Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
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 reverse side.

5. Lease Serial No.
14206032199

6. If Indian, Allottee or Tribe Name
SHIP ROCK

7. If Unit or CA/Agreement, Name and/or No.
NMNM78404X

1. Type of Well
☐ Oil Well ☐ Gas Well ☒ Other: INJECTION

8. Well Name and No.
NW CHA CHA 24

2. Name of Operator
XTO ENERGY INC
Contact: TEENA WHITING
E-Mail: teena_whiting@xtoenergy.com

9. API Well No.
30-045-07990-00-S1

3a. Address
382 CR 3100
AZTEC, NM 87410

3b. Phone No. (include area code)
Ph: 505-333-3176

10. Field and Pool, or Exploratory
CHA CHA GALLUP

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 21 T29N R14W NESE 1780FSL 0835FEL
36.70963 N Lat, 108.30829 W Lon

11. County or Parish, and State
SAN JUAN COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☐ Change Plans	☒ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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 recomplete 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 recompletion 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 site is ready for final inspection.)

XTO Energy Inc. proposes to modify the plug & abandonment procedure for this well per the attached updated procedure and proposed wellbore diagram.

RECEIVED
MAR 2011
OIL CONS. DIV. DIST. 3

CONDITIONS OF APPROVAL
Adhere to previously issued stipulations.

I Solate Gallup & MANCOS top

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #103670 verified by the BLM Well Information System
For XTO ENERGY INC, sent to the Farmington
Committed to AFMSS for processing by STEVE MASON on 03/04/2011 (11SXM0931SE)

Name *(Printed/Typed)* TEENA WHITING — Title REGULATORY COMPLIANCE TECH

Signature (Electronic Submission) — Date 03/04/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By STEPHEN MASON — Title PETROLEUM ENGINEER — Date 03/04/2011

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 Farmington

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

NMOCD

ACB____
TWD____
AFE Approved____

NW CHA CHA UNIT #24
Cha Cha Gallup / API 30-045-07990
1,760' FSL & 835' FEL, Section 21, T 29 N, R 14 W
San Juan County, New Mexico

Modified Plug and Abandonment Procedure

Surface Casing: 8-5/8", 22.7#, SJ csg @ 211'. Cmt 115 sx. Circ 5 sx cmt to surface.

Production Casing: 5-1/2", 14.0#, J-55 csg @ 5,383'.
Cmt 100 sx 6% gel cmt & 100 sx neat cmt. Did not circ cmt to surface.

TOC: 1,280' (CBL 02/24/2011)

PBTD: 2,572' (unknown isolation device, previous operator did not report)

Tubing: None

Perforations: Gallup: 5,145' – 5,153' (under isolation device)

Csg leak: 3,200' – 3,218'. Sqz'd w/367 sx cmt 12/08/94 (under isolation device)

XTO Energy rigged up to begin operations to plug and abandon the NW Cha Cha Unit #24 on February 21, 2011. The previous operator reported that a CIBP was set at 5,084'. While making a bit and scraper run, XTO tagged an undocumented plug of some type at 2,561'. XTO's attempts to fish the plug and mill out the plug were unsuccessful. XTO ran a CBL, per the COA's of the approved, original NOI to plug and abandon, and rigged down from the well. After discussion with Mr. Steve Mason (BLM) and Mr. Charlie Perrin (NMOCD), XTO is seeking approval to continue plugging operations on the NW Cha Cha Unit #24 per the following modified procedure.

Please see the updated current wellbore diagram, updated proposed abandoned wellbore diagram, a CBL dated 02/24/2011, and the approved, original NOI to P&A for reference.

1) MIRU PU. Set flowback tank. MI trailer with +/- 2,700' – 2-3/8", 4.7#, J-55, EUE tubing.

2) ND WH. NU BOP.

3) TIH with 2-3/8" tubing to 2,572' (PBTD).

4) PT tubing to 2,000 psig.

5) Mix and pump 18 sx Class "B" cement (15.6 ppg, 1.18 cuft/sk) down 2-3/8" tubing and from 2,472' – 2,572'. (Cement volume calculated with 50% excess.). PUH to 2,350'.

6) SD 4 hours and WOC. TIH and tag up to verify TOC (cement needs to be at 2,472' or closer to surface). PUH to 2,044'.

7) Pump 18 sx Class "B" cement (15.6 ppg, 1.18 cuft/sk) down 2-3/8" tubing and spot balance plug from 1,944' – 2,044'. (Cement volume calculated with 50% excess.). PUH to 1,850'.

8) SD 4 hours to WOC. TIH and tag up to verify TOC (cement needs to be at 1,944' or closer to surface). TOH.

9) MIRU WL. RIH with 3-1/8" perf gun and perforate 3 squeeze holes at 1,072'. RD WL.

10) TIH with 5-1/2" CICR on 2-3/8" tubing and set at 1,022'. EIR with water down 2-3/8" tubing, through CICR, and into squeeze holes. Attempt to establish circulation out bradenhead. Mix 300 sx Class "B" cement (15.6 ppg, 1.18 cuft/sk). Begin pumping cement down 2-3/8" tubing. If circulation is established, pump cement until cement circulates to surface out bradenhead (annular volume from surface – 1,072' is 162 sx). Otherwise, pump 150 sx cement to cement annulus from 610' – 1,072'. (Cement volume calculated with 100% excess behind pipe from 610' – 1,072' and 50% excess inside pump from 1,022' – 1,072'.)

11) Sting out of CICR and pump 72 sx Class "B" cement (15.6 ppg, 1.18 cuft/sk) down 2-3/8" tubing. Cement will cover 610' – 1,072'. (Behind pipe cement volume calculated with 100% excess and inside pipe volume and inside pipe volume calculated with 50% excess.) PUH to 300'.

