Submit to Appropriate District Office State of New Mexico Form C-105 State Lease - 6 copies Energy, Minerals and Natural Resources Revised June 10, 2003 Fee Lease - 5 copies District I WELL API NO. 1625 N. French, Hobbs, NM 88240 30-045-31065 District II OIL CONSERVATION DIVISION 5. Indicate Type Of Lease 1301 W. Grand Avenue, Artesia, NM 88210 1220 South St. Francis Dr. STATE X FEE District III 1000 Rio Brazos Rd., Aztec, NM 87410 Santa Fe, NM 87505 6. State Oil & Gas Lease No. District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 WELL COMPLETION OR RECOMPLETION REPORAL AND LOG **DEC 2003** la. Type of Well: 7. Lease Name or Unit Agreement Name OIL WELL GAS WELL X DRY OTHER. STATE GAS COM b. Type of Completion: DIFF. PLUG BACK DEEPEN OTHER 2. Name of Operator 8. Well No. XIO Energy Inc. 3. Address of Operator 9. Pool name or Wildcat 2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401 BASIN FRUITLAND COAL 4. Well Location Unit Letter K : 1620 Feet From The SOUTH Line and 1480 Feet From The Township 31N Range 12W NMPM SAN JUAN 10. Date Spudded 11. Date T.D. Reached 12. Date Compl. (Ready to Prod.) 13. Elevations (DF & RKB, RT, GR, etc.) 14. Elev. Casinghead 12/1/03 12/19/02 12/22/02 6042' GR 60421 18. Intervals Drilled By 15. Total Depth 16. Plug Back T.D. 17. If Multiple Compl. How Rotary Tools Cable Tools Many Zones? 2610' 2564' NO 19. Producing Interval(s), of this completion - Top, Bottom, Name 20. Was Directional Survey Made 2218' - 2282' FRUITLAND COAL NO 22. Was Well Cored 21. Type Electric and Other Logs Run PEX-AITH/SFL/TLD/CNL/PE/GR/CAL/CCL NO **CASING RECORD** (Report all strings set in well) AMOUNT PULLED CEMENTING RECORD CASING SIZE WEIGHT LB./FT. **DEPTH SET** HOLE SIZE 711 20# J-55 225' 8-3/4" 75 sx 0 4-1/2" 10.5# J-55 2619' 6-1/4" 250 sx 0 24. LINER RECORD 25. TUBING RECORD SIZE TOP BOTTOM SACKS CEMENT SIZE **DEPTH SET** PACKER SET 2285' 2-3/8" 27. ACID, SHOT, FRACTURE, CEMENT, SQEEZE, ETC 26. Perforation record (interval, size, and number) **DEPTH INTERVAL** AMOUNT AND KIND MATERIAL USED 2218' - 2282' (0.45" dia, 48 holes) 2218' - 2282' A. w/500 gals 15% HCl acid. Frac'd w/71,952 gals slurry vol Delta 140 frac flu and 4500# 40/70 AZ sd 80,000# 20/40 Brady sd & 36,500# PRODUCTION Date First Production Production Method (Flowing, gas lift, pumping - Size and type pump) Well Status (Prod. or Shut-in) 12/1/03 Date of Test Hours Tested Choke Size Prod'n For Oil - Bbl. Gas - MCF Water - Rhi Gas - Oil Ratio Test Period 12/1/03 16 N/A Λ Flow Tubing Casing Pressure Calculated 24-Oil - Bbl. Gas - MCF Water - Bbl. Oil Gravity - API -(Corr.) Hour Rate 0 n Λ 29. Disposition of Gas (Sold, used for fuel, vented, etc.) Test Witnessed By TO BE SOLD JL DIVINE 30. List Attachments m on Both sides of this form is true and complete to the best of my knowledge and belief Signature DARRIN STEED Title REGULATORY SUPER. Date 12/4/03 Darrin steed@xteenergy.com E-mail address

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

| Southeas | Northeaste | Northeastern New Mexico | | | | |
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| T. Anhy | T. Canyon | T. Ojo Alamo 62 | י22 י י | Γ. Penn. "B" | | |
| T. Salt | T. Strawn | T. Kirtland-Fruitland 70 | וי 20 | Γ. Penn. "C" | | |
| B. Salt | T. Atoka | T. Pictured Cliffs 229 | 94י [ק | Γ. Penn. "D" | | |
| T. Yates | T. Miss | T. Cliff House | 7 | Γ. Leadville | | |
| T. 7 Rivers | T. Devonian | T. Menefee | | Γ. Madison | | |
| T. Oueen | T. Silurian | T. Point Lookout | | r. Elbert | | |
| T. Grayburg | T. Montoya | T. Mancos | 1 | Г. McCracken | | |
| T. San Andres | T. Simpson | T. Gallup | 1 | Γ. Ignacio Otzte | | |
| T. Glorieta | T. McKee | Base Greenhorn | | Γ. Granite | | |
| T. Paddock | T. Ellenburger | T. Dakota | | FARMGIN SANDSTONE 814 | | |
| T. Blinebry | T. Gr. Wash | T. Morrison | | T. FRUTTLAND FMT 1876 | | |
| T. Tubb | T. Delaware Sand | T. Todilto |]] | T. LEWIS SHALE 2533' | | |
| T. Drinkard | T. Bone Springs | T. Entrada | 7 | Γ | | |
| T. Abo | T. | T. Wingate | J | Γ. | | |
| T. Wolfcamp | | T. Chinle | 7 | Γ. | | |
| T. Penn | T. | T. Permain |] | Γ. | | |
| T. Cisco (Bough C) | T. | T. Penn "A" |] | Γ. | | |
| OIL OR GAS | | | | | | |

| | | SANDS OR ZONES |
|---|---------------------------|----------------|
| No. 1, fromto | No. 3, from | to |
| No. 2, fromto | | to |
| ı | MPORTANT WATER SANDS | |
| Include data on rate of water inflow and elevation to | which water rose in hole. | |
| No. 1, fromto | feet | •••••• |
| No. 2, from to | feet | |
| No. 3. fromto | feet | |

LITHOLOGY RECORD (Attach additional sheet if necessary)

| From | То | Thickness in Feet | Lithology | From | То | Thickness in Feet | Lithology |
|------|----|-------------------|--|------|----|-------------------|-----------|
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| | | | Continued fr/section 27: 16/30 Brady sd coated w/ | | | | |
| | | | Sandwedge. | | | | |