

RCVD AUG 13 '08
OIL CONS. DIV.
DIST. 3

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MAY 13 2008

Form 3160-3
(February 2005)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Bureau of Land Management
Farmington Field Office

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. NMSF 079596
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		6. If Indian, Allottee or Tribe Name N/A
2. Name of Operator XTO Energy, Inc.		7. If Unit or CA Agreement, Name and No. NMNM 073894 (SW 249)
3a. Address 382 CR 3100 AZTEC, NM 87410		8. Lease Name and Well No. MARTIN GAS COM F #1F
3b. Phone No. (include area code) 505-333-3100		9. API Well No. 30-045- 34720
4. Location of Well (Report location clearly and in accordance with any State requirements *) At surface 660' FNL & 980' FWL At proposed prod zone same		10. Field and Pool, or Exploratory Basin Dakota / Basin Mancos
14. Distance in miles and direction from nearest town or post office* 10.9 MILES SE OF BLOOMFIELD POST OFFICE		11. Sec, T, R, M or Blk and Survey or Area D NWNW SEC. 14, T27N, R10W
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg unit line, if any) 660'	16. No. of acres in lease 960.00	17. Spacing Unit dedicated to this well DK: W/2 320, MC: W/2 320
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 320'	19. Proposed Depth 7,100'	20. BLM/BIA Bond No. on file UTB-000138
21. Elevations (Show whether DF, KDB, RT, GL, etc) 6,387 GL	22. Approximate date work will start* 06/15/2008	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>Kelly K. Small</i>	Name (Printed/Typed) Kelly K. Small	Date 05/09/2008
Title Regulatory Compliance Tech		

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

NOTIFY AZTEC OCD 24 HRS.

PRIOR TO CASING & CEMENT

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

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

HOLD C104 FOR

NMOCD

This activity 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

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

DISTRICT II
1301 W Grand Ave., Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 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

RECEIVED
MAY 13 2008
Bureau of Land Management
Albuquerque Field Office

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-34720	² Pool Code 71599	³ Pool Name Basin Dakota
⁴ Property Code 2276.9	⁵ Property Name MARTIN GAS COM F	⁶ Well Number 1F
⁷ GRID No 5380	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 6387

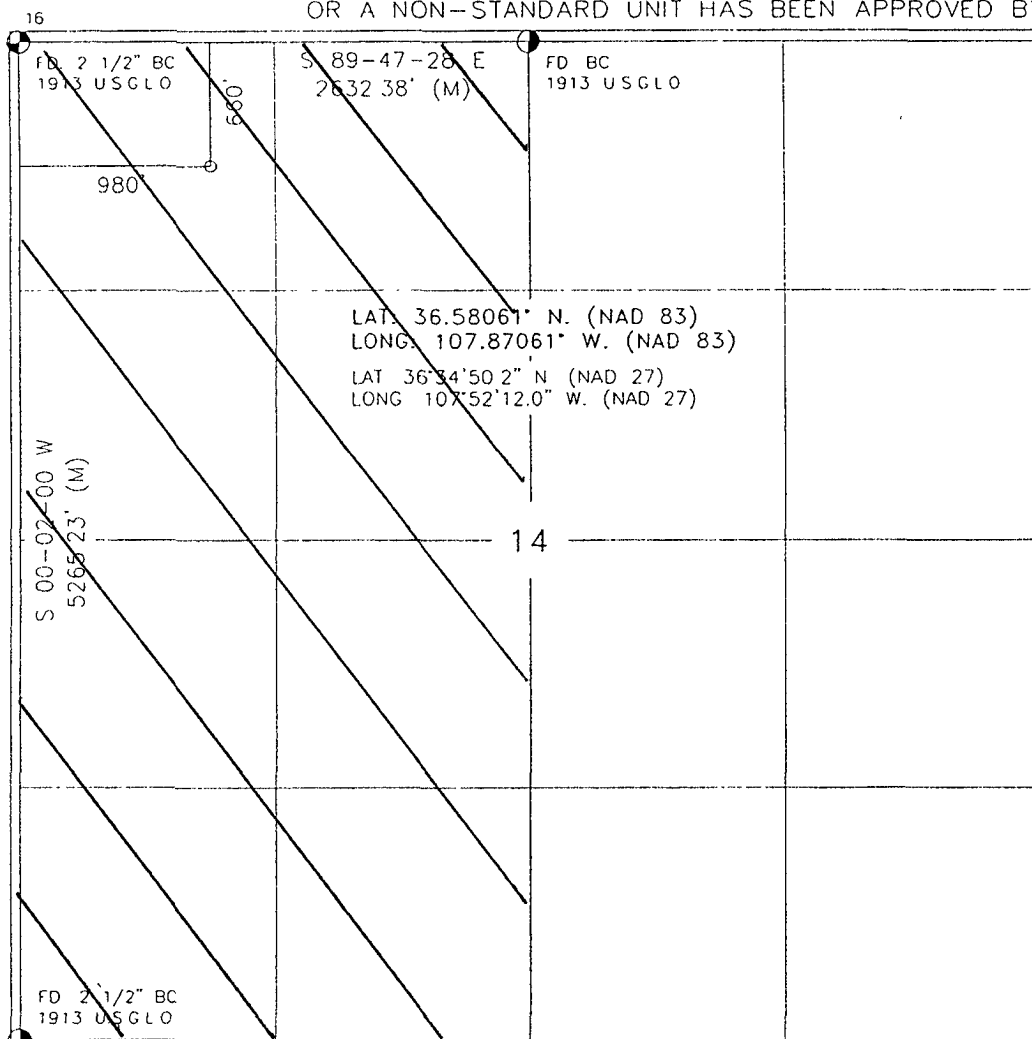
¹⁰ Surface Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	14	27-N	10-W		660	NORTH	980	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 w/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

