

Submit 3 Copies To Appropriate District  
Office  
District I  
1625 N. French Dr., Hobbs, NM 87240  
District II  
1301 W. Grand Ave., Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103

June 19, 2008

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

WELL API NO. <b>30-045-32107</b>
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: <b>GRACIA STATE 32 0</b>
8. Well Number <b>#4</b>
9. OGRID Number <b>5380</b>
10. Pool name or Wildcat <b>BASIN FRUITLAND COAL</b>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <b>6,263'</b>

**SUNDRY NOTICES AND REPORTS ON WELLS**  
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	7. Lease Name or Unit Agreement Name: <b>GRACIA STATE 32 0</b>
2. Name of Operator <b>XTO Energy Inc.</b>	8. Well Number <b>#4</b>
3. Address of Operator <b>382 CR 3100 AZTEC, NM 87410</b>	9. OGRID Number <b>5380</b>
4. Well Location Unit Letter <b>O</b> : <b>1200</b> feet from the <b>SOUTH</b> line and <b>1800</b> feet from the <b>EAST</b> line Section <b>32</b> Township <b>26N</b> Range <b>11W</b> NMPM County <b>SAN JUAN</b>	10. Pool name or Wildcat <b>BASIN FRUITLAND COAL</b>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <b>6,263'</b>	

12. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☒  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐  
~~DOWNHOLE COMMINGLE~~ ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

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

Please also see the attached current and proposed wellbore diagrams.

Notify NMOCD 24 hrs  
prior to beginning  
operations

RCVD SEP 10 '10  
OIL CONS. DIV.  
DIST. 3

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Teena M. Whiting TITLE REGULATORY COMPLIANCE TECH DATE 9/9/2010  
teena.whiting@xtoenergy.com  
Type or print name TEENA M. WHITING E-mail address: teena.whiting@xtoenergy.com PHONE 505-333-3176

For State Use Only

APPROVED BY Kelly G. Ralt Deputy Oil & Gas Inspector, District #3 DATE SEP 27 2010  
Conditions of Approval (if any):

WFL\_\_\_\_  
TJF\_\_\_\_

## Gracia State 32 O #4 – Fruitland Coal PLUG AND ABANDONMENT PROCEDURE

June 25, 2010

1,200' FSL & 1,800' FEL  
Unit J, Section 32, T26N, R11W  
San Juan County, NM API #30-045-32107

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 the Operator to obtain 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. 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. TOH and LD rods and pump. ND wellhead and NU BOP. Function test BOP. TOH with tubing and LD BHA.
3. Rods: Yes   X  , No       , Unknown       ;  
Tubing: Yes   X  , No       , Unknown       , Size   2-3/8"  , Length   1,351'   Unknown       ;  
Packer: Yes       , No   X  , Unknown       , Type       .
4. Round trip a 4.5" casing scraper to 1,250'; not a wireline gauge ring.
5. **Plug #1 (Fruitland Coal, 1,210' – 1,060')**: TIH and set cement retainer at 1,210'. 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 16 sxs cement and spot a balanced plug inside the casing to cover the Fruitland Coal intervals. PUH to 490'.
6. **Plug #2 (Kirtland, Ojo Alamo, & casing shoe 490' – 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 42 sxs and pump cement inside the 4.5" 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 4.5" casing and the BH annulus to surface. Shut in well and WOC.
7. 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:

Fruitland:	1,260'
Kirtland:	440'
Ojo Alamo:	290'
Casing Shoe:	226'

