

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. JIC-69	
1b. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name JICARILLA APACHE	
2. Name of Operator XTO Energy Inc.		7. Unit or CA Agreement Name and No.	
3a. Address 2700 Farmington Ave., Bldg. K, Ste 1 Farmington, NM		8. Lease Name and Well No. APACHE FEDERAL #17	
3b. Phone No. (include area code) 505-324-1090		9. API Well No. 30-039-29679	
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface 1970' ENL x 1790' FWL At proposed prod. zone		10. Field and Pool, or Exploratory BALLARD PICTURED CLIFFS	
14. Distance in miles and direction from nearest town or post office* Approx 64 miles from Bloomfield, NM Post Office		11. Sec., T., R., M., or Blk. and Survey or Area SEC 18, T24N, R5W	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) Approx 1790'		12. County or Parish RIO ARriba	
16. No. of Acres in lease 2566.31		13. State NM	
17. Spacing Unit dedicated to this well 161.61 160 ACRES NW/4		18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. Approx 1265'	
19. Proposed Depth 2300'		20. BLM/BIA Bond No. on file	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6469' GROUND ELEVATION		22. Approximate date work will start* WINTER 2005	
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 permit:

- | | |
|---|--|
| 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/or plans as may be required by the authorized officer. |

25. Signature Kyla Vaughan	Name (Printed/Typed) Kyla Vaughan	Date 10/10/05
Title Regulatory Compliance Tech		
Approved by (Signature) [Signature]	Name (Printed/Typed)	Date 1/6/06
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.

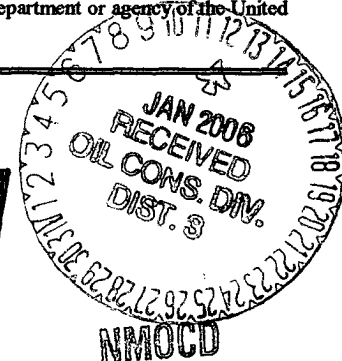
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)

APD/ROW

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



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

DISTRICT II
1301 W. Grand Avenue, 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 87504-2088

2005 OCT 11 PM 9

RECEIVED

070 FARMINGTON NM

Form C-102

Revised June 10, 2003

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-039-29679		Pool Code 71439	Pool Name Ballard Pictured Cliffs
Property Code 33116	Property Name APACHE FEDERAL		Well Number 17
COORD No. 1161067	Operator Name XTO ENERGY INC.		Elevation 5469

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	24-N	5-W		1970	NORTH	1790	WEST	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
Dedicated Area 161.61 1161067		Joint or Infill		Consolidation Code		Order No.			

16 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

<p>SEC. CORNER FD 3 1/4" BC 1984 BLM</p> <p>N 00-28-53 E 2635.7' (C)</p> <p>LOT 1</p> <p>1790'</p> <p>LOT 2</p> <p>LOT 3</p> <p>LOT 4</p> <p>CALC'D COR. 125.4' NORTH WITNESS COR. FD 3 1/4" BC 1984 BLM</p>	<p>N 89-45-57 E 5360.3' (M)</p> <p>1970'</p> <p>LAT. 36°18'53" N. (NAD 27) LONG: 107°24'16" W. (NAD 27)</p> <p>18</p>	<p>SEC. CORNER FD 3 1/4" BC & SET 1/2" REBAR AND T POST</p> <p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Billy K Smoer</i> Signature <i>Billy K Smoer</i> Printed Name Drilling Assistant 9/17/04 Date</p> <p>18 SURVEYOR CERTIFICATION</p> <p>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 the belief.</p> <p>JUL 2004 Date of Survey Signature and Professional Seal 14884 14831 Certificate Number</p>
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Submit 3 Copies To Appropriate District
Office

District I
1625 N. French Dr., Hobbs, NM 87240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
May 27, 2004

WELL API NO.

30-039-29679

5. Indicate Type of Lease

STATE ☐ FEE ☐

6. State Oil & Gas Lease No.
JIC-69

7. Lease Name or Unit Agreement Name:
APACHE FEDERAL

8. Well Number

#17

9. OGRID Number

167067

10. Pool name or Wildcat
BALLARD PICTURED CLIFFS

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH
PROPOSALS.)

1. Type of Well:

Oil Well ☐ Gas Well ☒ Other

2. Name of Operator

XTO Energy Inc.

