Form 3160-3 (April 2004)

#### UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

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

5. Lease Serial No.

APPLICATION FOR PERMIT TO DRILL O	SF-04656	SF-046563			
1a. Type of Work DRILL REENTER	6. If Indian, Al	6. If Indian, Allotee or Tribe Name			
11. T Cur. H		N/A			
1b. Type of Well Oil Well Gas Well Other	Single Zone Multiple Zone	7. Unit or CA	Agreement Name and No.		
2. Name of Operator	2006 FEB 13 HIT 11 5	8. Lease Name	and Well No.		
XIO Energy Inc.	Fred Fea	sel J #1F			
3a. Address	3b. Phone No (include) area coo	1	115 2250G		
2700 Farmington Ave., Bldq. K. Ste 1 Farmington, 4. Location of Well (Report location clearly and in accordance with any State	NM 70 - 1505-324-1090 + 1090 +		45-33589 ol, or Exploratory		
At surface 665' FNL x 1545' FEL in Sec 34, T28N, R	10W	Basin Da	akota/Otero Chacra		
At proposed prod. zone			M., or Blk. and Survey or Area 34, T28N, R10W		
14. Distance in miles and direction from nearest town or post office*		12. County or P			
Approximately 9 miles Southeast of Bloo	omfield. NM post office	San Juan	NM		
15. Distance from proposed*	16. No. of Acres in lease	17. Spacing Unit dedic	ated to this well		
location to nearest					
property or lease line, ft. 665' (Also to nearest drg. unit line, if any)	2552.06	E/2 320 D	K - NE/4 160 CH		
18. Distance from proposed location* to nearest well, drilling, completed,	19. Proposed Depth	20. BLM/BIA Bond	No. on file		
annlied for on this lease ft	69001		m000120		
785	6800 '	<u> </u>	UIB000138		
21. Elevations (Show whether DF, KDB, RT, GL, etc.	22. Approximate date work will star	rt* 23. Estima	ted duration		
5894' Ground Elevation	May 2006		2 weeks		
)	. Attachments				
The following, completed in accordance with the requirements of Onshore Oil a	and Gas Order No. 1, shall be attached	I to this form:			
Well plat certified by a registered surveyor.	4. Bond to cover the operati	ions unless covered by	an existing bond on file (see		
<ol> <li>A Drilling Plan</li> <li>A Surface Use Plan (if the location is on National Forest System Lands, the</li> </ol>	Item 20 above). 5. Operator certification.				
SUPO shall be filed with the appropriate Forest Service Office).	<ul><li>5. Operator certification.</li><li>6. Such other site specific in</li></ul>	formation and/or plans	as may be required by the		
, , , , , , , , , , , , , , , , , , ,	authorized officer.	or part	as hary or required by the		
25. Signuature \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \	ame (Printed/Typed)	<del></del>	Date		
$-V$ () $V_{\alpha}$ $V_{\alpha}$					
Title Title	iyla Vaughan		02/09/06		
Regulatory Compliance Tech					
	ame (Printed/Typed)		Date		
_ Allandier		3/17/86			
	office				
A State of the sta	Pro				
Application approval does not warrant or certify that the applicant holds lega conduct operations thereon.  Conditions of approval, if any, are attached.	l or equitable title to those rights in t	the subject lease which	would entitle the applicant to		
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime	e for any person knowlingly and willfu	ılly to make to anv den	artment or agency of the United		
States any false, fictitious or fraudulent statements or representations as to any		,,,,,,,			
*(Instructions on page 2)			10 10 20 21 D		
			12 19 13 CO (1 SS)		

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





DISTRICT I 1625 N. French Dr., Hobbs, H.M. 88240

State of New Mexico Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

DISTRICT IS 1000 Rio Bruzos Rd., Aztec, H.M. 67410

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT Pool Code Danota \*Property Nome FRED FEASEL J 15 \*Operator Home XTO ENERGY INC. 5894 Surface Location North/South line East/West line Feet from the Feet from the County SAN JUAN UL or let no. Section Range int lde 10-W 665 NORTH EAST 28-N 1545 34 8 "Bottom Hole Location If Different From Surface North/South Res Ut or lot no Feet from the East/West line County Declorated Acres Joint or Infil W Consolidation Code <sup>19</sup>Order No.

