Form 3160-3
(July 1992)

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

5. LEASE DESIGNATION AND SERIAL NO.: NM - 14921

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT AGREEMENT NAME: 22849

1a. TYPE OF WORK: DRILL [X] DEEPEN [ ]

b. TYPE OF WELL: OIL WELL [ ] GAS WELL [X] OTHER — SINGLE ZONE [ ] MULTIPLE ZONE [ ]

8. FARM OR LEASE NAME, WELL NO.: Valencia Canyon Unit #43B

2. NAME OF OPERATOR: XTO ENERGY INC.

9. API WELL NO.: 30-039-26922

3. ADDRESS AND TELEPHONE NO.: 2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401

10. FIELD AND POOL, OR WILDCAT: Blanco Mesaverde

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 1525' FSL & 735' FWL Sec 27, T28N, R04W
At proposed prod. zone: 1980' FSL & 1,570' FWL Sec 27, T28N, R04W

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec 27, T28N, R04W

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: Approx 49 from the Post Office in Blanco, NM.

12. COUNTY OR PARISH: Rio Arriba

13. STATE: NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any): 735'

16. NO. OF ACRES IN LEASE: 320

17. NO. OF ACRES ASSIGNED TO THIS WELL: 320 S/2

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.: 15'

19. PROPOSED DEPTH: 6,850'

20. ROTARY OR CABLE TOOLS: 0-6,850' with Rotary Tools

21. ELEVATIONS (Show whether DF,RT, GR, etc.): 7,222' Ground Level

22. APPROX. DATE WORK WILL START*: Summer of 2002

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	9-5/8"	32.3#	+/- ~~80~~ 320'	~~50~~ 200 sx type III
8-3/4"	7"	20.0#	+/- 3,800'	300 sx cmt (total)
6-1/4"	4-1/2"	10.5#	+/- 6,850'	220 sx cmt (total)

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"

See the attached Surface Use plan and Drilling Program for the above mentioned well.

RECEIVED
070 FARMINGTON NM

APR 2003

OIL CONS. DIV.
DIST. 3

HOLD C104 FOR Directional Survey

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposalis to deepen,give dataon presentproductivezone and proposednew productivezone. If proposalis to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED JW Patton TITLE Drilling Engineer DATE 1/30/02

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

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:

APPROVED BY /s/ David J. Mankiewicz TITLE _____ DATE APR 14 2003

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makesit a crime for any personknowinglyand willfullyto make to any departmenbr agency of the UnitedStates any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

NMOCD

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

DISTRICT II
811 South First, Artesia, N.M. 88210

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

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised August 15, 2000

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
30-039-26922	72319	BLANCO MESAVERDE

