Form 3160-3
(September 2001)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0136
Expires January 31, 2004

RECEIVED

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
SF - 078019

1a. Type of Work [X] DRILL [ ] REENTER

6. If Indian, Allotee or Tribe Name

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

7. Unit or CA Agreement Name and No.
22853

2. Name of Operator
XTO Energy Inc.

8. Lease Name and Well No.
EH Pipkin #33

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

3b. Phone No. (include area code)

9. API Well No.
30 045 32031

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

At surface 1,980' FNL x 1,975' FWL Sec 1, T27N, R11W

At proposed prod. zone

10. Field and Pool, or Exploratory
Basin Fruitland Coal

11. Sec., T., R., M., or Blk. and Survey or Area
F Sec 1, T27N, R11W

14. Distance in miles and direction from nearest town or post office*
14 miles Southeast of the 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
660'	+-2560.96	320.96 acres N/2
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
600'	1,875'	
21. Elevations (Show whether DF, KDB, RT, GL, etc.	22. Approximate date work will start*	23. Estimated duration
5,762' Ungraded Ground Level	Winter 2004	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. Signuature	Name (*Printed/Typed*)	Date
J W Patton	Jeffrey W. Patton	11/25/03
Title: Drilling Engineer		
Approved by (Signautre): /s/ David J. Mankiewicz	Name (*Printed/Typed*)	Date JAN 16 2004
Title	Office	

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 knowlingly 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 Reverse)

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".

APD/ROW

NMOCD

DISTRICT I
P.O. Box 1980, Hobbs, N.M. 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, N.M. 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 1994
Instructions on back
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	[3] Pool Name
30-045-32031	71629	BASIN FRUITLAND COAL

[4] Property Code	[5] Property Name	[6] Well Number
22853	E.H. PIPKIN	33

[7] OGRID No.	[8] Operator Name	[9] Elevation
167067	XTO ENERGY INC.	5762

[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	1	27-N	11-W		1980	NORTH	1975	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.
320.96 N/2			

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

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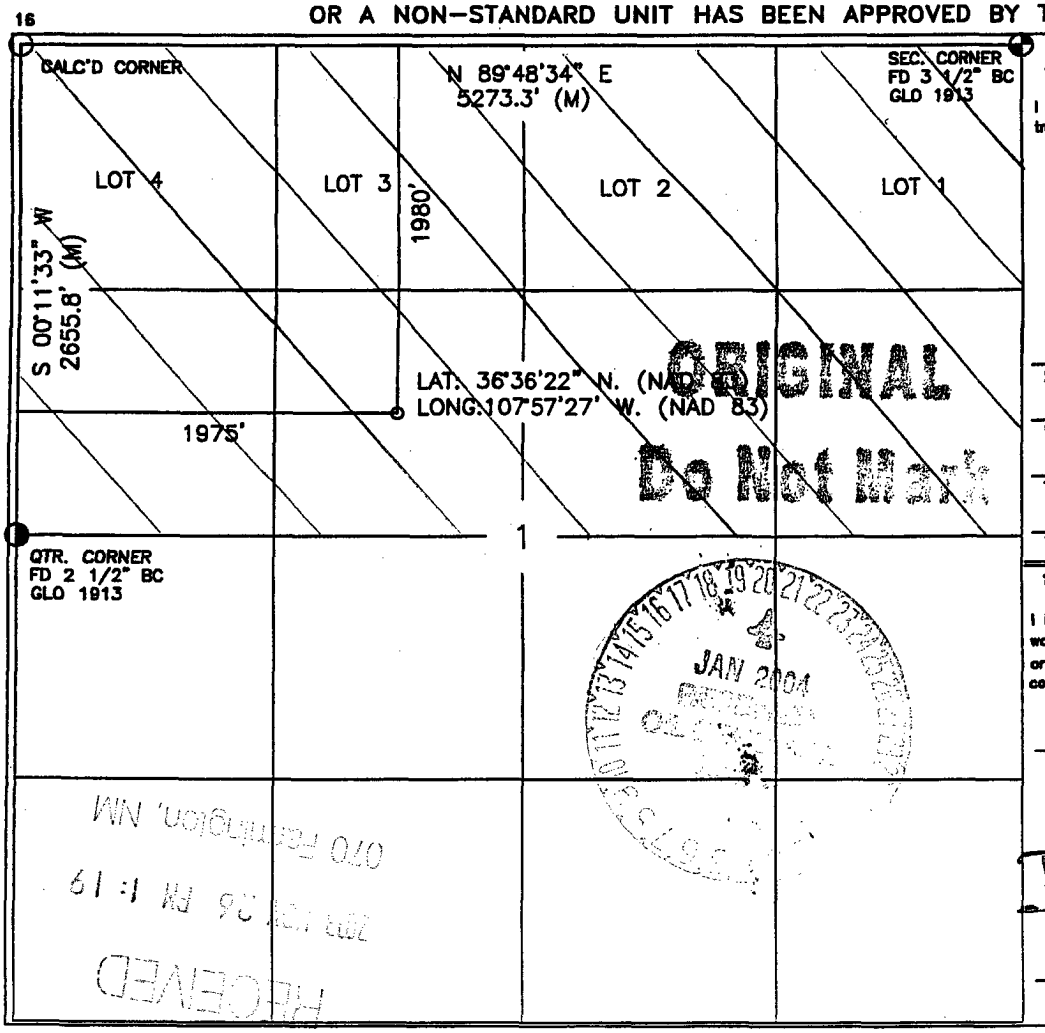