390 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 OTR. CORNER N 89-52-46 W SECTION COR. 10 2 1/2 BC 1913 G.L.O. FO 2 1/2" BC 1913 G.L.O. **OPERATOR CERTIFICATION** 2635.9' (M) LAT: 36'37'26.9" N. (NAD 27) LONG: 107'52'43.1" W. (NAD 27) 1545 julatory Compliance Tech OTR. CORNER FD 2 1/2" BC 1913 G.L.O. SURVEYOR CERTIFICATION OTO FARMINGTON IIIN

SS II WH EI BBH 9002

RECEIVED

DISTRICT 1 1625 M. Franch Dr., Hobbs, H.M. 88240

DISTRICT & 1301 W. Grand Ave., Artesia, H.M. 88210

State of New Mexico Energy, Minerals & Natural Resources Department

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

Form C-102 Revised June 10, 2003 Submit to Appropriate District Office State Lease ~ 4 Copies Fee Lease - 3 Copies

☐ AMENDED REPORT

DISTRICT IN 1060 Rio Brozos Rd., Aztec, N.M. 87410

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

82320	a C	) Los (V			14 Burdanshire and an annual special property				
10000		Well Humber 1 F							
Operator Name  XTO ENERGY INC.									
	Feet from the Hor	th/South line	Feel from the	East/West line	County				
<u> </u>				EAST	SAN JUAN				
hip Runge Lot idn			Feet from the	East/Woot time	County				
9 Joint or In Cit	** Consolidation Code	An indigent any opposite and a first a first and and de-	**Order No						
E ASSIGNED TO THIS A NON-STANDARD U	COMPLETION U	INTIL ALL I	NTERESTS H	IAVE BEEN CO	ONSOLIDATED				
FD 2 1/2" BC 2635.0	€655° (Kc.		i.L.O. I bereby corti	ly that the interception or	estatuad harain is				
0.37.26.9 N. (NAD 27 07"52"43.1" W. (NAD 27	}	1343							
34		00-02-X3	Suprature Suprature Front Suprature	L Smouth L Smouth atory Comi	Olana Tech				
		FD 2 1/2°	BC 18 S L.O. I haveby cert was plotted if or under my	lify that the wall locate from field notes of actor spourvision, and that I	on ethanon con Onlin plast. Of statement analysis law sons				
RECE MRAT OTO			JULY Date Section	ME KA	in production				
	Rorige Lot Idn  10-W  1 Bottom Hole  1 Bottom Hole  1 Joint or Infill  E ASSIGNED TO THIS  A NON-STANDARD L  OTR. CORNER N 89-5  FD 2 1/2' BC  1913 G.LO.  F37'26.9" N. (NAD 27  N7'52'43.1" W. (NAD 27	**Property Name   Property Name   PRED   FEASEL   PRED   FEASEL   Property Name   XTO ENERGY INC    **Property Name   XTO ENERGY INC    **	**Property Name **XTO ENERGY INC.  **Property Name ***XTO ENERGY INC.  **Property Name ***XT	**Property Norme **Prop	**Troperty Name**  **Troperty Na				

Submit 3 Copies To Appropriate District	State of No							rorm C-	
Office District I	Energy, Minerals and	Natur	al Resourc	æs	NATIONAL AT	1110		May 27, 2	.004
1625 N. French Dr., Hobbs, NM 87240	OT 6031677711			037	WELL AF	1 NU. - 04ら~	3358	39	
District II 1301 W. Grand Ave., Artesia, NM 88210	OIL CONSERVA			ON	5. Indicate				
District III 1000 Rio Brazos Rd., Aztec, NM 87410	1220 South S					ATE	FEE	П	
District IV	Santa Fe,	INIVI O	7303		6. State C				$\dashv$
1220 S. St. Francis Dr., Santa Fe, NM 87505					SF-046	563			
SUNDRY NOTIC (DO NOT USE THIS FORM FOR PROPO DIFFERENT RESERVOIR. USE "APPLIC PROPOSALS.)		EPEN C	R PLUG BA		7. Lease l		Init Agreei	nent Name	
1. Type of Well:	0.1				8. Well N				
Oil Well Gas Well X	Other				9. OGRID	#11	<u> </u>		
2. Name of Operator XIO Energy Inc.					9. OGKID	1670	67		
3. Address of Operator					10. Pool				$\neg$
2700 Farmington Ave., Bldc	. K. Ste 1 Farmingt	on, Ne	87401				ero Chacr	a	
4. Well Location									
Unit Letter B:	665 feet from the	Noz	th lir	ne and	1545	feet from	the	ast	line
Section 34			Range	10W	NMPM	NMPM	County	SAN JU	AN
	11. Elevation (Show w				c.)				
Pit or Below-grade Tank Application X	or Closure	Grou	nd Elevat	TOU			\ 2	-00' < 1000	
Pit type DRILL Depth to Groundwater	-	rest fresh	water well .	>1000 Dis	tance from no	earest surfac			
Pit Liner Thickness: 12 mil	Below-Grade Tank: \				*				
12. Check A NOTICE OF INTI		i	Nature o	SUB	Report, o		ORT OF	=: IG CASINO	s∏
TEMPORARILY ABANDON	CHANGE PLANS		,		NG OPNS.	$\Box$	PLUG A		
PULL OR ALTER CASING	MULTIPLE COMPLETION			EST AND			ABANDO	ONMENT	
OTHER: PIT		X	OTHER:						
13. Describe proposed or completed of starting any proposed work). or recompletion.									
XTO Energy intends to in	stall a pit on locati	ion fo	r drillin	g.					
							*		
I hereby certify that the information a	bove is true and complete	to the	best of my	knowledge	and belief.	I further o	ertify that a	ny pit or bek	DW-
grade tank has been/will be constructed or	bove is true and complete	guideline	s 🗶 , a gei	eral permit	or an (att	ached) alter	native OCD	approved pl	an 🔲
I hereby certify that the information a grade tank has been/will be constructed or SIGNATURE	losed according to NMOCD g	guideline TIT	s 🗶 ,ager	eral permit	or an (att	ached) alter Tech	native OCD  DATE	ny pit or bek approved pl 02/06/0	an 🔲
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grade tank has been/will be constructed or SIGNATURE	losed according to NMOCD g	guideline TIT	s x , a ger LE Recu nail address	neral permit   nlatory O : ky:	or an (att	Tech  Tech  Telepl	native OCD  DATE  regy.com	approved pl 02/06/0 605-564-6	an 6 726