12) SD 4 hours to WOC. TIH and tag up to verify TOC (cement needs to be at 610' or closer to surface).

13) *If cement was circulated to surface in step 10:*
RDMO WL. PUH to 286'. Mix and pump 45 sx Class "B" cement (15.6 ppg, 1.18 cuft/sk) down 2-3/8" tubing and spot balance plug from surface – 286'. (Cement volume calculated with 50% excess.). TOH.

If cement was not circulated to surface in step 10:
TOH. RIH with 3-1/8" perf gun and perforate 3 squeeze holes at 286'. RDMO WL. EIR down 5-1/2" casing with water and establish circulation out bradenhead. Pump 160 sx Class "B" cement (15.6 ppg, 1.18 cuft/sk) down 5-1/2" casing and circulate out bradenhead. Cement will cover from surface – 286' inside pipe and in annulus. (Annular cement volume calculated with 100% excess and inside pipe volume volume calculated with 50% excess.)

14) ND BOP. Clean out BOP.

15) LD 2-3/8" tubing on trailer.

16) Cut off wellhead. Fill in casing with cement as needed. Install above-ground P&A marker that complies with all regulations.

17) RDMO PU.

18) Cut off anchors. Reclaim location.

Regulatory:

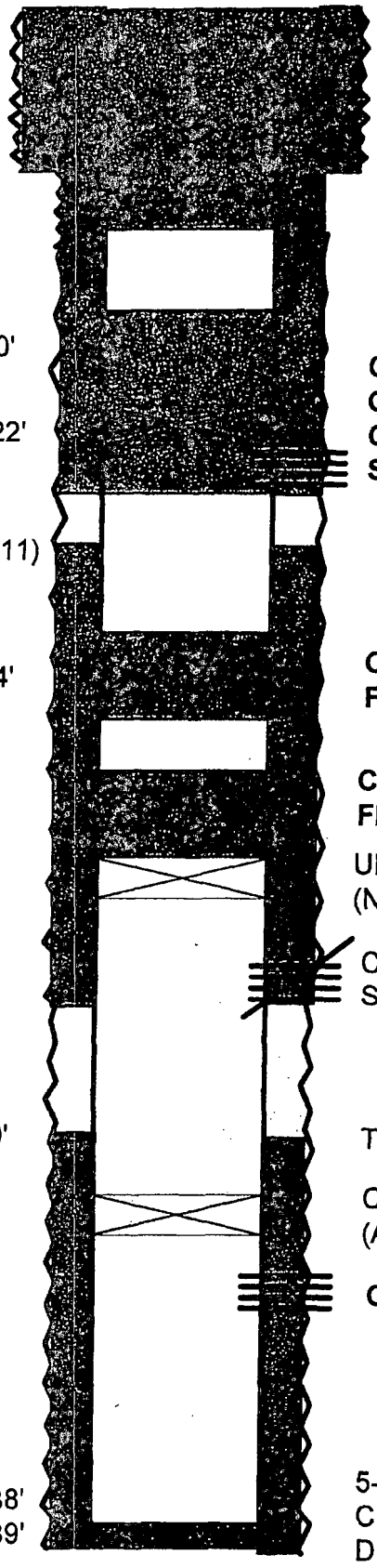
1) C-144 CLEZ (approved 06/02/2010)
2) C-103: NOI to P&A (approved 05/18/2010 (BLM) & 05/21/2010 (NMOCD))
3) C-103: NOI to modify P&A procedure
4) Submit a post-work sundry on form C-103 which details the P&A work and location work within 30 days of completing all required restoration work.

Equipment

1) Flowback tank
2) +/- 2,700' – 2-3/8", 4.7#, J-55, EUE tbg
3) 1 – 5-1/2" CICR (set on 2-3/8" tubing)
4) Wireline truck
5) Cement equipment
6) 500 sx cl "B" cmt available, will most likely not have to mix and pump all of it
7) Above-ground P&A marker

NW CHA CHA UNIT #24
API 30-045-07990
PROPOSED MODIFIED P&A

KB: 5,598'
GL: 5,586'
KB CORR: 12'



12-1/4" HOLE

8-5/8" 22.7# SJ CSG @ 211'.
CMT 115 SX.
CIRC 5 SX CMT TO SURF.

CMT FR/SURF – 286' (INSIDE CSG)

FRUITLAND @ 660'

CMT FR/610' – 1,072' (INSIDE CSG)
CMT FR/SURF – 1,072' (OUTSIDE CSG)
CICR @ 1,022'
SQZ HOLES @ 1,072'

PICTURED CLIFFS @ 1,022'

TOC @ 1,280' (CBL 02/24/11)

MESAVERDE @ 1,994'

CMT BALANCE PLUG (INSIDE CSG)
FR/1,944' – 2,044'

CMT PLUG (INSIDE CSG)
FR/2,472' – 2,572'

UNKNOWN PLUG @ 2,572'
(NO DOCUMENTATION)

7-7/8" HOLE

CSG LK FR/3,200' – 3,218'
SQZD W/367 SX CMT

GALLUP @ 4,780'

TOC (EST) @ 4,281' (1.2 CUFT/SX & 75% EFF)

CIBP @ 5,084'
(AS REPORTED BY PREVIOUS OPERATOR)

GP FR/5,145' - 5,153'

PBTD: 5,238'
TD: 5,289'

5-1/2" 14.0# J-55 CSG @ 5,283'.
CMT 200 SX.
DID NOT CIRC.