

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

RECEIVED

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	AUG 25 2010	5. Lease Serial No. NMSF-078101
2. Name of Operator XTO ENERGY INC.	Farmington Field Office Bureau of Land Management	6. If Indian, Allottee or Tribe Name
3a. Address 382 CR 3100 AZTEC, NM 87410	3b. Phone No. (include area code) 505-333-3176	7. If Unit or CA/Agreement, Name and/or No. NMM-119350 (FC)
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 790' FNL & 1040' FEL NENE SEC.1 (A) -T27N-R13W N.M.P.M.		8. Well Name and No. SHIPP GAS COM #1E
		9. API Well No. 30-045-25246
		10. Field and Pool, or Exploratory Area W. KUTZ PICTURED CLIFFS/ BASIN FRUITLAND COAL
		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	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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.)

XTO Energy Inc. intends to plug and abandon this well per the attached procedure.

Please also see the attached current and proposed wellbore diagrams.

RCVD AUG 30 '10

OIL CONS. DIV.

DIST. 3

Notify NMOC D 24 hrs
prior to beginning
operations

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) TEENA M. WHITING	Title REGULATORY COMPLIANCE TECHNICIAN
Signature <i>Teena M. Whiting</i>	Date 8/24/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Original Signed: Stephen Mason	Title DATE AUG 27 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.

NMOC D

Shipp Gas Com #1E

Location: 790' FNL & 1,040' FEL, Section 1, T27N, R13W, San Juan County, NM
API: 30-045-25246
Open Perfs: Fruitland Coal – 1,291'-1,347'

PLUG AND ABANDONMENT PROCEDURE

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 an approved NMOCD C-144 CLEZ Closed-Loop System Permit for the use of an approved 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. MIRU 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. **Plug #1 (Fruitland Coal, 1,390' – ¹⁰²⁶1,230')**: TIH and tag CBP at 1,390'. Pressure test tubing to 1000 PSI. Mix ~~10~~^{10.5} sxs cement (50% excess long plug) and spot a plug on top of the CBP to cover the Pictured Cliffs top and Fruitland Coal intervals. TOH and WOC 4-6 hrs. TIH and tag top of cement. If TOC is lower than ¹⁰²⁶1,230', mix the appropriate amount of cement and spot another balanced plug inside the casing. PUH.
4. **Plug #2 (Casing shoe, 350' – Surface)**: Connect the pump line to the bradenhead valve and attempt to pressure test the BH annulus to 300 PSI; note the volume to load. If the BH annulus holds pressure, then establish circulation out casing valve with water. Mix approximately 31 sxs and pump cement inside the 4-1/2" casing to the surface, circulate good cement out casing valve. TOH and LD tubing. Shut in well and WOC. If the BH annulus does not test, then perforate at the appropriate depth and attempt to circulate cement to surface filling the 4-1/2" casing and the BH annulus to surface. Shut well in and WOC.
5. ND BOP and cut off casing below surface casing flange. Install P&A marker with cement to comply with regulations. RD, move off location, cut off anchors and restore location.

Tops:

Casing shoe	300'	
Ojo Alamo	150'	**Est**
Kirtland	255'	**Est**
Fruitland Coal	1,280'	