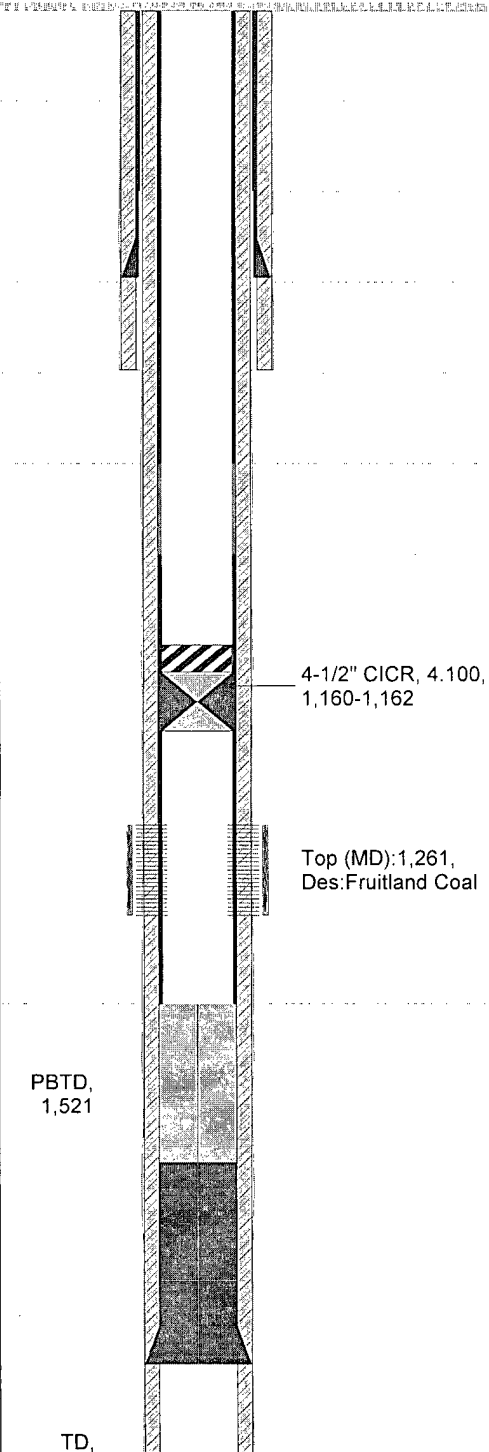


# XTO - Wellbore Diagram

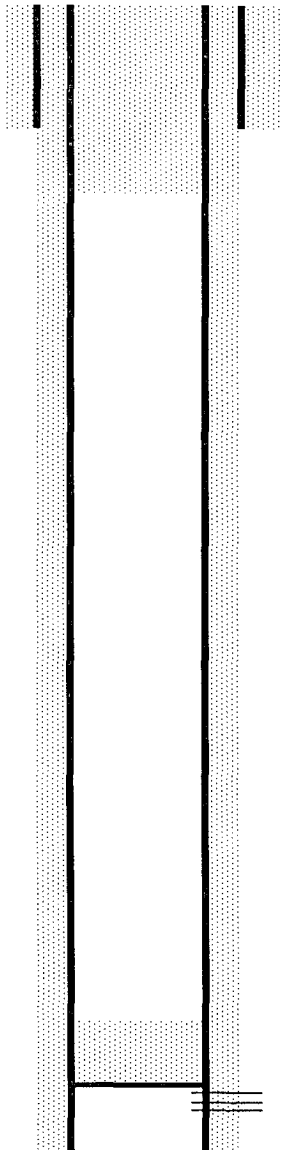
Well Name: Gracia State 32 O 04

API/UWI	E/W Dist (ft)	E/W Ref	N/S Dist (ft)	N/S Ref	Location	Field Name	County	State
30045321070000	1,800.0	FEL	1,200.0	FSL	T26N-R11W-S32	Basin Fruitland Coal	San Juan	New Mexico
Well Configuration Type	XTO ID B	Orig KB Elev (ft)	Gr Elev (ft)	KB-Grd (ft)	Spud Date	PBTD (All) (ftKB)	Total Depth (ftKB)	Method Of Production
Vertical	71739	6,269.00	6,263.00	6.00	4/13/2004	Original Hole - 1521.0	1,567.0	Beam

Well Config: Vertical - Original Hole, 9/8/2010 2:58:37 PM

Schematic - Actual		Incl	ftKB (TVD)	ftKB (MD)	Zone		Top (ftKB)		Btm (ftKB)					
					Fruitland Coal		1,261.0		1,276.0					
		Casing Strings		Casing Description		OD (in)	Wt (lbs/ft)	String Grade	Top Connection	Set Depth (ftKB)				
		Surface				7	20.00	J-55		226.0				
		Casing Description		OD (in)		Wt (lbs/ft)	String Grade	Top Connection	Set Depth (ftKB)					
		Production		4 1/2		10.50	J-55		1,564.0					
		Cement		Description		Type	String							
		Surface Casing Cement		casing		Surface, 226.0ftKB								
		Comment		circ 7 bbls cmt to surf										
		Cement		Description		Type	String							
		Production Casing Cement		casing		Production, 1,564.0ftKB								
		Comment		circ 9 bbls cmt to surf										
		Perforations		Date		Top (ftKB)	Btm (ftKB)	Shot Dens (shots/ft)	Hole Diameter (in)	Phasing (°)	Curr... Status	Zone		
		5/1/2004		1,261.0		1,276.0	3.0					Fruitland Coal		
		Tubing Strings		Tubing Description		Run Date	Set Depth (ftKB)							
		Tubing Components		Item Description		Jts	Model	OD (in)	Wt (lbs/ft)	Grade	Top Thread	Len (ft)	Top (ftKB)	Btm (ftKB)
		Rods		Rod Description		Run Date	String Length (ft)		Set Depth (ftKB)					
		Rod Components		Item Description		Jts	Model	OD (in)	Grade	Len (ft)	Top (ftKB)	Btm (ftKB)		
		Stimulations & Treatments		Frac Start Date		Top Perf (ft)	Bottom Pe...	V (slurry) (...)	Total Prop...	AIR (b...	ATP (psi)	MTP (psi)	ISIP (psi)	
		5/4/2004												
		Comment												
</														

Gracia State 32-O-4  
Sec 32, T26N, R11W  
API# 30-045-32107



Plug 2: 490'-surf

7", 20#, casing at 226', cmt to surface

4-1/2" 10.5# casing at 1564', Circ to surface

Plug 1: 1210-1060'

FC perms: 1261'-1276'

<u>Tops:</u>	
Casing shoe	226'
Ojo Alamo	290'
Kirtland	440'
Fruitland Coal	1,260'