Form 3160-5 (April 2004)

UNITED STATES DEP BUR

ROUN TANZAYOT FORM APPROVED THE CONS. DIV. B NO. 1004-0137 es March 31, 2007

Well Integrity

Other SPUD, TD

ARTMENT OF THE INTERIOR	OWB N
EAU OF LAND MANAGEMENT	Expires N
EAU OF LAND MANAGEMENT	5. Lease Serial No

SUNDRY NOTICES AND REPORTS ON WELLS

6. If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals. JICARILLA APACHE TRIBE 7. If Unit or CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE - Other instructions on reverse side

Type of Well 8 Well Name and No. Oil Well X Gas Well Other APACHE FEDERAL #16 2. Name of Operator XIO Energy Inc. 9. API Well No. 3a. Address 3b. Phone No. (include area code) 30-039-29678 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) BALLARD PICTURED CLIFFS 1585' FSL & 1435' FEL SEC 07J-T24N-R05W 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 Production (Start/Resume) Water Shut-Off Notice of Intent Acidize Deenen

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.)

Fracture Treat

Plug Back

New Construction

Plug and Abandon

Reclamation

Recomplete

Water Disposal

Temporarily Abandon

Alter Casing

Casing Repair

Change Plans

Convert to Injection

XTO Energy Inc. spudded 11" surface hole @ 6:30 p.m., 1/5/07 & drilled to 240' KB. Ran 8-5/8", 24#, J-55 casing to 238' KB. Cmtd w/150 sx Type III cmt w/3% CaCl2 & 1/4 pps Celloflakes (14.5 ppg & 1.42 cuft/sx). Displaced w/12.1 bbls; no cmt to surf. Could feel cement @ 26' w/plumbob. Ordered 50 more sx & 1" pipe. Omt fell to 46' while waiting. Ran 1" to 45' and cmt top job w/20 sx; 5 bbls circ to surf. Finished job @ 4:30 p.m. Witnessed by Brice Hammond w/Jicarilla Oil & Gas. PT csg on 1/7/07 to 250 psig low f/10 min & 1000 high f/30 min. Tstd OK. Witnessed by Brice Hammond w/Jicarilla Oil & Gas.

Reached driller's TD of 2410' in 7-7/8 hole @ 7:30 p.m., 1/16/07.

Ram 5-1/2", 15.5#, J-55, LT&C csg to 2408' KB. Cmtd w/200 sx Prem Lite cmt w/2% CaCl2, 1/4 pps Celloflakes, 0.2% Dispersant, 0.5% FL-52 & 2% Phenoseal (12.5 ppg & 2.6 cuft/sx) f/b 150 sx Type III cmt w/1/4 pps Celloflakes, 0.3% Dispersant, 0.2% FL-52 & 2% Phenoseal (14.6 ppg & 1.41 cuft/sx). Circ 6 bbls cmt to surf.

Production casing will be tested upon completion.

which would entitle the applicant to conduct operations thereon

Subsequent Report

Final Abandonment Notice

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed)	Title	
LOPRI D. BINGHAM	REGULATORY COMP	LIANCE TECH
for guglan	Date 1/15/07	ACCEPTED FOR RETURN
THIS SPACE FOR	FEDERAL OR STATE OFFICE USE	BOOMER AND A COLUMN
Approved by	Title	Date JAN 2 3 2007
Conditions of approval, if any, are attached. Approval of this notice does recrify that the applicant holds legal or equitable title to those rights in the	ot warrant or Office subject lease	FARMINGTON PRELID 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