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

MAY 28 2010 MSF076386

		proposals to drill or n 3160-3 (APD) for s		of Land Mana	gement	or tribe mame
SUBMIT	IN TRIPLICAT	TE - Other instructions	G-Savrifs	ington Flaid C	40037626	eement, Name and/or N
1 Type of Well Oil Well X Gas Well	Other					
2 Name of Operator				50 T T 12		
XIO Energy Inc.					9 API Well No	
3a Address		3	b Phone No (include ar	ea code)	30-045-21437	
382 CR 3100 Aztec, N			505-333-3204		10 Field and Pool, o	or Exploratory Area
4 Location of Well (Footage, Sec., T	R, M , or Survey	Description)			AZTEC PICTURED	CLIFFS
990' FNL & 830' FEL SE	EC 33A-T30N-R	11W				
				,	11 County or Parish	
					SAN JUAN	NM
12. CHECK	APPROPRIATI	E BOX(ES) TO INDI	CATE NATURE OF N	NOTICE, REPO	RT, OR OTHER DA	ATA
TYPE OF SUBMISSION		TYPE OF ACTION		PE OF ACTION		
X Notice of Intent		Acidize	Deepen	Production	(Start/Resume)	Water Shut-Off
		Alter Casing	Fracture Treat	Reclamation		Well Integrity
Subsequent Report						
		Casing Repair	New Construction	Recomplete		Other
Final Abandonment N	otice	Change Plans	X Plug and Abandon	Temporarily	y Abandon	
Final Abandonment N		Convert to Injection	Plug Back	Water Disp	osal	
XTO Energy Inc. inter attached current and Notify NMOCD prior to begin operation	proposed well 24 hrs	lbore diagrams for H ₂ S	_	ation.	RCVD J OIL COI	e also, the UN3'10 NS.DIV.
14. I hereby certify that the foregoing Name (Printed/Typed) LORRI D. BINGHAM Signature	Dista	S SPACE FOR FEDE	Date 5/27/10	TIORY ANALYS		4AY 2 8 2010
Approved by Original Sig	gned: Stephen	Mason	Tıtle		Date P	101 5 6 5010
Conditions of approval, if any, are attached the applicant holds legal or equitable title to entitle the applicant to conduct operations to	Approval of this not those rights in the sul	ice does not warrant or certify	that 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.

PLUG AND ABANDONMENT PROCEDURE

March 30, 2010

Murphy E #3
Aztec Pictured Cliffs
990' FNL and 830' FEL, Section 33, T30N, R11W
San Juan County, New Mexico / API 30-045-21437

	Lat. N/ Lat. W
Note ⁻	All cement volumes use 100% excess outside pipe and 50' excess inside. The stabilizing wellbore fluid will be 8.3 ppg, sufficient to balance all exposed formation pressures. All cement will be Class B, mixed at 15.6 ppg with a 1.18 cf/sx yield.
1.	This project requires a NMOCD C-144 CLEZ Closed-Loop System Permit for the use of an A-Plus steel tank to handle waste fluids circulated from the well and cement wash up.
2.	Install and test location rig anchors. Comply with all NMOCD, BLM, and Operator safety regulations. MOL and RU daylight pulling unit. Conduct safety meeting for all personnel on location. Record casing, tubing and bradenhead pressures. NU relief line and blow down well. Kill well with water as necessary and at least pump tubing capacity of water down the tubing. ND wellhead and NU BOP. Function test BOP.
3.	Rods: Yes, NoX_, Unknown Tubing: YesX_, No, Unknown, Size125", Length2288' Packer: Yes, NoX, Unknown, Type If this well has rods or a packer, then modify the work sequence in step #2 as appropriate.
4.	Plug #1 (Pictured Cliffs interval, Fruitland, Kirtland and Ojo Alamo tops, 2360' – 832'): Establish rate into PC perforations with water. Mix and pump total of 55 sxs cement (long plug, 30% excess) and bullhead the down 2 875" casing: first pump 10 sxs cement, then drop 10 RCN balls, then pump 45 sxs cement and do not displace. Double valve and shut in well. WOC. Tag cement 50' above top of Ojo Alamo. TOH and LD tubing.
5.	Plug #2 (Surface, 187' – Surface): Perforate 3 HSC squeeze holes at 187'. Establish circulation to surface out the 2.875" casing and bradenhead valve, circulate the BH annulus clean. Mix and pump approximately 75 sxs Class B cement down 2.875" casing and circulate good cement out casing and bradenhead valve from 187' to surface. SI well and WOC.
6.	ND BOP and cut off wellhead below surface casing flange. Install P&A marker with cement to comply with regulations. RD, MOL and cut off anchors. Restore location per BLM stipulations.

