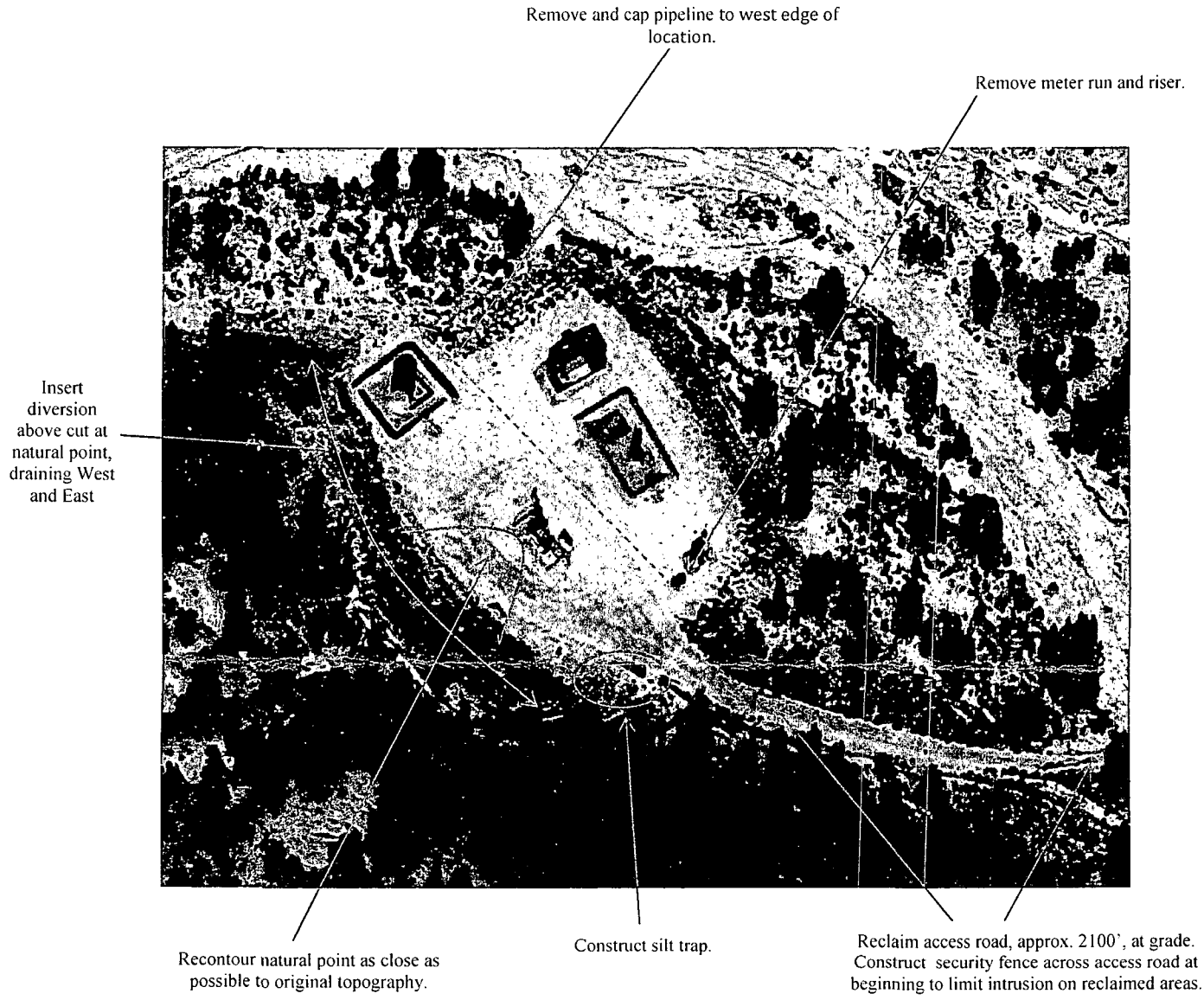
2.1) A pre-reclamation site inspection with BLM Farmington Field Office (FFO) Authorized Officer (AO) ***Randy McKee*** and XTO Energy, Inc. representatives ***Brent Beaty*** took place on ***1/16/2014***, prior to implementation of the reclamation process to determine contours, silt trap placement; seed mix selection, weed abatement procedures as well as additional requirements needed to assist in returning the area to applicable pre-disturbance condition.

3.0 PROCEDURES

3.1) Rehabilitation work will be completed within one year from plug date. No new disturbance will be allowed outside current disturbed areas to be reclaimed. Notifications, as stipulated in the APD, will be provided to proper authorities via sundry notifications, e-mail, or phone within required time frames.

3.2) All fences, production equipment, purchaser's equipment, concrete slabs, anchors, flow lines (above ground and/or subterranean), risers (***Meter run, riser, and sales line to be***

removed. Pipeline to be removed to West edge of location and capped as determined during onsite), debris, and trash will be removed from location and disposed of at approved facilities.



3.3*) Production pits* will be closed and remediated according to Federal, State, and Local guidelines. Proper notifications will be made according to above regulations as required. Impacted soil discovered during reclamation activities will be remediated and disposed of at an approved waste facility according to above mentioned guidelines and regulations.

3.4) ***Available top soil***, typically the top 6", will be stockpiled during reclamation procedures with the top soil being redistributed after completion of earthwork to assist in achieving adequate vegetation growth.

