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

## APPLICATION FOR PERMIT TO DRILL OR REENTER

2007 APR 16 PM 12:42
RECEIVED
BLM
210 FARMINGTON NM

5. Lease Serial No.: NMSF 077951

1a. Type of Work: [x] DRILL [ ] REENTER

6. If Indian, Allotee or Tribe Name: N/A

1b. Type of Well: [ ] Oil Well [x] Gas Well [ ] Other [x] Single Zone [ ] Multiple Zone

7. Unit or CA Agreement Name and No.: N/A NMNM-73952-DK

2. Name of Operator: XTO Energy Inc.

8. Lease Name and Well No.: JACK FROST GAS COM E #1F

3a. Address: 2700 Farmington Ave., Bldg. K, Ste 1 Farmington, NM

3b. Phone No. (include area code): 505-324-1090

9. API Well No.: 30-045- 34276

4. Location of Well (*Report location clearly and in accordance with any State equirements*)*

At surface: 2340' FNL x 1575' FWL

10. Field and Pool, or Exploratory: BASIN DAKOTA

At proposed prod. zone: SAME

11. Sec., T., R., M., or Blk. and Survey or Area: (F) SEC 25, T27N, R10W

14. Distance in miles and direction from nearest town or post office*: Approximately 13.5 miles Southeast of Bloomfield, NM post office

12. County or Parish: SAN JUAN

13. State: NM

| 15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) | 16. No. of Acres in lease | 17. Spacing Unit dedicated to this well |
|---|---|---|
| 1575' | 800 | W/2 320 DK |

| 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. | 19. Proposed Depth | 20. BLM/BIA Bond No. on file |
|---|---|---|
| 254' | 7300' | UTB000138 |

| 21. Elevations (Show whether DF, KDB, RT, GL, etc. | 22. Approximate date work will start* | 23. Estimated duration |
|---|---|---|
| 6612' GROUND ELEVATION | JULY 2007 | 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.
2. A Drilling Plan
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).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized officer.

| 25. Signature | Name (*Printed/Typed*) | Date |
|---|---|---|
| Kyla Vaughan | Kyla Vaughan | 04/13/07 |

Title: Regulatory Compliance Tech

| Approved by (Signature) | Name (*Printed/Typed*) | Date |
|---|---|---|
| /s/ Manuel Vasquez | | 5/8/07 |

| Title | Office |
|---|---|
| AFM | FFO |

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)

RECEIVED
MAY 2007
OIL CONS. DIV. DIST. 3

NOTIFY AZTEC OCD 24 HRS.
PRIOR TO CASING & CEMENT

APD/ROW

NMOCD

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

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

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

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

DISTRICT III
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 Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005

Submit to Appropriate District Office
State Lease – 4 Copies
Fee Lease – 3 Copies

07 APR 16 PM 12:02
RECEIVED
210 FARMINGTON NM

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

| 1 API Number | 2 Pool Code | 3 Pool Name |
|---|---|---|
| 30-045-34276 | 71599 | Basin Dakota |

| 4 Property Code | 5 Property Name | 6 Well Number |
|---|---|---|
| 22618 | JACK FROST GAS COM E | 1F |

| 7 OGRID No. | 8 Operator Name | 9 Elevation |
|---|---|---|
| 5380 | XTO ENERGY INC. | 6612 |

### 10 Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---|---|---|---|---|---|---|---|---|---|
| F | 25 | 27-N | 10-W | | 2340 | NORTH | 1575 | WEST | SAN JUAN |

