

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires March 31, 2007

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. JIC-154
1b. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name JICARILLA APACHE
2. Name of Operator XIO Energy Inc.		7. Unit or CA Agreement Name and No.
3a. Address 2700 Farmington Ave., Bldg. K, Ste 1 Farmington, NM		8. Lease Name and Well No. JICARILLA APACHE #16G
3b. (Phone No.) (include area code) 505-324-1090		9. API Well No. 30-039-29656
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface 2300' ENL x 670' EEL At proposed prod. zone		10. Field and Pool, or Exploratory BASIN DAROTA/BLANCO MESAVERDE
14. Distance in miles and direction from nearest town or post office* Approx 71 miles from Bloomfield, NM Post Office		11. Sec., T., R., M., or Blk. and Survey or Area H SEC 34, T26N, R5W
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) Approx 670'	16. No. of Acres in lease 2560	17. Spacing Unit dedicated to this well 320 E/2
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. Approx 850'	19. Proposed Depth 7680'	20. BLM/BIA Bond No. on file
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6606' GROUND ELEVATION	22. Approximate date work will start* WINTER 2005	23. Estimated duration 2 WEEKS

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- | | |
|---|--|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan | 5. Operator certification. |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature Kyla Vaughan	Name (Printed/Typed) Kyla Vaughan	Date 09/14/05
Title Regulatory Compliance Tech		
Approved by (Signature) [Signature]	Name (Printed/Typed)	Date 1/6/06
Title AFM	Office FEO	

Application approval 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.
Conditions of approval, if any, are attached.

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.

*(Instructions on page 2)

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
GENERAL REQUIREMENTS.

This action is subject to technical and
procedural review pursuant to 43 CFR 3165.3
and appeal pursuant to 43 CFR 3165.4

NMOC



DISTRICT 1
1625 N. French Dr., Hobbs, N.M. 88240

DISTRICT #
1301 W. Grand Ave., Artesia, N.M. 88210

DISTRICT II
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
1220 South St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis
Santa Fe, NM 87505

Form C-102

Revised June 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

RECEIVED

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-29656		*Pool Code 71599	*Pool Name Basin Dakota
*Property Code 30320	*Property Name JICARILLA APACHE		*Well Number 16G
*CORD No. 11870107	*Operator Name XTO ENERGY INC.		*Elevation 6606'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lat Idn	Feet from the North/South line	Feet from the East/West line	County
H	34	26-N	5-W		2300 NORTH	670 EAST	RIO ARriba

"Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 12th	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres E 1/2 320			Joint or Infill		Consolidation Code		Order No.		

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

DISTRICT 1
1625 N. French Dr., Hobbs, N.M. 88240

DISTRICT B
1301 W. Grand Ave., Artesia, N.M. 88210

DISTRICT IN
1000 Rio Brazos Rd., Artes, N.M. 87410

DISTRICT IV
1220 South St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION SEP 1 1965 Submit

1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102

Revised June 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

RECEIVED

070 FARMINGTON ☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-29656	*Plot Code 72319	*Pool Name Blanco Mosavverde
*Property Code 30320	*Property Name JICARILLA APACHE	*Well Number 16G
*OCRD No. 167067	*Operator Name XTO ENERGY INC.	*Elevation 6606'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot	Feet from the	North/South line	Feet from the	East/West line	County
H	34	26-N	5-W		2300	NORTH	670	EAST	RIO ARriba

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 1st	Feet from the	North/South line	Feet from the	East/West line	County
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13 Dedicated Acres E 2 320	12 Joint or Infill	14 Consolidation Code	15 Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

CALC'D. CORNER
BY PROJECTION

N 89-55-36 W

5311.5' (C)

CALC'D. CORNER
BY PROJECTION

2300'

670'

5171.7' (C)

S 0-17-33 W

34

LAT: 36°26'38.6" N (NAD 27)
LONG: 107°20'20.8" W (NAD 27)

7D. NARL

17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein
is true and complete to the best of my knowledge and
belief

Kelly K. Small

Kelly K. Small
Drilling Assistant
Date: 5/19/05

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat
was plotted from field notes of actual surveys made by
me or under my supervision, and that the same is true
and correct to the best of my belief.

