UNITED STATES FORM APPROVED OMB NO 1004-0137 DEPARTMENT OF THE INTERIOR REC'D/MIDLAND Expires March 31, 2007 **BUREAU OF LAND MANAGEMENT** 5. Lease Serial No. SEP 0 9 2008 SUNDRY NOTICES AND REPORTS ON WELLS NMLC 046164A 6. If Indian, Allottee or Tribe Name Denot (sethis form for proposals to drill or to re-enter an Use Form 3160-3 (APD) for such proposals. 7. If Unit or CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE - Other instructions on reverse side NM 70948 B Type of Well 8. Well Name and No. X Oil Well Gas Well Other EUNICE MONUMENT 917 2. Name of Operator S. UNIT B XIO ENERGY, INC. 9. API Well No. 3b. Phone No. (include area code) 3a. Address 30-025-04293 200 N. Loraine, Ste. 800, Midland, TX 79701 (432) 620-6740 10. Field and Pool, or Exploratory Area 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) EUNICE MONUMENT; CRAYBURG SAN ANDRES UNIT LTR. L SECTION 23 T 20 S R 36 E 11. County or Parish, State 1980' FSL & 660' FWL P & A DATE: 8-22-08 LEA COUNTY CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA 12 TYPE OF SUBMISSION TYPE OF ACTION Production (Start/Resume) Water Shut-Off Notice of Intent Acidize Deepen Alter Casing Fracture Treat Reclamation Well Integrity Subsequent Report New Construction Casing Repair Recomplete Other Change Plans Plug and Abandon Temporarily Abandon Final Abandonment Notice Convert to Injection Plug Back Water Disposal 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 final site is ready for final inspection.) 8-21-08 Notify B.L.M. Pat Hutchings. Tag C.I.B.P. @3,695'. Circulate M.L.F. Spot 50 sx. cmt. @3,695'. 8-22-08 Tag T.O.C. @3,310'. Spot 50 sx. cmt. @2% CaCl. @2,850'. Tag @2,341'. Spot 40 sx. cmt. w/2% CaCl @1,650'. Tag T.O.C. @1,180'. Pump 133 sx. cmt. down 5 1/2" csg. thru perfs. @350' w/cmt. Circulate to surface out 5 1/2" X 8 5/8" csg. Leave casing full of cement. Remove Wellhead & Anchors. Backfill collar. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Title

which would entitle the applicant to conduct operations thereon.

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

Date

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

P & A SUPV.

PETROLEUM ENGINEER

8-31-08

Signature

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

CURRENT WELL DATA SHEET

FIELD: Eunice Monument WELL NAME: EMSUB #917 FORMATION: Grayburg LOC: 1980' FSL & 660' FWL SEC/UNIT: 23/L GL: **CURRENT STATUS: TA'd** COUNTY: Lea TOWNSHIP: 20-S KB to GL: API NO: 30-025-04293 RANGE: 36-E STATE: NM DF: 3590' **REFNO: FA 5436 PROPOSED** Date Completed: 7/1/55 Initial Production: Initial Formation: Queen Penrose 58_BOPD __31_BWPD FROM: 3819' TO: 3850' GOR 1217 cu ft / bbl Formerly Chevron H. W. Andrews # 13 8-5/8" OD, 24# 8 rd J55, ST&C Completion Data, Workovers, and Reconditioning: Csg set @ 1431' w/ 750 sx cmt. Btm Cmt @ 350' Circ to surf. 7-55 Perf 3819'-3850' Acdz w/1000 gal 15% LST. Frac w/25000 gal oil and 25,000# sand. 18.6 BPM 12-1/4" hole 6-56 Perf 3740'-64': Acdz w/1000 gal 15% LST. Frac w/15,000 gal oil and 15,000 # Top Cmt @ 1,250' sand. Test: 19 BO/10 BW 2981 GOR 5-61 SI as uneconomic 4-83 Set CIBP @ 3520': Test csg OK. Bmt Cmt @ 1,650 11-84 Knock BP loose & push to bottom. Acdz perf 3819'-50' w/2000 gal. 15% NEA. 7-7/8" hole Acdz 3740'-64' w/2000 gal 15% NEA. Place well back on production. Top Cmt @ 2,400' 6-91 Drill 3875'-4141'. Perf 3834'-68'. Acdz perfs 3834'-68' w/500 gals 15% NEFE Bmt Cmt @ 2,800' Acdz OH w/500 gals. Top Cmt @ 3,300 Detail-Test casing above 3700'. OK. Notes Finish TA 3875. Deepen 6-91 CIBP @ 3695 Perfs: 7-55 3819'-3850' w/124 Bullet shots. 6-56 3740'-3764' w/2 JHPF 6-91 3834'-3868' w/2 JHPF Perfs: 9-13-03 POH w/tbg, TIH set CIBP @ 3695', circ w/pkr fl, Tst Csg to 530#, run MIT 30 3740'-64' mins/no press loss. Well TA'd. 11-6-03 Ran MIT, 540# for 30 mins. Well is TA'd. 3819'-3868' 5-1/2" OD, 15.5#, 8 RD, J55, Csg set @ 3875' w/ 400 sx cmt. Formation Tops. T/EMSUB @ 36891 TOC @ 476' by calc. T/Queen @ 3708' Cmt did not Circ. T/Penrose @ 3880' T/Grayburg Zone 1 @ 4092 Open Hole 3875 - 4141'

TD @ 4141'