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

Serial No.

| Э. | Lease | Seriai | INC |
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SUNDRY NOTICES AND REPORTS ON WELLS

| SUNDRY NOTICES AND REPORTS | NMSF-080238A | | |
|---|--|--|--|
| Do not use this form for proposals to drill abandoned well. Use Form 3160-3 (APD) fo | or to re-enter an r such proposals. | 6. If Indian, Allottee or Tribe Name | |
| SUBMIT IN TRIPLICATE - Other instruction | 7. If Unit or CA/Agreement, Name and/or No | | |
| I. Type of Well Oil Well X Gas Well Other | AUID 23 ZUIU Farmington Field Office | 8. Well Name and No. GALLEGOS FEDERAL 26-13-01 #1 | |
| 2. Name of Operator XTO ENERGY INC. | Bureau of Land Managem | 1 | |
| 3a. Address | 3b. Phone No. (include area code) | 30-045-31712 | |
| 382 CR 3100 AZTEC, NM 87410 | 505-333-3176 | 10. Field and Pool, or Exploratory Area | |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) | | BASIN FRUITLAND COAL | |
| 2050' FSL & 900' FEL NESE SEC.1(I)-T26N-R13W | N.M.P.M. | 11. County or Parish, State | |
| | | SAN JUAN NM | |
| | | | |
| 12. CHECK APPROPRIATE BOX(ES) TO IN | DICATE NATURE OF NOTICE, REPO | ORT, OR OTHER DATA | |
| TYPE OF SUBMISSION | TYPE OF ACTION | | |
| X Notice of Intent | Deepen Production Fracture Treat Reclamatic | n (Start/Resume) Water Shut-Off Mell Integrity | |
| Subsequent Report Casing Repair | New Construction Recomplet | | |
| Final Abandonment Notice Change Plans Convert to Inject | | ły Abandon posał | |
| 13. Describe Proposed or Completed Operation (clearly state all pertinent deta If the proposal is to deepen directionally or recomplete horizontally, give Attach the Bond under which the work will be performed or provide the following completion of the involved operations. If the operation results testing has been completed. Final Abandonment Notices shall be filed o determined that the final site is ready for final inspection.) XTO Energy Inc. intends to plug and abandon this | subsurface locations and measured and true ve Bond No. on file with BLM/BIA. Required s in a multiple completion or recompletion in a mly after all requirements, including reclamation | rtical depths of all pertinent markers and zones, subsequent reports shall be filed within 30 days new interval, a Form 3160-4 shall be filed once on, have been completed, and the operator has | |
| Please also see the attached current and propose | | | |
| | | RCVD AUG 24'10 | |
| | | OIL CONS. DIV. | |
| | | DIST. 3 | |
| 14. I hereby certify that the foregoing is true and correct | : | | |

Name (Printed/Typed) Title REGULATORY COMPLIANCE TECHNICIAN TEENA M. WHITING Signature Date 8/20/2010 THIS SPACE FOR FEDERAL OR STATE OFFICE USE Original Signed: Stephen Mason Title Date AUG 2 4 2010 Approved by 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

PLUG AND ABANDONMENT PROCEDURE

May 24, 2010

Gallegos Federal 26-13-1 #1S

Basin Fruitland Coal 2050' FSL and 900' FWL, Section 1, T26N, R13W

| | San Juan County, New Mexico / API 30-045-31712 Lat:/ Lat: |
|-------|---|
| 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 X , No , Unknown , Size 2.375" , Length 1206' Packer: Yes , No X , Unknown , Type , 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 and Fruitland top, 1094' – 792'): PU and TIH with 4.5" cemen retainer, set at 1094'. Pressure test tubing to 1000 PSI. Pressure test casing to 800 PSI. If casing does not test, then spot or tag subsequent plug as appropriate. Mix and pump 27 sxs Class B cement above CR to isolate the Pictured Cliffs interval and cover the Fruitland top. PUH. |
| 5. | Plug #2 (Kirtland top and Surface Casing shoe, 196' to 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 20 sxs Class B cement and spot a balanced plug inside the casing from 196' to |

6. 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.

surface filling the 4.5" casing and the BH annulus to surface. Shut well in and WOC.

surface, circulate good cement out casing valve. TOH and LD tubing. Shut well in and WOC. If the BH annulus does not test, then <u>perforate at the appropriate</u> depth and attempt to circulate cement to

Gallegos Federal 26-13-1 #1S

Proposed P&A

Basin Fruitland Coal 2050' FSL, 900' FWL, Section 1, T-26-N, R-13-W, San Juan County, NM / API #30-045-31712 Lat ______ / Long _____

Today's Date: 5/24/10

Spud: 1/24/05 Completed: 3/14/05

Elevation: 5958' GL

5963' KB

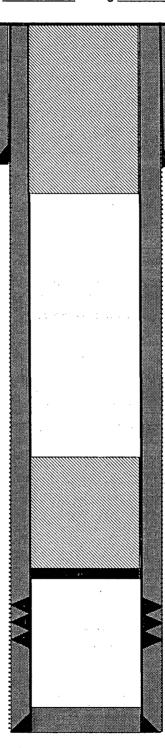
8.75" hole

Kirtland @ 146'

Fruitland @ 842'

Pictured Cliffs @ 1174'

6.25" hole



TD 1348' PBTD 1303'

TOC @ Surface, circulated 10 sxs per records

Plug #2: 196' - Surface Class B cement, 20 sxs

7" 20#, J-55 Casing set @ 143'. Cement with 101 sxs (Circulated to Surface)

> Plug #1: 1094' - 792' Class B cement, 27 sxs

Set CR @ 1094'

Fruitland Coal Perforations: 1144' – 1161'

4.5", 10.5#, J-55 Casing set @ 1343'
Cement with 145 sxs (291 cf)
Circulate 10 sxs cement to surface

Gallegos Federal 26-13-1 #1S

Current

Basin Fruitland Coal 2050' FSL, 900' FWL, Section 1, T-26-N, R-13-W, San Juan County, NM / API #30-045-31712 Lat ______ / Long ______

Today's Date: 5/24/10 Spud: 1/24/05 TOC @ Surface, circulated 10 sxs Completed: 3/14/05 per records Elevation: 5958' GL 5963' KB 7" 20#, J-55 Casing set @ 143' Cement with 101 sxs (Circulated to Surface) 8.75" hole Kirtland @ 146' .2.375", 4.7# EUE tubing at 1206' (36 jts, SN with rods and pump) Fruitland @ 842' Pictured Cliffs @ 1174' Fruitland Coal Perforations: 1144' - 1161' 4.5", 10.5#, J-55 Casing set @ 1343' Cement with 145 sxs (291 cf) Circulate 10 sxs cement to surface 6.25" hole TD 1348'

PBTD 1303'