EXHIBIT D

Conditions of Approval, if any:

XTO ENERGY INC. FRED FEASEL J No. 1F, 665' FNL 1545' FEL SECTION 34, T28N, R10W, N.M.P.M., SAN JUAN COUNTY, N. M. GROUND ELEVATION: 5894', DATE: JULY 21, 2005 LONG. = 107°52'43.1" NAD 27 CONSTRUCTION ZONE B C 3.7 6 (5) A 7.8 C 2.5 9 C 98 90 12' DEEP 8, DEEb 'n LAYDOWN N 49'35' W 1 33 Wellhead to Front C 1.9 Wellhead to Back F 2.0 120 REAR C 0.0 Wellheod to side ö 9 NEW ACCESS 50' ± F 5.1 1.0 3) A C, F 4.5 2 B'  $(305' \times 340') = 2.38 \text{ ACRES}$ 205' X 240' 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. 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: C/L ELEV. A-A 5910 5900 5890 5880 C/L ELEV. 8-B 5910 5900 5890 and Oil Field Services tat 15088 - Farmington, 188 577 165) 228-1772 - Fat (505) 328-68 F MEDICO P.L.S. No. 14831 | Fatorico Callifors 5880 ELEV. C-C' C/L

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.

5910

5900

5890 5880

**3 3** 

#### XTO ENERGY INC.

#### Fred Feasel J #1F APD Data **February 8, 2006**

1545

Location: 665' FNL x 1825' FEL Sec 34, T28N, R10W County: San Juan

State: New Mexico

GREATEST PROJECTED TD: 6800'

OBJECTIVE: Basin Dakota / Otero Chacra

APPROX GR ELEV: 5898'

Est KB ELEV: 5910' (12' AGL)

#### 1. **MUD PROGRAM:**

INTERVAL	0' to 360'	360' to 2500'	2500' to 6800
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.

#### **CASING PROGRAM:** 2.

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

											110		
	. <u>.</u>					Coll Rating	Burst Rating	Jt Str	ID	Drift	SF	SF	SF
1		İ	l		l .	Kaung	Rainig	ุ มเงน	ענו	Dim	21.	91.	OI.
	Interval	Length	Wt	Gr	Cplg	(psi)	(psi)	(M-lbs)	(in)	(in)	Coll	Burst	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 ( $\pm 6800$ ') 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'-6800	6800'	15.5#	J-55	ST&C	4040	4810	202	4.950	4.825	1.24	1.48	1.92

#### WELLHEAD:

- A. 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.
- B. 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.

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

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 ft<sup>3</sup>/sk, & 6.70 gal wtr/sk.

Total slurry volume is 297 ft<sup>3</sup>, 100% excess of calculated annular volume to 360'.

B. <u>Production:</u> 5.5", 15.5#, J-55 (or K-55), ST&C casing to be set at ±6800' in 7.875" hole. DV Tool set @ ±4000'

1st Stage

#### LEAD:

±223 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 ft<sup>3</sup>/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.