4 Property Code	5 Property Name	6 Well Number
22849	VALENCIA CANYON UNIT	43B

7 OGRID No.	8 Operator Name	9 Elevation
167067	XTO ENERGY INC.	7222'

10 Surface Location

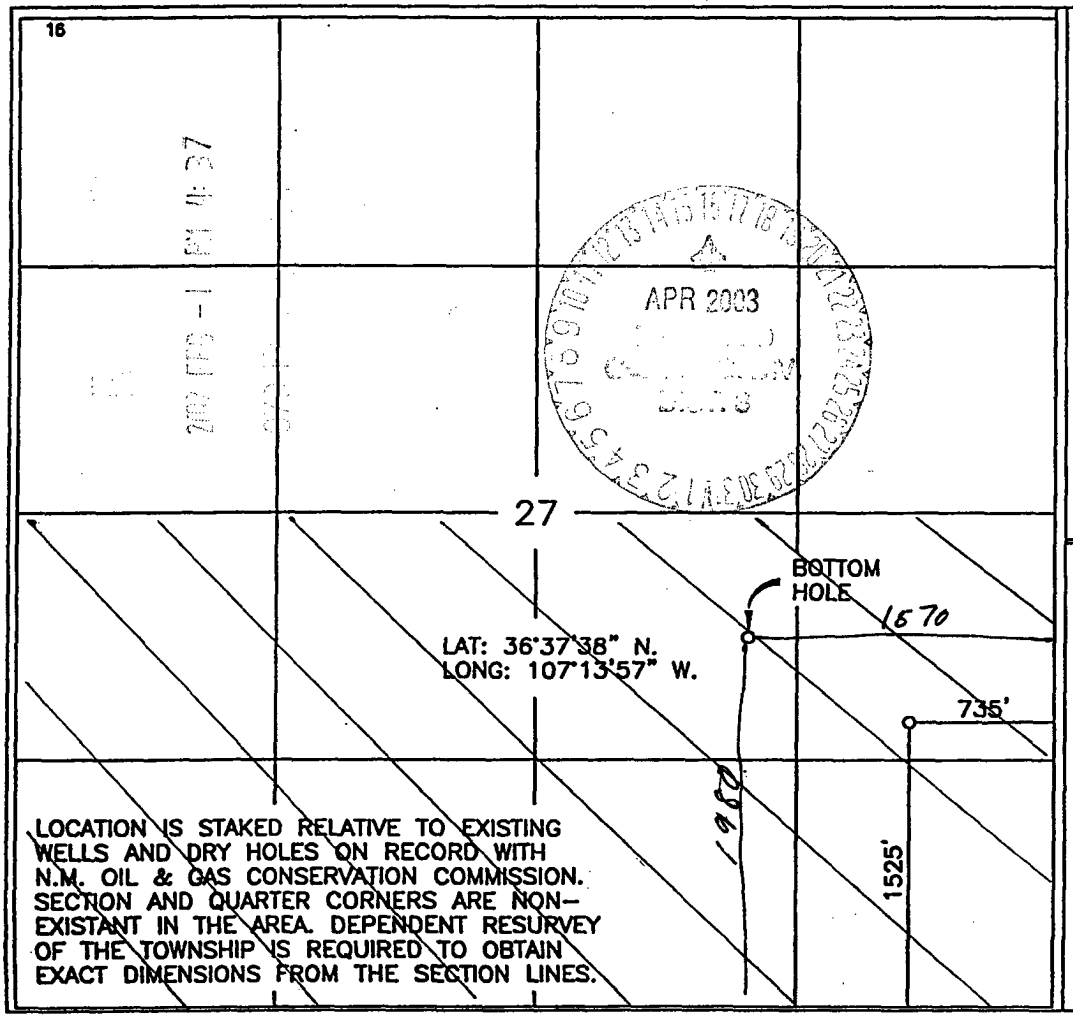
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	27	28-N	4-W		1525'	SOUTH	735'	EAST	RIO ARRIBA

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
J	27	28-N	4-W		1980'	SOUTH	1570'	EAST	RIO ARRIBA

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
320 S/2	I		

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

Signature

JEFFREY W PATTON
Printed Name

DRILLING ENGINEER
Title

1-29-03
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.

8-2-2002
Date of Survey

RONALD J. RUSH
NEW MEXICO
8894
REGISTERED PROFESSIONAL LAND SURVEYOR
Signature and Seal of Professional Surveyor

8894
Certificate Number

XTO ENERGY INC.

Valencia Canyon Unit #43B
PROPOSED DRILLING PROGRAM
APD Data
January 31, 2002

Surface Location: 1,525' FSL & 735' FEL, Sec 27, T28N, R04W **County:** Rio Arriba **State:** New Mexico
Bottomhole location : 1,980' FSL & 1,570' FEL, Sec 27, T28N, R04W

PROJECTED TOTAL DEPTH: ±6,772' (TVD) ±6,850 (MD) OBJECTIVE: Mesaverde
GR ELEV: 7,222' Est KB ELEV: 7,235' (13' AGL)

1. MUD PROGRAM:

INTERVAL	0' to 80'	400' to 3,800'	3,800' to TD
HOLE SIZE	12-1/4"	8-3/4"	6-1/4"
MUD TYPE	FW/Native Mud	FW/Polymer	Air
WEIGHT	8.6-8.8	8.6-9.0	
VISCOSITY	28-32	29-34	
WATER LOSS	NC	NC	

Remarks: Use fibrous materials as needed to control seepage and lost circulation. Pump high viscosity sweeps as needed for hole cleaning. RU air compressors after setting the intermediate csg. Drill with air or foam to TD.

