



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

IN REPLY REFER TO:

NM-14921(WC)
3162.3-2 (07100)

DEC 27 2001

CERTIFIED--RETURN RECEIPT REQUESTED **7106 4575 1292 2684 1514**

Mr. Gary Markestad
XTO Energy Incorporated
2700 Farmington Ave., Bldg., K., Suite 1
Farmington, NM 87401



Dear Mr. Markestad:

Reference is made to the following well on Federal oil and gas lease NM-14921:

**No. 15 Valencia Canyon Unit, located 1450' FSL and 790' FEL , Sec. 27, T. 28 N., R. 4 W.,
Rio Arriba County, New Mexico.**

On September 27, 2001, we electronically received your Sundry Notice of Intent to plug back the Pictured Cliffs and recomplete in the Fruitland Coal. Shortly thereafter, we received your Well Completion Report which was filed electronically on October 24, 2001. This report indicates that the referenced well was plugged back and recompleted on October 2, 2001, in the Fruitland Coal. This Completion Report is in essence an after the fact report which reports the plug back and recompletion work conducted on this well.

This office has no record of prior approval, written or verbal, being given to conduct these operations. The Sundry Notice received on September 27, 2001, was never approved prior to your commencing the plug back and recompletion work. As such, you are in violation of 43 CFR 3162.3-2, Subsequent Well Operations, which requires prior approval before commencing plug back and recompletion operations. This is the second violation of this sort that XTO Energy Incorporated (formerly Cross Timbers Operating Company) has had. A copy of a previously issued violation notice is attached for your reference.


In addition, you are also subject to a \$250 assessment pursuant to 43 CFR 3163.1-2 for failure to abate each violation (plug back and recompletion). You will be billed for the amount of \$500.00 (\$250X 2) by this office. You are further advised that if you fail to abate these types of violations in the future, you will be subject to Civil Penalties under the major violation provisions pursuant to 43 CFR 3163.2. Enclosed you will find your processed well Completion Report and Sundry Notice. Within 30 days of this notice you must file a subsequent report Sundry Notice detailing the plug back and recompletion work conducted on this well.

Under provisions of 43 CFR 3165.3, you may request an Administrative Review of the assessment described above. Such request, including all supporting documents, must be filed in writing within 20 business days of receipt of this notice and must be filed with the State Director, Bureau of Land Management (NM-93000), P. O. Box 27115, Santa Fe, New Mexico 87502-0115. Such request shall not result in a suspension of the orders unless the reviewing official so determines. Procedures governing appeals from instructions, orders or decisions are contained in 43 CFR 3165.4 and 43 CFR 4.400 *et seq.*

If you have any questions, please contact Jim Lovato at (505) 599-6367 at your convenience.

Sincerely,



 David J. Mankiewicz
Assistant Field Manager, Minerals

3 Enclosures:

- 1 - Well Completion Report
- 2 - Sundry Notices
- 3 - Violation Notice (No. 1 Dawson Federal)

cc:

New Mexico Oil Conservation Division (Aztec)
New Mexico Oil Conservation Division (Santa Fe)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Dry <input type="checkbox"/> Other						6. If Indian, Allottee or Tribe Name			
b. Type of Completion <input type="checkbox"/> New Well <input type="checkbox"/> Work Over <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input checked="" type="checkbox"/> Diff. Resvr.						7. Unit or CA Agreement Name and No.			
Other _____									
2. Name of Operator XTO ENERGY INC.				Contact: HOLLY PERKINS E-Mail: Holly_Perkins@xtoenergy.com		8. Lease Name and Well No. VALENCIA CANYON UNIT 15			
3. Address 2700 FARMINGTON AVE, BLDG K, SUITE 1 FARMINGTON, NM 87401				3a. Phone No. (include area code) Ph: 505.324.1090 Ext: 4020		9. API Well No. 30-039-21475			
4. Location of Well (Report location clearly and in accordance with Federal requirements)* At surface NESE 1450FSL 790FEL At top prod interval reported below At total depth						10. Field and Pool, or Exploratory BASIN FRUITLAND COAL			
						11. Sec., T., R., M., or Block and Survey or Area Sec 27 T28N R04W Mer NMP			
						12. County or Parish RIO ARRIBA			
						13. State NM			
14. Date Spudded 12/09/2077		15. Date T.D. Reached 12/17/2077		16. Date Completed <input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod. 10/02/2001		17. Elevations (DF, KB, RT, GL)* 7224 GL			
18. Total Depth: MD TVD		4350		19. Plug Back T.D.: MD TVD		20. Depth Bridge Plug Set: MD TVD			
21. Type Electric & Other Mechanical Logs Run (Submit copy of each) NONE						22. Was well cored? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Was DST run? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Directional Survey? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis)			
23. Casing and Liner Record (<i>Report all strings set in well</i>)									
Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12.250	8.625 K-55	24.0		315		250			0
7.875	4.500 J-55	11.0		4350		1230			0
24. Tubing Record									
Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	
2.375	4010								
25. Producing Intervals					26. Perforation Record				
Formation	Top	Bottom	Perforated Interval		Size	No. Holes	Perf. Status		
A) FRUITLAND COAL	3993	4006	3993 TO 4006		0.450	39			
B)									
C)									
D)									
27. Acid, Fracture, Treatment, Cement Squeeze, Etc.									
Depth Interval		Amount and Type of Material							
3993 TO 4006		500 GALS 15% HCL, 85000 GALS 25# XL GEL & 104,000# SAND							
28. Production - Interval A									
Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
10/18/2001	10/18/2001	3	→	0.0	4.5	6.0			GAS PUMPING UNIT
Choke Size	Tbg. Press. Flwg. SI	Csg. Press. SI	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
1/4	15	10.0	→	36	48			GSi	
28a. Production - Interval B									
Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press. SI	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→						
(See Instructions and spaces for additional data on reverse side)									
ELECTRONIC SUBMISSION #8112 VERIFIED BY THE BLM WELL INFORMATION SYSTEM									
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Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	

