

RCVD AUG 13 '08

RECEIVED

OIL CONS. DIV.

Form 3160-3
(February 2005)

JAN 28 2008

FORM APPROVED
OMB No 1004-0137
Expires March 31, 2007

DIST. 3

UNITED STATES
DEPARTMENT OF THE INTERIOR Bureau of Land Management
BUREAU OF LAND MANAGEMENT Farmington Field OfficeLease Serial No.
NMNM 003380

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER			6. If Indian, Allottee or Tribe Name N/A		
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone			7. If Unit or CA Agreement, Name and No N/A		
2. Name of Operator XTO Energy, Inc.			8. Lease Name and Well No. FLORANCE D #14C		
3a. Address 382 CR 3100 AZTEC, NM 87410		3b. Phone No. (include area code) 505-333-3100	9. API Well No. 30-045- 34580		
4. Location of Well (Report location clearly and in accordance with any State requirements *) At surface 830' FSL x 250' FWL At proposed prod. zone same			10. Field and Pool, or Exploratory DK/MC/MV		
11. Sec., T. R. M. or Blk. and Survey or Area (M) SEC 21, T27N, 8W			12. County or Parish San Juan		
13. State NM			14. Distance in miles and direction from nearest town or post office* Approximately 19 miles Southeast of Bloomfield, NM post office		
15. Distance from proposed* location to nearest property or lease line, ft (Also to nearest drig unit line, if any) 250'		16. No. of acres in lease 2400.96	17. Spacing Unit dedicated to this well S/2 DK, MC, MV, 320		
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft 930'		19. Proposed Depth 7078'	20. BLM/BIA Bond No. on file UTB-000138		
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6250' GROUND ELEVATION		22. Approximate date work will start* 03/25/2008	23. Estimated duration 2 weeks		

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, must 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 must be filed with the appropriate Forest Service Office) | 6. Such other site specific information and/or plans as may be required by the BLM. |

25. Signature <i>Kyla Vaughan</i>	Name (Printed/Typed) Kyla Vaughan	Date 01/25/2008
-----------------------------------	--------------------------------------	--------------------

Title Regulatory Compliance	NMOC D approval is required for the unorthodox location.	
--------------------------------	--	--

Approved by (Signature) <i>[Signature]</i>	Name (Printed/Typed) AFM	Date 8/12/08
--	-----------------------------	-----------------

Title AFM	Office 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 USC Section 1001 and Title 43 USC 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)

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS

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".

AUG 14 2008

NMOC D

HOLD C104 FOR NSL
and status change to
Florance D #14C
Rule 40 compliance

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

APD/ROW
NOTIFY AZTEC OGD 24 HRS.
PRIOR TO CASING & CEMENT

A COMPLETE C-144 MUST BE SUBMITTED TO AND APPROVED BY THE NMOC D FOR: A. PIT-CLOSED LOOP SYSTEM, BELOW GRADE TANK, OR PROPOSED ALTERNATIVE METHOD, PURSUANT TO NMOC D PART 19.15.17, PRIOR TO THE USE OR CONSTRUCTION OF THE ABOVE APPLICATIONS.

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

JAN 28 2008

Bureau of Land Management ☒ AMENDED REPORT
Farmington Field Office

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30.045.34580		*Pool Code 71599	*Pool Name BASIN DAKOTA
*Property Code 29105	*Property Name FLORANCE D		*Well Number 14C
*OGRID No. 5380	*Operator Name XTO ENERGY INC.		*Elevation 6250

