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

	APPLICATI	ON FOR PER	MIT TO DRILL	OR R	EENTER	. , †.		ease Serial		
ia. Type of Work	ות ב	on i	☐ REENTE	'R				f Indian, All		Tribe Name
	X DRILL REENTER							N/A		
lb. Type of Well	Single Zone X Multiple Zone							7. Unit or CA Agreement Name and No. N/A		
2. Name of Operator	Γ						8. I	ease Name	and Wel	l No.
XTO Energy In	с			13	. nt	V- /:		IC Kelly	#20	
a. Address 2700 Farmingt	on Ave., Blo	kg. K. Ste 1	Farmington,	NM	50	No. (include area cod 05–324–1090	ge) 9. /	API Well No	15-3	33441
. Location of Well	(Report location cl	early and in acco	ordance with any Sta	te equir	ements)*			Field and Po		
At surface 81	5' FSL x 251	5' FWL in S	ec 3, T30N , R	12W						Blanco Mesaver
At proposed prod.	zone s	RAME				Lot 18	1		•	Blk. and Survey or Are ON, R12W
4. Distance in miles a	nd direction from n	earest town or pe	ost office*					County or Pa		13. State
	Approx 4 mi	iles North (of the Flora V	/ista	NM pos	st office_	San	n Juan		NM
5. Distance from pro				T	o. of Acres		17. Spacin	g Unit dedic	ated to t	his well
location to neares property or lease (Also to nearest d		815 '	,		,2 !	522.59	DK 3	18.41 W/	2 - M	V 318.41 W/2
8. Distance from pro	nosed location*			19.P	roposed D	enth	20. BLM/	BIA Bond I	Vo. on fi	le
to nearest well, di	rilling, completed,				-P	- 				
applied for, on thi	s lease, ft.	900'			70	00'		בנט	B-0001	L38
1. Elevations (Show	whether DF, KDB,	RT, GL, etc.		22. A	22. Approximate date work will start*			23. Estimat	ed durat	ion
5812' Gro	ınd Elevatio	n.		1	wi	nter 2005		2 weeks		
2. A Drilling Plan 3. A Surface Use Pl	l by a registered su an (if the location i ed with the approp	is on National For	•	te	5. Opera 6. Such	to cover the operati 20 above). ator certification. other site specific in orized officer.		·		`
25. Signuature	0.1/2.		[1	Name (F	Printed/Typ	red)			Date .	2
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Regulatory	Compliance 1	Dech .						TI	20	<u> </u>
Approved by Signau	27M	m. /		Name (F	rinted/Typ	ped)		7	Dare □ >	1/20/00
Title	y price	wied	~/ 	Office				G.	5 =	131/08
	•	AFM		F	7-0	`		C	3 3	
Application approval conduct operations the Conditions of approva	ereon.		ONDAROR LE	al or eq	uitable title	e to those rights in t	the subject		would e	entitle the applicant to
Title 18 U.S.C. Section States any false, fictiti	on 1001 and Title 4 ous or fraudulent s	3 U.S.C. Section	1212, make it a crim	ne for an	y person k within its i	nowlingly and willfuurisdiction.	illy to make	to any depa	artment o	or agency of the Unite
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(Instructions on page	Procedural	to say to transferri	inical and 16148 674 3165.3 19248 658 3165.3		SUBJEC	I <mark>G OPERATIONS AU</mark> IT TO COMPLIANCE IAL REQUIREMENTS	WITH ATT	ACHED1 A		MAR 2008 RECEIVED
		porsuant to 430	PR 31 AS A		/	R		A	S TO STATE OF STATE O	L CONS. DIV.
	V						JV	- V. 12	27	MMOCD NMOCD

DISTRICT | 1625 N. Franch Dr., Hobba, N.M. 88240

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

DESTRICT IN 1000 Rd. Aztec, N.M. 87410

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION

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

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

S 87-03-18 E 2701.6' (M)