3.5) ***Gravel*** on location will be removed and/or may be placed/buried in cut areas to assist in contouring or, with AO approval, used on surrounding lease roads for road stabilization. (***Gravel will be buried in cut slope as determined during onsite inspection.***)

3.6) Disturbed areas will be returned (as close as possible), weather permitting, to pre-disturbance topography. ***A diversion ditch will be placed on the cut with natural drainage utilized to the West and East. A Silt trap will be placed in proximity to the entrance of location on the eastern edge of reclamation to assist in drainage and erosion control as determined during onsite. The natural point will be reconstructed as close as possible to original topography.*** The removal of sharp angular corners and redefinition of natural drainage will be priority allowing for additional contouring, as needed, to aid in erosion control. Reclaimed areas will be ripped to depths of a minimum of 12" (inches), leaving the surface as rough as necessary, to provide sufficient root establishment, growth, and stabilization of disturbed areas.

3.7) Access roads not required will be reshaped, reclaimed and contoured as close as possible to surrounding area (***Access road will be reclaimed from pad back to previous location approximately 2100', as determined during onsite).*** Top soil, typically the top 6", preserved during reclamation procedures will be pulled up and redistributed after completion of earthwork to assist in achieving adequate vegetation growth

3.8) Seeding will be accomplished, following proper agency notifications, with recommended procedures. Appropriate certified weed free seed mixes (***determined during onsite inspection***) will be used. ***The Badlands community was identified with Fourwing saltbush (Atriplex canescens) @ 4.0 PLS/acre, Shadscale (Atriplex confertifolia) @ 2.0 PLS/acre, Indian ricegrass (Achnatherum hymenoides) @ 5.0 PLS/acre, Alkali sacaton (Sporobolus airoides) @ 0.25 PLS/acre, Galleta (Pleuraphis jamesii) @ 4.0 PLS/acre, Blue grama (Bouteloua gracilis) @ 2.0PLS/acre and Small flower globemallow(Sphaeralcea parvifolia) @ 0.25 PLS/acre being chosen during onsite as preferred seed mix for this location***. Seed will be distributed via appropriate methods as dictated by topography of reclaimed areas. Additional methods, as dictated by reclaimed topography, may be utilized to control runoff and assist in established growth.

3.9) Fencing, signage, and other deterrents will be installed when deemed necessary to discourage travel on reclaimed areas. (***A security fence will be placed across the access road, at the beginning, as determined during onsite***).

4.0 ARCHAEOLOGICAL CONCERNS

4.1) Any disturbance activity outside approved areas will require additional BLM approval and may require an additional survey.

4.2) All employees will be educated on the importance of cultural site preservation and legalities of disturbing cultural sites.

4.3) If any cultural sensitive areas are unearthed during the reclamation process work will be immediately suspended with the incident reported to the BLM. The BLM will then notify XTO how to proceed.

5.0 THREATENED AND ENDANGERED SPECIES (T&E)

5.1) If any T&E not previously surveyed are discovered during reclamation activities work will be immediately suspended and the BLM T&E Specialist will be promptly notified.

6.0 WILDLIFE RESTRICTIONS

6.1) Closures and restrictions specified in the APD, if applicable, will be strictly adhered to.

7.0 PALEONTOLOGY

7.1) Unknown paleontology discoveries during the reclamation process will immediately halt activities and the BLM AO will be notified. XTO will standby for further instructions.

8.0 ABANDONMENT MARKER

8.1) Required marker as specified by the BLM will be installed.

9.0 WEED MANAGEMENT

9.1) Use of approved pesticides/herbicides shall be according to applicable Federal, State, Tribal and local laws. Management of Invasive and Noxious Weeds, as listed on the BLM Noxious and Invasive list, will be dealt with in a prompt and environmentally safe manner. Noxious or invasive weeds will be eradicated using pesticides/herbicides appropriate for the type of weed found and seed mixes used on reclaimed areas. Pesticide/herbicide use shall be approved by BLM Specialist prior to application. Emergency pesticide/herbicide use shall be approved by BLM Specialist prior to application. Proper authorities will be notified at times specified by BLM with required information regarding pesticide use plans (PUPs), spraying procedures and types of weeds found. (***No noxious or invasive weeds were identified during onsite. Monitoring will continue during life of project as required by laws, rules and regulations***).

10.0 MONITORING

10.1) After attaining reclamation approval FFO and operator will establish a ***line point intercept transect*** for the achievement of ***required growth percentages with relation to chosen plant communities***. Growth monitoring will be conducted and recorded as required until appropriate growth is accomplished. Vegetative cover will be accomplished when growth has reached amounts equal to those required for specific well locations and appropriate procedures.

Lynch, Kristen

From: Quorum_AFE@xtoenergy.com
Sent: Friday, January 17, 2014 8:07 AM
To: Lynch, Kristen
Subject: AFE 1400312 available for review. Well 67652 (BUTTE 02 FC); San Juan County, NM

EVENT DATE: 01/17/2014 09:05:57 AM
AFE 1400312 available for review. Well 67652 (BUTTE 02 FC); San Juan County, NM

AFE 1400312 - P&A - BUTTE 2 is available for your review.

Responsible Party: 10OPENG20 - BRIAN BENTSON
Well No. - 67652; Well Name - BUTTE 02 FC State - NM ; County - San Juan
Update User: TKRAMPF
Update Date: '2014-01-17 09:05:52'

EVENT TYPE: AFE_ONLEML
EVENT ID: 27

Event Distribution List:

Kristen Lynch

This message sent via QPEC Email Notifications. Quorum Business Solutions.