

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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 abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on page 2

1 Type of Well

☐ Oil Well ☐ Gas Well ☒ Other INJECTION WELL

2 Name of Operator

XTO Energy Inc.

3a Address

382 CR 3100 Aztec, NM 87410

3b Phone No. (include area code)

505-333-3100

4 Location of Well (Footage, Sec., T., R., M., or Survey Description)

330' FNL & 2310' FWL NENW SEC 28 (C) -T29N-R14W N.M.P.M.

5 Lease Serial No.

14-20-603-2168A

6 If Indian, Allottee or Tribe Name

NAVAJO NATION

7 If Unit or CA/Agreement, Name and/or No

8 Well Name and No

NW CHA CHA UNIT #35

9 API Well No

30-045-07932

10 Field and Pool, or Exploratory Area
GALLUP

11 County or Parish, State

SAN JUAN NM

12 CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
- ☐ Subsequent Report
- ☐ Final Abandonment Notice

TYPE OF ACTION

- | | | | |
|---|---|--|---|
| <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other <u>CONVERT TO</u> |
| <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | <u>PRODUCING FC/</u> |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | <u>STATUS UPDATE</u> |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. 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 recompleat 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.)

Per conversation with Alexander Bridge and Steve Mason w/BLM and addressing your letter dated April 20, 2010, XTO Energy plans to convert this well to a producing Fruitland Coal well. Due to current economic conditions, XTO will not complete the project at this time. Xto will evaluate completing the project before the MIT expires. If economics are still unfavorable at that time the well will be TA. This well passed an MIT test on October 8, 2008.

Please see the attached documents for further explanation and information.

H₂S POTENTIAL EXIST

Notify NMOCD 24 hrs
prior to beginning
operations

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

RCVD MAY 21 '10

OIL CONS. DIV.

DIST. 3

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

TEENA M. WHITING

Title REGULATORY COMPLIANCE TECHNICIAN

Signature

Teena M. Whiting

Date 5/14/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Original Signed: Stephen Mason

Title

Date

MAY 20 2010

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.

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, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

NMOCD



NW CHA CHA UNIT #35
Section 28, T 29 N, R 14 W / API 30-045-07932
San Juan County, New Mexico

Plan of Action: Convert to Producing Fruitland Coal Well

XTO Energy, Inc. proposes to convert the NW Cha Cha Unit #35 to a producing Fruitland Coal well. The well is completed in the Gallup formation and was used as an injector well for a secondary recovery project in the Cha Cha Gallup field. XTO operates the NV Navajo 28 #2, a Fruitland Coal well, in the same quarter-section; however, XTO plans to plug and abandon this well. XTO has submitted all required notice and has received all necessary approvals to plug and abandon the NV Navajo 28 #2. The NW Cha Cha Unit #35 passed its most recent MIT October 8, 2008. Economics do not justify converting the NW Cha Cha Unit #35 to a producing Fruitland Coal well at this time. If the economic environment is still unfavorable when the MIT test expires, XTO will either re-MIT or temporarily abandon the well, and the conversion project will be completed when economic conditions are favorable. Detailed plans will be submitted for your office's final approval prior to beginning any work.

A summary of the proposed procedure for the NW Cha Cha Unit #35 is provided below:

- 1) Follow standard plug and abandonment procedures to permanently abandon Gallup and Mesaverde formations.
- 2) RIH with free point tool to determine casing's free point. Chemically cut 5-1/2" casing at +/- 1,500'. Note: TOC is 3,500' by temperature survey.
- 3) TOH with casing.
- 4) Run open-hole logs.
- 5) TIH with new 5-1/2", 15.5#, J-55 csg and set at +/- 1,300 feet. Cement casing to surface.
- 6) Perforate and fracture Fruitland Coal from approximately 900' – 1,000'; exact intervals will be determined after review of open-hole logs.
- 7) TIH with 2-3/8" tubing. TIH with pump and rods. Set pumping equipment on surface.
- 8) RWTP.