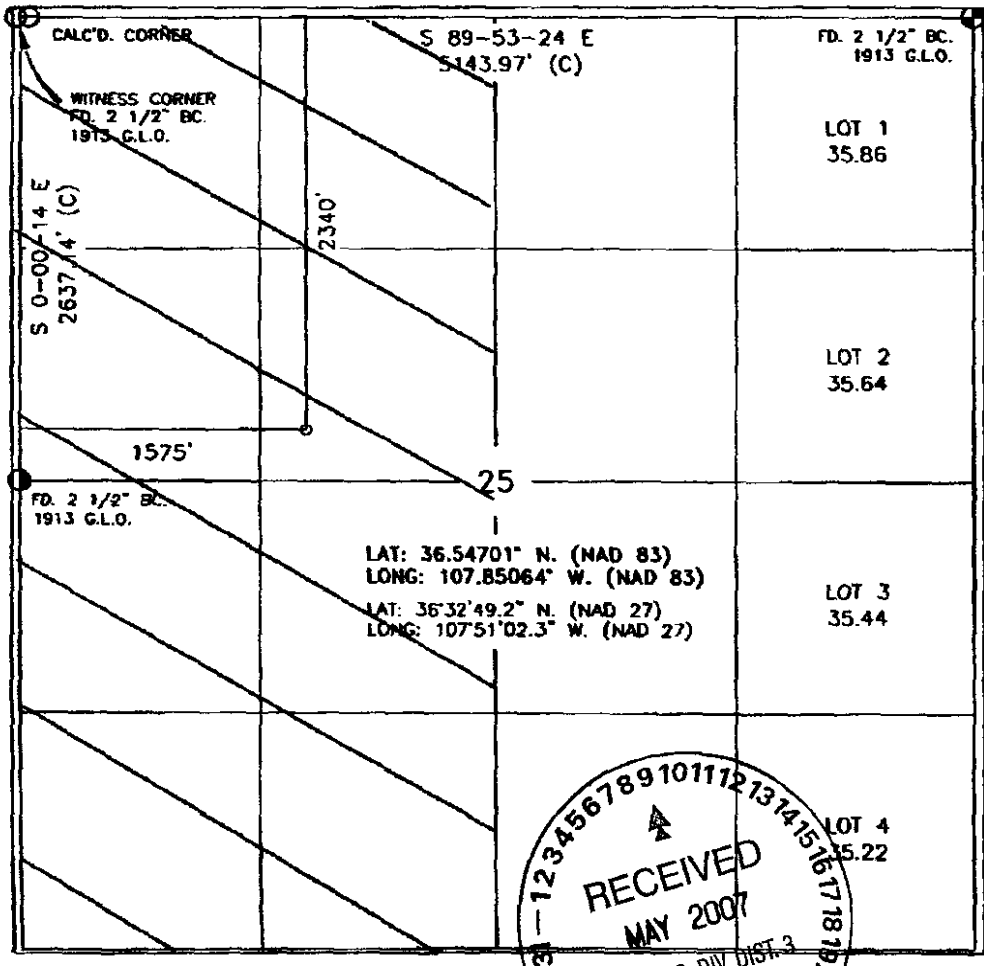
### 11 Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | |

| 12 Dedicated Acres | 13 Joint or Infill | 14 Consolidation Code | 15 Order No. |
|---|---|---|---|
| W/2 320 | | | |

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

16




### 17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: Kelly Small 11/17/07
Date

Printed Name: Kelly Small

### 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.

OCTOBER 20, 2006
Date of Survey

Signature and Seal of Professional Surveyor:

NEW MEXICO
9894
REGISTERED PROFESSIONAL LAND SURVEYOR

Certificate Number

RECEIVED
MAY 2007
OIL CONS. DIV. DIST. 3

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. 30-045-34276

5. Indicate Type of Lease STATE ☐ FEE ☐

6. State Oil & Gas Lease No. NMSF 077951

## 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.)

7. Lease Name or Unit Agreement Name: JACK FROST GAS COM E

1. Type of Well: Oil Well ☐ Gas Well ☒ Other

8. Well Number #1F

2. Name of Operator XTO Energy Inc.

9. OGRID Number 5380

3. Address of Operator 2700 Farmington Ave., Bldg. K, Ste 1 Farmington, NM 87401

10. Pool name or Wildcat BASIN DAKOTA

4. Well Location

Unit Letter F : 2340 feet from the NORTH line and 1575 feet from the WEST line

Section 25 Township 27N Range 10W NMPM NMPM County SAN JUAN

11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6612' GROUND ELEVATION

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 8000 bbls; Construction Material

12. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

| NOTICE OF INTENTION TO: | | | | SUBSEQUENT REPORT OF: | | | |
|---|---|---|---|---|---|---|---|
| PERFORM REMEDIAL WORK | ☐ | PLUG AND ABANDON | ☐ | REMEDIAL WORK | ☐ | ALTERING CASING | ☐ |
| TEMPORARILY ABANDON | ☐ | CHANGE PLANS | ☐ | COMMENCE DRILLING OPNS. | ☐ | PLUG AND ABANDONMENT | ☐ |
| PULL OR ALTER CASING | ☐ | MULTIPLE COMPLETION | ☐ | CASING TEST AND CEMENT JOB | ☐ | | |
| OTHER: PIT | ☒ | | | 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 plans to install a lined pit on location for drilling.

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 04/13/07

Type or print name Kyla Vaughan E-mail address: kyla_vaughan@xtoenergy.com Telephone No. 505-564-6726

For State Use Only

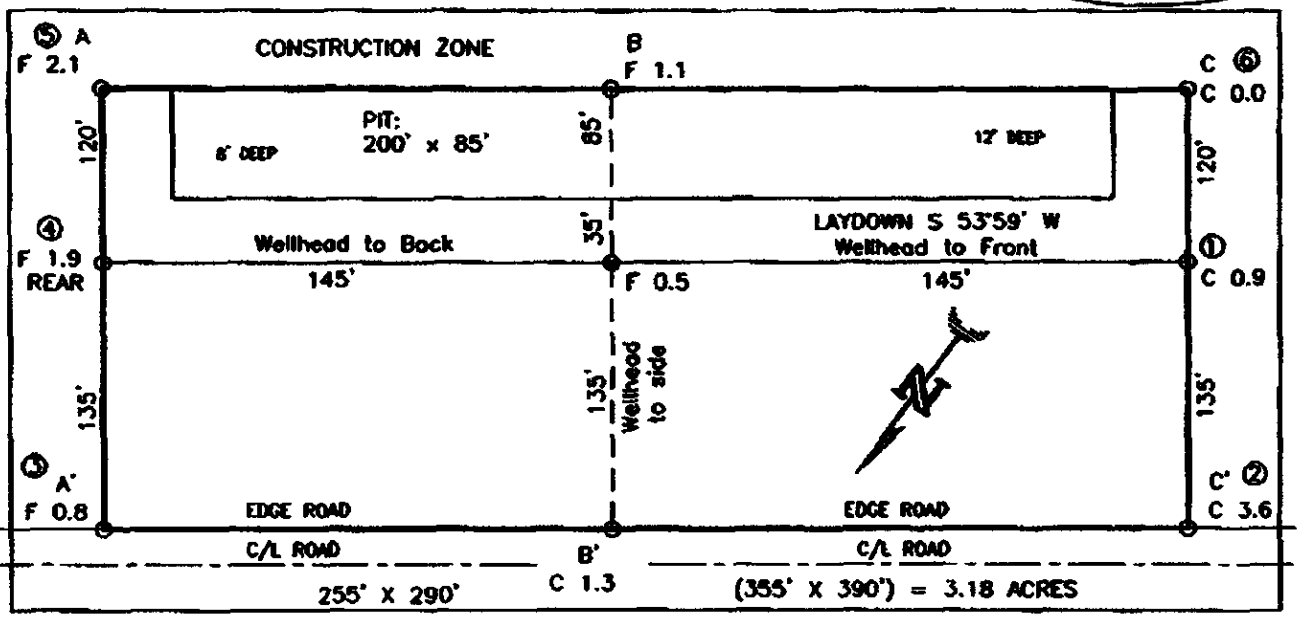
APPROVED BY TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE 5/10/07

