

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. 30-025-31245 |
| 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. |
| 7. Lease Name or Unit Agreement Name: Arrowhead Grayburg Unit |
| 8. Well Number 227 |
| 9. OGRID Number 005380 |
| 10. Pool name or Wildcat 3040 Arrowhead; Grayburg |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) |

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 Gas Well Other Injection

2. Name of Operator: XTO Energy, Inc.

3. Address of Operator: 500 W. Illinois, Ste. 100 Midland, TX 79701

4. Well Location
 Unit Letter E : 1980' feet from the North line and 460' feet from the West line
 Section 18 Township 22S Range 37E NMPM County Lea

HOBBS OCD
 OCT 10 2014
 RECEIVED

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.

9/24/2014: MIRU PU - POOH with tubing and packer
 9/25-9/26/2014: test casing - tried to isolate leak, no leak found
 9/29/2014: RIH w 2 3/8" TK 70 IPC tubing, set packer at 3563'
 9/30/2014: test casing to 400 psi- held good for 30 min.- witnessed by Mark Whitaker

chart attached

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 Tessa Fitzhugh TITLE Regulatory Analyst DATE 10/08/2014
tessa.fitzhugh@xtoenergy.com
 Type or print name Tessa Fitzhugh E-mail address: _____ PHONE 432-620-4336

For State Use Only

APPROVED BY Bill Semanaka TITLE Staff Manager DATE 10/10/2014
 Conditions of Approval (if any): _____

OCT 15 2014 FOR RECORD ONLY

[Handwritten signature]

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



Response Required - Deadline Enclosed

Underground Injection Control Program

"Protecting Our Underground Sources of Drinking Water"

09-May-14

XTO ENERGY, INC.
ATTN: STEPHANIE RABADUE
200 N. LORAIN
STE. 800
MIDLAND, TX 79701

**LETTER OF VIOLATION and SHUT-IN DIRECTIVE
Failed Mechanical Integrity Test**

Dear Operator:

The following test(s) were performed on the listed dates on the following well(s) shown below in the test detail section.

The test(s) indicates that the well or wells failed to meet mechanical integrity standards of the New Mexico Oil Conservation Division. To comply with guidelines established by the U.S. Environmental Protection Agency, the well(s) must be shut-in immediately until it is successfully repaired. The test detail section which follows indicates preliminary findings and/or probable causes of the failure. This determination is based on a test of your well or facility by an inspector employed by the Oil Conservation Division. Additional testing during the repair operation may be necessary to properly identify the nature of the well failure.

Please notify the proper district office of the Division at least 48 hours prior to the date and time that the well(s) will be retested so the test may be witnessed by a field representative.

MECHANICAL INTEGRITY TEST DETAIL SECTION

EUNICE MONUMENT SOUTH UNIT No.221 **30-025-08706-00-00**
N-6-21S-36E

| | | | |
|--------------------------------|---|-----------------------------------|-----------------------|
| Active Injection - (All Types) | | | |
| Test Date: | 3/26/2014 | Permitted Injection PSI: | Actual PSI: |
| Test Reason: | Annual IMIT | Test Result: F | Repair Due: 6/29/2014 |
| Test Type: | Bradenhead Test | FAIL TYPE: Other Internal Failure | FAIL CAUSE: |
| Comments on MIT: | BHT FAILURE; COMMUNICATION ON TUBING AND PRODUCTION CASING. ***OPERATOR IN VIOLATION OF NMOCD RULE 19.15.26.11*** **FOR RECORD ONLY** | | |

6-6-14

ARROWHEAD GRAYBURG UNIT No.227 **30-025-31245-00-00**
E-18-22S-37E

| | | | |
|--------------------------------|---|-----------------------------------|-----------------------|
| Active Injection - (All Types) | | | |
| Test Date: | 3/13/2014 | Permitted Injection PSI: | Actual PSI: |
| Test Reason: | 5-year Test | Test Result: F | Repair Due: 6/16/2014 |
| Test Type: | Std. Annulus Pres. Test | FAIL TYPE: Other Internal Failure | FAIL CAUSE: |
| Comments on MIT: | WELL FAILED PRESSURE TEST ***OPERATOR IN VIOLATION OF NMOCD RULE 19.15.26.11*** **FOR RECORD ONLY** | | |

~~6-16-14~~
9-30-14