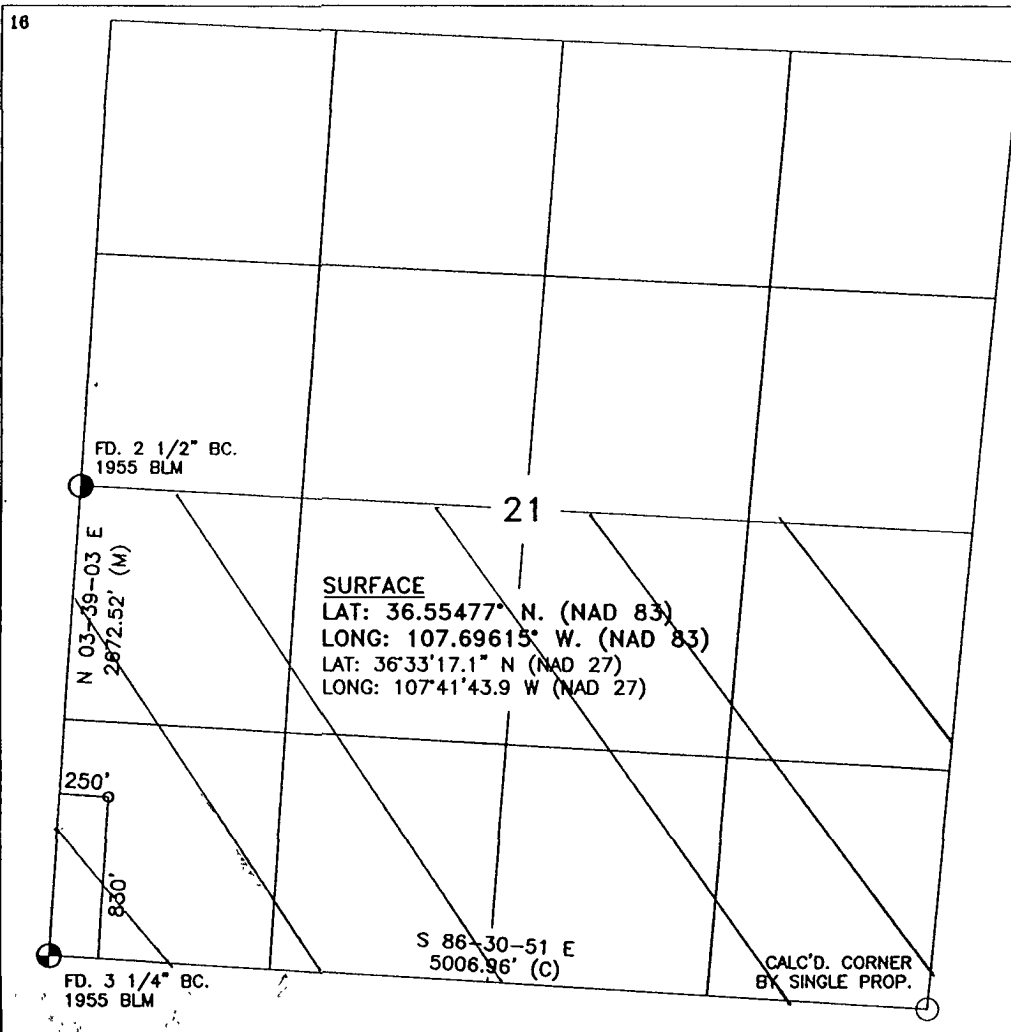
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	21	27-N	8-W		830	SOUTH	250	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 S 2 320			¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ 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



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.

Kyla Vaughan 1/25/08
Signature Date
Kyla Vaughan
Printed Name

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.

SEPTEMBER 11, 2007
Date of Survey
Signature and Seal of Professional Surveyor:
[Signature]
8894
Certificate Number

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 97232	³ Pool Name WC BASIN MANCOS
⁴ Property Code 29105	⁵ Property Name FLORANCE D	⁶ Well Number 14C
⁷ GRID No. 5380	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 6250