/		٧	VELL L	OCATIO	N AND AC	REAGE DED	ICATION PL	_AT		
30-04	Number 5-3	344	171	590		Basi	Pool Ham	101a		/
Property Code Property Home										
- 224	200		L. C. KELLY							
OCRUD No	/				*Operator h	lame			Devotton	
16700	TO(0) XTO ENERGY INC.								5812	~
					¹⁰ Surface	Location				
UL or lot na.	Section	Township	Range	Lot ldn	Feet from the	North/South line	Feet from the	East/West line	County	
N	3	30-N	12-W	18	815	SOUTH	2515	WEST	SAN	JUAN
		***************************************	" Bott	om Hole	Location	lf Different Fr	om Surface			
UL or lot no.	Section	Township	Range	Lot kin	Feet from the	North/South line	Foet from the	East/West line	County	
To Dedicated Acree Solant or Infill M Consolidation Code WOrder No.							-			
wla	318	.41								

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

OPERATOR CERTIFICATION the best of any browledge and LOT 8 LOT 6 LOT 5 LOT 9 LOT 10 LOT II LOT 12 OTR CORNER FO 3 1/4" BC BLM 1976 SURVEYOR CERTIFICATION LOT 15 LOT 14 LOT 13 LAT: 36'50'10.3" N. (NAD 27) LONG: 108"05'07.6" W. (NAD 27) 2515 LOT 17 LOT 18 LOT 19 LOT 20 SEC. CORNER FD 3 1/4" BC BLM 1975 OTR. CORNER FD 3 1/4" BC BLM 1975

DISTRICT I 1625 N. Franch Dr., Hobba, N.M. 88240

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

DISTRICT IN 1000 Rio Brozzer Rd., Aztec, N.M. 87410

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102 Revised June 10, 2003 Appropriate District Office

Submit to Appropriate District Office State Lease - 4 Copies

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☐ AMENDED REPORT

DISTRICT IV 1220 South St. Francis Dr., Santo Fe, HM 87505

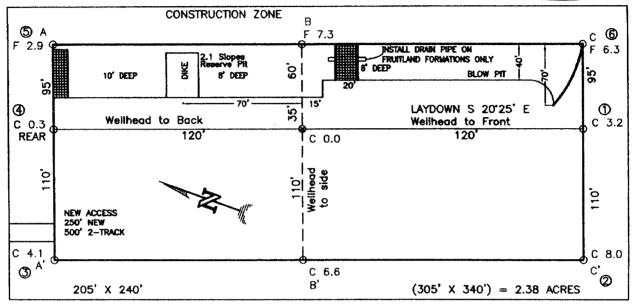
		٧	VELL LO	OCATIO	N AND AC	REAGE DEDI	CATION PL	AT					
30-0	Number -15 -	3344	1 7	Pool Code		Blanco	Pool Hame						
*Property Con					*Property N	ome		• W	leli Number				
2262	70 I		L. C. KELLY 20										
70GRID No.					^e Operator N	ome			Bevotion				
110700	PΩ				XTO ENERG	Y INC.			5812'				
					¹⁰ Surface	Location		Particular and American State of the State o	- The state of the				
UL or lot no.	Section	Township	Range	Lot lith	Feet from the	North/South line	Feet from the	East/West line	County				
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			" Bott	om Hole	Location I	f Different Fro	om Surface		dening - more considering it president and device to the considering and the consideri				
Ut or lot no.	Section	Township	Rungo	Lot lan	Feet from the	North/South line	Feet from the	Ecet/West fine	County				
** Dedicated Acres		1	S Joint or I	-mi	H Consolidation Co	lde	[™] Order No.	**************************************					
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16			/					OPERATOR C					

LOT B LOT LOT 6 LOT S LOT 9 LOT 10 LOT 11 LO7 12 OTR. CORNER FD 3 1/4" BC BLM 1976 SURVEYOR CERTIFICATION 2564.1° () LOT 16 LOT 15 **LOT 14** LOT 13 LAT: 36'50'10.3" N. (NAD 27) LONG: 108'05'07.6" W. (NAD 27) 2515 LOT 17 LOT 18 LOT 19 LOT 20 SEC. CORNER FD J 1/4" 80 BLM 1975 QTR. CORNER FD 3 1/4" BC BLM 1975 S 87-03-18 E 2701.6' (M)

