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() () () () () () () () () () () () () (UNITED STATES ' MENT OF THE INTERIOR	FORM APPROVED OMB NO. 1004-0137
(August 2007) DEPART BUREAU	Expires July 31, 2010	
2012110	5. Lease Serial No	
	ES AND REPORTS ON WELLS	6. If Indian, Allottee or Tribe Name
	for proposals to drill or to re-enter an Form 3160-3 (APD) for such proposals.	
SUBMIT IN TRIPLI	CATE - Other instructions on page 2	7. If Unit or CA/Agreement, Name and/or No
. Type of Well	RECEIVED	
Oil Well X Gas Well Other	MAR 2 7 2008	8. Well Name and No. SCOTT E FEDERAL 24 #21
XIO Energy Inc.	oureau or Land Management	9. API Well No.
a. Address	Farmington Flance Radiner (include area code)	30-045-29180
<u>382 CR 3100</u> Aztec, NM 87410 . Location of Well (Footage, Sec, T., R., M., or Sur	505-333-3100	10 Field and Pool, or Exploratory Area
1190' FNL & 1850' FWL SEC 24C-T		PICTURED CLIFFS, WEST
1190° FILL & 1050° FWLL SEC 24C-1		11. County or Parish, State
		san juan nm
12. CHECK APPROPRI	ATE BOX(ES) TO INDICATE NATURE OF NOTICE, R	
TYPE OF SUBMISSION	TYPE OF ACT	· · · · · · · · · · · · · · · · · · ·
X Notice of Intent		luction (Start/Resume) Water Shut-Off
Y mar	Alter Casing Fracture Treat Recl	amation Well Integrity
Subsequent Report	Casing Repair New Construction X Rec	omplete X Other DOWNHOLE
Final Abandonment Notice	Change Plans Plug and Abandon Tem	porarily Abandon COMINGLE
	Convert to Injection Plug Back Wat	er Disposal
Please see also the attached p	complete this well to the Basin Fruitland Coa plats. After testing the Fruitland Coal XTO,	
commingle this well. Allocati	ons will provided at that time.	
		rcvd apr 4 '08
		OIL CONS. DIV.
	SEE ATTACHED FOR	DIST. 3
	CONDITIONS OF APPROVAL	
A	I A DILE as Et ta	Che CLAS
14. I hereby certify that the foregoing is true and cor	ly for DHC on State	porm (-10)
Name (Printed/Typed)	Title REGULATORY CON	IPLIANCE TECH
Signature	Date 3/25/08	
	THIS SPACE FOR FEDERAL OR STATE OFFICE USE	
Approved by Hoym war	Tule Pef. Ey.	Date 4/1/08
Conditions of approval, if any, are attached Approval of the the applicant holds legat or equitable title to those rights in the entitle the applicant to conduct operations thereon		0
	1212, makes it a crime for any person knowingly and willfully to make to any de	partment or agency of the United States any false,
	NWOCD	

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Approved____

Scott E. Federal 24 # 21 Unit C, Sec 24, T 27 N, R 11 W San Juan County, New Mexico

OAP (Fruitland Coal) & DHC

Surf csg: 8-5/8", 24#, J-55, ST&C csg @ 314'. Cmt w/215 sx, circ to. surf.
Prod csg: 5-1/2", 15.5#, K-55, ST&C csg @ 2,128'. Mrk jt fr/1,850' – 1,860'. PBTD @ 2,038'.
Cement: Cmt w/210 sx 65/35/6 lite and 135 sx class "B" cmt. Circulated 14 bbls cmt to surface. Csg specs: 0.0238 bbl/ft Max TP: 3,850 psi
Tbg: 2-3/8" x 30' OEMA, SN, 63 jts 2-3/8" tbg. SN @ 1,976'. EOT @ 2,007'.
Rods & Pmp: 2" x 1-1/2" x 12' RWAC-Z (DV) & 3/4" x 4' GAC, RHBO tl, spiral rod guide, 1" x 1' LS, 78 – 3/4" Norris gr "D" rods, 3/4" x 6' & 1-1/4" x 16' PR w/8' lnr.
Perforations: PC: 1,920'-1,950' (24 holes)

Completion Procedure (Revised)