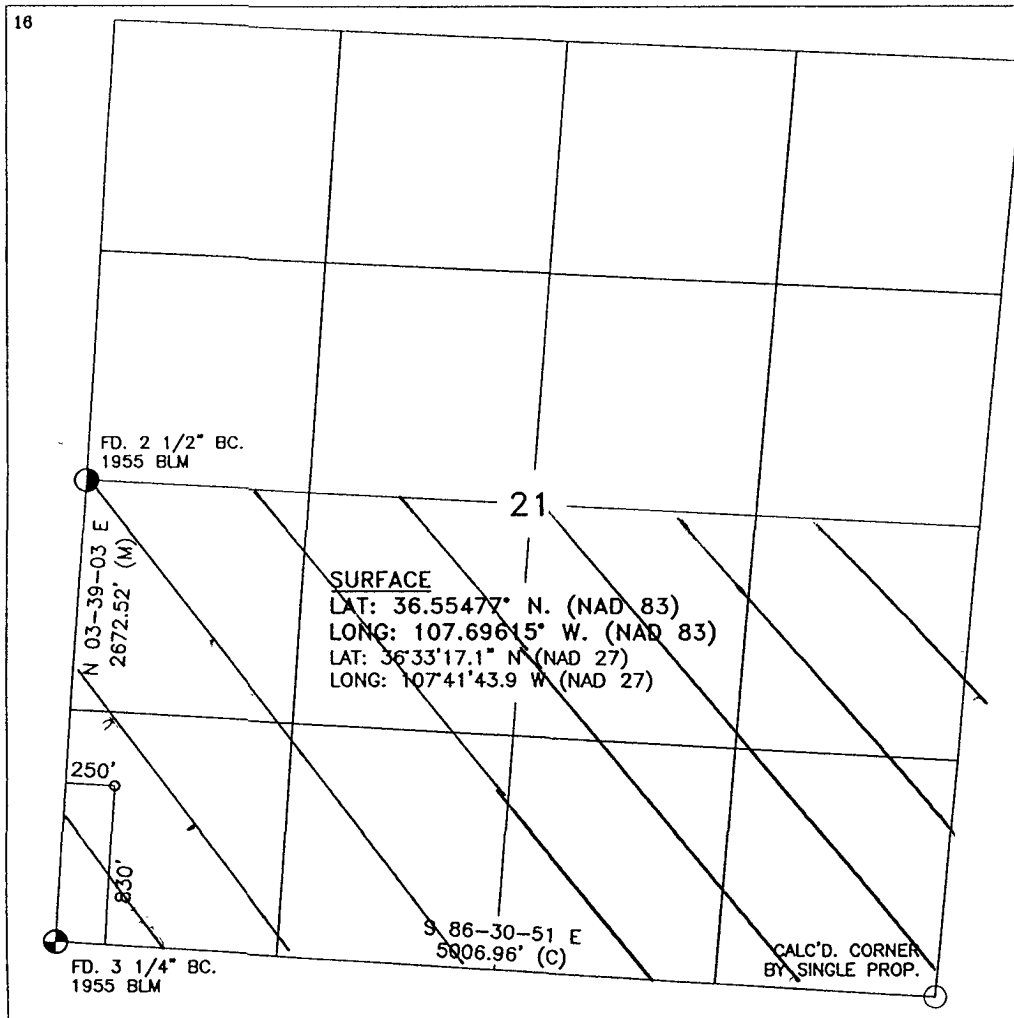
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	21	27-N	8-W		830	SOUTH	250	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 5/2 320			¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ 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



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.

Kyla Vaughan 1/25/08
Signature Date
Kyla Vaughan
Printed Name

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.

SEPTEMBER 11, 2007
Date of Survey
Signature and Seal of Professional Surveyor:
Certificate Number

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 72319	³ Pool Name BLANCO MESA VERDE
⁴ Property Code 29105	⁵ Property Name FLORANCE D	⁶ Well Number 14C
⁷ GRID No. 5380	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 6250