2<sup>nd</sup> Stage

#### LEAD:

 $\pm 331$  sx of Type III with 8% gel, 1/4 pps cello & 2% LCM mixed at 11.9 ppg, 2.54 ft<sup>3</sup>/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 1659 ft<sup>3</sup>.

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 (6800') to the bottom of the surface csg. Run Neutron/Lithodensity/Pe/GR/Cal from TD (6800') to 3,000'.

#### **FORMATION TOPS:**

Est. KB Elevation: 5910'

FORMATION	Sub-Sea Elev.	WELL DEPTH	FORMATION	Sub-Sea Elev.	WELL DEPTH
Ojo Alamo SS	4998	912	Gallup Ss	495	5,415
Kirtland Shale	4897	1,013	Greenhorn Ls	-281	6,191
Farmington SS			Graneros Sh	-340	6,250
Fruitland Formation	4465	1,445	1 <sup>ST</sup> Dakota Ss*	-375	6,285
Lower Fruitland Coal			2 <sup>ND</sup> Dakota Ss*	-404	6,314
Pictured Cliffs SS	4005	1,905	3 <sup>RD</sup> Dakota Ss*	-454	6,364
Lewis Shale	3802	2,108	4 <sup>TH</sup> Dakota Ss*	-501	6,411
Chacra SS*	3064	2,846	5 <sup>TH</sup> Dakota Ss*	-538	6,448
Cliffhouse SS	2409	3,501	6 <sup>TH</sup> Dakota Ss*	-585	6,495
Menefee	2323	3,587	Burro Canyon Ss*	-614	6,524
Point Lookout SS	1701	4,209	Morrison Fm	-653	6,563
Mancos Shale	1365	4,545	Total Depth	-890	6,800

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

#### **COMPANY PERSONNEL:**

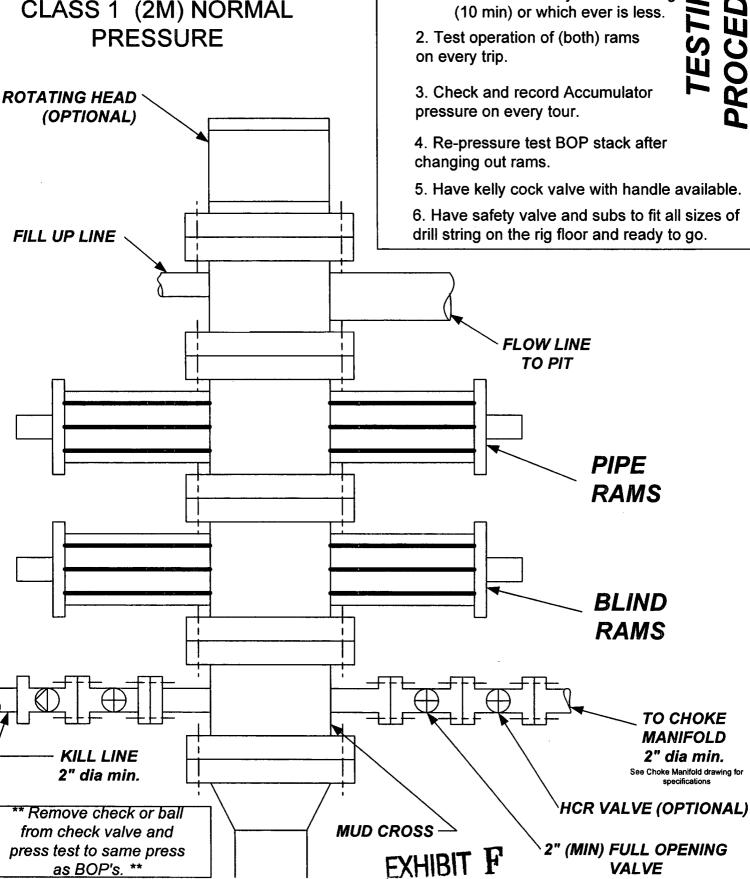
Name	Title	Office Phone	Home Phone
John Egelston	Drilling Engineer	505-564-6734	505-330-6902
Dennis Elrod	Drilling foreman	505-486-6460	505-326-2024
Red Meek	Project Geologist	817-885-2800	817-427-2475
Barry Voigt	Reservoir Engineer	817-885-2462	817-540-2092

**JWE** 2/8/06

<sup>\*</sup> Primary Objective \*\* Secondary Objective

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

as BOP's. \*\*



1. Test BOP after installation:

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

Test BOP to Working Press or

to 70% internal yield of surf csg

VALVE

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

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

# TESTING PROCEDURE

