Form 3160-5 (August 2007)

UNITED STATEŞ DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

FORM APPROVED OMB NO. 1004-0137 Expires July 31, 2010

5. Lease Serial No.

| 378.07K | 7 | 22 | 2 |
|---------|-----|----|----|
| NMNM- | - 1 | 22 | 17 |

| Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals. | | 6. If Indian, Allottee or Tribe Name | |
|---|---|--|---|
| SUBMIT IN TRIPLICATE - Other instructions on page 2 | | | 7. If Unit or CA/Agreement, Name and/or N |
| 1. Type of Well Oil Well X Gas Well Other 2. Name of Operator XTO ENERGY INC. 3a. Address 382 CR 3100 AZTEC, NM 87410 4. Location of Well (Footage, Sec., T., R., M., or Survey 900' FSL & 660' FEL SESE SEC | Description) C. 3 (P) -T26N-R13W | Farmington Field Office Bureau of Land Manageme 3b. Phone No. (include area code) 505-333-3176 N.M.P.M. | 9. API Well No. |
| 12. CHECK APPROPRIATI | E BOX(ES) TO IN | DICATE NATURE OF NOTICE | E, REPORT, OR OTHER DATA |
| TYPE OF SUBMISSION | | TYPE OF A | ACTION |
| If the proposal is to deepen directionally or recomp Attach the Bond under which the work will be perfollowing completion of the involved operations. | plete horizontally, give softened or provide the If the operation results Notices shall be filed or ction.) and abandon this | Fracture Treat New Construction X Plug and Abandon Plug Back Plug Back Plug Back Now Construction Region Plug Back Plug Back | Production (Start/Resume) Water Shut-Off Reclamation Well Integrity Recomplete Other Temporarily Abandon Water Disposal Of any proposed work and approximate duration thereod true vertical depths of all pertinent markers and zone lequired subsequent reports shall be filed within 30 day tion in a new interval, a Form 3160-4 shall be filed one reclamation, have been completed, and the operator has procedure. |
| | | | RCVD AUG 30 '10 OIL CONS. DIV. |
| | | Notify NMOCD 24 hrs prior to beginning operations | š DIST. 3 |
| 14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) TEENA M. WHITING | | Title REGULATORY | COMPLIANCE TECHNICIAN |
| Signature Leena M. Whiz | | Date 8/23/2010 | |
| | S SPACE FOR FEI | DERAL OR STATE OFFICE U | |
| Approved by Original Signed: Stephel | n Mason | Title | Date AUG 2 6 2010 |

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.

Office

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.



PLUG AND ABANDONMENT PROCEDURE

July 19, 2010

Gallegos Federal 26-13-3 #2T

Basin Fruitland Coal

| | 990' FSL and 660' FEL, Section 3, T26N, R13W San Juan County, New Mexico / API 30-045-31865 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 Tubing: Yes_X_, No, Unknown, Size2.375"_, Length1322' Packer: Yes, No_X_, 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 and Fruitland top, 1196' – 860'): PU and TIH with 4.5" cement retainer, set at 1196'. 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 30 sxs Class B cement above CR to isolate the Pictured Cliffs interval and cover the Fruitland top. TOH with tubing. |
| | 2/3 |
| 5. | Plug #2 (Kirtland top and Surface Casing shoe, 190' to Surface): Perforate 3 squeeze holes at 43'. Establish circulation out bradenhead with water and circulate the BH annulus clean. RIH with tubing to 190'. Mix approximately 25 sxs Class B cement from 190' to surface; squeeze cement out 4.5" casing to circulate good cement out bradenhead. Shut in well and WOC. |

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.

Gallegos Federal 26-13-3 #2T

Current

Basin Fruitland Coal
990' FSL, 660' FEL, Section 3, T-26-N, R-13-W

San Juan County, NM / API #30-045-31865 Lat ______ / Long _____

Today's Date: 7/19/10

Spud: 01/25/06

Completed: 03/15/06

Elevation: 6091' GL

6096, KE

Kirtland @ 100'

8.75" hole

4.5" TOC @ 45' ('06 CBL)

7" 20#, J-55 Casing set @ 140' Cement with 75 sxs (Circulated to Surface)

2.375", 4.7# EUE tubing at 1322' KB (41 jts with rods and pump)

Fruitland @ 910'

Pictured Cliffs @ 1266'

6.25" hole

Fruitland Coal Perforations: 1246' – 1268'

> 4.5", 10.5#, J-55 Casing set @ 1401' Cement with 150 sxs Circulate 35 sxs cement to surface

TD 1416' PBTD 1356'

Gallegos Federal 26-13-3 #2T

Proposed P&A

Basin Fruitland Coal 990' FSL, 660' FEL, Section 3, T-26-N, R-13-W

San Juan County, NM / API #30-045-31865 Lat ______ / Long _____

Today's Date: 7/19/10

Spud: 01/25/06 Completed: 03/15/06

Elevation: 6091' GL

6096' KB

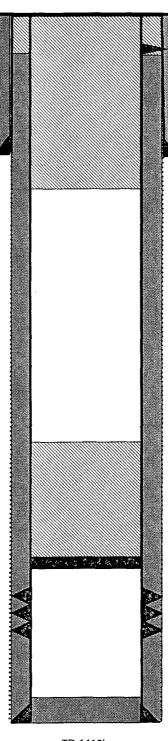
Kirtland @ 100'

8.75" hole

Fruitland @ 910'

Pictured Cliffs @ 1266'

6.25" hole



TD 1416' PBTD 1356' Perforate @ 43'

TOC @ 45' (CBL '06)

Plug #2: 190' - 0' Class B cement, 25 sxs

7" 20#, J-55 Casing set @ 140' Cement with 75 sxs (Circulated to Surface)

> Plug #1: 1196' - 860' Class B cement, 30 sxs

Set CR @ 1196'

Fruitland Coal Perforations: 1246' – 1268'

4.5", 10.5#, J-55 Casing set @ 1401' Cement with 150 sxs Circulate 35 sxs cement to surface

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: 2T Gallegos Federal 26-13-3

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) Place the Kirtland/Ojo Alamo/Surface plug from 213' to surface.

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.