NW CHA CHA UNIT #35
PROPOSED CONVERSION

KB: 5,609'
GL: 5,599'
KB CORR: 10'

13-1/4" HOLE

9-5/8", 36#, J-55, CSG SET @ 173'.
CMT'D W/150 SX. CIRC CMT TO SURF.

FC FR/900' – 1,000' (EST)

PBTD @ +/- 1,250'

5-1/2" 15.5# CSG @ +/- 1,300'.
CMT TO SURF.

7-7/8" HOLE

Plg 1550'-1450'
CUT CSG @ +/- 1,500'

MV @ 1,964'

CIBP @ 1,964'
SQZ HOLES @ 2,014'
CMT FR/1,914' – 2,014'

TOC @ 3,500' (TS)

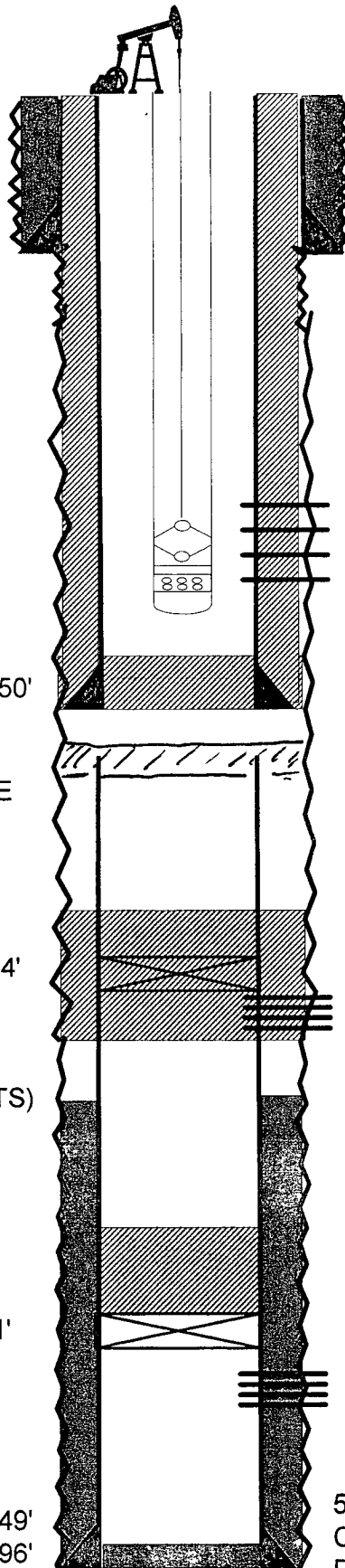
GP @ 5,121'
4750

4700
CMT FR/4,950' – 5,050'
CIBP @ 5,050'

GP FR/5,121' – 5,130'

PBTD: 5,149'
TD: 5,196'

5-1/2" 15.5# CSG @ 5,195'.
CMT 200 SX.
DID NOT CIRC.



**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
1235 LA PLATA HIGHWAY
FARMINGTON, NEW MEXICO 87401**

Attachment to notice of
Intention to Abandon the Gallup:

Re: Plug back to Fruitland Coal
Well: 35 Northwest Cha Cha Unit

CONDITIONS OF APPROVAL

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Lease."
2. Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 599-8907.
3. The following modifications to your plugging program are to be made:
 - a) Bring the top of the Gallup plug to 4700'.
 - b) Place the Mesaverde plug from 2014' – 1914' inside and outside the 5 ½" casing.
 - c) Place a cement plug from 1550' – 1450' to cover the 5 ½" casing stub @ 1500'.
 - d) You are required to have H2S monitoring equipment and personnel on location during plugging and recompletion operations.

You are also required to place cement excesses per 4.2 and 4.4 of the attached General Requirements.

Office Hours: 7:45 a.m. to 4:30 p.m.