Date: APRIL 9, 2005

State of NEW MEXICO
JUAN A. VORONICHIN
REGISTERED PROFESSIONAL SURVEYOR
(1483)

Certification No. _____

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

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

Form C-103

May 27, 2004

WELL API NO.

30-039-29656

5. Indicate Type of Lease

STATE ☐ FEE ☐

6. State Oil & Gas Lease No.

JIC-154

7. Lease Name or Unit Agreement Name:

JICARILLA APACHE

8. Well Number

#16G

9. OGRID Number

167067

10. Pool name or Wildcat

BASIN DAKOTA/BLANCO MESAVERUE

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

2. Name of Operator

XTO Energy Inc.

3. Address of Operator

2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401

4. Well Location

Unit Letter H : 2300 feet from the NORTH line and 670 feet from the EAST line

Section 34 Township 26N Range 5W NMPM County SAN JUAN

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

6606'

Pit or Below-grade Tank Application ☒ or Closure ☐

Pit type DRILL Depth to Groundwater >100' Distance from nearest fresh water well >1000' Distance from nearest surface water >1000'

Pit Liner Thickness: 12 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: PIT FOR NEW DRILL ☒

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.

XTO Energy Inc. plans to install a pit on location for drilling. The pit will be removed from location in accordance with New Mexico Oil Conservation division guidelines when work is completed.

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 Kyla Vaughan TITLE REGULATORY COMPLIANCE TECH DATE 09/14/05

E-mail address:

Type or print name Kyla Vaughan

Telephone No. 505-564-6726

For State Use Only

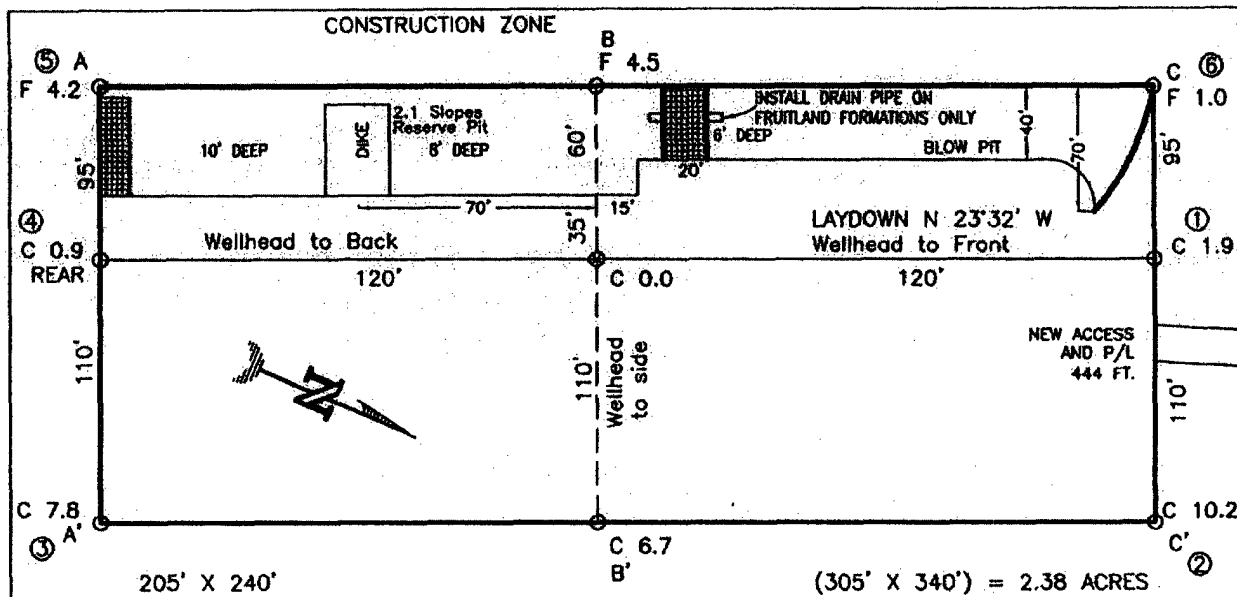
APPROVED BY [Signature] DEPUTY OIL & GAS INSPECTOR, DIST. 4 DATE JAN 11 2006