Murphy E #3

Proposed P&A

Aztec Pictured Cliffs 990' FNL, 830'FE L, Section 33, T-30-N, R-11-W,

San Juan County, NM / API #30-045-21437

Lat ______ / Long _____

Today's Date 3/30/10 Spud 3/4/74 Completed 4/8/74 Elevation 5967' GL 5977' KB

12 25" hole

Ojo Alamo @ 882' *est

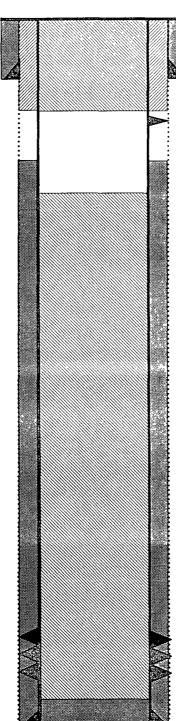
Kırtland @ 1017' *est

7 875" hole to 1665'

Fruitland @ 2017; *est

Pictured Cliffs @ 2282'

6.75" hole to TD



8 625" 24#, J-55 Casing set @ 137' Cement with 118 cf (Circulated to Surface)

> Plug #2: 187'- 0' Class B cement, 75 sxs

Perforate @ 187'

TOC @ 200' (TS)

Plug #1: 2360'- 832' Class B cement, 55 sxs

Pictured Cliffs Perforations: 2280' – 2310'

2.875",6.4#, J-55 Casing set @ 2409' Cement with 253 sxs

TD 2413' PBTD 2399'

Murphy E #3 Current

Aztec Pictured Cliffs 990' FNL, 830'FE L, Section 33, T-30-N, R-11-W,

San Juan County, NM / API #30-045-21437

Lat _____/ Long ____

PBTD 2399'

Today's Date 3/30/10 Spud 3/4/74 Completed 4/8/74 Elevation 5967' GL 5977' KB

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Ojo Alamo @ 882' *est

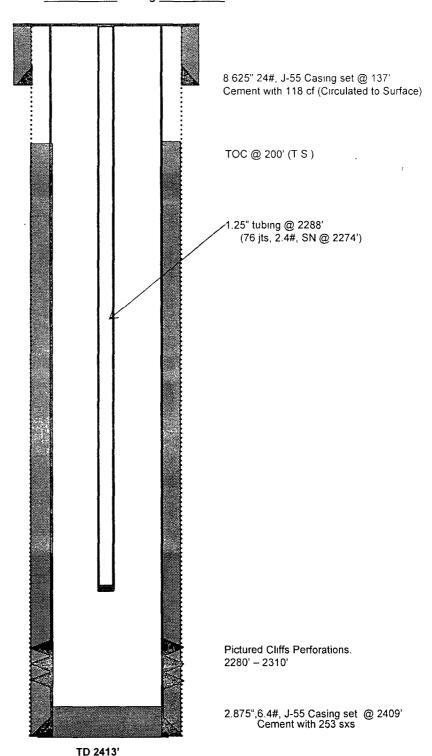
Kirtland @ 1017' *est

7.875" hole to 1666'

Fruitland @ 2017' *est

Pictured Cliffs @ 2282'

6.75" hole to TD



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:

Re: Permanent Abandonment

Well: 3 Murphy E

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 Pictured Cliffs/Fruitland/Kirtland/Ojo Alamo plug to 818'.
- b) You are required to have H2S monitoring equipment and personnel on location during plugging 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.