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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
 May 27, 2004

JAN 16 2008
 OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

HOBBS OCD

WELL API NO. 30-025-37286
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: Arrowhead Grayburg Unit
8. Well Number #408
9. OGRID Number 005380
10. Pool name or Wildcat 3040
11. Elevation (Show whether DR, RKB, RT, GR, etc.)
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

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 checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other
2. Name of Operator XTO Energy, Inc.
3. Address of Operator 200 N. Loraine, Ste. 800 Midland, TX 79701
4. Well Location Unit Letter <u>E</u> : <u>2300</u> feet from the <u>North</u> line and <u>1080</u> feet from the <u>West</u> line Section <u>18</u> Township <u>22S</u> Range <u>37E</u> NMPM County <u>Lea</u>

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

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 COMPLETION ☐

OTHER: Squeeze, Reperf/Stim ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
 COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
 CASING TEST AND 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.

Objective: Squeeze Grayburg 4-6, Reperf 2-3, Stimulate

1. MI & rack 4100, of 2-7/8" work string.
2. RUPU. POH w/2-7/8" tbg & ESP. TIH w/ 4-3/4" bit, 6 3-1/2" drill collars & work string. Drill out CIBP @ 3760' & continue in hole & drill out 35' cement & CIDP @ 3865' (CIVP @ 3900'). Clean-out to 4085', circulate clean & POH.

See attached.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐ , a general permit ☐ or an (attached) alternative OCD-approved plan ☐

SIGNATURE Sherry Pack TITLE Regulatory Analyst DATE 1/14/2008

Type or print name Sherry Pack

E-mail address: sherry_pack@xtoenergy.com
 Telephone No. 432.620.6709

For State Use Only

APPROVED BY Chris Williams TITLE OC DISTRICT SUPERVISOR/GENERAL MANAGER DATE FEB 07 2008

Conditions of Approval, if any:



Arrowhead Grayburg #408

API# 30-025-37286

January 14, 2008 Form C-103 Cont'd

- 3 TIH w/ 4-3/4" bit, scraper & work string & clean out to 4085'. POH.
- 4 TIH w/ 5-1/2", 17# packer & set @ 3750'. Load annulus w/ approx. 57 bbls of produced wtr w/ 5 gals of RN-211 of backside is empty. Establish inj rate & pressure dwn tbg. Monitor backside pressure & flow rate. Determination made to squeeze entire interval or Zone 4 below.
- 5 TIH w/ EZ drill cast iron cement retainer (CICR). Set retainer @ 3750'. (Collars @ 3720' & 3764'-) Establish inj rate. Squeeze well w/ 200 sx of Class C w/ 2% CaCl₂. Follow w/ 200 sx of Class C w/ 105 bwoc A-10, thixotropic fast setting additive w/ 2% CaCl₂ per attached procedure. Watch backside pressure & cut short if necessary on squeeze to insure tbg can be pulled out of well. Reverse circulate clean & POH>
- 6 TIH w/ 4-3/4" bit, 6 3-1/2" drill collars & work string. Clean out to the top of CICR. Circulate clean & POH.
- 7 TIH w/ 5-1/2", 17# packer & work string. Set packer @ 3525'. Collars @ 3504' & 3547'. Swab well to determine productivity, oil cut & fluid level. Determination to be made to put well back on production or reperf & acidize.

Skip step 8 if inflow, oil cut, & fluid level are acceptable.

- 8 Unseat pkr & drop pkr to 3740" & spot 4 bbls of 15% NEFE Acid. Pull pkr to 3500'. Reset pkr & displace acidize flushing w/ 30 bbls of 9# brine. Max rate/pressure: 0.5 BPM/900 psi. Shut well in for 2 hrs.
- 9 Open well back & flow well dwn. Monitor inflow, fluid level & oil cut. Try to flow back. Swab until accurate information acquired to size prod. Equip.
- 10 RWTP.