Conditions of Approval, if any:

EXHIBIT D

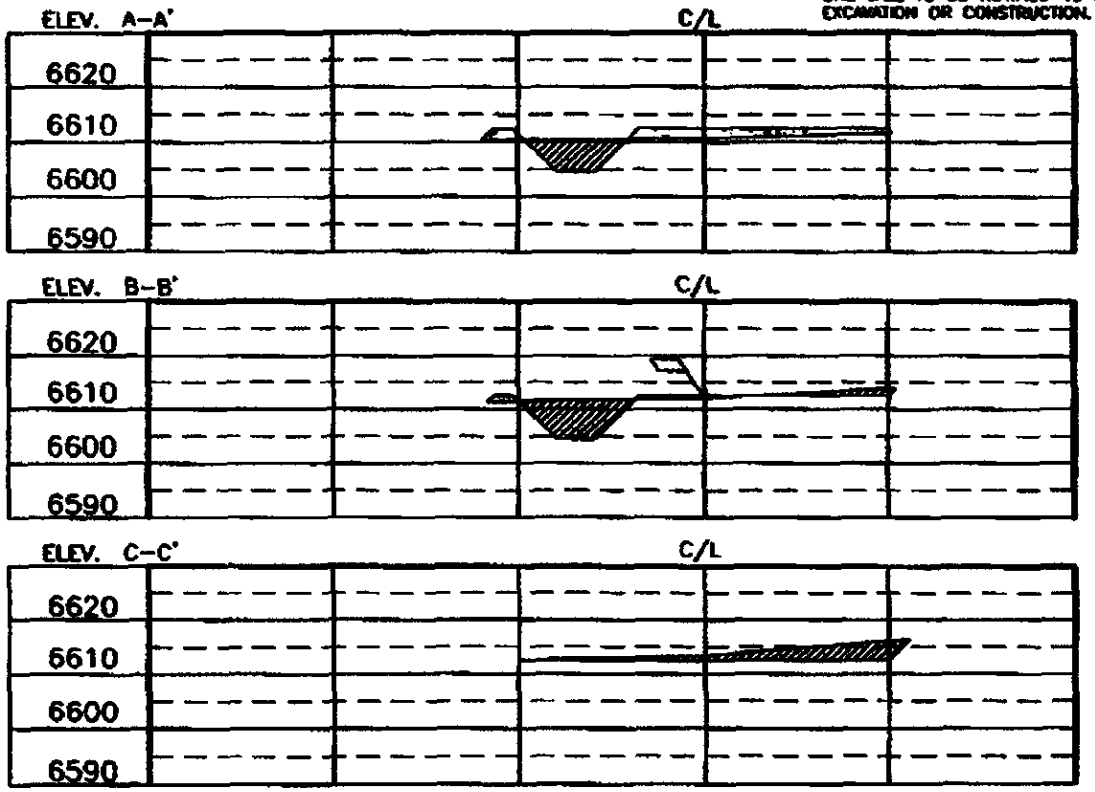
XTO ENERGY INC.
JACK FROST GAS COM E No. 1F, 2340 FNL 1575 FWL
SECTION 25, T27N, R10W, N.M.P.M., SAN JUAN COUNTY, N.M.
GROUND ELEVATION: 6612' DATE: OCTOBER 30, 2006

NAD 83
LAT. = 36.54701° N
LONG. = 107.85064° W
NAD 27
LAT. = 36°32'49.2" N
LONG. = 107°51'02.3" W




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.

