

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

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

David R. Catanach, 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: 6/2/15

Well information:

| API WELL # | Well Name | Well # | Operator Name | Type | Stat | County | Surf. Owner | UL | Sec | Twp | N/S | Rng | W/E |
|--------------------|-----------|--------|-----------------|------|------|----------|-------------|----|-----|-----|-----|-----|-----|
| 30-045-09249-00-00 | FEDERAL A | 003 | XTO ENERGY, INC | G | A | San Juan | F | A | 26 | 30 | N | 13 | W |

Application Type:

- P&A
 Drilling/Casing Change
 Location Change
 Recomplete/DHC (For hydraulic fracturing operations review EPA Underground injection control Guidance #84)
 Other:

Conditions of Approval:

Extend Dakota/perf plug up to 6208' plus excess.

NMOCD Approved by Signature

6-11-15
Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

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

JUN 02 2015

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.

Farmington Field Office

Bureau of Land Management

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

| |
|--|
| 5. Lease Serial No. NMSF078213 |
| 6. If Indian, Allottee or Tribe Name |
| 7. Unit or CA/Agreement, Name and/or No. |
| 8. Well Name and No. FEDERAL A 3 |
| 9. API Well No. 30-045-09249-00-S1 |
| 10. Field and Pool, or Exploratory BASIN DAKOTA |
| 11. County or Parish, and State SAN JUAN COUNTY, NM |

| | |
|--|---|
| 1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | |
| 2. Name of Operator XTO ENERGY INC | Contact: KRISTEN BABCOCK E-Mail: Kristen_Babcock@xtoenergy.com |
| 3a. Address ENGLEWOOD, CO 80155 | 3b. Phone No. (include area code) Ph: 505-333-3206 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 26 T30N R13W NENE 1140FNL 0990FEL 36.788350 N Lat, 108.168730 W Lon | |

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|--|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input checked="" type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> 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 recompleat 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 recompleat 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, current and proposed wellbore diagrams. A Closed Loop System will be used. A Surface Reclamation Plan is not needed due to this well being located on FEE Surface.

OIL CONS. DIV DIST. 3

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

JUN 08 2015

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

| | |
|---|--------------------------|
| 14. I hereby certify that the foregoing is true and correct. Electronic Submission #303744 verified by the BLM Well Information System For XTO ENERGY INC, sent to the Farmington Committed to AFMSS for processing by TROY SALYERS on 06/05/2015 (15TLS0254SE) | |
| Name (Printed/Typed) KRISTEN BABCOCK | Title REGULATORY ANALYST |
| Signature (Electronic Submission) | Date 06/02/2015 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|---------------------------------|------------------------|
| Approved By <u>TROY SALYERS</u> | Title <u>PETROLEUM ENGINEER</u> | Date <u>06/05/2015</u> |
| 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 Ar

BRB _____
MTG _____
Approved _____

**Federal A #3
Sec 26, T 30 N, R 13 W
San Juan County, New Mexico
5/11/2015**

Plug and Abandon Procedure

AFE Number: 1503286

Spud Date: 10/02/1960

Surface Casing: 8-5/8", 24#, J-55 csg @ 233'. Cmt'd w/200 sx. Circ 50 sx cmt to surf.

Production Casing: 28 jts 4-1/2", 11.6#, J-55 csg & 178 jts 4-1/2", 9.5#, J-55 csg @ 6,583'. Cmt'd w/280 sx. Circ cmt to surf.
Capacity: .0162 bbls/ft or .6825 gal/ft

Casing Leaks: Inspection Log dated 8/28/1963 shows bad casing fr/3,570' – 4,170'. Sqz'd 100 sx cmt on 8/28/1963. Resqz'd 100 sx cmt on 8/29/1963.

Production Tubing: 2-3/8" string

Perforations: Dakota: 6,356' – 6,488'

Other in Hole: CIBP @ 6,308'

PBTD: 6,548'

Recent Production: 0 MCFPD, 0 BWPD, 0 BOPD (INA on 11/26/2014). BH open.

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. ND WH. NU & FT BOP.
6. Circulate hole clean.
7. TOH tubing.
8. MIRU WLU. Review JSA.
9. Run CBL/CCL log from CIBP @ 6,308' – surface. Correlate to GR on Sonic Log dated 10/14/1960. Send CBL to engineer.