Conditions of Approval, if any:

EXHIBIT D

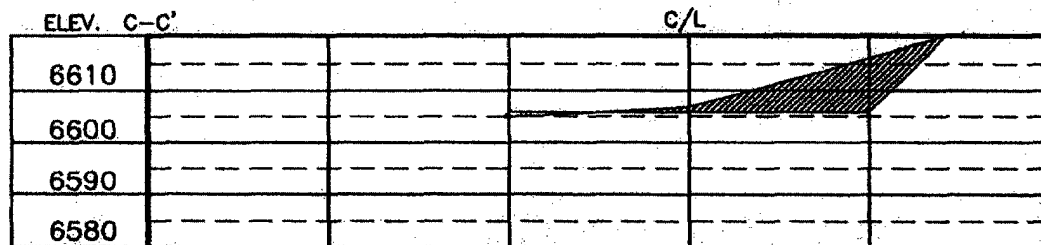
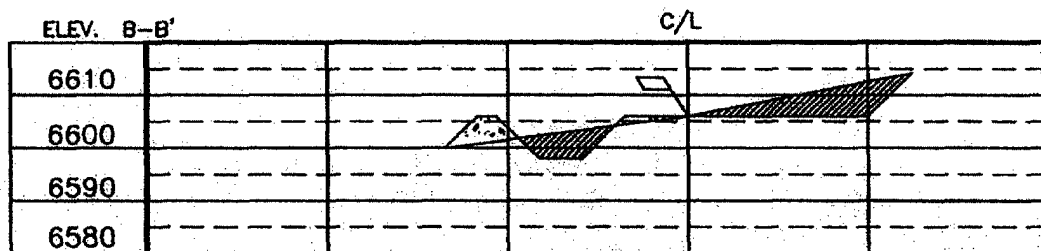
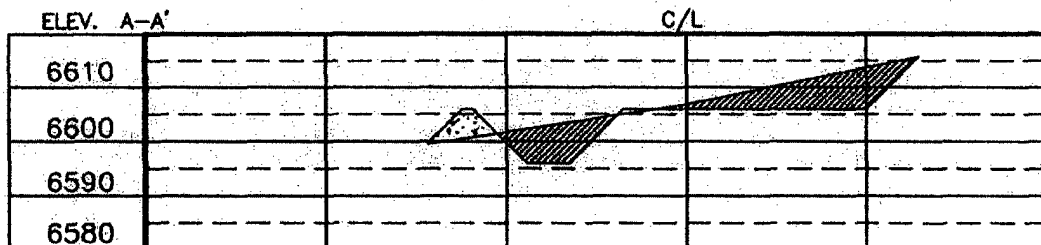
XTO ENERGY INC.
 JICARILLA APACHE No. 16G, 2300' FNL 670' FEL
 SECTION 34, T26N, R5W, N.M.P.M., RIO ARRIBA COUNTY, N. M.
 GROUND ELEVATION: 6606', DATE: MARCH 9, 2005

LAT. = 36°26'38.6" N.
 LONG. = 107°20'20.8" W
 NAD 27



RESERVE PIT DIKE: TO BE 8' ABOVE DEEP SIDE (OVERFLOW - 3' WIDE AND 1' ABOVE SHALLOW SIDE).
 BLOW PIT: OVERFLOW PIPE HALFWAY BETWEEN TOP AND BOTTOM AND TO EXTEND OVER PLASTIC LINER AND INTO BLOW PIT.

NOTE: DAGGETT ENTERPRISES, INC. IS NOT LIABLE FOR UNDERGROUND UTILITIES OR PIPELINES. NEW MEXICO ONE CALL TO BE NOTIFIED 48 HOURS PRIOR TO EXCAVATION OR CONSTRUCTION.



NOTE: CONTRACTOR SHOULD CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED BURIED PIPELINES OR CABLES ON WELL PAD AND OR ACCESS ROAD AT LEAST TWO (2) WORKING DAYS PRIOR TO CONSTRUCTION.