2. CASING PROGRAM:

Surface Casing: 9-5/8" casing to be set at ± ~~80'~~ 320' in 8.6 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'-~~80'~~ 320'	~~80'~~	32.3#	H-40	STC	1370	2270	254	9.001	8.972	5.98	5.68	15.73

Intermediate Casing: 7" casing to be set at ±3,800' (MD) 3,800' (TVD) in 9.0 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'-3,800'	3,800'	20.0#	J-55	STC	2257	3740	234	6.456	6.331	1.15	1.31	2.57

Production Casing: 4-1/2" casing to be set at 6,772' (MD) 6,850' (TVD) in air.

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'-6,850' (MD)	6,850'	10.5#	J-55	STC	4010	4790	132	4.052	3.927	1.33	1.20	1.90

3. WELLHEAD:

A. Braden Head: 9-5/8" x 7" 2,000 psig WP (4,000 psig test).
B. Intermediate Casing Head: 7" x 4-1/2" 3,000 psig WP (6,000 psig test).

4. CEMENT PROGRAM (Slurry design may change slightly, but the plan is to circulate cement to surface on both casing strings):

A. Surface: 9-5/8", 32.3#, H-40, STC casing to be set at ± ~~80'~~ 320.

Lead: ~~50~~ 200 sx of "Type III" cement containing 3% $CaCl_2$, ¼ pps celloflake, mixed at 14.5 ppg, 1.39 ft^3/sk, & 6.20 gal wtr/sk.

Total slurry volume is ~~70~~ 278 ft^3, 277% excess of calculated annular volume to 80'.

B. Intermediate: 7", 20.0#, J-55, STC casing to be set at ± 3,800' (MD).

Lead: 200 sx of Premium Lite (65/35/6)(cement/poz/gel), ¼ pps celloflake and 2% Phenoseal mixed at 11.9 ppg, 2.21 ft^3/sk, 10.25 gal wtr/sx.

Tail: 100 sx of "Type III" cement containing ¼ pps celloflake and 2% Phenoseal mixed at 14.5 ppg, 1.41 ft^3/sk, 6.30 gal wtr/sx.

Total slurry volume is 583 ft^3, circulated to surface. No excess has been added to the above volume of lead and tail cement. Based on actual drilling conditions an excess (usually 35-50%) will be added.

C: Production: 4-1/2", 10.5#, J-55, STC casing to be set at ±6,772' (TVD) 6,850' (MD).

Lead: 70 sx of Premium Lite (65/35/6)(cement/poz/gel) containing 2% KCl, ¼ pps celloflake, 4% Phenoseal, 0.2% dispersant, 0.5% fluid loss mixed at 11.9 ppg, 2.21 ft^3/sk, 10.25 gal wtr/sx.

Tail: 150 sx of Class "H" cement containing ¼ pps celloflake, 4% Phenoseal and 0.6% Fl-62 mixed at 15.6 ppg, 1.18 ft^3/sk, 4.80 gal wtr/sx..

Total estimated slurry volume for the 4-1/2" production casing is 332 ft^3 for 3,250' of fill. Est. TOC should be 200' into the 7" intermediate casing. The above cement volumes for both the lead & tail do not have any excess. Excess cement will be calculated from the caliper log + 40%'.

Note: The slurry design may change slightly based upon actual conditions. Final cement volumes will be determined for the caliper logs plus 40%. .

5. LOGGING PROGRAM:

A. Mud Logger: There are no plans to use a mud logger at this time.

B. Open Hole Logs as follows: Run Dual Induction/SFL/GR/CAL/SP/CNL/LDT (lithodensity) from TD to the bottom of the intermediate csg. Run cased hole GR/CCL from TD to surface.

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.