Plugs may need altered based off CBL results. Contact engineer with changes.

10. TIH tubing.
11. MIRU cement truck. Review JSA.

Casing will not pressure test. All plugs below the Mesaverde must be tagged.

12. **Perforation Isolation & Dakota Top Plug (6,308' – 6,258')**: Pump 8 sx Class "B" cement (15.6 ppg, 1.18 cuft/sx yield) down tubing and spot a balanced plug from 6,308' – 6,258' (volume calculated with 50' excess). WOC. Tag plug.
13. **Mancos Top Plug (4,628' – 4,528')**: Pump 12 sx Class "B" cement (15.6 ppg, 1.18 cuft/sx yield) down tubing and spot a balanced plug from 4,628' – 4,528' (volume calculated with 50' excess). WOC. Tag plug.
14. **Mesaverde Top Plug (3,417' – 3,317')**: Perforate 3 squeeze holes at 3,417'. Establish injection rate into squeeze holes. Set 4-1/2" CICR at 3,367'. Pump 51 sx Class "B" cement (15.6 ppg, 1.18 cuft/sx yield). Squeeze 39 sx outside casing and leave 12 sx inside casing from 3,417' – 3,317' (volume calculated with 50' excess inside and 100% excess outside). WOC.
15. Attempt to pressure test casing fr/3,317' – surface. If casing doesn't pressure test, tag subsequent plugs.
16. **Chacra Top Plug (2,900' – 2,800')**: Perforate 3 squeeze holes at 2,900'. Establish injection rate into squeeze holes. Set 4-1/2" CICR at 2,850'. Pump 51 sx Class "B" cement (15.6 ppg, 1.18 cuft/sx yield). Squeeze 39 sx outside casing and leave 12 sx inside casing from 2,900' – 2,800' (volume calculated with 50' excess inside and 100% excess outside).
17. **Lewis & Pictured Cliffs Top Plug (2,035' – 1,767')**: Perforate 3 squeeze holes at 2,035'. Establish injection rate into squeeze holes. Set 4-1/2" CICR at 1,985'. Pump 129 sx Class "B" cement (15.6 ppg, 1.18 cuft/sx yield). Squeeze 104 sx outside casing and leave 25 sx inside casing from 2,035' – 1,767' (volume calculated with 50' excess inside and 100% excess outside).
18. **Fruitland Coal Top Plug (1,238' – 1,138')**: Perforate 3 squeeze holes at 1,238'. Establish injection rate into squeeze holes. Set 4-1/2" CICR at 1,188'. Pump 51 sx Class "B" cement (15.6 ppg, 1.18 cuft/sx yield). Squeeze 39 sx outside casing and leave 12 sx inside casing from 1,238' – 1,138' (volume calculated with 50' excess inside and 100% excess outside).
19. **Kirtland & Ojo Top & Surface Plug (420' – Surface)**: Perforate 3 squeeze holes at 420'. Establish injection rate into squeeze holes. Pump 207 sx Class "B" cement (15.6 ppg, 1.18 cuft/sx yield). Squeeze 170 sx outside casing and leave 37 sx inside casing from 420' – surface (volume calculated with 50' excess inside and 100% excess outside).
20. RDMO WLU.
21. TOH & LD tubing.
22. RDMO cement truck.
23. WOC 24 hours.
24. Cut off WH. Fill in casing as needed with cement. Install above ground P&A marker.
25. Cut off anchors and reclaim location.

Checklist

Regulatory:

1. NOI to P&A on form C-103
2. Submit a post-work sundry on form C-103 which details the P&A work and location work within 30 days of completing all required restoration work.