July 21, 2010



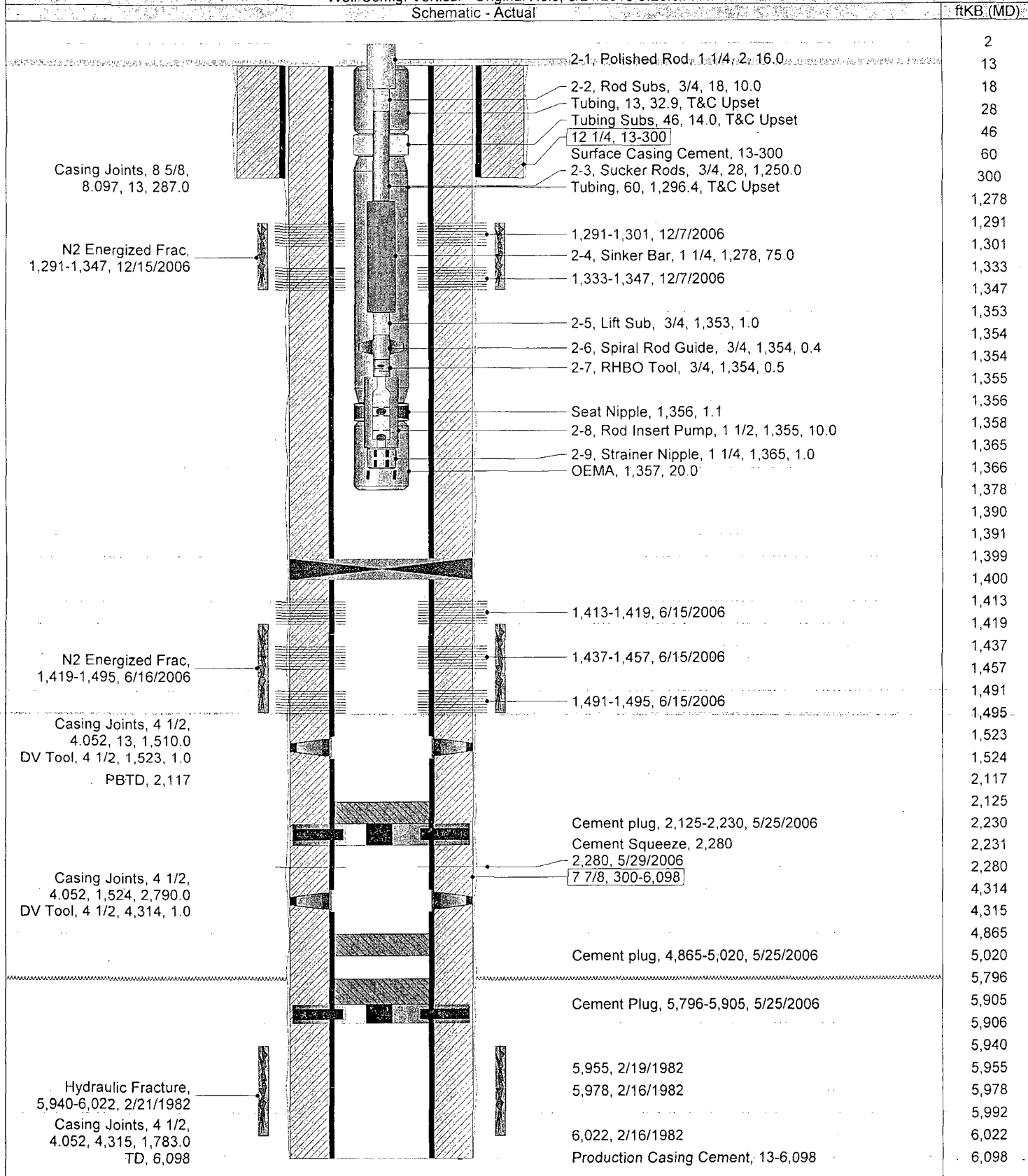
Wellbore

Well Name: Shipp Gas Com 01E

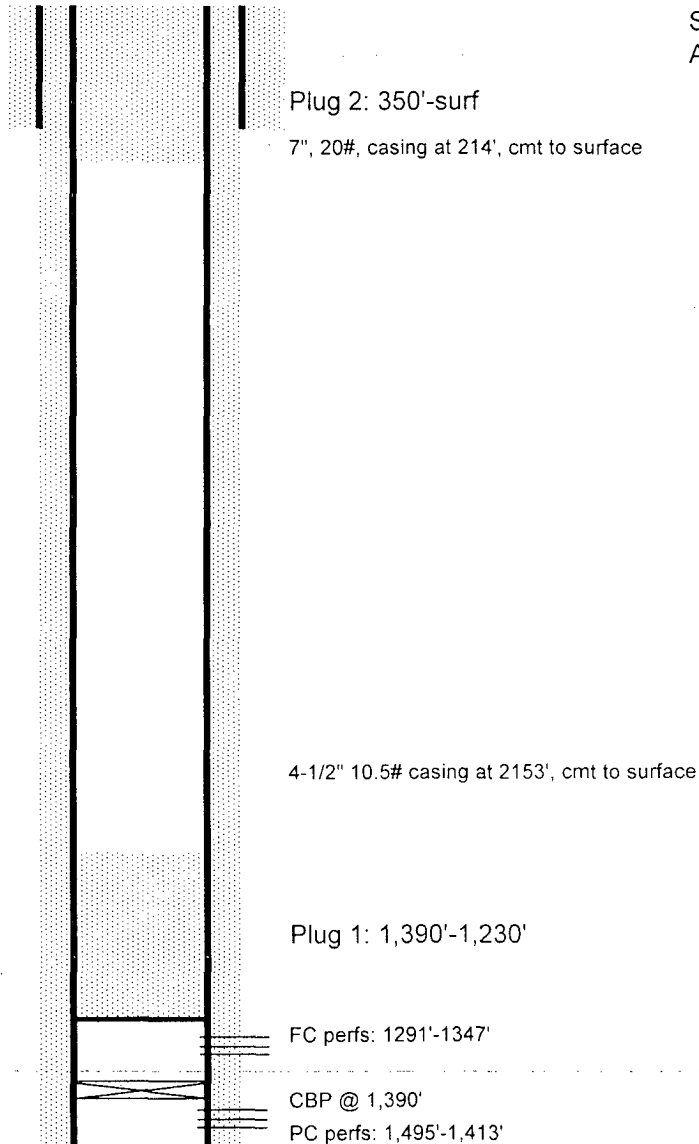
API/UWI	Location	Field Name	Permit Number	State	Well Configuration Type
30045252460000	T27N-R13W-S01	Basin Dakota		New Mexico	Vertical
Original KB Elevation (ft)	Ground Elevation (ft)	KB-Ground Distance (ft)	Spud Date	Rig Release Date	Total Depth (ftKB)
5,804.00	5,791.00	13.00	12/21/1981		6,098.0

Well Config: Vertical - Original Hole, 8/24/2010 9:26:01 AM

Schematic - Actual



Shipp Gas Com #1E
Sec 1, T27N, R13W
API# 30-045-25246



<u>Tops:</u>	
Casing shoe	300'
Ojo Alamo	150'
Kirtland	255'
Fruitland Coal	1280'

**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: 1E Shipp Gas Com

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 Fruitland plug to 1026'.

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.