Form 3160-5 (April 2004)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB NO. 1004-0137 Expires March 31, 2007

6 If Indian, Allottee or Tribe Name

5 Lease Serial No.

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 reverses de					agreement, Name and/or N
1. Type of Well Oil Well Gas Well Other	SEP 2 0 2007		8. Well Name and No CA MCADAMS C #2E		
2. Name of Operator XIO Energy Inc.		sureau of Land Island Farmington Field O	fice	9. API Well No.	- 1121
3a. Address	3b. Phone No. (include area code)		30-045-24664		
382 CR 3100 AZTEC, NM 87410		505-333-3100		10. Field and Pool, or Exploratory Area	
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)			BASIN DAKOTA		
1560' FNL & 1530' FWL SEC 5F-T27N-	R10W				
				11 County or Parish, State	
				SAN JUAN	NM
12. CHECK APPROPRIATE	BOX(ES) TO INI	DICATE NATURE OF	NOTICE, RE	PORT, OR OTHE	R DATA
TYPE OF SUBMISSION	TYPE OF ACTION				
X Notice of Intent	Acidize	Deepen	Producti	on (Start/Resume)	Water Shut-Off
	Alter Casing	Fracture Treat	Reclama	tion	Well Integrity
Subsequent Report	X Casing Repair	New Construction	Recomplete Other		Other
Final Abandonment Notice	Change Plans			,	
T mai / tourestantent / totales	Convert to Injecti	on Plug Back	Water D		

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.)

determined that the linar site is ready for linar hispection.

XTO Energy Inc. intends to repair the casing for this well per the attached procedure.

RCVD SEP 24'07 OIL CONS. DIV.

DIST. 3

Name (Printed/Typed)	itle	
LORRI D. BINCHAM	REGULATORY COMPLIANCE TECH	
Jan D. Gran D	Date 9/19/07	
THIS SPACE FOR FEDERAL	OR STATE OFFICE USE	****
Approved by Original Signed: Stephen Mason	Title	SFP 7-1 2007
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.	r Office	- 1 2.991

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.

CA McAdams C #2E Unit F, Sec 05, T 27 N, R 10 W San Juan County, New Mexico

Repair Casing

Surf csg: 8-5/8", 24#, K-55 csg @ 321'. Circ cmt to surf. **Prod csg:** 4-1/2", 10.5#, K-55 csg @ 6,483'. DV tl @ 4,644'.

Cement: Stg 1 w/400 sx class 'B' 50:50 POZ cmt + 100 sx class 'B' cmt. Circ 37 bbls to surface.

Stg 2 w/1,400 sx class 'B' 50:50 POZ cmt + 100 sx class 'B' cmt. Circ 109 bbls to

surface.

Tbg: 4-1/2" pkr, XO, 134 jts 2-3/8" tbg to surf. Pkr @ 4,118'. CIBP @ 4,176'. **Perforations:** DK: 6,232'-41', 6,262'-69', 6,317'-70' & 6,394'-6,407' (164 holes)

Current: Shut in

Expected: 35 MCFD and 1 BWPD

Casing Leak: 3,838' - 4,052'

Workover Procedure

- 1) MIRU PU. MI 1 400 bbl frac tank and 1 flow back tank. Fill the frac tank with 2% KCl water.
- 2) ND WH. NU BOP.
- 3) CONTACT BLM/NMOCD AT LEAST 24 HRS PRIOR TO SQUEEZE OPERATIONS.
- 4) TOH w/tbg and prk.
- 5) TIH w/NC, SN and 2-3/8" tbg.
- 6) Spot PSI-300 Seal Maker treatment across casing leak (3,838'-4,052'). TOH with 5 jts 2-3/8" tubing while reversing clean. Displace tubing free of squeeze treatment (tbg volume = 0.0681 gal/ft).
- 7) Pressure up tbg to 1,200 psi to allow squeeze to set.
- 8) ALLOW SQUEEZE TO SET FOR AT LEAST 24 HOURS.
- 9) Pressure test casing to 500 psig for 30". Record test on chart. TOH with tubing.
- 10) TIH with 3-7/8" mill, SN, and 2-3/8" tubing.
- 11) Clean out to CIBP (4,176'). Pressure test casing to 500 psig for 30".
- 12) Drill out CIBP (4,176'). Clean out to PBTD (6,451').
- 13) TOH w/BHA. TIH w/4-1/2" packer, SN, and 2-3/8" tubing. Land packer @ ±6,200', SN @ ±6,196'.

- 14) MIRU N2 acid equip. Acidize Dakota perfs from 6,232'-6,407' down 2-3/8" tubing with 1800 gallons 45Q, N2 foamed, 15% HCl. Pump at a clean acid rate of 5 bpm and N2 rate of 2000 scf/bbl. Flush with 1,000 gals 2% KCl water.
- 15) SWI 3 hrs. RDMO N2 acid equip. Flow back well to flowback tank.
- 16) TOH w/BHA. TIH w/NC, SN, and 2-3/8" tubing. Land EOT @ ±6,321', SN @ ±6,320'.
- 17) Swab well until clean fluid is obtained and well kicks off.
- 18) Drop BHBS. Drop plunger.
- 19) RDMO PU. Return well to production.
- 20) Report rates and pressures to Brock Hendrickson.

Regulatory:

1. Submit sundry to squeeze casing leak.

Equipment:

1. New SN, BHBS, and plunger