30. Summary of Porous Zones (Include Aquifers):

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
FRUITLAND COAL PICTURED CLIFFS	3884 4035	4035 4222		FRUITLAND COAL PICTURED CLIFFS	3884 4035

33. Circle enclosed attachments:

1. Electrical/Mechanical Logs (1 full set req'd.) 2. Geologic Report 3. DST Report 4. Directional Survey
5. Sundry Notice for plugging and cement verification 6. Core Analysis 7. Other: _____

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions):

Electronic Submission #8112 Verified by the BLM Well Information System.
For XTO ENERGY INC., sent to the Farmington
Committed to AFMSS for processing by Maurice Johnson on 10/24/2001 ()

Name (please print) DARRIN STEED Title OPERATIONS ENGINEER

Signature _____ (Electronic Submission) Date 10/22/2001

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.

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

FORM APPROVED
Budget Bureau No. 1004-0135
Expires November 30, 2000

5. Lease Serial No.

NMNM14921

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

VALENCIA CANYON 15
UNIT

9. API Well No.

30-045-21475

10. Field and Pool, or Exploratory Area
BASIN FRUITLAND COAL

11. County or Parish, State

RIO ARRIBA NM

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

TYPE OF SUBMISSION

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

TYPE OF ACTION

☐ Acidize

☐ Deepen

☐ Production (Start/Resume)

☐ Water Shut-Off

☐ Alter Casing

☐ Fracture Treat

☐ Reclamation

☐ Well Integrity

☐ Casing Repair

☐ New Construction

☐ Recomplete

☒ Other SHUT IN

☐ 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 approximated duration thereof. If the proposal is to deepen directionally or recompleate 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 recompleation 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.)

This well is shut in pending approval of initial Notice of Intent to Recomplete this well which was electronically filed with the Farmington BLM on September 25, 2001 (EC #7404).

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

DARRIN STEED

Title

OPERATIONS ENGINEER

Date 12/19/01

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date DEC 27 2001

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 FIELD OFFICE
BY

Title 18 U.S.C. Section 1001, 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.

(Instructions on reverse)

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

5. Lease Serial No.
NMNM-14921

6. If Indian, Allottee or Tribe Name

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

8. Well Name and No.
VALENCIA CANYON UNIT 15

9. API Well No.
30-039-21475

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

2. Name of Operator
XTO ENERGY INC.
Contact: DARRIN STEED
E-Mail: Holly_Perkins@xtoenergy.com

3a. Address
2700 FARMINGTON AVE, BLDG K, SUITE 1
FARMINGTON, NM 87401

3b. Phone No. (include area code)
Ph: 505.324.1090 Ext: 4023

10. Field and Pool, or Exploratory
BASIN FRUITLAND COAL

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 27 T28N R04W Mer NESE 1450FSL 790FEL

11. County or Parish, and State
RIO ARRIBA COUNTY, 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 checked="" type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input 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 recompleate 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 recompleation 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 recompleate this well in the following manner:

1. MIRU PU.
2. POH w/tbg.
3. Set CIBP @ 4,028'.
4. Perf Fruitland Coal fr/3,993'-4,006'.
5. Acidize & frac.
6. RIH w/prod tbg.
7. RWTP.

14. I hereby certify that the foregoing is true and correct.

**Electronic Submission #7404 verified by the BLM Well Information System
For XTO ENERGY INC., sent to the Farmington
Committed to AFMSS for processing by Maurice Johnson on 09/27/2001 ()**

Name (Printed/Typed) DARRIN STEED

Title ENGINEER

Signature

Date 09/25/2001

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

ACCEPTED

Approved By

Title

Date

DEC 27 2001

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 FIELD OFFICE
BY 

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