Relly Small 4/21/08
Signature Date

Relly Small
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

001001 4872006
Date of Survey

Signature and Seal of Registered Surveyor

NEW MEXICO
REGISTERED PROFESSIONAL LAND SURVEYOR
6-07
8894

Certificate Number

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Energy, Minerals & Natural Resources Department

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MAY 13 2008

RECEIVED
Bureau of Land Management
Farming
AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION

¹ API Number 30-045-34720	² Pool Code 97232	³ Pool Name Basin mancos
⁴ Property Code 22769	⁵ Property Name MARTIN GAS COM F	⁶ Well Number 1F
⁷ GRID No 5380	⁸ Operator Name XTO ENERGY INC	⁹ Elevation 6387

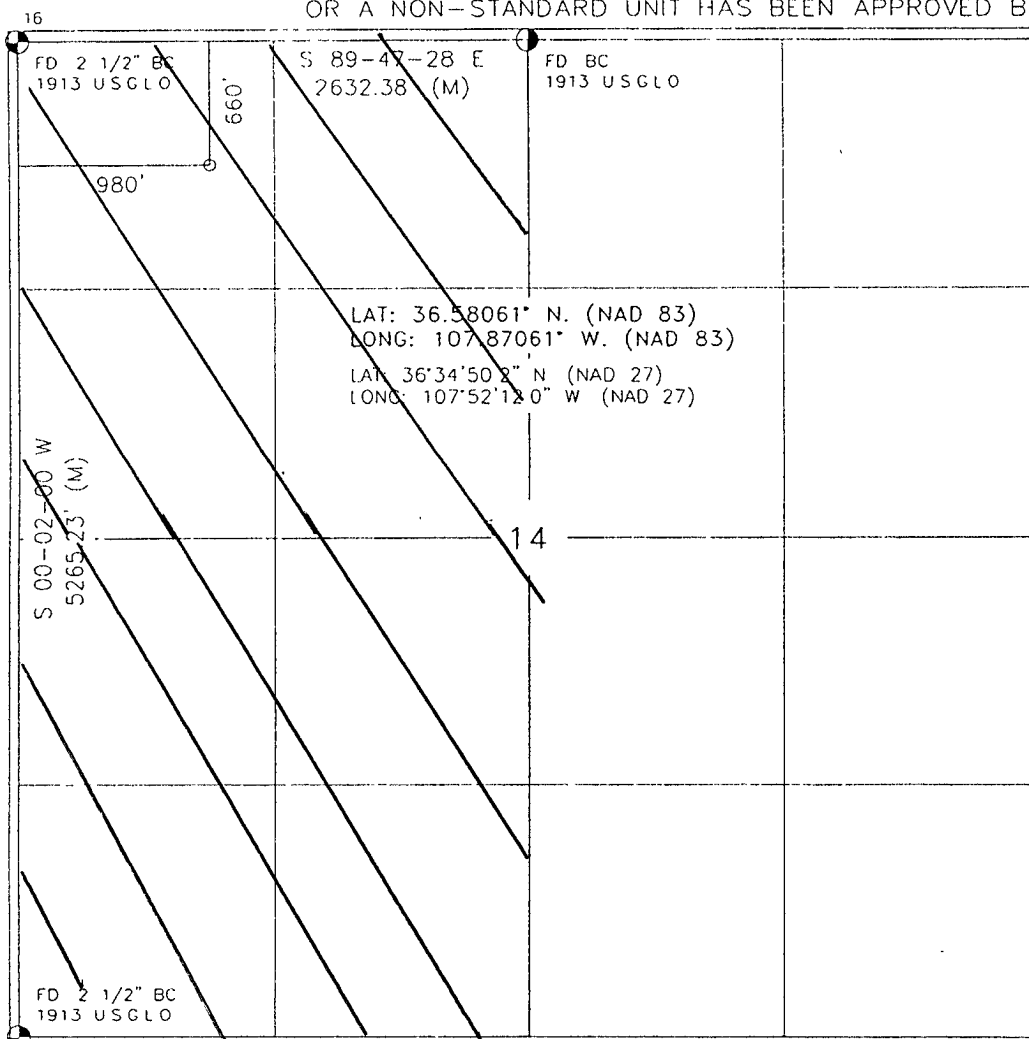
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Signature: Kelly Small Date: 4/21/08