3. Address of Operator

2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401

4. Well Location

Unit Letter F : 1970 feet from the NORTH line and 1790 feet from the WEST line

Section 18 Township 24N Range 5W NMPM NMEM County RIO ARriba

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

6469'

Pit or Below-grade Tank Application ☒ or Closure ☐

Pit type DRILL Depth to Groundwater >100 Distance from nearest fresh water well >1000 Distance from nearest surface water <1000 >200

Pit Liner Thickness: 12 mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐ CHANGE PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐

OTHER: PIT ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

XTO Energy proposed to install a pit on location for drilling. The pit will be closed in accordance with NMOC guidelines when work is completed.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOC guidelines ☒ , a general permit ☐ or an (attached) alternative OCD-approved plan ☐

SIGNATURE Kyla Vaughan TITLE Regulatory Compliance Tech DATE 10/10/05

Type or print name Kyla Vaughan E-mail address: kyla_vaughan@xtoenergy.com Telephone No. 505-564-6726

For State Use Only

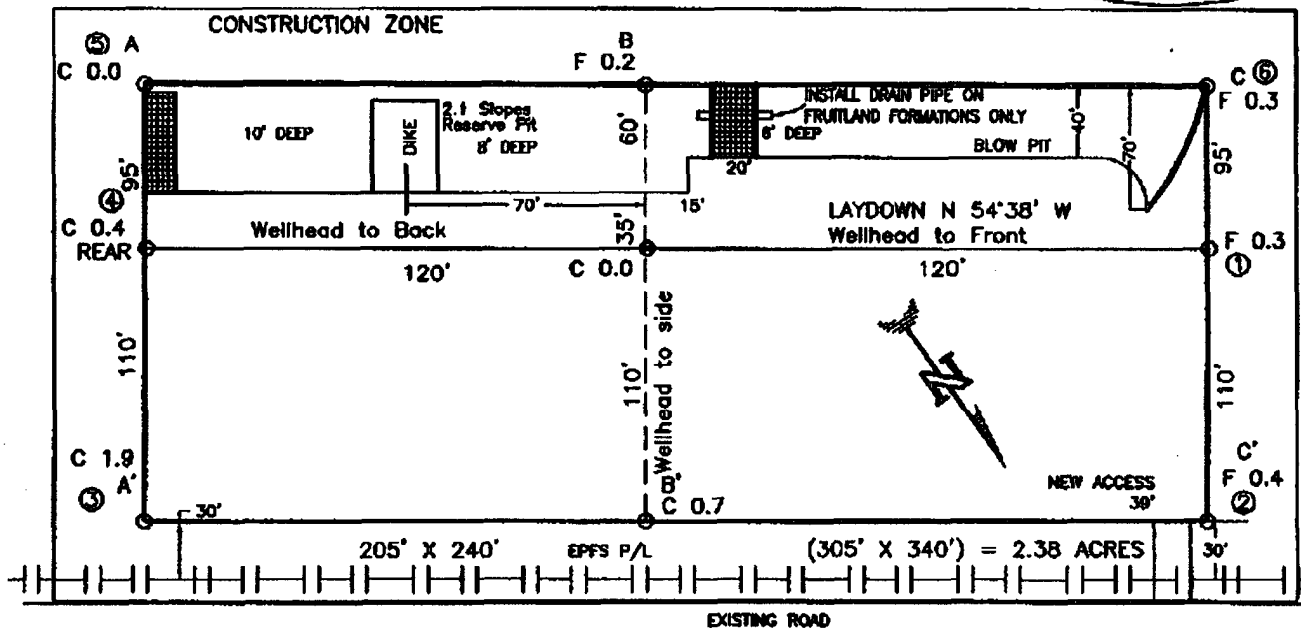
APPROVED BY [Signature] DEPUTY OIL & GAS INSPECTOR, DIST. JD DATE JAN 12 2006

Conditions of Approval, if any:

EXHIBIT D

XTO ENERGY INC.
 APACHE FEDERAL No. 17, 1970 FNL 1790 FWL
 SECTION 18, T24N, R5W, N.M.P.M., RIO ARRIBA COUNTY, N. M.
 GROUND ELEVATION: 6469, DATE: JULY 22, 2004

LAT: 36°18'53" N.
 LONG: 107°24'16" W.
 NAD 27



RESERVE PIT DIKE: TO BE 8' ABOVE DEEP SIDE (OVERFLOW - 3' WIDE AND 1' ABOVE SHALLOW SIDE).
 BLOW PIT: OVERFLOW PIPE HALFWAY BETWEEN TOP AND BOTTOM AND TO EXTEND OVER PLASTIC LINER AND INTO BLOW PIT.