ORIGINAL
Do Not Mark

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070 FARMINGTON, NM
2003 DEC 26 PM 1:19

17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Signature: JW Patton

Printed Name: JEFFREY W PATTON

Title: DRILLING ENGINEER

Date: 11-25-03

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.

Date of Survey: 4-14-03

Signature and Seal of Professional Surveyor:

DAVID A. JOHNSON
NEW MEXICO
14827
REGISTERED PROFESSIONAL SURVEYOR

Certificate Number

XTO ENERGY INC.

DRILLING PROCEDURE
EH Pipkin #33
Basin Fruitland Coal
November 25, 2003

Location: 1,980' FNL & 1,975' FWL, Sec 1, T27N, R11W **County**: San Juan **State**: New Mexico

PROJECTED TOTAL DEPTH: 1,875' OBJECTIVE: Fruitland Coal GR ELEV: 5,762'

1. MUD PROGRAM:

INTERVAL	0'-200'	200'-TD
HOLE SIZE	8-3/4"	6-1/4"
MUD TYPE	FW/Native	FW/Polymer
MUD WEIGHT, ppg	8.6-9.0	8.6-9.1
VISCOSITY, sec/qt	28-32	28-33
WATER LOSS, cc	NC	NC

Remarks: Drill the surface hole with fresh water. Run and cement 7" surface casing, circulating cement to surface. NU and test BOP equipment, then drill out with fresh water. Use polymer sweeps as needed for hole cleaning. At TD, sweep the hole prior to TOH to log.

2. CASING PROGRAM:

Surface Casing: 7" casing to be set at ± 200' in 8.8 ppg mud.

Interval	Length	Wt (ppf)	Gr	Cplg	Coll Rating (psi)	Burst Rating (psi)	Jt Str (M-lbs)	ID (in)	DD (in)	SF Coll	SF Burst	SF Tension
0'-200'	200'	20#	J-55	STC	2,270	3,740	234	6.456	6.331	9.99	4.59	58.5

Optimum makeup torque for 7" 20#, J-55, STC casing is **2,340 ft-lbs** (Min - 1,760 ft-lbs, Max – 2,930 ft-lbs).

Production Casing: 4-1/2" casing to be set at ± 1,875' in 8.8 ppg mud.

Interval	Length	Wt (ppf)	Gr	Cplg	Coll Rating (psi)	Burst Rating (psi)	Jt Str (M-lbs)	ID (in)	DD (in)	SF Coll	SF Burst	SF Tension
0'-TD	1,875'	10.5#	J-55	STC	4,010	4,790	132	4.052	3.927	3.57	3.33	5.24

Optimum makeup torque for 4-1/2", 10.5#, J-55, casing is **1,320 ft-lbs** (Min - 990 ft-lbs, Max - 1,650 ft-lbs).

Capacity of 7", 20# casing is: 0.04048 bbl/ft
Capacity of 4-1/2", 10.5# casing is: 0.01595 bbl/ft

3. WELLHEAD:

Casinghead: Larkin Fig 92 (or equivalent) 2,000 psig WP (4,000 psig test) with 7", 8rd pin on bottom and 8-5/8" API Modified 8rd thread on top.

Tubinghead: Larkin Model 612 (or equivalent) 2,000 psig WP (4,000 psig test) with 4-1/2", 8rd bottom thread and 8-5/8" 8rd API Modified top body thread, 4.090" minimum bore.

EXHIBIT E

4. **CEMENT PROGRAM:**

A. Surface: 7", 20#, J-55, STC casing at ± 200'.

Lead: 75 sx Type III cement (or equivelent) containing ¼ pps celloflake, 2% $CaCl_2$ (mixed at 14.6 ppg, 1.39 ft^3/sk, 6.67 gal wtr/sk).

Total slurry volume is 104.25 ft^3, 250% excess of calculated annular volume required to circulate cement to surface.

B. Production: 4-1/2", 10.5#, J-55, STC casing at ± 1,875'.

Lead: 125* sx of Type III cement containing 8% gel, 1/4 pps Celloflake & 2% Phenoseal (mixed at 11.4 ppg, 3.03 ft^3/sk, 18.51 gal wtr/sk).

Tail: 75 sx Type III cement containing 1% CaCl2, 1/4 pps Celloflake & 2% Phenoseal (mixed at 14.5 ppg, 1.41 ft3/sk, 6.72 gal wtr/sx).