DATE	REVISION
04/13/05	01

Daggett Enterprises, Inc.
 Surveying and Oil Field Services
 P. O. Box 15068 • Farmington, NM 87401
 Phone (505) 338-1772 • Fax (505) 338-6019
 NEW MEXICO P.L.S. No. 14831
 DATED 04/13/05

OWNER: XTO ENERGY INC.
 DRAWN BY: JBL
 CHECKED BY: JBL

XTO ENERGY INC.

Jicarilla Apache #16G

APD Data

September 7, 2005

Location: 2300' FNL x 670' FEL Sec 34, T26N, R5W

County: San Juan

State: New Mexico

GREATEST PROJECTED TD: 7680'
APPROX GR ELEV: 6606'

OBJECTIVE: Basin Dakota / Blanco Mesaverde
Est KB ELEV: 6618' (12' AGL)

1. MUD PROGRAM:

INTERVAL	0' to 360'	360' to 2500'	2500' to 7680
HOLE SIZE	12.25"	7.875"	7.875"
MUD TYPE	FW/Spud Mud	FW/Polymer	LSND / Gel Chemical
WEIGHT	8.6-9.0	8.4-8.8	8.6- 9.20
VISCOSITY	28-32	28-32	45-60
WATER LOSS	NC	NC	8-10

Remarks: Use fibrous materials as needed to control seepage and lost circulation. Pump high viscosity sweeps as needed for hole cleaning. Raise viscosity at TD for logging. Reduce viscosity after logging for cementing purposes.

2. CASING PROGRAM:

Surface Casing: 8.625" casing to be set at $\pm 360'$ in a 12-1/4" hole filled with 9.20 ppg mud

Interval	Length	Wt	Gr	Cplg	Coll Rating (psi)	Burst Rating (psi)	Jt Str (M-lbs)	ID (in)	Drift (in)	SF Coll	SF Burst	SF Ten
0'-360'	360'	24.0#	J-55	ST&C	1370	2950	244	8.097	7.972	7.950	17.13	28.24

Production Casing: 5.5" casing to be set at TD ($\pm 7680'$) in 7-7/8" hole filled with 9.20 ppg mud.

Interval	Length	Wt	Gr	Cplg	Coll Rating (psi)	Burst Rating (psi)	Jt Str (M-lbs)	ID (in)	Drift (in)	SF Coll	SF Burst	SF Ten
0'-7680	7680'	17.0#	J-55	LT&C	4910	5320	247	4.892	4.767	1.34	1.45	1.89

3. WELLHEAD:

- Casing Head: Larkin Fig 92 (or equivalent), 9" nominal, 2,000 psig WP (4,000 psig test) with 8-5/8" 8rnd thread on bottom and 11-3/4" 8rnd thread on top.
- Tubing Head: Larkin Fig 612 (or equivalent), 6.456" nominal, 2,000 psig WP (4,000 psig test), 5-1/2" 8rnd female thread on bottom (or slip-on, weld-on), 8-5/8" 8rnd thread on top.

EXHIBIT F EXHIBIT 1

4. CEMENT PROGRAM (Slurry design may change slightly, but the plan is to circulate cement to surface on both casing strings):

A. Surface: 8.625", 24.0#, J-55, ST&C casing to be set at $\pm 360'$ in 12-1/4" hole.

214 sx of Type III cement (or equivalent) typically containing accelerator and LCM, mixed at 14.5 ppg, 1.39 ft³/sk, & 6.70 gal wtr/sk.

Total slurry volume is 297 ft³, 100% excess of calculated annular volume to 360'.

B. Production: 5.5", 17.0#, J-55 (or K-55), LT&C casing to be set at $\pm 7680'$ in 7.875" hole. DV Tool set @ $\pm 4650'$

1st Stage

LEAD:

± 251 sx of Premium Lite HS (Type III/Poz/Gel) with 2% salt, 1/4 pps cello, 0.2% dispersant, 0.5% fluid loss & 2% LCM mixed at 12.5 ppg, 2.01 ft³/sk, 10.55 gal wtr/sx.

