

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

1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMM047
1b. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other 2006 JUN 15 AM 2 23 <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name N/A
2. Name of Operator XTO Energy Inc.		7. Unit or CA Agreement Name and No. N/A
3a. Address 2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM		8. Lease Name and Well No. New Mexico Federal N #3F
3b. Phone No. (include area code) 505-324-1090		9. API Well No. 30-045- 33801
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface 1810' ENL x 2455' FWL in Sec 18, T30N, R12W At proposed prod. zone SAME		10. Field and Pool, or Exploratory Basin Dakota
14. Distance in miles and direction from nearest town or post office* Approximately 3 miles Northwest of Farmington, NM post office		11. Sec., T., R., M., or Blk. and Survey or Area (F) Sec 18, T30N, R12W
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 1810'	16. No. of Acres in lease 1897.09	17. Spacing Unit dedicated to this well 320 N/2
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1560'	19. Proposed Depth 7000'	20. BLM/BIA Bond No. on file UTB-000138
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5976' Ground Elevation	22. Approximate date work will start* August 2006	23. Estimated duration 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. | 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 shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and on plans as may be required by the authorized officer. |
- 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**

25. Signature <i>Kyla Vaughan</i>	Name (Printed/Typed) Kyla Vaughan	Date 06/13/06
Title Regulatory Compliance Tech		
Approved by (Signature) <i>[Signature]</i>	Name (Printed/Typed) AFM	Date 10/3/08
Title AFM		

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)

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

OCT 08 2008
av

APD/ROW

NMOCD

**NOTIFY AZTEC OCD 24 HRS.
PRIOR TO CASING & CEMENT**

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

OH 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

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ Ac# Number 30-045-33801	² Pool Code 71599	³ Pool Name BASIN DAKOTA
⁴ Property Code 33982	⁵ Property Name NEW MEXICO FEDERAL N	⁶ Well Number 3F
⁷ OGRID No 5380	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 5976

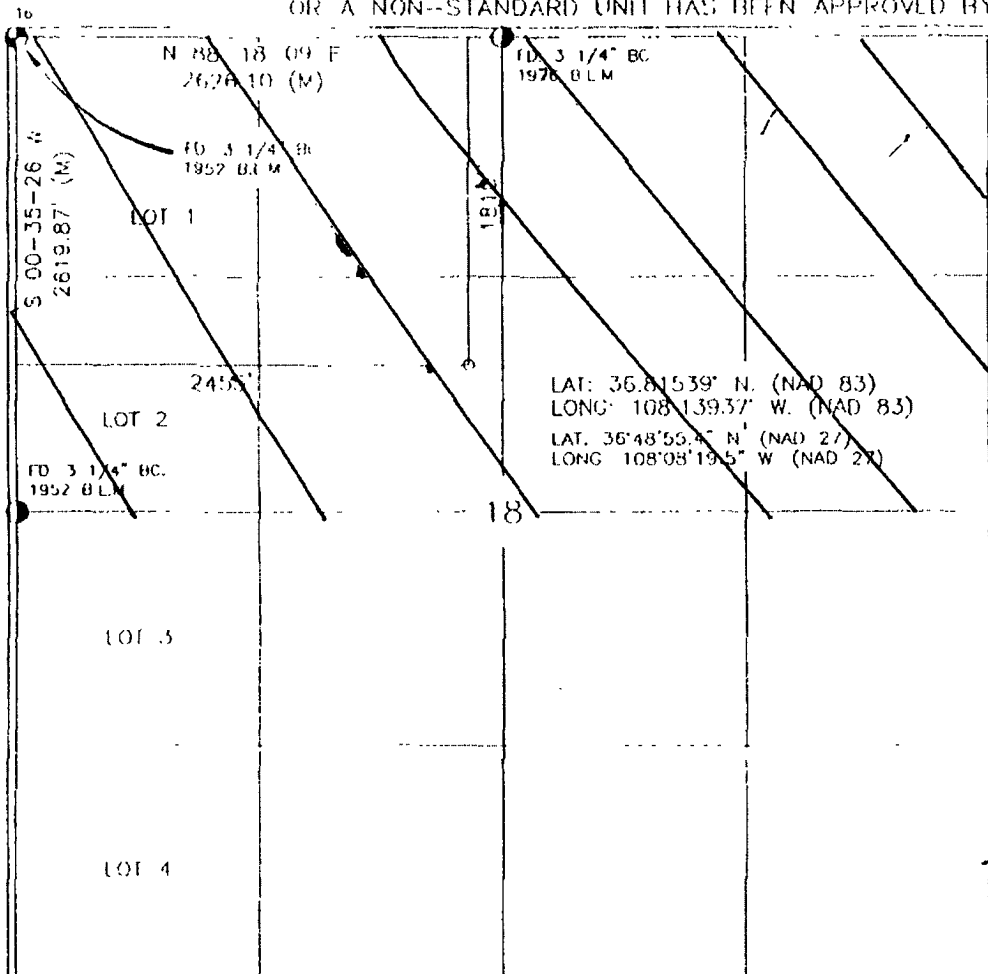
¹⁰ Surface Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	18	30-N	12 W		1810	NORTH	2455	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 320 N/2			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.