NOTE: DAGGETT ENTERPRISES, INC. IS NOT LIABLE FOR
 UNDERGROUND UTILITIES OR PIPELINES. NEW MEXICO
 ONE CALL TO BE NOTIFIED 48 HOURS PRIOR TO
 EXCAVATION OR CONSTRUCTION.

ELEV. A-A'	C/L
6480	
6470	
6460	
6450	

ELEV. B-B'	C/L
6480	
6470	
6460	
6450	

ELEV. C-C'	C/L
6480	
6470	
6460	
6450	

NOTE: CONTRACTOR SHOULD CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED BURIED PIPELINES OR CABLES
 ON WELL PAD AND OR ACCESS ROAD AT LEAST TWO (2) WORKING DAYS PRIOR TO CONSTRUCTION.

Daggett Enterprises, Inc.
 Surveying and Oil Field Services
 P. O. Box 15008 • Farmington, NM 87401
 Phone (505) 324-1772 • Fax (505) 324-4019
 NEW MEXICO L.S. No. 14831
 000000 003700378
 07/27/04
 00370

EXHIBIT E

XTO ENERGY INC.

Apache Federal #17

APD Data

October 4, 2005

Location: 1970' FNL x 1790' FWL Sec 18, T24N, R5W County: San Juan State: New Mexico

GREATEST PROJECTED TD: 2300'
APPROX GR ELEV: 6469'

OBJECTIVE: Pictured Cliffs
Est KB ELEV: 6481' (12' AGL)

1. MUD PROGRAM:

INTERVAL	0' to 225'	225' to 2300'
HOLE SIZE	12.25"	7.875"
MUD TYPE	FW/Spud Mud	FW/Polymer
WEIGHT	8.6-9.0	8.4-8.8
VISCOSITY	28-32	28-32
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. 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 $\pm 225'$ 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'-225'	225'	24.0#	J-55	ST&C	1370	2950	244	8.097	7.972	12.73 0	27.41	45.19

Production Casing: 5.5" casing to be set at TD ($\pm 2300'$) 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'-2300	2300'	15.5#	J-55	LT&C	4040	4810	217	4.950	4.825	3.67	4.37	6.09

3. WELLHEAD:

- A. 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.
- B. 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 $\pm 225'$ in 12-1/4" hole.

134 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 186 ft³, 100% excess of calculated annular volume to 225'.

B. Production: 5.5", 15.5#, J-55 (or K-55), LT&C casing to be set at $\pm 2300'$ in 7.875" hole.

LEAD:

± 163 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.

Total estimated slurry volume for the 5-1/2" production casing is 558 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 (2300') to the bottom of the surface csg. Run Neutron/Lithodensity/Pe/GR/Cal from TD (2300') to 3,000'.

6. **FORMATION TOPS:**

Est. KB Elevation: 6481'

FORMATION	Sub-Sea Elev.	WELL DEPTH	FORMATION	Sub-Sea Elev.	WELL DEPTH
Ojo Alamo SS	4911	1,570	Gallup Ss		
Kirtland Shale	4775	1,706	Greenhorn Ls		
Farmington SS			Graneros Sh		
Fruitland Formation	4678	1,803	1 ST Dakota Ss		
Lower Fruitland Coal			2 ND Dakota Ss		
Pictured Cliffs SS*	4356	2,125	3 RD Dakota Ss		
Lewis Shale	4240	2,241	4 TH Dakota Ss		
Chacra SS			5 TH Dakota Ss		
Cliffhouse SS			6 TH Dakota Ss		
Menefee			Burro Canyon Ss		
Point Lookout SS			Morrison Fm		
Mancos Shale			Total Depth	4181	2,300

* 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
Jeff Patton	Drilling Engineer	505-324-1090	505-632-7882
John Egelston	Drilling Engineer	505-564-6734	505-330-6902
Dennis Elrod	Drilling foreman	505-486-6460	505-326-2024
Red Meek	Project Geologist	817-885-2800	817-427-2475
Barry Voigt	Reservoir Engineer	817-885-2462	817-540-2092

JWP

10/4/05

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 $\frac{5}{10}$ min.