TAIL:

150 sx Type III with 5% bonding additive, 1/4 pps cello, 2% LCM, 0.3% dispersant & 0.2% fluid loss mixed at 14.2 ppg, 1.54 cuft/sx, 8.00 gal/sx.

2nd Stage

LEAD:

± 393 sx of Type III with 8% gel, 1/4 pps cello & 2% LCM mixed at 11.9 ppg, 2.54 ft³/sk, 15.00 gal wtr/sx.

TAIL:

100 sx Type III neat mixed at 14.5 ppg, 1.39 cuft/sx, 6.3 gal/sx.

Total estimated slurry volume for the 5-1/2" production casing is 1873 ft³.

Note: The slurry design may change slightly based upon actual conditions. Final cement volumes will be determined from the caliper logs plus 40%. It will be attempted to circulate cement to the surface.

5. LOGGING PROGRAM:

A. Mud Logger: The mud logger will come on at 2,900' and will remain on the hole until TD. The mud will be logged in 10' intervals.

B. Open Hole Logs as follows: Run Array Induction/SFL/GR/SP fr/TD (7680') to the bottom of the surface csg. Run Neutron/Lithodensity/Pe/GR/Cal from TD (7680') to 3,000'.

6. **FORMATION TOPS:**

Est. KB Elevation: 6618'

	Sub-Sea	WELL		Sub-Sea	WELL
FORMATION	Elev.	DEPTH	FORMATION	Elev.	DEPTH
Ojo Alamo SS	4209	2,409	Gallup Ss	402	6,216
Kirtland Shale	4025	2,593	Greenhorn Ls	-446	7,064
Farmington SS			Graneros Sh	-500	7,118
Fruitland Formation	2708	3,910	1 ST Dakota Ss*	-525	7,143
Lower Fruitland Coal	3701	2,917	2 ND Dakota Ss*	-552	7,170
Pictured Cliffs SS	3645	2,973	3 RD Dakota Ss*	-622	7,240
Lewis Shale	3453	3,165	4 TH Dakota Ss*	-657	7,275
Chacra SS**	2761	3,857	5 TH Dakota Ss*	-694	7,312
Cliffhouse SS	2003	4,615	6 TH Dakota Ss*	-748	7,366
Menefee	1949	4,669	Burro Canyon Ss*	-781	7,399
Point Lookout SS**	1450	5,168	Morrison Fm**	-876	7,494
Mancos Shale	1071	5,547	Total Depth	-1062	7,680

* Primary Objective ** Secondary Objective

**** Maximum anticipated BHP should be <2,000 psig (<0.30 psi/ft) *****

7. **COMPANY PERSONNEL:**

Name	Title	Office Phone	Home Phone
Jeff Patton	Drilling Engineer	505-324-1090	505-632-7882
John Egelston	Drilling Engineer	505-564-6734	505-330-6902
Dennis Elrod	Drilling foreman	505-486-6460	505-326-2024
Red Meek	Project Geologist	817-885-2800	817-427-2475
Barry Voigt	Reservoir Engineer	817-885-2462	817-540-2092

JWP
9/7/05

EXHIBIT F

BOP SCHEMATIC FOR DRILLING OPERATIONS CLASS 1 (2M) NORMAL PRESSURE

TESTING PROCEDURE

1. Test BOP after installation:

Pressure test BOP to 200-300
psig (low pressure) for ⁵/₁₀ min.

Test BOP to Working Press or
to 70% internal yield of surf csg
(10 min) or which ever is less.

