

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: 6/20/14

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
30-039-21476-00-00	VALENCIA CANYON UNIT	010	XTO ENERGY, INC	G	A	Rio Arriba	F	H	34	28	N	4	W

Conditions of Approval:

Notify NMOCD 24hrs prior to beginning operations

Provide CBL to agencies for review/approval prior to cementing

Extend top of Ojo Alamo plug to 3400 feet

NMOCD Approved by Signature

7/10/14
Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

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

SUNDRY NOTICES AND REPORTS ON WELLS

JUN 23 2014

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.
NMM-14922

6. If Indian, Allottee or Tribe Name
US FOREST SERVICE SURFACE

SUBMIT IN TRIPLICATE - Other instructions on page 2

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

1. Type of Well

Oil Well Gas Well Other

8. Well Name and No.
VALENCIA CANYON UNIT #10

2. Name of Operator

XTO ENERGY INC.

9. API Well No.
30-039-21476

3a. Address

382 CR 3100 AZTEC, NM 87410

3b. Phone No. (include area code)

505-333-3630

10. Field and Pool, or Exploratory Area
CHOZA MESA PICTURED CLIFFS

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1830' FNL & 820' FEL SENE Sec. 34 (H) -T28N-R4W N.M.P.M.

11. County or Parish, State
RIO ARRIBA NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

- Notice of Intent
- Subsequent Report
- Final Abandonment Notice

- Acidize
- Alter Casing
- Casing Repair
- Change Plans
- Convert to Injection
- Deepen
- Fracture Treat
- New Construction
- Plug and Abandon
- Plug Back
- Production (Start/Resume)
- Reclamation
- Recomplete
- Temporarily Abandon
- Water Disposal
- Water Shut-Off
- Well Integrity
- Other _____

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 recomplate 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 see also the attached current and proposed wellbore diagrams.

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS

JUL 07 2014
OIL CONS. DIV DIST 3
SEE ATTACHED FOR CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

SHERRY J. MORROW

Title **REGULATORY ANALYST**

Signature

Sherry J. Morrow

Date **6/20/2014**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by **Troy Salvers**

Title **Petroleum Engineer**

Date **7/2/2014**

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 **FFO**

NMUCD AV

LWA _____
MTG _____
Approved _____

PLUG AND ABANDONMENT PROCEDURE

June 3, 2014

Valencia Canyon Unit #10

Choza Mesa Pictured Cliffs
1830' FNL and 820' FEL, Section 34, T28N, R4W
Rio Arriba County, New Mexico / API 30-039-21476
Lat: _____ / Lat: _____

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. Install and test location rig anchors. Comply with all NMOCD, BLM, and Operator safety regulations. MOL and RU daylight 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. ND wellhead and NU BOP. Function test BOP.
2. Rods: Yes _____, No X _____, Unknown _____.
Tubing: Yes X _____, No _____, Unknown _____, Size 2-3/8" _____, Length 4266' _____.
Packer: Yes _____, No X _____, Unknown _____, Type _____.
If this well has rods or a packer, then modify the work sequence in step #2 as appropriate.

NOTE: BLM requires a CBL log to be run on all wells where the cement did not circulate to surface or where a T.S. or CBL log was not previously run. The procedure will be modified as necessary based on the CBL.

3. **Plug #1 (Pictured Cliffs interval and Fruitland top, 4074' – 3849')**: Round trip 4.5" gauge ring to 4074' or as deep as possible. RIH and set 4.5" CR at 4074'. Pressure test tubing to 1000#. Circulate well clean. *Pressure test casing to 800 PSI. If casing does not test, then spot or tag subsequent plug as appropriate.* Mix and pump 21 sxs Class B cement above CR to isolate the Pictured Cliffs interval and cover the Fruitland top. PUH.

See COA
4. **Plug #2 (Kirtland and Ojo Alamo tops, 3734' – 3444')**: Mix and pump 21 sxs cement inside casing to cover the Kirtland and Ojo Alamo tops. PUH.

See COA
5. **Plug #3 (Nacimiento top, 2426'- 2326')**: Mix and pump 12 sxs cement inside casing to cover the Nacimiento top. TOH and LD tubing.
6. **Plug #4 (Surface Casing shoe, 304' to Surface)**: Perforate 3 squeeze holes at 304'. Establish circulation out bradenhead with water and circulate the BH annulus clean. Mix approximately 110 sxs Class B cement and pump down the 4.5" casing to circulate good cement out bradenhead. Shut in well and WOC.
7. 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.