- 1) MI & set 5 400 bbl frac tanks and fill with produced water. Set flowback tank.
- 2) MIRU PU.
- 3) Blow well down and kill well with produced water.
- 4) TOH and lay down rods and BHA.
- 5) ND WH. NU and pressure test BOP.
- 6) TOH w/tbg and BHA. TIH with scraper, SN and 2-3/8" tbg to 1,960'. TOH with 2-3/8" tbg and scraper. RDMO PU.
- 7) MIRU wireline truck. RU full lubricator. Use the Scott E. Federal 24 # 21 Petro Wireline GR/CBL Log dated 12/12/94. TIH and set a 5-1/2" CBP at ±1,915' (collars @ 1,900' & 1,945').
 Pressure for a CBP = Casing .
- 8) Perf Fruitland Coal with 4" csg gun with 3 JSPF (Owen HSC-4000-316, 120 phasing, 19 gm charges, 0.44" dia., 20.40" penetration, 18 holes). POH with csg gun.

I I UIU	Fruitiand Coarrens Fruge						
Perf	CCL	Perf	CCL				
1,906'		1,890'					
1,905'							
1,904'							
1,903'							
1,902'							

Fruitland Coal Perfs-1st Stage

9) MIRU Halliburton, N2 frac equip, acid and pump truck. BD Fruitland Coal perfs from 1,890'-1,906' and EIR with produced water. Acidize with 900 gals of 15% NEFE HCl (will not be running BS). Max TP 3,850 psig. Flush with 2,030 gals produced water (3 bbls over flush). Record ISIP, 5", 10" and 15" SIP's. RDMO acid and pump truck.

10) Frac Fruitland Coal perfs from 1,890'-1,906' down 5-1/2" csg at 40 BPM with 15,000 gals 70Q, N2 foamed and FR-46 water carrying 50,000# 20/40 Premium Brown sand coated with Sandwedge. Do not exceed 3,850 psig. After seeing a 2# drop on the blender densitometer, switch to tub bypass. Flush with 1,850 gals of FR-46 fld (1 bbls under flush). Shut down when either volume is 0 gals or when bottom hole prop con equals 1.5#. Record ISIP, 5" SIP's. RD Halliburton.

Stage	BPM	Fluid System	Vol gals	Prop Conc	Prop	Sand Size
Load & Break	5	Produced wtr	2700	-	-	-
Acid	7	15% HCI	900	-	-	-
Flush	7	Produced wtr w/gasperm	2030	-	-	-
Pad	40	FR-46 Water 70Q Foam	8000	-	-	-
1	40	FR-46 Water 70Q Foam	10000	0.5	5000	20/40
2	40	FR-46 Water 70Q Foam	10000	1	10000	20/40
3	40	FR-46 Water 70Q Foam	10000	2	20000	20/40
4	40	FR-46 Water 70Q Foam	5000_	3	15000	20/40
Flush	40	FR-46 Water	1850	-	-	-

1st Stage Fruitland Coal Schedule

- 11) RU wireline truck. RU full lubricator. Use the Scott E. Federal 24 # 21 Petro Wireline GR/CBL Log dated 12/12/94. TIH and set a 5-1/2" CBP at ±1,820' (collars @ 1,802' & 1,846'). Load casing with 2% KCl water. Pressure test CBP to 3850 psig. Release pressure.
- 12) Perf Fruitland Coal with 4" csg gun with 3 JSPF (Owen HSC-4000-316, 120 phasing, 19 gm charges, 0.44" dia., 20.40" penetration, 27 holes). POH with csg gun.