Kyla Vaughan
Signature
Kyla Vaughan
Printed Name
Regulatory Analyst
Title
10/7/08
Date

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.

John A. Vukovich
Date of Survey
Signature
John A. Vukovich
Printed Name
14831
Certificate Number

XTO ENERGY INC.

New Mexico Federal N #3F

APD Data

June 8, 2006

Location: 1810' FNL x 2455' FWL Sec 18, T30N, R12W

County: San Juan

State: New Mexico

GREATEST PROJECTED TD: 7070'

OBJECTIVE: Basin Dakota

APPROX GR ELEV: 5976'

Est KB ELEV: 5988' (12' AGL)

1. MUD PROGRAM:

INTERVAL	0' to 360'	360' to 2500'	2500' to 7070
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 ($\pm 7070'$) 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'-7070	7070'	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 $\pm 7070'$ in 7.875" hole. DV Tool set @ $\pm 4200'$

1st Stage

LEAD:

± 231 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.

2nd Stage

LEAD:

± 350 sx of Type III with 8% gel, 1/4 pps cello & 2% 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 1725 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 (7070') to the bottom of the surface csg. Run Neutron/Lithodensity/Pe/GR/Cal from TD (7070') to 3,000'.

EXHIBIT F

6. **FORMATION TOPS:**

Est. KB Elevation: 5988'

FORMATION	Sub-Sea Elev.	WELL DEPTH	FORMATION	Sub-Sea Elev.	WELL DEPTH
Ojo Alamo SS	5436	552	Gallup Ss	250	5,738
Kirtland Shale	5331	657	Greenhorn Ls	-491	6,479
Farmington SS	5280	708	Graneros Sh	-546	6,534
Fruitland Formation	4072	1,916	1 ST Dakota Ss*	-596	6,584
Lower Fruitland Coal	3972	2,016	2 ND Dakota Ss	N/A	
Pictured Cliffs SS	3896	2,092	3 RD Dakota Ss*	-662	6,650
Lewis Shale	3772	2,216	4 TH Dakota Ss	N/A	
Chacra SS**	2835	3,153	5 TH Dakota Ss**	-714	6,702
Cliffhouse SS	2192	3,796	6 TH Dakota Ss**	-754	6,742
Menefee*	2165	3,823	Burro Canyon Ss**	-837	6,825
Point Lookout SS*	1539	4,449	Morrison Fm**	-880	6,868
Mancos Shale	1169	4,819	Total Depth	-1082	7,070

* 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
Reed Meek	Project Geologist	817-885-2800	817-427-2475