Daggett Enterprises, Inc.
Surveying and Oil Field Services
P. O. Box 15068 - Farmington, NM 87401
Phone (505) 326-1772 - Fax (505) 326-4019
NEW MEXICO L.S. No. 8894

EXHIBIT E

# XTO ENERGY INC.

**Jack Frost Gas Com E #1F**
**APD Data**
**April 13, 2007**

**Location:** 2340' FNL x 1575' FWL Sec 25, T27N, R10W **County**: San Juan **State**: New Mexico

GREATEST PROJECTED TD: 7300' OBJECTIVE: Basin Dakota
APPROX GR ELEV: 6612' Est KB ELEV: 6624' (12' AGL)

## 1. MUD PROGRAM:

| INTERVAL | 0' to 360' | 360' to 2500' | 2500' to 7300' |
|---|---|---|---|
| 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 ± 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 (±7300') in 7.875" 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'-7300 | 7300' | 15.5# | J-55 | ST&C | 4040 | 4810 | 202 | 4.950 | 4.825 | 1.16 | 1.38 | 1.79 |

## 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.

EXHIBIT F

**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 ± 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 $ft^3$/sk, & 6.70 gal wtr/sk.

***Total slurry volume is 297 $ft^3$, 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 ±7300' in 7.875" hole. DV Tool set @ ±4800'

1st Stage

LEAD:
**±187** sx of Premium Lite HS (Type III/Poz/Gel) or equivalent, with dispersant, fluid loss, accelerator, & LCM mixed at 12.5 ppg, 2.01 $ft^3$/sk, 10.55 gal wtr/sx.

TAIL:
**150** sx Type III or equivalent cement with bonding additive, LCM, dispersant, & fluid loss mixed at 14.2 ppg, 1.54 cuft/sx, 8.00 gal/sx.

2nd Stage

LEAD:
**±407** sx of Type III or equivalent cement with 8% gel & LCM mixed at 11.9 ppg, 2.54 $ft^3$/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 1780 $ft^3$.***

***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: None.

B. Open Hole Logs as follows: Run Array Induction/SFL/GR/SP fr/TD (7300') to the bottom of the surface csg. Run Neutron/Lithodensity/Pe/GR/Cal from TD (7300') to 3,000'.

EXHIBIT F

## 6. FORMATION TOPS:

Est. KB Elevation: 6624'

| FORMATION | Sub-Sea | MD | FORMATION | TV Sub-Sea | MD |
|---|---|---|---|---|---|
| Ojo Alamo SS | 5155 | 1,469 | Gallup** | 699 | 5,925 |
| Kirtland Shale | 5001 | 1,623 | Greenhorn | -138 | 6,762 |
| Farmington SS | | | Graneros | -192 | 6,816 |
| Fruitland Formation | 4655 | 1,969 | Dakota 1* | -220 | 6,844 |
| Lower Fruitland Coal | 4222 | 2402 | Dakota 2* | -264 | 6,888 |
| Pictured Cliffs SS | 4212 | 2,412 | Dakota 3* | -308 | 6,932 |
| Lewis Shale | 4043 | 2,581 | Dakota 4* | -363 | 6,987 |
| Chacra SS | 3308 | 3,316 | Dakota 5* | -394 | 7,018 |
| Cliffhouse SS | 2663 | 3,961 | Dakota 6* | -431 | 7,055 |
| Menefee | 2550 | 4,074 | Burro Canyon | -464 | 7,088 |
| Point Lookout SS | 1798 | 4,826 | Morrison* | -483 | 7,107 |
| Mancos Shale | 1506 | 5,118 | **TD** | -676 | **7,300** |

* *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 |
|---|---|---|---|
| John Egelston | Drilling Engineer | 505-564-6734 | 505-330-6902 |
| Jerry Lacy | Drilling Superintendent | 505-566-7917 | 505-320-6543 |
| John Klutsch | Project Geologist | 817-885-2800 | -- |

