FORM APPROVED UNITED STATES Form 3160-5 OMB NO. 1004-0137 (April 2004) DEPARTMENT OF THE INTERIOR Expires March 31, 2007 BUREAU OF LAND MANAGEMENT 5. Lease Serial No. SUNDRY NOTICES AND REPORTS ON WELLS NMNM-14916 6. If Indian, Allottee or Tribe Name SODO not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals. 7. If Unit or CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE - Other instructions on reverse side Type of Well-070 FARMINGTON N. Well Name and No. Oil Well X Gas Well Other VALENCIA CANYON 2. Name of Operator XIO Energy Inc. 9. API Well No. 3b. Phone No. (include area code) 3a. Address 30-039-29504 2700 Farmington Ave., Bldg. K. Ste 1 Farmington 505-324-1090 10. Field and Pool, or Exploratory Area 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) BLANCO MESAVERDE 990' FSL & 860' FWL SEC. 22M-T28N-R4W 11. County or Parish, State RIO ARRIBA CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA 12. TYPE OF SUBMISSION TYPE OF ACTION Acidize Production (Start/Resume) Water Shut-Off Notice of Intent Deepen Fracture Treat Reclamation Well Integrity Alter Casing Subsequent Report Other SPUD, TD, Casing Repair New Construction Recomplete Change Plans Plug and Abandon Temporarily Abandon Final Abandonment Notice

Convert to Injection

#47

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.)

Plug Back

Water Disposal

XTO Energy Inc. spudded 12-1/4" hole @ 2:00 a.m., 7/21/06. Drilled to 405' & set 9-5/8", 36#, J-55 @ 352' KB cm, 7/22/06. Cmtd w/275 sx Type III cmt w/3% CaCl2 & 1/4 pps Celloflakes (15.2 ppg & 1.28 cuft/sx). Circ 20 bbls cmt to surf. PT surf casing to 1000 psig for 30 min. Tstd OK.

Reached driller's TD of 6770' @ 2:30 a.m., 7/30/06.

15.5#

8/1/06 Landed 5-1/2", 14#, J-55 LT&C csg in 7-7/8" hole @ 6760' KB. Cmtd 1st stage w/475 sx Prem Lite cmt w/0.2% CD-32, 1/2 pps Celloflakes, 0.5% FL-52, 0.2% Phenoseal & 2% KCl (12.5 ppg & 2.01 cuft/sx). Did not circ cmt to surf (TOC 4665'). Cmtd 2nd stage w/530 sx Type III cmt w/8% Bentonite, 1/4 pps Celloflakes & 2% Phenoseal (11.9 ppg & 2.6 cuft/sx) f/b 130 sx Type III neat cmt (14.5 ppg & 1.39 cuft/sx). Circ 50 bbls cmt to surf.

PT 5-1/2" prod csg to 1500 psig for 30 min. Incr'd press to 3850 psig for 5 min w/cha ACCEPTED FOR RECORD SEP 1 1 2006 I hereby certify that the foregoing is true and correct FARMINGTON FIELD OFFICE Title Name (Printed/Typed) LORRI D. BINGHAM REGULATORY COMPLIANCE TE Date 9/6/06 THIS SPACE FOR FEDERAL OR STATE OFFICE USE Title Approved by Date 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.

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