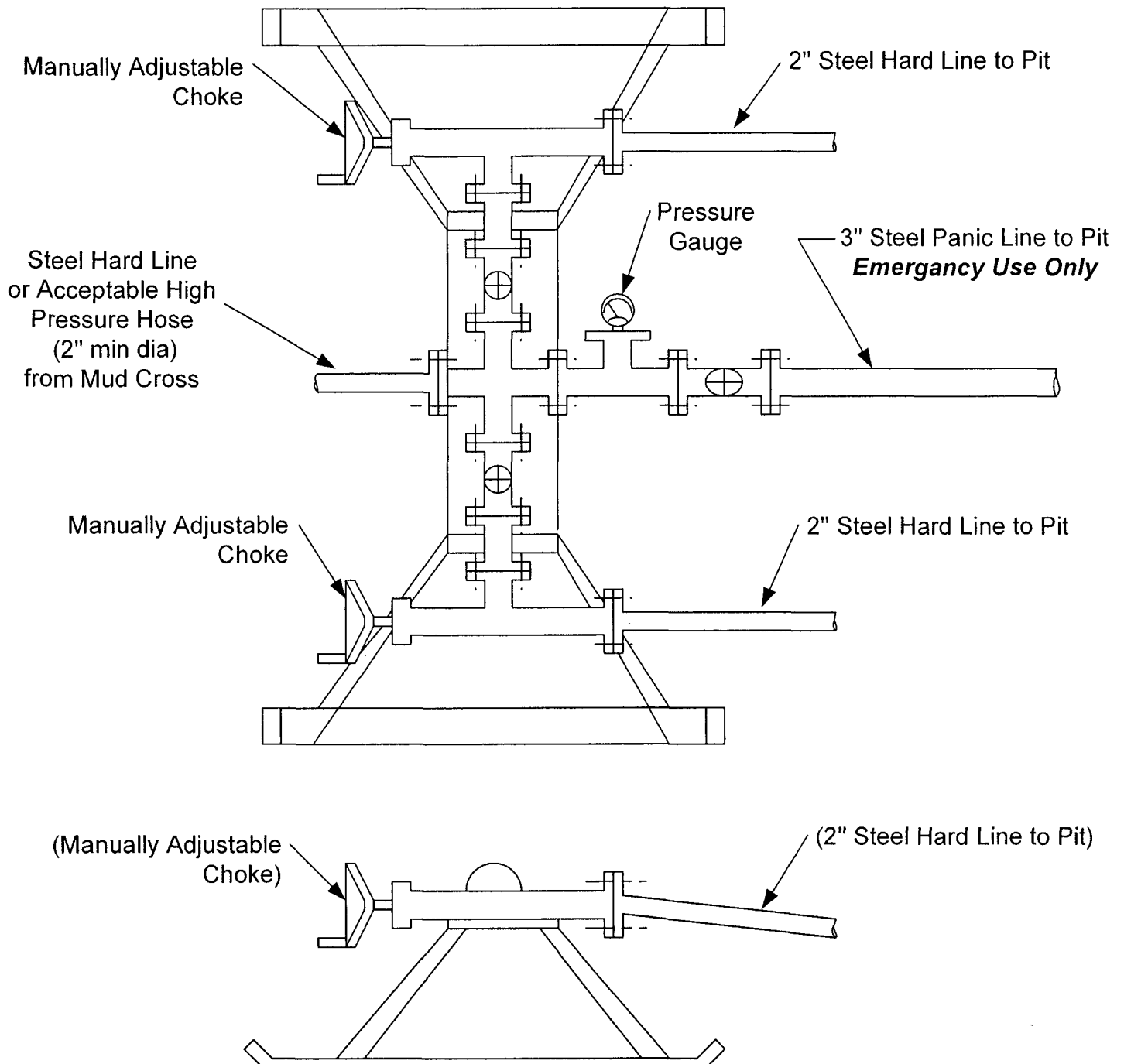
JWE
6/8/06

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



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.