2. Test operation of (both) rams on every trip.

3. Check and record Accumulator pressure on every tour.

4. Re-pressure test BOP stack after changing out rams.

5. Have kelly cock valve with handle available.

6. Have safety valve and subs to fit all sizes of drill string on the rig floor and ready to go.

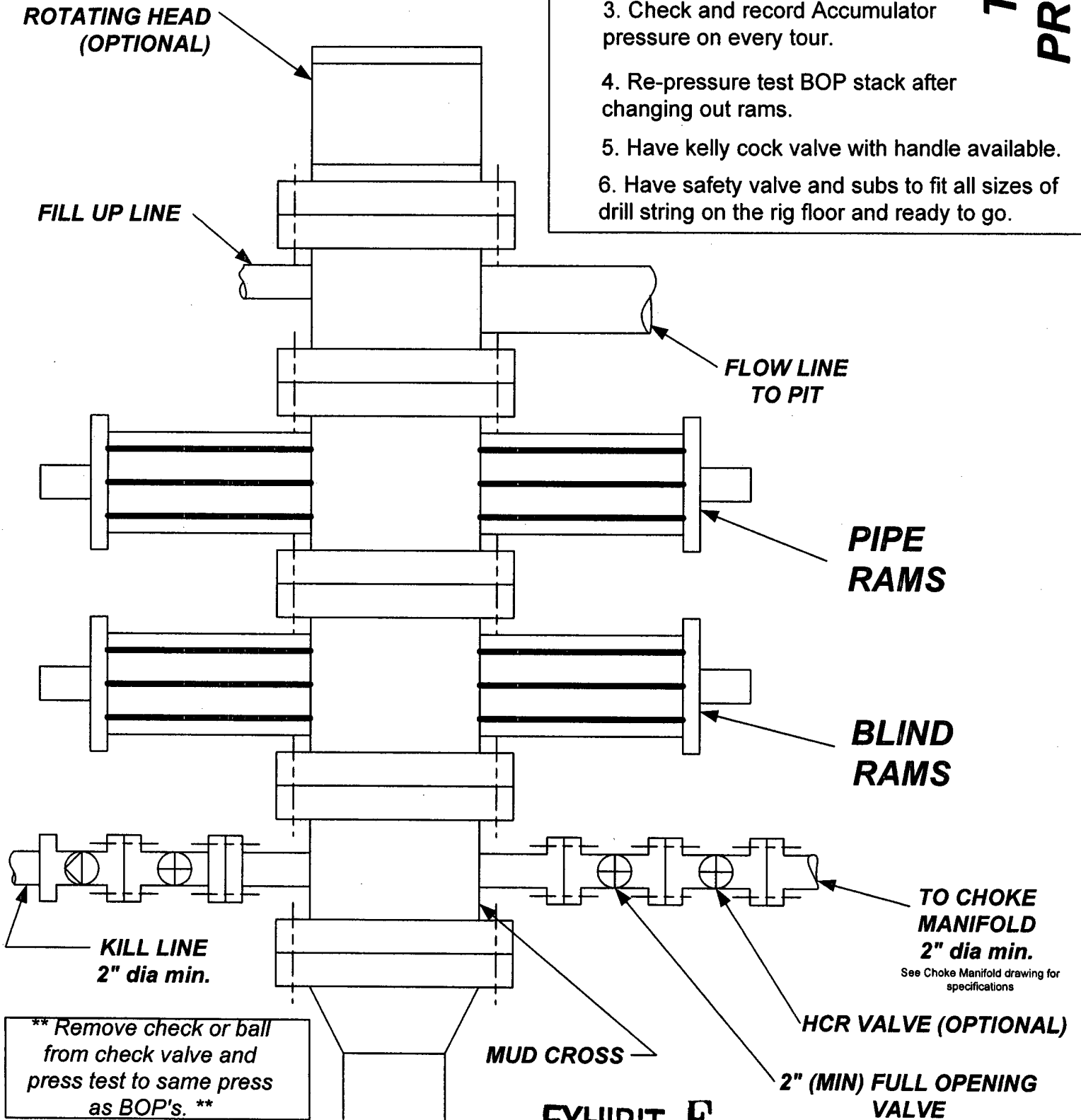


EXHIBIT F

CHOKE MANIFOLD SCHEMATIC FOR DRILLING OPERATIONS CLASS 1 (2M) NORMAL PRESSURE

1. Stake all lines from choke manifold to pit.
2. Pressure test choke manifold after installation.
3. Pressure test manifold at the same time with the BOP Stack. Test manifold to the same test pressures.

TESTING PROCEDURE