Submit 3 Copies To Appropriate District Office	State of New Energy, Minerals and N		urces			Form C May 27	
District I 1625 N. French Dr., Hobbs, NM 87240	inorgy, minorals and re	10000		WELL AP	INO On A	45-334	• • •
District II	OIL CONSERVAT	TON DIVI	SION	F 7 1:4			71
1301 W. Grand Ave., Artesia, NM 88210 District III	1220 South St.		r.		Type of Lea		
1000 Rio Brazos Rd., Aztec, NM 87410 District IV	Santa Fe, NI	M 87505			ATE		
1220 S. St. Francis Dr., Santa Fe, NM 87505				6. State C SF-081	oil & Gas Lea 239	se No.	
SUNDRY NOTIC (DO NOT USE THIS FORM FOR PROPO DIFFERENT RESERVOIR. USE "APPLIC PROPOSALS.)	ES AND REPORTS ON VISALS TO DRILL OR TO DEEP AATION FOR PERMIT" (FORM	PEN OR PLUG	BACK TO A UCH	IC Kelly	?	Agreement Nar	me:
1. Type of Well: Oil Well Gas Well	Other			8. Well N	umber #20		
2. Name of Operator				9. OGRID	Number	· · · · · · · · · · · · · · · · · · ·	
XTO Energy Inc.				10 Pro1	167067	lent	
3. Address of Operator 2700 Farmington Ave., Bldg	r K Sta 1 Farmington	NM 97401			name or Wild Nota/Blanc	cat o <u>Mesaverde</u>	
4. Well Location	. R. Ste I gammingan	1, 161 0/401			and and and and	<u> </u>	
Unit Letter <u>N</u> :	815 feet from the	South	line and	2515	feet from the	e Wes t	line
Section 3	Township 30N		12W	NMPM	NMPM C	County SAN	JUAN
	11. Elevation (Show whet	ther DR, RKI 5812 '	B, RT, GR, etc	c.)			
Pit or Below-grade Tank Application X							
Pit type _DRILL Depth to Groundwater .						ater >1000	}
Pit Liner Thickness: 12 mil	Below-Grade Tank: Vol	ште 8000 ь	bis; Constructio	n Material _			
NOTICE OF INTE PERFORM REMEDIAL WORK TEMPORARILY ABANDON PULL OR ALTER CASING	Appropriate Box to Indice ENTION TO: PLUG AND ABANDON COMMENTED CHANGE PLANS MULTIPLE COMPLETION	REME	•	SEQUEN	NT REPOR		
OTHER: PIT	Σ	C OTHER	2 .				<u></u>
					1-4 11 11-		
 Describe proposed or completed of starting any proposed work). or recompletion. XIO Energy intends to ins 	SEE RULE 1103. For Mu	ltiple Compk	ctions: Attach				
I hereby certify that the information at	ove is true and complete to	the best of	my knowledge	and belief.	I further certi	fy that any pit or l	elow-
grade tank has been/will be constructed or c	losed according to NMOCD guid						
SIGNATURE DATA VALLE		TITLE <u>B</u> E-mail addr	equlatory Co				/05
Type or print name Kyla Vanghan		e-man andi	ws. Syl	La_vaugnat	extoenengy Telephon	e No. 505-564	-6726
For State Use Only	-W ~ :	091114	OU & GAS IN	Section in	16CT _#10	MAR 27	2006
APPROVED BY Conditions of Approval, if any:		TITLE			DAT	E	
- approved, a may.	1			Ð	(HIBIT	\mathbf{D}	