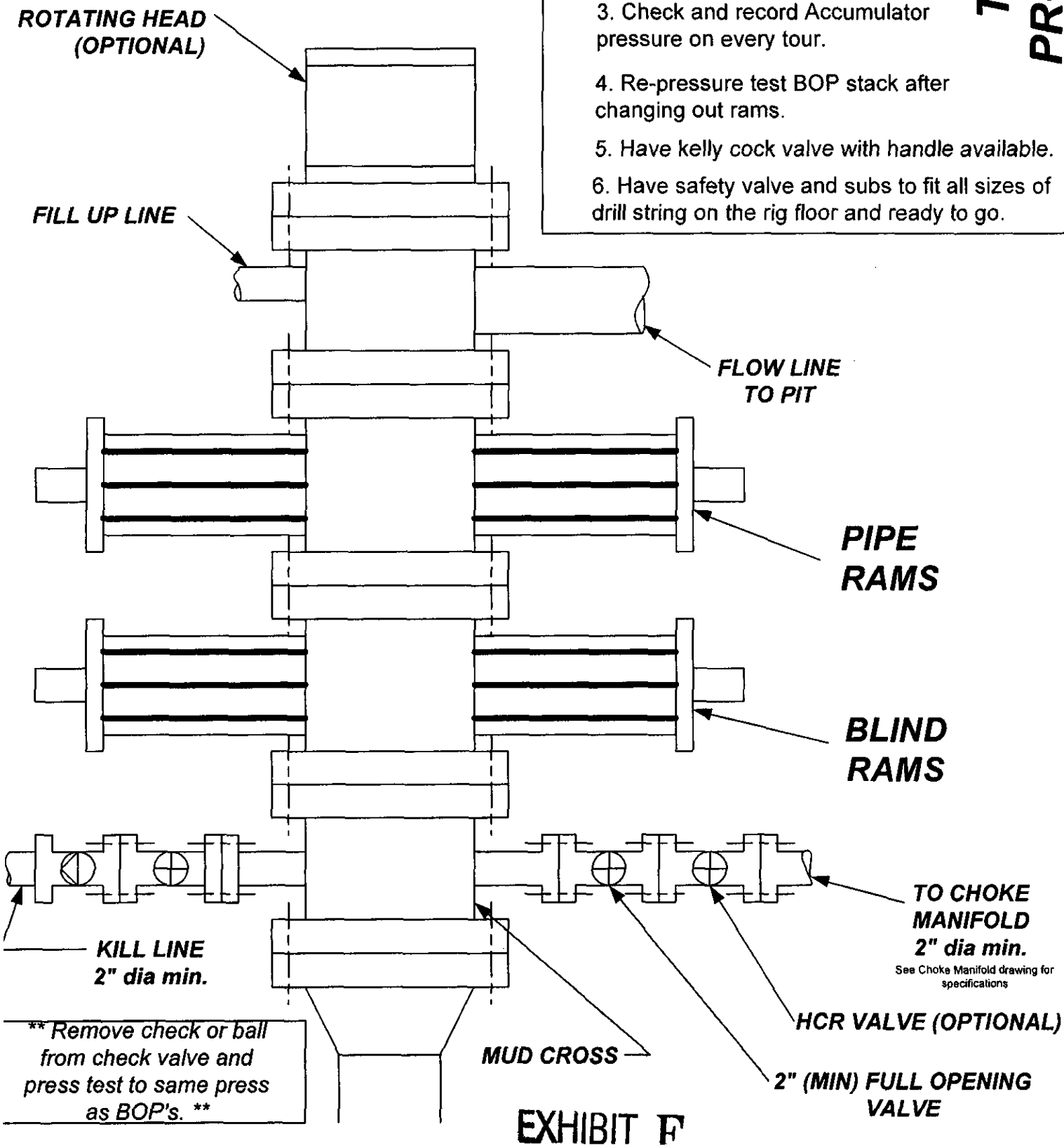
JWE
4/13/07

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 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.




** Remove check or ball from check valve and press test to same press as BOP's. **

EXHIBIT F

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

**TESTING PROCEDURE**

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.