Equipment:

1. 1 flowback tank
2. 4 – 4-1/2" cement retainers
3. 509 sx Class "B" cement
4. 1 above ground marker

Services:

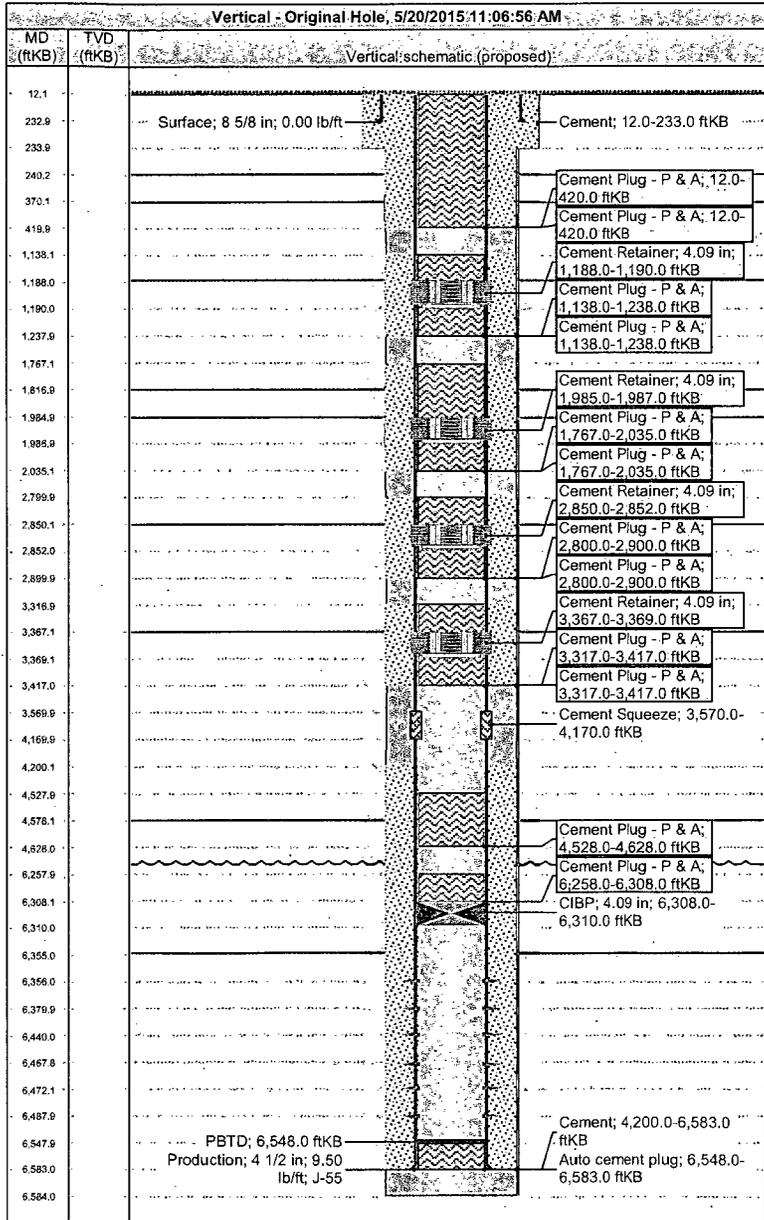
1. Completion rig
2. Cement truck
3. Wireline Unit



XTO - Proposed P&A Wellbore Diagram

Well Name: Federal A 03

| | | | | |
|---------------------------|------------------------------|--|--|----------------------------------|
| API/UWI 30045092490000 | XTO Accounting ID 67511 | Permit Number | State/Province New Mexico | County San Juan |
| Location T30N-R13W-S26 | Spud Date 10/2/1960 00:00 | Original KB Elevation (ft) 5,802.00 | Ground/Corrected Ground Elevation (ft) 5,790.00 | KB-Ground Distance (ft) 12.00 |



| Formations | | | |
|-----------------|---------------------|------------------------|--|
| Formation Name | Final Top MD (ftKB) | Final Bottom MD (ftKB) | |
| Nacimiento | 12.0 | 240.0 | |
| Ojo Alamo | 240.0 | 370.0 | |
| Kirtland | 370.0 | 1,188.0 | |
| Fruitland Coal | 1,188.0 | 1,817.0 | |
| Pictured Cliffs | 1,817.0 | 1,985.0 | |
| Lewis | 1,985.0 | 2,850.0 | |
| Chacra | 2,850.0 | 3,367.0 | |
| Mesaverde | 3,367.0 | 4,578.0 | |
| Mancos | 4,578.0 | 6,355.0 | |
| Dakota | 6,355.0 | | |

| Wellbores | | | |
|---------------|-----------------|--------------------|-----------------------|
| Wellbore Name | Parent Wellbore | Start Depth (ftKB) | Kick Off Depth (ftKB) |
| Original Hole | Original Hole | | |

| Casing Strings | | | | |
|----------------|------------------|---------|---------------|-------|
| Csg Des | Set Depth (ftKB) | OD (in) | W/Len (lb/ft) | Grade |
| Surface | 233.0 | 8 5/8 | | |
| Production | 6,583.0 | 4 1/2 | 9.50 | J-55 |