Printed Name: Kelly Small

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plot 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 of Survey: OCT 10 2006

Signature and Seal: [Signature]

Professional Land Surveyor Seal: [Seal]

Certificate Number: 8894

XTO ENERGY INC.

Martin Gas Com F #1F

APD Data

April 28, 2008

Location: 660' FNL x 980' FWL Sec 14, T27N, R10W

County: San Juan

State: New Mexico

GREATEST PROJECTED TD: 7100'

OBJECTIVE: Basin Dakota / West Chaco Basin

Mancos

APPROX GR ELEV: 6387'

Est KB ELEV: 6399' (12' AGL)

1. MUD PROGRAM:

INTERVAL	0' to 360'	360' to 2500'	2500' to 7100'
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 7100') 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'-7100	7100'	15.5#	J-55	ST&C	4040	4810	202	4.950	4.825	1.19	1.42	1.84

Remarks: All Casing strings will be centralized in accordance with Onshore Order #2 and NTL FRA-90-1.

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.

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 $\pm 7100'$ in 7.875" hole. DV Tool set @ $\pm 4550'$

1st Stage

LEAD:

± 193 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:

± 384 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 1732 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 (7100') to the bottom of the surface csg. Run Neutron/Lithodensity/Pe/GR/Cal from TD (7100') to 3,000'.

6. **FORMATION TOPS:**

Est. KB Elevation: 6399'

FORMATION	Sub-Sea	MD	FORMATION	TV Sub-Sea	MD
Ojo Alamo SS	5112	1287	Gallup	629	5770
Kirtland Shale	4954	1445	Greenhorn	-172	6571
Farmington SS			Graneros	-221	6620
Fruitland Formation	4581	1818	Dakota 1*	-250	6649
Lower Fruitland Coal	4149	2250	Dakota 2*	-290	6689
Pictured Cliffs SS	4128	2271	Dakota 3*	-338	6737
Lewis Shale	3971	2428	Dakota 4*	-385	6784
Chacra SS	3248	3151	Dakota 5*	-424	6823
Cliffhouse SS*	2613	3786	Dakota 6*	-461	6860
Menefee**	2501	3898	Burro Canyon	-511	6910
Point Lookout SS*	1791	4608	Morrison*	-542	6941
Mancos Shale	1447	4952	TD	-701	7100

