

Submit 3 Copies, To Appropriate District Office
District I
1625 N French Dr, Hobbs, NM 88240
District II
1301 W Grand Ave, Artesia, NM 88210
District III
1000 Rio Brazos Rd, Aztec, NM 87410
District IV
1220 S St Francis Dr, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
June 19, 2008

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-045-22954
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
7. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name MARTINEZ GAS COM I
8. Well Number #1
9. OGRID Number 5380
10. Pool name or Wildcat BLANCO MESAVERDE

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)	
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	7. Lease Name or Unit Agreement Name MARTINEZ GAS COM I
2. Name of Operator XTO ENERGY INC.	8. Well Number #1
3. Address of Operator 382 CR 3100 AZTEC, NM 87410	9. OGRID Number 5380
11. Well Location Unit Letter <u>K</u> : <u>1570'</u> feet from the <u>SOUTH</u> line and <u>1780'</u> feet from the <u>WEST</u> line Section <u>24</u> Township <u>29-N</u> Range <u>10-W</u> NMPM County <u>SAN JUAN</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5597'	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: RECOMPLETE TO CHACRA <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

XTO Energy Inc. proposes to recomplete this well to the Chacra pool per the attached procedure ~~& c/o~~.

A COMPLETE C-144 MUST BE SUBMITTED TO AND APPROVED BY THE NMOC D FOR: A PIT, CLOSED LOOP SYSTEM, BELOW GRADE TANK, OR PROPOSED ALTERNATIVE METHOD, PURSUANT TO NMOC D PART 19.15.17, PRIOR TO THE USE OR CONSTRUCTION OF THE ABOVE APPLICATIONS.

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Dolena Johnson TITLE REGULATORY CLERK DATE 07/24/2008

Type or print name DOLENA JOHNSON E-mail address: dee_johnson@xtoenergy.com PHONE: 505-333-3100

For State Use Only

APPROVED BY: [Signature] TITLE Deputy Oil & Gas Inspector, District #3 DATE JUL 28 2008

Conditions of Approval (if any):

File signed C102 for Chacra

MARTINEZ GAS COM I #1
OAP CH & DHC
SEC 24, T29N, R10W
SAN JUAN CO., NM

Approved_____

SURF CSG: 9-5/8", 32.3#, H-40, ST&C CSG @ 278'. CIRC CMT TO SURF.

PROD CSG: 7", 20#, K-55 CSG @ 2,366'. DRIFT = 6.331".
CAPACITY = 0.0404 BPF OR 1.7005 GPF
BURST = 3,740 PSI (TREATING @ 80% = 3,000 PSI).
CMT'DW/450 SX. CIRC 20 BBLs TO SURF

4-1/2", 10.5#, K-55, ST&C CSG @ 4,459'. **TOL @ 2,200'**. DRIFT = 3.927".
CAPACITY = 0.1595 BPF OR 0.669 GPF
BURST = 4,790 PSI (TREATING @ 80% = 3,832 PSI).
CMT'D W/360 SX. REVERSED OUT 50 SX GOOD CMT.

FORMATIONS: BLANCO MESAVERDE (WELL # 70680)
OTERO CHACRA (WELL # 74761, AFE # 801798)

Procedure:

1. Check rig anchors. Recover plunger lift equipment.
2. MIRU PU. ND WH. NU BOP
3. TOH & visually inspect tbg.
4. PU & TIH w/6-1/4" string mill to liner top @ 2,200'.
5. TOH & LD 6-1/4" string mill & tbg.
6. PU 3-7/8" bit & string mill. TIH & tag fill. TOH & LD tbg. Haul tbg to yard only if necessary. We will only need approx 96 jts (3,200') of tbg after completing the CH.
7. ND BOP. NU 5000 psig WP frac valve. RDMO PU.
8. MI & Set 3 - 400 bbl frac tnks & 1 flowback tnk. Fill frac tnks w/2% KCl wtr. **NOTE:** Have frac co. test wtr for compatibility prior to frac & add biocide. Heat wtr in the frac tnks so that wtr temperature @ frac time is $\pm 80^{\circ}$ F. Hot oil trk must be clean to avoid contaminating the frac wtr.
9. MIRU WLU & mast trk. Run GR/CCL log fr/PBTD to surf. Correlate depths to Gearhart-Owen Compensated Density log dated 03/27/78.
10. PU & RIH w/4-1/2" CBP. Set CBP @ +/- 3,200' (Check that plug is not set in csg collars).
11. MIRU H&M pmp trk. Press tst csg and CBP to 3,000 psig for 5" w/2% KCl wtr. Rls press.
12. RIH w/csg gun & perf CH w/3-1/8" csg gun loaded Owen HSC-3125-302 charges or equivalent performance charges (**2 jsp**, 10 gm, 0.34" EHD, 21.42" pene, ttl 26 holes) from:

PERF INTERVALS (2 jpsf)

3,072'-3,069'
3,067'-3,063'
3,054'-3,052'
2,978'-2,974'

13. POH w/perf gun. RDMO WLU.

14. MIRU frac & acid equipment.

15. MIRU Stinger trk.

16. BD perfs. EIR w/2% KCl wtr. **Max press 3,000 psig.** Switch to acid. Acidize CH perfs fr/2,974'-3,072' w/1,250 gals 15% NEFE HCl acid (FE control, surf & CI additives). Flush acid 3 bbls past btm perf w/106 bbls 2% KCl wtr. Pump flush @ ±12 BPM. Record ISIP, 5".

17. Frac Chacra perfs fr/2,974'-3,072' down 7" & 4-1/2" csg at 40 BPM with 82,915 gals of 70Q, N2 foamed, 12# XL gelled (Delta 140) frac fluid, 2% KCl water carrying 3,000# 12/20 BASF and 6,000# Monoprop. Do not exceed 3,000 psig. Estimated TP @ 2,000 psig. Flush with 4,133 gals 70Q, N2 foamed linear gel (3 bbls under flush). Record ISIP & 5" SIP's.

CHACRA SCHEDULE

Stage	Stage Clean Vol.	Total Slurry Vol.	Fluid	Stage Proppant
Load	-	-	2% KCl wtr	-
Acid	1,250 gals	1,250 gals	15% NEFE HCl	-
Flush	4,450 gals	4,450 gals	2% KCl wtr	-
Pre-pad	150 gals	500 gals	70Q 12# XL Foam	-
Pad	1,500 gals	5,000 gals	70Q 12# XL Foam	-
0.5 ppg	2,000 gals	6,666 gals	70Q 12# XL Foam	1,000# 12/20 BASF
Pad	1,500 gals	5,000 gals	70Q 12# XL Foam	-
1.0 ppg	2,000 gals	6,666 gals	70Q 12# XL Foam	2,000# 12/20 BASF
Pad	1,500 gals	5,000 gals	70Q 12# XL Foam	-
.05 ppg	6,000 gals	20,000 gals	70Q 12# XL Foam	1,000# Monoprop
.10 ppg	3,750 gals	12,500 gals	70Q 12# XL Foam	1,250# Monoprop
.15 ppg	4,000 gals	13,333 gals	70Q 12# XL Foam	2,000# Monoprop
.20 ppg	2,625 gals	8,750 gals	70Q 12# XL Foam	1,750# Monoprop
Flush	1,240 gals	3,633 gals	70Q Foam	-
Flush	500 gals	500 gals	Linear gel wtr	-
3,000# 12/20 BASF & 6,000# Monoprop			82,915 gals 70Q N2 Delta 140	

SWI 4 hrs. RDMO Halliburton and N2 frac equip. Install flowback manifold. Flowback well thru a choke manifold to flowback tank. Start with 8/64" ck. Increase choke size as appropriate

18. Flow tst min 3 hrs on fixed choke for IP tst down sales line. Record liq vols, FTP, SICP, & choke size. SWI. Report rates and pressure to Ryan Lavergne

19. MIRU PU. Make sure we have +/- 3,200' of 2-3/8", 4.7#, J-55, EUE, 8rd tbg available on location.

20. Blow well down. Kill well w/2% KCl wtr.

21. ND frac vlv. NU BOP.

22. RIH w/bailer & CO at least 50' past the perforations.
23. POH w/bailer & LD bailer.
24. TIH w/NC, SN, & 2-3/8" tbg. Land EOT @ +/- 3,055'.
25. ND BOP. NU WH. RDMO PU.
26. Schedule 1st delivery.

Obtain DHC approval before continuing with procedure

27. MIRU PU. MI an additional 1,400' of 2-3/8" tbg.
28. ND WH. NU BOP.
29. TOH w/NC, SN & tbg.
30. PU & TIH w/3-7/8" bit. CO to CBP @ 3,200'. Report any fill to Ryan Lavergne.
31. DO CBP @ 3,200'. CO to PBTD @ 4,410'.
32. TOH w/bit & tbg. LD bit.
33. TIH w/NC, SN, & 2-3/8" tbg. Land EOT @ +/- 4,250'.
34. ND BOP. NU WH. RDMO PU.
35. RWTP downhole commingled.

Regulatory Requirements

NOI to recomplete to CH
DHC
C-104
Completion report

Services

Completion rig
Frac & acid equip

Equipment List

6-1/4" bit & string mill
3-7/8" bit
4-1/2" CBP