Valencia Canyon Unit #10

Current

Choza Mesa Pictured Cliffs

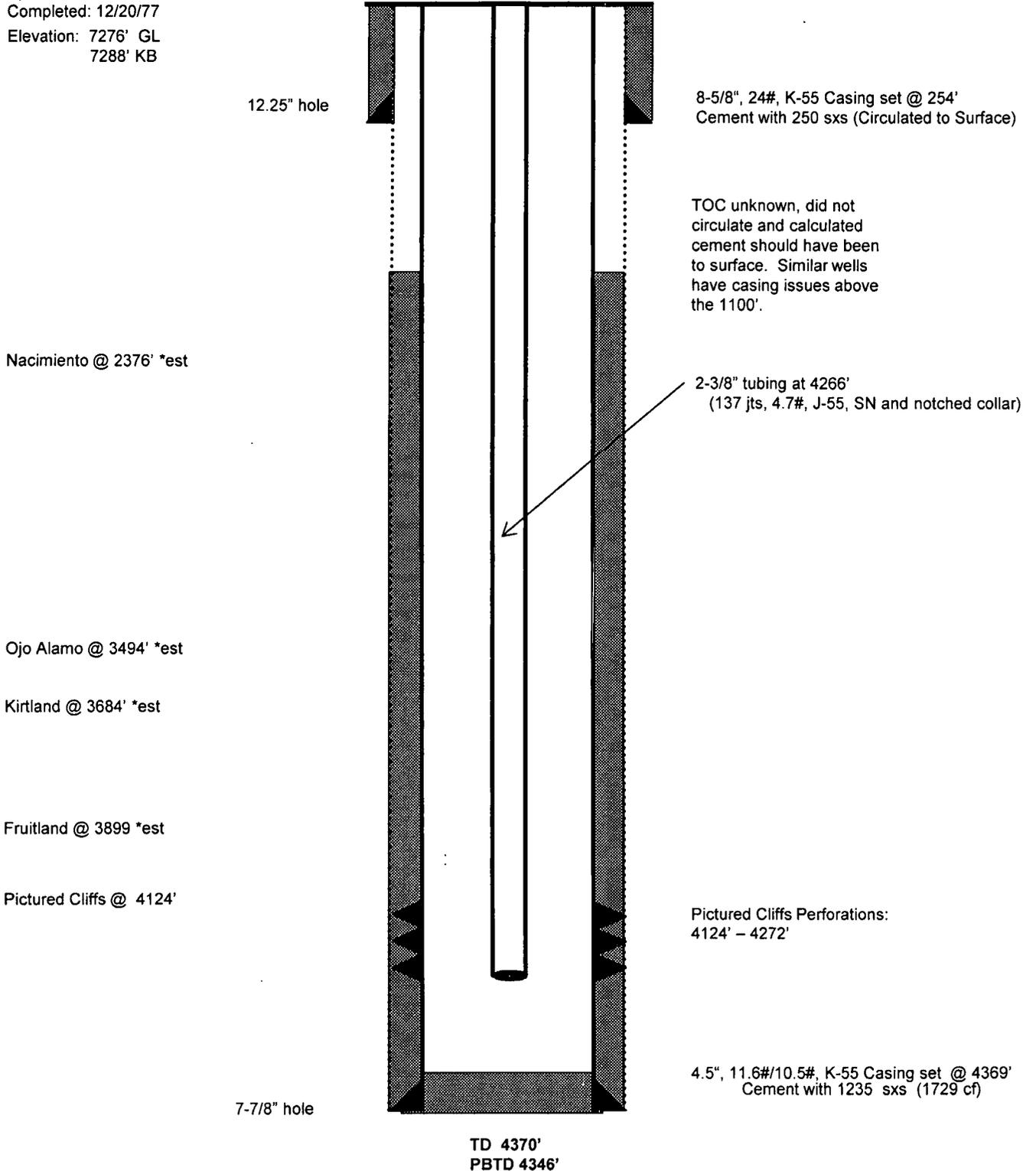
1830' FNL, 820' FEL, Section 34, T-28-N, R-4-W,
Rio Arriba County, NM / API #30-039-21476