Total estimated slurry volume is 477 ft^3, ±100% excess of calculated annular volume required to circulate cement to surface.

*** Actual cement volumes will be determined using log caliper volume plus 40% excess.**

5. **DRILLING HAZARDS:**

- H_2S or other Poisonous Gases: No formations known to contain H_2S or any other poisonous gases will be penetrated with this wellbore.
- Abnormal Pressures: No overpressured zones are known to exist or are anticipated to be encountered during the drilling of this well.
- Lost Circulation: Seepage and/or lost circulation may be encountered below surface casing and can be controlled with conventional lost circulation materials added to the mud system.

6. **LOGGING PROGRAM:**

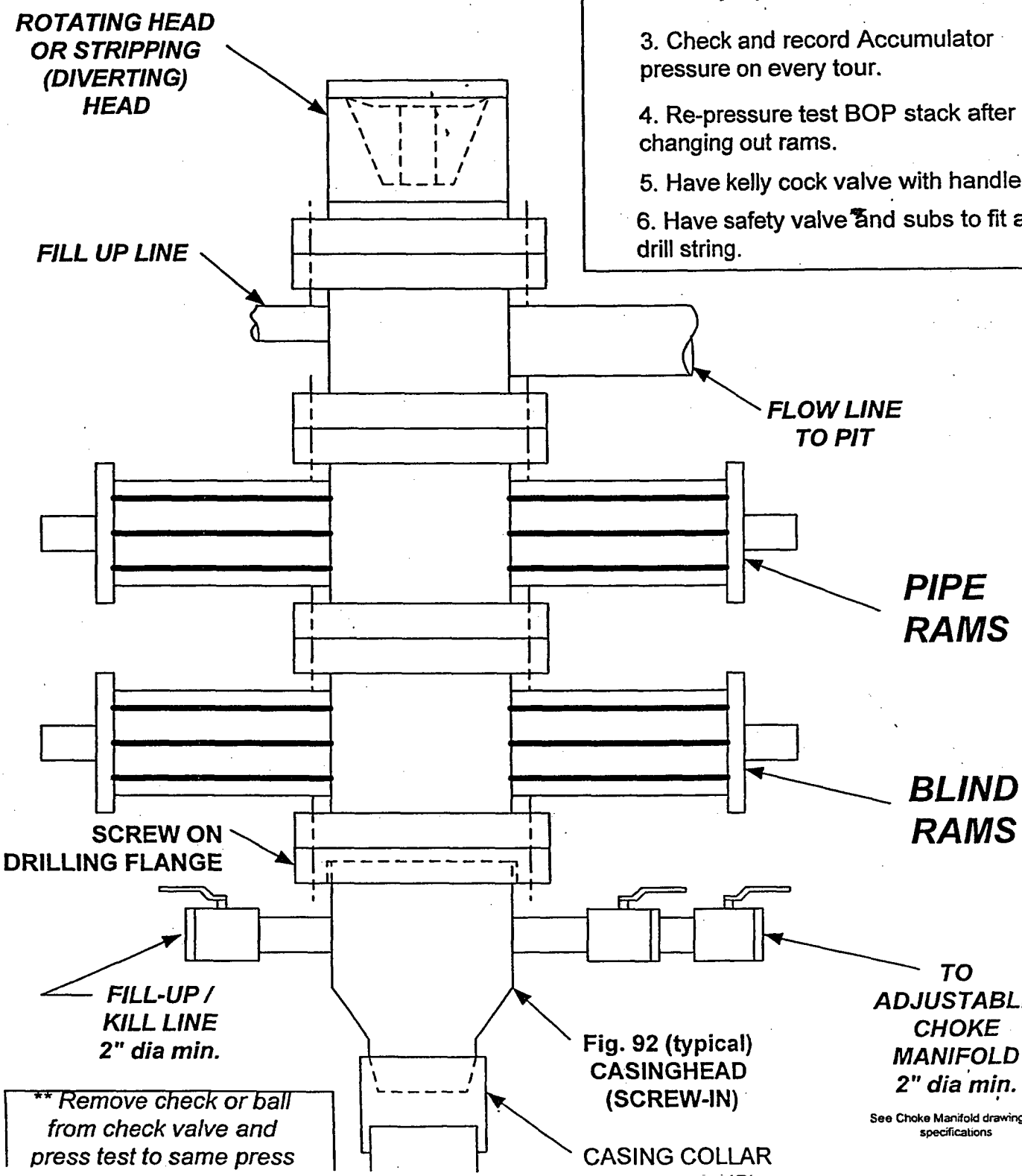
Array Induction/DFL/GR/SP/Cal	TD to bottom of surf csg.
DSN/Spectral Density/GR/Cal/Pe	TD to bottom of surf csg.

EXHIBIT E

BOP SCEMATIC 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 5 min.
   Test BOP to Working Press or to 70% internal yield of surf csg (10 min).
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.



** Remove check or ball from check valve and press test to same press

EXHIBIT E