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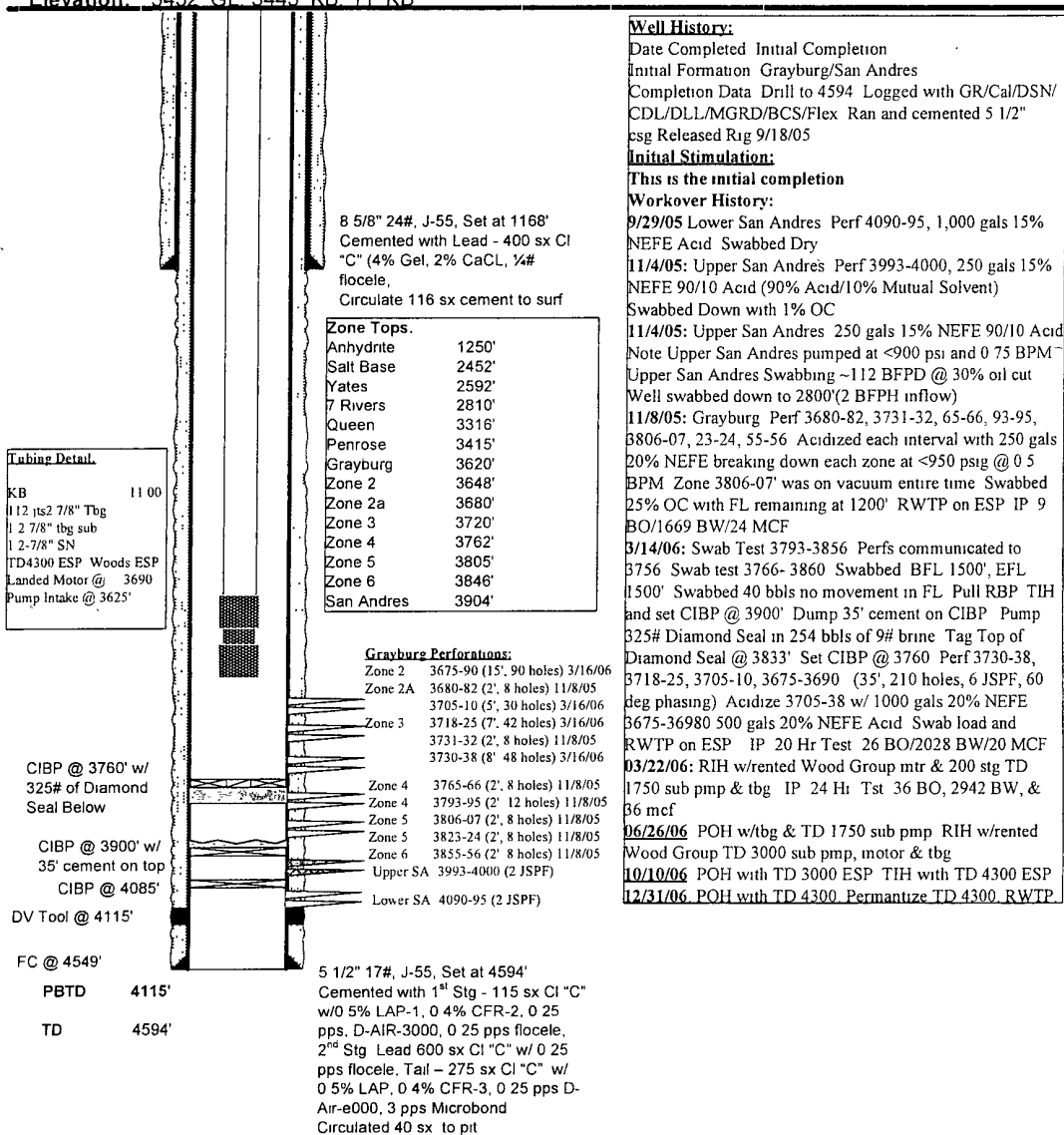
JAN 16 2008

HOBBS OCD

XTO ENERGY

Well: Arrowhead Grayburg #408
 Area: Eunice
 Location: 2300' FNL & 1080' FWL
 Sec 18 T22S R37E
 County: Lea
 Elevation: 3432' GL 3443' KB 11' KB

WI: 55.59%
 NRI: 46.9882%
 Spud: 9/19/2005
 State: New Mexico

**Well History:**

Date Completed Initial Completion
 Initial Formation Grayburg/San Andres
 Completion Data Drill to 4594 Logged with GR/Cal/DSN/
 CDL/DLL/MGRD/BCS/Flex Ran and cemented 5 1/2"
 csg Released Rig 9/18/05

Initial Stimulation:

This is the initial completion

Workover History:

9/29/05 Lower San Andres Perf 4090-95, 1,000 gals 15% NEFE Acid Swabbed Dry
 11/4/05: Upper San Andres Perf 3993-4000, 250 gals 15% NEFE 90/10 Acid (90% Acid/10% Mutual Solvent) Swabbed Down with 1% OC
 11/4/05: Upper San Andres 250 gals 15% NEFE 90/10 Acid Note Upper San Andres pumped at <900 psi and 0 75 BPM Upper San Andres Swabbing ~112 BFPD @ 30% oil cut Well swabbed down to 2800'(2 BFPD inflow)
 11/8/05: Grayburg Perf 3680-82, 3731-32, 65-66, 93-95, 3806-07, 23-24, 55-56 Acidized each interval with 250 gals 20% NEFE breaking down each zone at <950 psig @ 0 5 BPM Zone 3806-07' was on vacuum entire time Swabbed 25% OC with FL remaining at 1200' RWTP on ESP IP 9 BO/1669 BW/24 MCF
 3/14/06: Swab Test 3793-3856 Perfs communicated to 3756 Swab test 3766- 3860 Swabbed BFL 1500', EFL 1500' Swabbed 40 bbls no movement in FL Pull RBP TIH and set CIBP @ 3900' Dump 35' cement on CIBP Pump 325# Diamond Seal in 254 bbls of 9# brine Tag Top of Diamond Seal @ 3833' Set CIBP @ 3760 Perf 3730-38, 3718-25, 3705-10, 3675-3690 (35', 210 holes, 6 JSPF, 60 deg phasing) Acidize 3705-38 w/ 1000 gals 20% NEFE 3675-36980 500 gals 20% NEFE Acid Swab load and RWTP on ESP IP 20 Hr Test 26 BO/2028 BW/20 MCF
 03/22/06: RIH w/rented Wood Group mtr & 200 stg TD 1750 sub pmp & tbg IP 24 Hr Tst 36 BO, 2942 BW, & 36 mcf
 06/26/06 POH w/tbg & TD 1750 sub pmp RIH w/rented Wood Group TD 3000 sub pmp, motor & tbg
 10/10/06 POH with TD 3000 ESP TIH with TD 4300 ESP
 12/31/06 POH with TD 4300 Permantize TD 4300 RWTP

PREPARED BY: Greg HicksDATE: 11/13/07**RECEIVED**

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