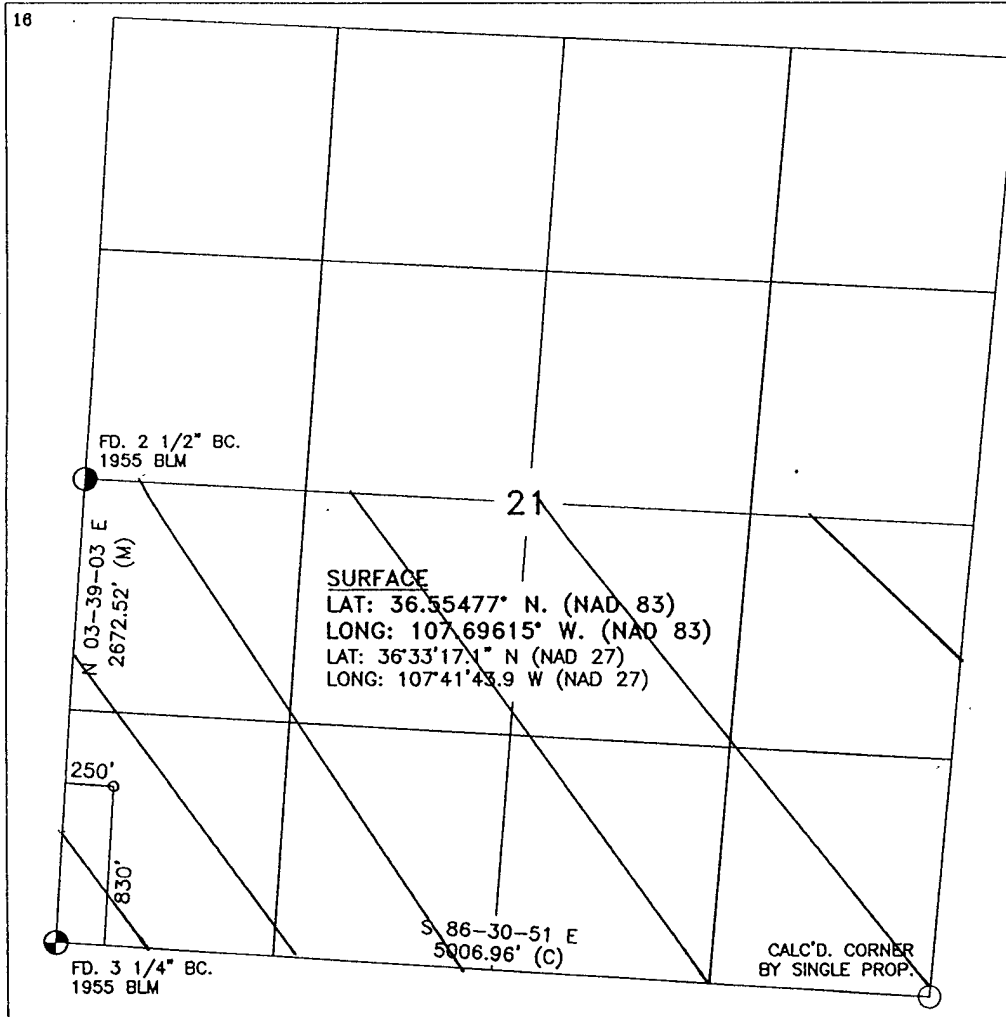
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	21	27-N	8-W		830	SOUTH	250	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 5 1/2 320			¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ 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



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.

Kyla Vaughan 1/25/08
Signature Date
Kyla Vaughan
Printed Name

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.

SEPTEMBER 11, 2007
Date of Survey
Signature and Seal of Professional Surveyor:
[Signature]
8894
Certificate Number

XTO ENERGY INC.

Florance D #14C

APD Data

January 25, 2008

Location: 830' FSL x 250' FWL Sec 21, T27N, R8W

County: San Juan

State: New Mexico

GREATEST PROJECTED TD: 7078'

OBJECTIVE: Basin Dakota / Blanco Mesa Verde / Basin Mancos

APPROX GR ELEV: 6250'

Est KB ELEV: 6262' (12' AGL)

1. MUD PROGRAM:

INTERVAL	0' to 360'	360' to 2500'	2500' to 7078'
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 12.25" 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 ($\pm 7078'$) 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'-7078	7078'	15.5#	J-55	ST&C	4040	4810	202	4.950	4.825	1.19	1.42	1.84

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

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", 15.5#, J-55 (or K-55), ST&C casing to be set at $\pm 7078'$ in 7.875" hole. DV Tool set @ $\pm 4500'$

1st Stage

LEAD:

± 196 sx of Premium Lite HS (Type III/Poz/Gel) or equivalent, with dispersant, fluid loss, accelerator, & LCM mixed at 12.5 ppg, 2.01 ft³/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:

± 379 sx of Type III or equivalent cement with 8% gel & 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 1727 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: None.

B. Open Hole Logs as follows: Run Array Induction/SFL/GR/SP fr/TD (7078') to the bottom of the surface csg. Run Neutron/Lithodensity/Pe/GR/Cal from TD (7078') to 3,000'.

EXHIBIT F

6. FORMATION TOPS:

Est. KB Elevation: 6262'

FORMATION	Sub-Sea	MD	FORMATION	TV Sub-Sea	MD
Ojo Alamo SS	4840	1422	Gallup	493	5769
Kirtland Shale	4676	1586	Greenhorn	-291	6553
Farmington SS			Graneros	-347	6609
Fruitland Formation	4377	1885	Dakota 1*	-387	6649
Lower Fruitland Coal	4014	2248	Dakota 2*	-427	6689
Pictured Cliffs SS	3949	2313	Dakota 3*	-455	6717
Lewis Shale	3803	2459	Dakota 4*	-512	6774
Chacra SS	3038	3224	Dakota 5*	-560	6822
Cliffhouse SS*	2379	3883	Dakota 6*	-603	6865
Menefee**	2258	4004	Burro Canyon	-637	6899
Point Lookout SS*	1687	4575	Morrison*	-672	6934
Mancos Shale	1322	4940	TD	-816	7078