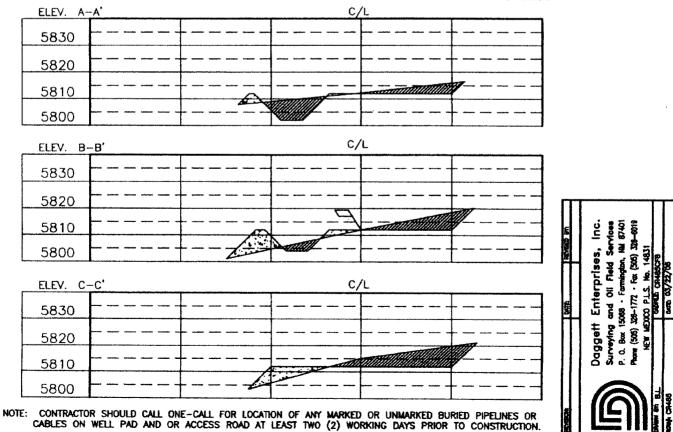
XTO ENERGY INC.
L. C. KELLY No. 20, 815' FSL 2515' FWL
SECTION 3, T30N, R12W, N.M.P.M., SAN JUAN COUNTY, N. M.
GROUND ELEVATION: 5812', DATE: MARCH 17, 2005

LAT. = 36°50'10.3" N. LONG. = 108°05'07.6" 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.



XTO ENERGY INC.

LC Kelly #20 APD Data November 17, 2005

Location: 815' FSL x 2515' FWL Sec 3, T30N, R12W

County: San Juan

State: New Mexico

GREATEST PROJECTED TD: 7000'

OBJECTIVE: Basin Dakota / Blanco Mesaverde

Est KB ELEV: 5824' (12' AGL)

1. MUD PROGRAM:

APPROX GR ELEV: 5812'

INTERVAL	0' to 360'	360' to 2900'	2900' to 7000
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

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 (± 7000 ') 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'-7000	7000'	15.5#	J-55	ST&C	4040	4810	202	4.950	4.825	1.21	1.44	1.86

3. 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 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", 15.5#, J-55 (or K-55), ST&C casing to be set at ± 7000 ' in 7.875" hole.

LEAD:

±730 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.

Total estimated slurry volume for the 5-1/2" production casing is 1698 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 (7000') to the bottom of the surface csg. Run Neutron/Lithodensity/Pe/GR/Cal from TD (7000') to 3,000'.

6. FORMATION TOPS:

Est. KB Elevation: 5824'

FORMATION	Sub-Sea Elev.	WELL DEPTH	FORMATION	Sub-Sea Elev.	WELL DEPTH
Ojo Alamo SS	5300	524	Gallup Ss	120	5,704
Kirtland Shale	5214	610	Greenhorn Ls	-640	6,464
Farmington SS	5090	734	Graneros Sh	-700	6,524
Fruitland Formation	4115	1,709	1 ST Dakota Ss*	-770	6,594
Lower Fruitland Coal	3915	1,909	2 ND Dakota Ss	N/A	
Pictured Cliffs SS	3715	2,109	3 RD Dakota Ss*	-820	6,644
Lewis Shale	3515	2,309	4 TH Dakota Ss	N/A	
Chacra SS**	2650	3,174	5 TH Dakota Ss**	-860	6,684
Cliffhouse SS	2050	3,774	6 TH Dakota Ss**	-904	6,728
Menefee*	2015	3,809	Burro Canyon Ss**	-1008	6,832
Point Lookout SS*	1388	4,436	Morrison Fm**	-1020	6,844
Mancos Shale	1060	4,764	Total Depth	-1176	7,000

^{*} Primary Objective

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 11/17/05

^{**} Secondary Objective

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

TESTING PROCEDURE Pressure test BOP to 200-300 psig (low pressure) for 5 min. **BOP SCHEMATIC FOR** Test BOP to Working Press or DRILLING OPERATIONS to 70% internal yield of surf csg CLASS 1 (2M) NORMAL (10 min) or which ever is less. **PRESSURE** 2. Test operation of (both) rams on every trip. 3. Check and record Accumulator ROTATING HEAD pressure on every tour. (OPTIONAL) 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. **FILL UP LINE FLOW LINE** TO PIT PIPE RAMS BLIND RAMS TO CHOKE **MANIFOLD** KILL LINE 2" dia min. See Choke Manifold drawing for 2" dia min. HCR VALVE (OPTIONAL) Remove check or ball **MUD CROSS** from check valve and 2" (MIN) FULL OPENING press test to same press as BOP's. ** EXHIBIT F VALVE

1. Test BOP after installation:

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