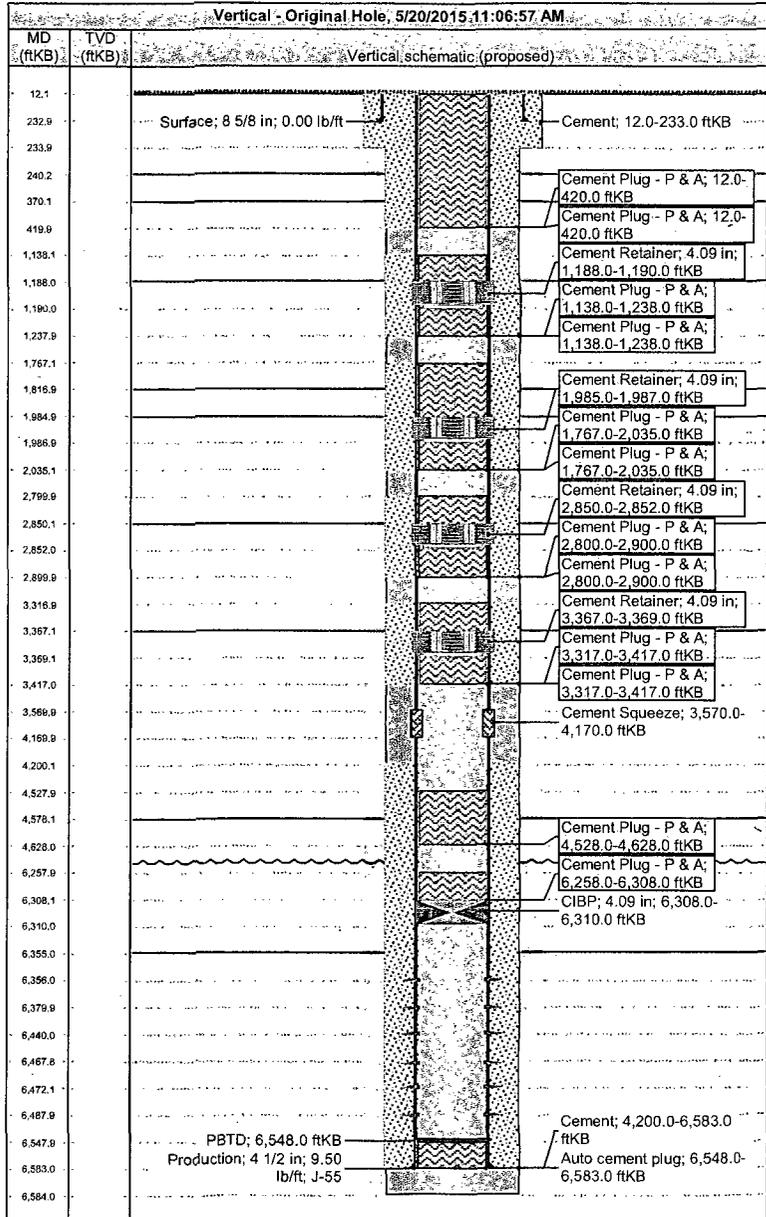
| Cement | | | |
|--------------------------|---------|-------------------------|---|
| Des | Type | String | Com |
| Surface Casing Cement | Casing | Surface, 233.0ftKB | Cmt'd w/200 sx |
| Production Casing Cement | Casing | Production, 6,583.0ftKB | Cmt'd with 280 sx 50-50 Dyamix, 2% gel. Complete returns. |
| Cement Squeeze | Squeeze | Production, 6,583.0ftKB | Sqz'd w/200 sx |
| Cement Plug - P & A | Plug | Production, 6,583.0ftKB | Plug 1: Pump 8 sx f/6,308' - 6,258'. |
| Cement Plug - P & A | Plug | Production, 6,583.0ftKB | Plug 2: Pump 12 sx f/4,628' - 4,528'. |
| Cement Plug - P & A | Casing | Production, 6,583.0ftKB | Plug 3 (outside): Pump 39 sx f/3,417' - 3,317'. |
| Cement Plug - P & A | Plug | Production, 6,583.0ftKB | Plug 3 (inside): Pump 12 sx f/3,417' - 3,317'. |
| Cement Plug - P & A | Casing | Production, 6,583.0ftKB | Plug 4 (outside): Pump 39 sx f/2,900' - 2,800'. |