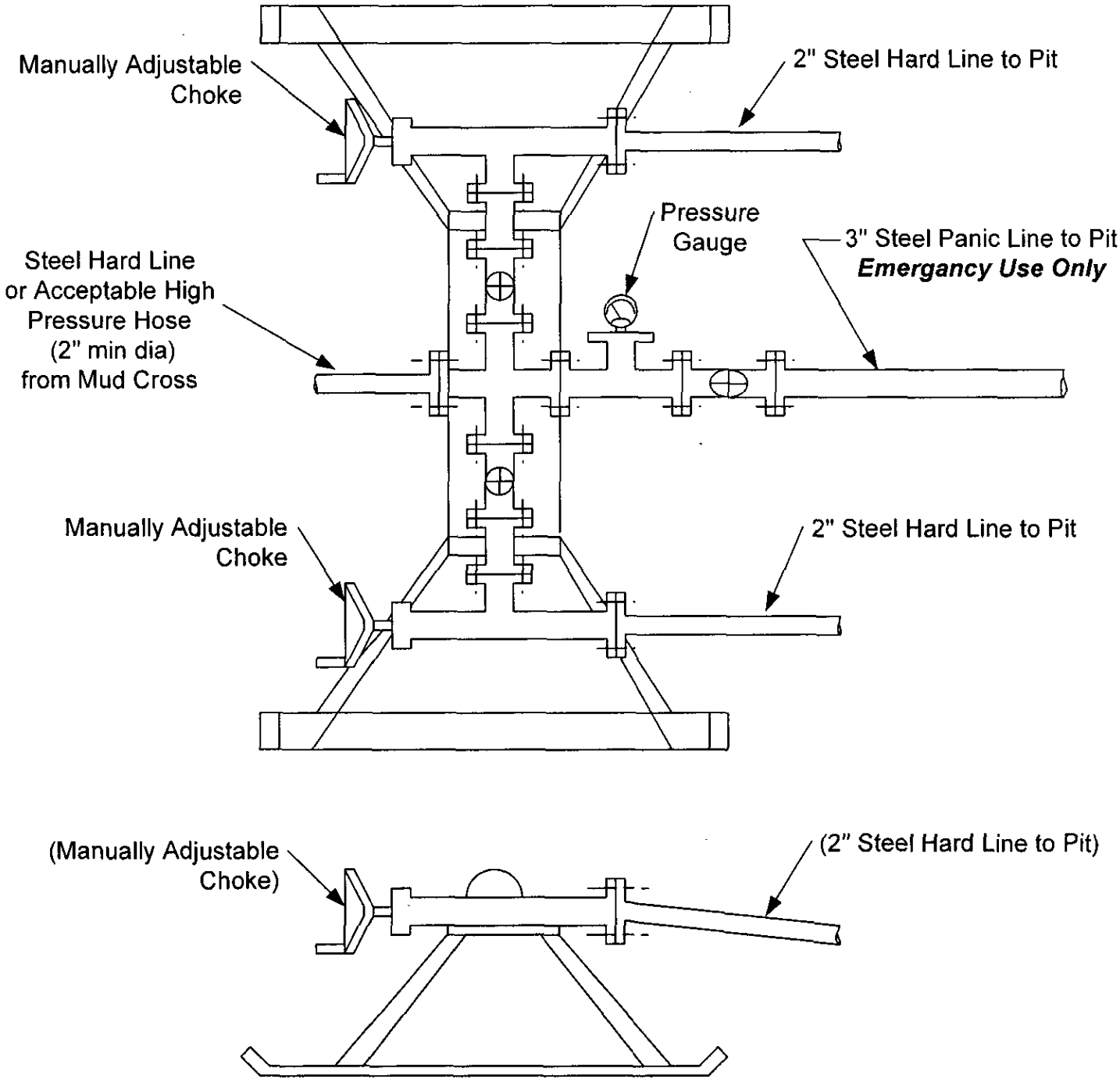



EXHIBIT F