Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO 1004-0137
Expires July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an

IAN 0 8 NMSF-081239
69 If Indian, Allottee or Tribe Name

| abandoned well. Use Fort | n 3160-3 (APD) for s | | reau of Land Ma | |
|--|--------------------------------|----------------------------------|---|--|
| SUBMIT IN TRIPLICATE - Other instructions on page 2 | | | 7. If Unit or CA/Agreement, Name and/or N | |
| 1. Type of Well Oil Well X Gas Well Other | | | | Well Name and No. |
| 2. Name of Operator | | | | LC KELLY #2G |
| XIO Energy Inc. | | | | 9. API Well No |
| 3a Address | 3 | 3b. Phone No. (<i>include a</i> | rea code) | 30-045-33239 |
| 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 I | | | | BASIN DAKOTA/BASIN MANCOS |
| 665' FSL & 1970' FEL NWNW Sec.5 | (D) -T30N-R12W N | I.M. P.M. | | 11. County or Parish, State |
| | | | | • |
| 12. CHECK APPROPRIATE | ROY(ES) TO INDI | CATE NATURE OF | NOTICE DEDO | SAN JUAN NM |
| TYPE OF SUBMISSION | BOX(ES) TO HADI | | PE OF ACTION | KI, OR OTHER DATA |
| | <u></u> | | | r— |
| Notice of Intent | Acidize | Deepen | Production | (Start/Resume) Water Shut-Off |
| (| Alter Casing | Fracture Treat | Reclamation | n Well Integrity |
| X Subsequent Report | Casing Repair | New Construction | Recomplete | X Other DHC & RWTP |
| Fund Abandan and Nation | Change Plans | Plug and Abandon | Temporaril | y Abandon |
| Final Abandonment Notice | Convert to Injection | Plug Back | Water Disp | osal |
| determined that the final site is ready for final inspections of the comming of t | ed the Basin Dako | | | - |
| 14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) DOLENA JOHNSON Signature | 1 | | , | NCE TECHNICIAN |
| Jalena Cfahman | S SPACE FOR FEDE | Date 01/07/2 | | MAZEFIEDFORFIZOAD |
| Approved by | , o. Aoc i ok i ebe | Title | | Date |
| Conditions of approval, if any, are attached. Approval of this not | ce does not warrant or certify | that Office | | <u> </u> |
| the applicant holds legal or equitable title to those rights in the sub- | | Office | | PARIAWSTON FIELD 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,

EXECUTIVE SUMMARY REPORT

12/1/2008 - 1/7/2009 Report run on 1/7/2009 at 12:14 PM Report for. Farmington

LC Kelly 02G - LC Kelly 02G

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| | Section 05-30N-12W, San Juan, New Mexico, Farmington |
|------------|---|
| | |
| 12/18/2008 | Cont rpt to DHC. MIRU Triple P rig #21. |
| 12/19/2008 | Unhung rods. TOH $w/1-1/4$ " x 22' PR $w/10$ ' lnr, 67 - 7/8" rods, 163 - 3/4" rods, 6 - 7/8" rods $w/5$ molded guides per rod, 2 - 1-1/4" sbs, 3/4" x 4' stabilizer bar, 2 - 1-1/4" sbs, 3/4" x 4' stabilizer bar, 1-1/4" sb, 21K |
| | shear tl, 1-1/4" sb, 3/4" x 4' stabilizer bar. spiral rod guide & 2" x 1-1/2" x 14' RWAC-Z (DV) EPS pmp w/1" x 1' stnr nip (XTO #1480). Ppd 50 BLW dwn TCA. ND WH. NU BOP. Rls 5-1/2" TAC. TIH 4 jts 2-3/8" tbg. Tgd @ 6,208' (17' fill). MC perfs fr/5,732' - 5,988'. TOH & LD 4 jts 2-3/8" tbg. TOH |
| | 171 jts $2-3/8$ " tbg, $5-1/2$ " Tech TAC, 13 jts $2-3/8$ " tbg, SN & $2-3/8$ " x 30' OEMA. TIH new $4-3/4$ " cone bit, xo, bit sub & 174 jts $2-3/8$ " tbg. EOT @ $5,620$ '. |
| 12/22/2008 | MIRU Hurricane 1,600 scfm AFU. Brk circ @ 5,620'. Stg in hole 5 jts 2-3/8" tbg. Tgd @ 6,208' (17' fill). MC perfs fr/5,732' - 5,988'. CO sd to CIBP @ 6,220'. DO CIBP. Stg in hole 29 jts 2-3/8" tbg. Tgd @ 6,970' (13' fill). DK perfs fr/6,619' - 6,827'. DO remainder of CIBP & CO sd to PBTD @ 6,983'. Circ cln. TOH 27 jts 2-3/8" tbg. SD 1 hr. TIH 27 jts 2-3/8" tbg. Tgd PBTD. RDMO AFU. TOH 212 jts 2-3/8" tbg & LD BHA. |
| 12/23/2008 | BD csg. TIH 5-1/2" Tech TAC, 1 jt 2-3/8" tbg w/1/4" weephole & stop pin, SN & 209 jts 2-3/8" 4.7#, J-55, 8rd, EUE tbg. Ppd 50 BLW dwn TCA. ND BOP. Set TAC @ 6,933' w/10K tens. NU WH. SN @ 6,896' w/EOT @ 6,933'. TIH 2" x 1-1/2" x 14' RWAC-Z DV ESP pmp w/1" x 1' stnr nip (XTO #1480), 1-1/4" sb, 21K shear tl, 1-1/4" sb, 7/8" x 4' stabilizer, 2 - 1-1/4" sbs, 7/8" x 4' stabilizer, 2 - 1-1/4" sbs, 7/8" x 4' stabilizer, 2 - 1-1/4" sbs, 7/8" x 6' stabilizer, 2 - 1-1/4" sbs, 7/8" stabilizer, 2 - 1-1/4" sbs, 7/8" stabilizer, 2 - 1-1/4" sbs, 7/8" stabilizer, 184 - 3/4" rods, 83 - 7/8" rods, 3 - 7/8" rod subs (4', 6', 8') & 1-1/4" x 22' PR w/16' lnr. Seated pmp. LS & PT tbg to 500 psig. Tstd OK. Gd PA. HWO. Std PU & RWTP @ 4:00 p.m. 12/23/08. Ppg @ 64" x 6 SPM. PTP 100 psig, SICP 50 psig. OWU & first delv DHC gas to EFS @ 4:00 p.m., 12-23-08. Init FR 260 MCFPD. Orifice size 0.625". Ppg @ 6 X 64". |
| 12/29/2008 | RDMO Triple P rig #21. |