Fruitland Coal Perfs-2nd Stage						
Perf	CCL	Perf	CCL			
1,769'		1,727'				
1,755'		1,711'				
1,733'		1,710'				
1,729'		1,709'				
1,728'						

13) RU acid and pump truck. BD Fruitland Coal perfs from 1,709'-1,769' and EIR with produced water. Acidize with 1,500 gals of 15% NEFE HCl and 41 BS at 10 BPM. Max TP 3,850 psig. Flush with 1,895 gals produced water (3 bbls over flush). Record ISIP, 5", 10" and 15" SIP's. RDMO acid and

- 14) TIH with junk basket to 1,780' to knock off BS. Take note to use caution due to the CBP at 1,820'. TOH with junk basket. RD WL.
- 15) RU Halliburton and N2 frac equip. Frac Fruitland Coal perfs from 1,709'-1,769' down 5-1/2" csg at 50 BPM with 15,000 gals 70Q, N2 foamed and FR-46 water carrying 50,000# 20/40 Premium Brown sand coated with Sandwedge. Do not exceed 3,850 psig. After seeing a 2# drop on the blender densitometer stage into flush. Flush with 1,580 gals of XL foamed fluid (3 bbls under flush). Shut down when either volume is 0 gals or when bottom hole prop con equals 1.5#. Record ISIP, 5" SIP's.

Stage	ВРМ	Fluid System	Vol gals	Prop Conc	Prop	Sand Size
Load & Break	3	Produced wtr	1200	-	-	-
Acid	7	15% HCI	1500	-	-	-
Flush	7	Produced wtr w/gasperm	1895	-	-	-
Pad	50	FR-46 Water 70Q Foam	8000	**	-	-
1	50	FR-46 Water 70Q Foam	10000	0.5	5000	20/40
2	50	FR-46 Water 70Q Foam	10000	1	10000	20/40
3	50	FR-46 Water 70Q Foam	10000	2	20000	20/40
4	50_	FR-46 Water 70Q Foam	5000	3	15000	20/40
Flush	50	FR-46 Water 70Q Foam	1580	-	_	-

2 nd S	tage F	ruitland	Coal	Schedule
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16) SWI 4 hrs. RDMO Halliburton and N2 frac equip. Flow back well thru a choke manifold to flowback tank. Start with 8/64" ck. Increase choke size as appropriate.

17) DO NOT DHC THE BASIN FRUITLAND COAL/WEST KUTZ PC.

- 18) MIRU PU.
- 19) ND WH. NU and pressure test BOP.
- 20) BD well and kill well with produced water.
- 21) MIRU air/foam unit. TIH with 4-3/4" bit, SN and 2-3/8" tubing. CO to CBP at 1,820'. DO CBP @ 1,820'. CO to CBP @ 1,915'. RDMO air/foam unit.
- 22) TOH with tubing BHA. TIH with 2-3/8" x 20' OEMA w/1/4" weep hole and pin, SN, and \pm 63 jts 2-3/8" tubing. Land EOT @ \pm 1,918', SN @ \pm 1,888'. ND BOP. NU WH.

- 23) TIH with 2" x 1-1/2" x 12' RWAC-Z (DV) pump with 3/4" x 4' GAC, RHBO TL, spiral rod guide, 1" x 1' lift sub, ±74 3/4" grade D rods and 1-1/4" x 16' polish rod w/8' liner. Space out pump as needed.
- 24) Load tubing and check pump action.
- 25) RDMO PU.
- 26) Start well pumping at 5 SPM and 54" SL.
- 27) Report rates and pressures to Matthew Phillips.
- 28) Produce the Fruitland Coal for 30 90 days depending on when the production levels off for Fruitland Coal allocations. Matthew Phillips will determine when to go in and DHC the Fruitland Coal and Picture Cliff formations.
- 29) MI 1-400 bbl frac tank and 1 flow back tank.

30) MIRU PU.

- 31) Blow well down and kill well with produced water.
- 32) TOH and lay down rods and BHA.
- 33) ND WH. NU and pressure test BOP.
- 34) TOH w/tbg and BHA. MIRU air/foam unit. TIH with 4-3/4" bit, SN and 2-3/8" tubing. CO to CBP at 1,915'. DO CBP @ 1,913' to PBTD @ 2,038'. CIRC wellbore clean. RDMO air/foam unit.
- 35) TOH w/bit and tbg.
- 36) TIH with 2-3/8" x 30' OEMA w/1/4" weep hole and pin, SN, and \pm 65 jts 2-3/8" tubing. Land EOT $(a) \pm 1,980'$, SN $(a) \pm 1,950'$. ND BOP. NU WH.