Today's Date: 10/16/12

Spud: 10/14/77

Completed: 12/20/77

Elevation: 7276' GL
7288' KB



Valencia Canyon Unit #10

Proposed P&A

Choza Mesa Pictured Cliffs

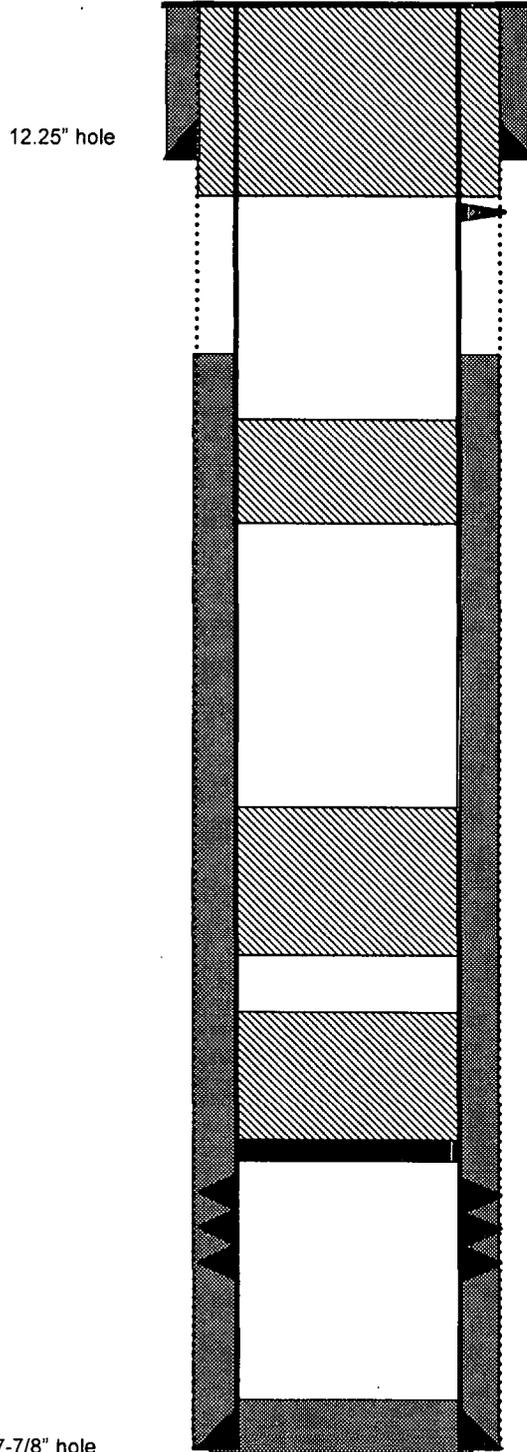
1830' FNL, 820' FEL, Section 34, T-28-N, R-4-W,
Rio Arriba County, NM / API #30-039-21476

Today's Date: 10/16/12

Spud: 10/14/77

Completed: 12/20/77

Elevation: 7276' GL
7288' KB



8-5/8", 24#, K-55 Casing set @ 254'
Cement with 250 sxs (Circulated to Surface)

Set CR @ 304' Plug #4: 304' - 0'
Class B cement, 110 sxs

TOC unknown, did not
circulate and calculated
cement should have been
to surface. Similar wells
have casing issues above
the 1100'.

See COA

Plug #3: 2426' - 2326'
Class B cement, 12 sxs

See COA

Plug #2: 3734' - 3444'
Class B cement, 26 sxs

Plug #1: 4074' - 3849'
Class B cement, 21 sxs

Set CR @ 4074'

Pictured Cliffs Perforations:
4124' - 4272'

4.5", 11.6#/10.5#, K-55 Casing set @ 4369'
Cement with 1235 sxs (1729 cf)

Nacimiento @ 2376' *est

Ojo Alamo @ 3494' *est

Kirtland @ 3684' *est

Fruitland @ 3899' *est

Pictured Cliffs @ 4124'

7-7/8" hole

TD 4370'
PBD 4346'

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
6251 COLLEGE BLVD.
FARMINGTON, NEW MEXICO 87402

Attachment to notice of
Intention to Abandon:

Re: Permanent Abandonment
Well: Valencia Canyon Unit #10

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) 564-7750.
3. The following modifications to your plugging program are to be made:
 - a) Adjust the placement of plug #2 (3816-3526) ft. to cover the Kirtland and Ojo Alamo tops. Adjust cement volume accordingly.
 - b) Bring the top of plug #3 to 2277 ft. to cover the Nacimiento top. Adjust cement volume accordingly.

Operator will run a CBL to verify cement top. Outside plugs will be required if cement top is not adequate for zonal isolation. Submit electronic copy of the log for verification to the following BLM address: tsalyers@blm.gov

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.