* 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
Justin Niederhofer	Drilling Engineer	505-333-3199	505-320-0158
Jerry Lacy	Drilling Superintendent	505-333-3177	505-320-6543
John Klutsch	Project Geologist	817-885-2800	--

JN

1/25/08

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

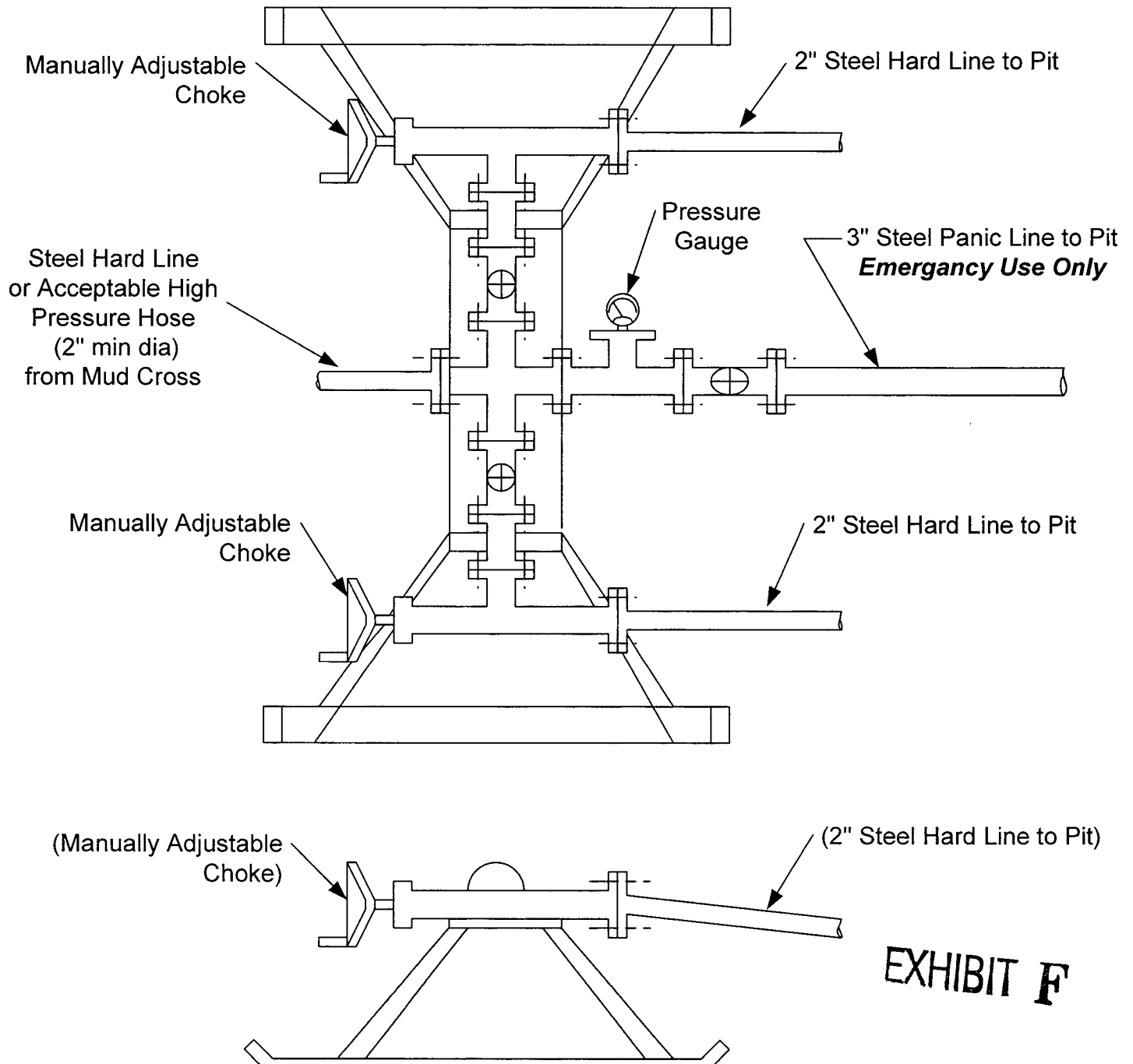


EXHIBIT F

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.