XTO - Proposed P&A Wellbore Diagram

Well Name: Federal A 03

| | | | | |
|---------------------------|------------------------------|--|--|----------------------------------|
| API/UWI 30045092490000 | XTO Accounting ID 67511 | Permit Number | State/Province New Mexico | County San Juan |
| Location T30N-R13W-S26 | Spud Date 10/2/1960 00:00 | Original KB Elevation (ft) 5,802.00 | Ground/Corrected Ground Elevation (ft) 5,790.00 | KB-Ground Distance (ft) 12.00 |



| Cement | | | |
|---------------------|--------|-------------------------|--|
| Des | Type | String | Com |
| Cement Plug - P & A | Plug | Production, 6,583.0ftKB | Plug 4 (inside): Pump 12 sx f/2,900' - 2,800'. |
| Cement Plug - P & A | Casing | Production, 6,583.0ftKB | Plug 5 (outside): Pump 104 sx f/2,035' - 1,767'. |
| Cement Plug - P & A | Plug | Production, 6,583.0ftKB | Plug 5 (inside): Pump 25 sx f/2,035' - 1,767'. |
| Cement Plug - P & A | Casing | Production, 6,583.0ftKB | Plug 6 (outside): Pump 39 sx f/1,238' - 1,138'. |
| Cement Plug - P & A | Plug | Production, 6,583.0ftKB | Plug 6 (inside): Pump 12 sx f/1,238' - 1,138'. |
| Cement Plug - P & A | Casing | Production, 6,583.0ftKB | Plug 7 (outside): Pump 170 sx f/420' - surf. |
| Cement Plug - P & A | Plug | Production, 6,583.0ftKB | Plug 7 (inside): Pump 36 sx f/420' - surf. |

| Perforations | | | |
|--------------|------------|------------|-----------------------|
| Date | Top (ftKB) | Btm (ftKB) | Zone |
| | 6,356.0 | 6,380.0 | Dakota, Original Hole |
| | 6,440.0 | 6,468.0 | Dakota, Original Hole |
| | 6,472.0 | 6,488.0 | Dakota, Original Hole |

| Other In Hole | | | |
|-----------------|---------|------------|------------|
| Des | OD (in) | Top (ftKB) | Btm (ftKB) |
| Cement Retainer | 4.09 | 3,367.0 | 3,369.0 |
| Cement Retainer | 4.09 | 2,850.0 | 2,852.0 |
| Cement Retainer | 4.09 | 1,985.0 | 1,987.0 |
| Cement Retainer | 4.09 | 1,188.0 | 1,190.0 |
| CIBP | 4.09 | 6,308.0 | 6,310.0 |

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: Federal A #3

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) Set a plug (5547-5437) ft. to cover the Gallup top. BLM picks top of Gallup at 5497 ft.
 - b) Set a plug (1557-1457) ft. inside/outside to cover the Fruitland top. BLM picks top of Fruitland at 1507 ft.
 - c) Set the surface plug (430-0) ft. inside/outside to cover the Kirtland and Ojo Alamo tops, surface casing shoe and surface plug. Adjust cement volume accordingly.

Operator will run a CBL from 6308 ft. to surface to verify cement top. Outside plugs will be required if cement top is not adequate for zonal isolation. Submit electronic copy of the log to the following addresses: tsalyers@blm.gov Brandon.Powell@state.nm.us

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.