Test BOP to Working Press or
to 70% internal yield of surf csg
(10 min) or which ever is less.

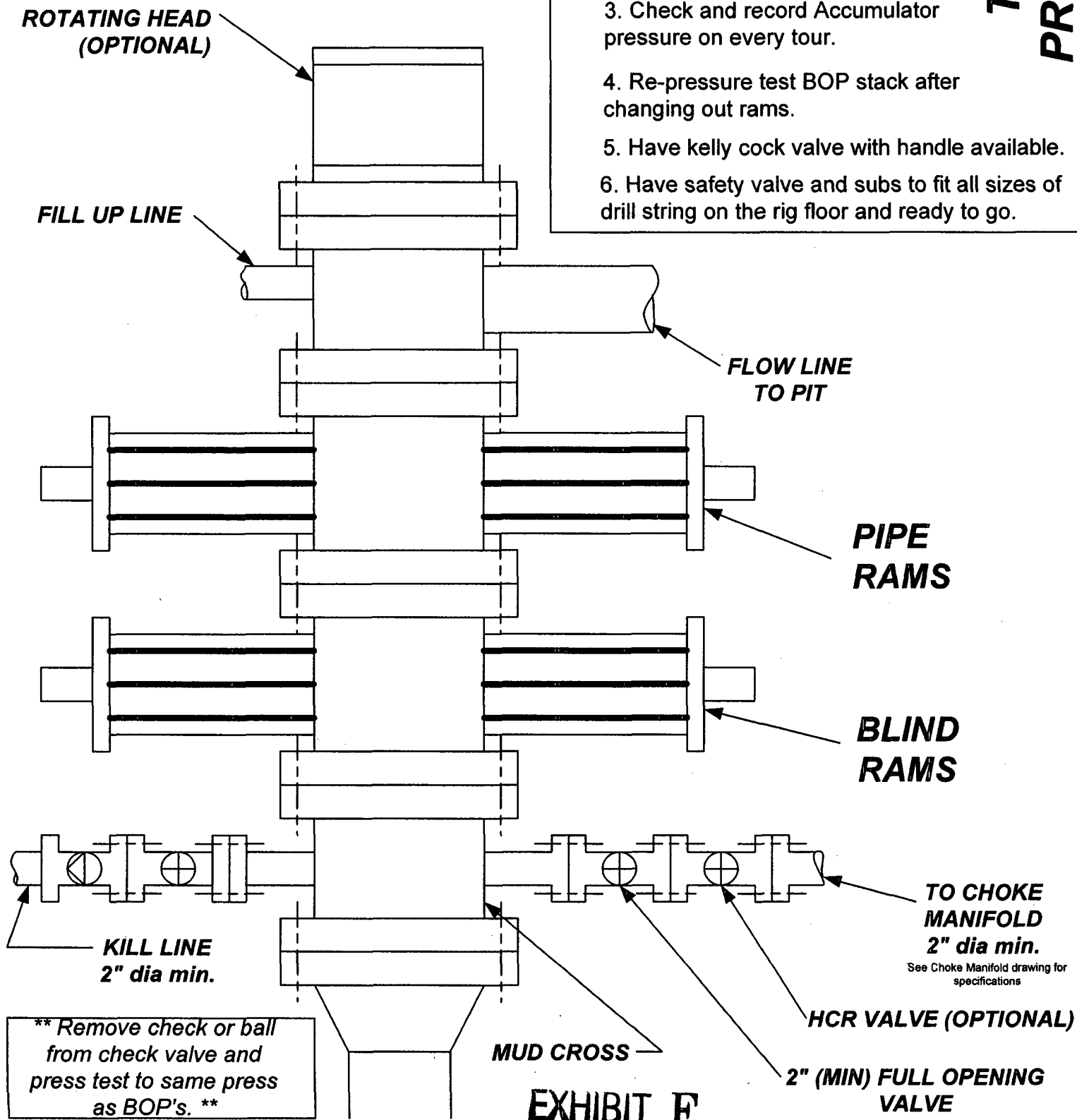
2. Test operation of (both) rams on every trip.

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.



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