* Primary Objective

** Secondary Objective

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

7. **COMPANY PERSONNEL:**

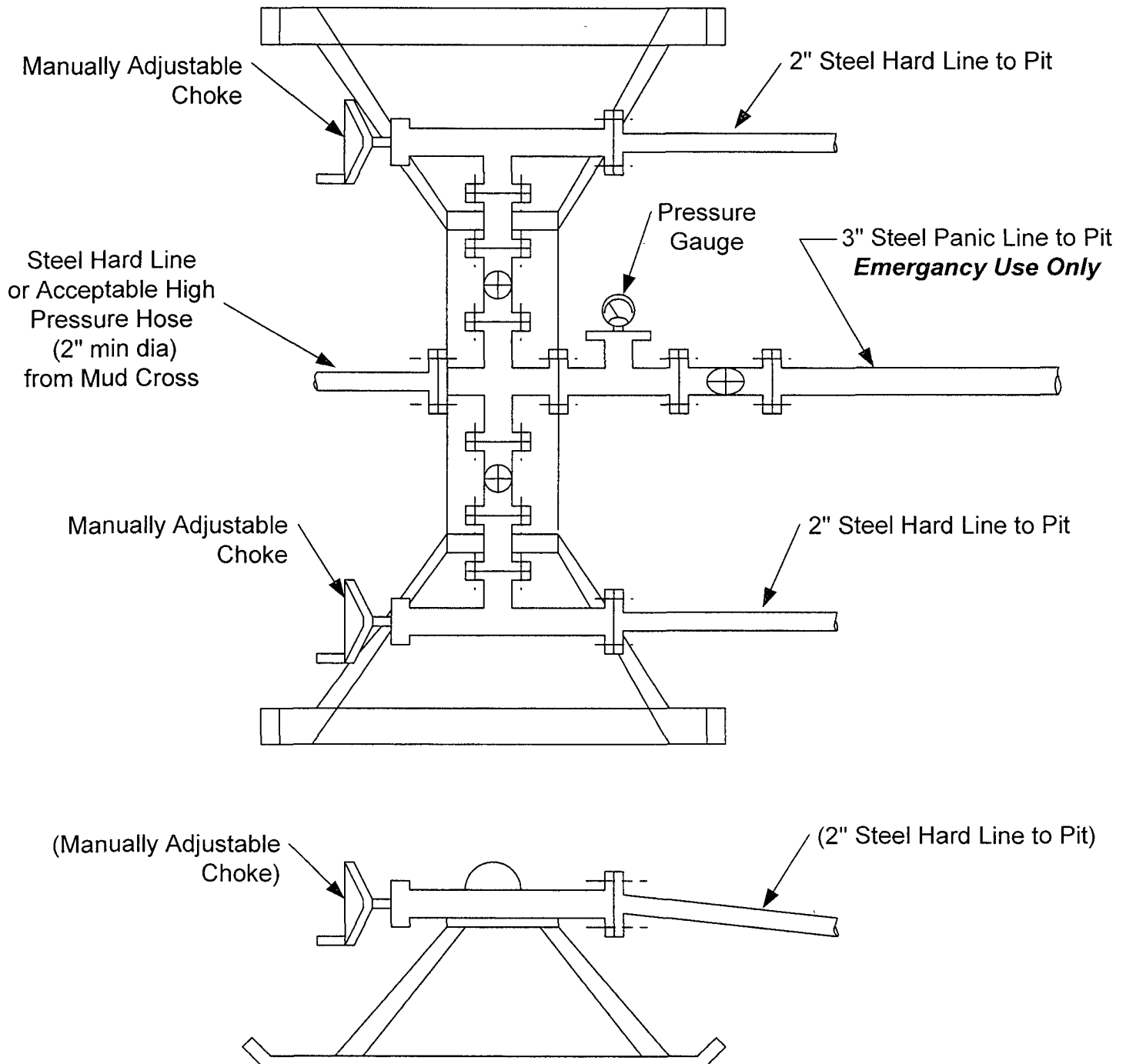
Name	Title	Office Phone	Home Phone
Justin Niederhofer	Drilling Engineer	505-333-3199	505-320-0158
Jerry Lacy	Drilling Superintendent	505-333-3177	505-320-6543
John Klutsch	Project Geologist	817-885-2800	--

JDN
4/28/08

CHOKES 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



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.