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- 37) TIH with 2" x 1-1/2" x 12' RWAC-Z (DV) pump with 3/4" x 4' GAC, RHBO TL, spiral rod guide, 1" x 1' lift sub, ±77 3/4" grade D rods and 1-1/4" x 16' polish rod w/8' liner. Space out pump as needed.
- 38) Load tubing and check pump action.
- 39) RDMO PU.
- 40) Start well pumping at 5 SPM and 54" SL.
- 41) Report rate and pressures to Matthew Phillips

Regulatory:

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1. Obtain approval to DHC the Fruitland Coal and Pictured Cliffs formations.

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2. Submit sundry to OAP in the Fruitland Coal formation.

Equipment:

1. CBP

District I 1625 N. French Dr., Hobbs, NM 88240 District II 811 South First, Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

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State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

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Form C-102 Revised October 12, 2005 Submit to Appropriate District Office Fee Lease - 3 Copies State Lease - 4 Copies

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

'API Num	ber	² Pool Code		³ Pool Name				
30-045-29	9180				BASIN FRUITLAND COAL			
⁴ Property Code		⁵ Property Name ⁶					⁶ Well Number	
32623			SCOTT E FEDERAL 24 #21					
⁷ OGRID No.				⁸ Operato	r Name			⁹ Elevation
5380				XTO Ener	rgy. Inc.			6216'
				¹⁰ Surface	Location			
UL or lot no. Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West li	ne County
C 24	27N	11W		1190	NORTH	1850	WEST	SAN JUAN
L	I	¹¹ Bott	om Hole	Location It	f Different From	Surface	L	
UL or lot no. Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West li	ne County
		- (2					
320 FC		nsolidation		der No.				
NO ALLOWABLE V	VILL BE ASSI				NTIL ALL INTERE APPROVED BY THI		EN CONSOLI	DATED OR A NON-
1850' ද	MERUITUR	· 1480'.				I hereby certify the complete to the be organization eithe interest in the land a right to drill thus owner of such a m agreement or a co division Signature Lorri D Printed Na	at the information co st of my knowledge de r owns at working init d including the propo- swell at this location inneral or working im impulsory pooling or b. Bingham inne atory Comp	TIFICATION ntamed herein is true & & belief and that this erest or unleased mineral seed bottom hole location or has pursuant to a contract with an iterest, or to a voluntary pooling der heretofore entered by the www.www.www.www. www.www.www. bliance Tech
	AD COPE					¹⁸ SURV I hereby ce on this pla actual surv supervision correct to MARCH 2 Date of St Original S	ertify that the t was plotted j weys made by m n, and that the the best of my 21, 2000 urvey Survey Sign C. WEWAR	ed By:

BLM CONDITIONS OF APPROVAL

WORKOVER AND RECOMPLETION OPERATIONS:

- 1. A properly functioning BOP and related equipment must be installed prior to commencing workover and/or recompletion operations.
- 2. If this well is in a Seasonal Closure Area, adhere to the closure requirements and timeframes.
- 3. If casing repair operations are needed, obtain prior approval from this office before commencing repairs

SURFACE USE OPERATIONS:

The following Stipulations will apply to this well unless a particular Surface Managing Agency or private surface owner has supplied to BLM and operator a contradictory environmental stipulation. The failure of operator to comply with these requirements may result in assessments or penalties pursuant to 43 CFR 3163.1 or 3163.2. A copy of these conditions of approval shall be present on location during construction, drilling and reclamation activity.

An agreement between operator and fee landowner will take precedence over BLM surface stipulations unless (in reference to 43 CFR Part 3160) 1) BLM determines that operator's actions will affect adjacent Federal or Indian surface, or 2) operator does not maintain well area and lease premises in a workmanlike manner with due regard for safety, conservation and appearance, or 3) no such agreement exists, or 4) in the event of well abandonment, minimal Federal restoration requirements will be required.

STANDARD STIPULATIONS: All surface areas disturbed during work-over activities and not in use for production activities will be reseeded. This should occur in the first 90 days after completion of workover activities.

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SPECIAL STIPULATIONS:

- 1. Pits will be fenced during workover operation.
- 2. All disturbance will be kept on existing pad.
- 3. All pits will be pulled and closed immediately upon completion of the workover activities.
- 4. Pits will be lined with an impervious material at least 12 mils thick.