FORM APPROVED Form 3160-3 OMB No. 1004-0137 Expires March 31, 2007 (April 2004) UNITED STATES Lease Serial No. DEPARTMENT OF THE INTERIOR NMNM-003153 **BUREAU OF LAND MANAGEMENT** 6. If Indian, Allotee or Tribe Name APPLICATION FOR PERMIT TO DRILL OR REENTER 7. If Unit or CA Agreement, Name and No. **✓** DRILL la. Type of work: REENTER 8. Lease Name and Well No. O H RANDEL 17 Oil Well / Gas Well ✓ Single Zone Multiple Zone lb. Type of Well: 9. API Well No. 30-045- 32916 Name of Operator XTO ENERGY INC 3b. Phone No. (include area code) 10. Field and Pool, or Exploratory 3a. Address 2700 FARMINGTON AVE., BLDG. K-1 (505) 324-1090 **FARMINGTON, NM 87401** BASIN FRUITLAND COAL 11. Sec., T. R. M. or Blk. and Survey or Area 4. Location of Well (Report location clearly and in accordance with any State requirements.*) 1805 FNL & 1840 FEL At surface 15-26N-11W NMPM At proposed prod. zone SAME 12. County or Parish 13. State 14. Distance in miles and direction from nearest town or post office* NM 16 AIR MILES SSW OF BLOOMFIELD SAN JUAN 17. Spacing Unit dedicated to this well 15. Distance from proposed* 16. No. of acres in lease location to neares property or lease line, ft. (Also to nearest drig, unit line, if any) 1,840 1,920 20. BLM/BIA Bond No. on file 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 19. Proposed Depth 126' (XTO's OHR #6) **BLM NATIONWIDE 57 91 73** 2.100 Elevations (Show whether DF, KDB, RT, GL, etc.) 22. Approximate date work will start* 23. Estimated duration 21 6,367' GL 2 WEEKS 08/14/2005 24. Attachments The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form: 4. Bond to cover the operations unless covered by an existing bond on file (see 1. Well plat certiffed by a registered surveyor. Item 20 above). 2. A Drilling Plan. 3. A Surface Use Plan (if the location is on National Forest System Lands, the 5. Operator certification SUPO shall be filed with the appropriate forest Service Office). Such other site specific information and/or plans as may be required by the Name (Printed/Typed) Date 25. Signature **BRIAN WOOD** 02/19/2005 Title CONSULTANT PHONE: (505) 466-8120 FAX: (505) 466-9682 Approved by (Signature) Original Signed: Stephen Mason Name (Printed/Typed) <u>JUN</u> 0 8 **2006** 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 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 procedural review pursuant to 43 CFR 3165.3 "GENERAL REQUIREMENTS"

and appeal purs

ant to 43 CFR 3165.4

DISTRICT 1 1625 N. Fench Dr., Hobbs, N.M. 88240

DISTRICT II 1301 W. Grand Avenue, Artesia, N.M. 88210 State of New Mexico Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

JIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87504—2088

Form C-102 Revised June 10, 2003 Instructions on back bmit to Appropriate District Office

Submit to Appropriate District Office
State Lease — 4 Copies
Fee Lease — 3 Copies

☐ AMENDED REPORT

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

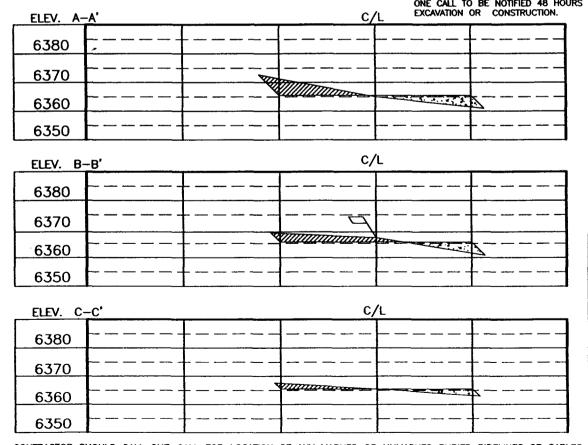
DISTRICT IV
1220 South St. Francis Dr., Santa Fe, NM 87505

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|----------------------------------|---------|---------------------------------|-----------------|-----------|-------------------------|------------|---------------------------------------|------------------------------|---------------------------|-------------------------------|------------------------|--|
| *API Number 30 . 0 45 . 32916 | | ² Pool Code 71629 | | | | BASIN FRUI | TI A | Pool Name | | | | |
| Property Code | | | 023 | i | perty N | | ILA | IND CO | <u> </u> | • W | /ell Number | |
| 22.857 | | | • | 0 Н | | | | | | | 17 | |
| OGRID No | | | | | *Oper | rator N | | | | | [®] Elevation | |
| 167 | 7067 | | | • | XTO EN | NERG | Y INC. | | | | | 6367' |
| | | | | | 10 Surfa | асе | Location | | | | | |
| UL or lot no. | Section | Township | Range 11-W | Lot Idn | Feet from 1805 | the | North/South line NORTH | Feet | from the | East/Wes EAS | | County SAN JUAN |
| G. | 15 | 26-N | | • | | | · · · · · · · · · · · · · · · · · · · | 1. | 1840 | 1 | • | 1 |
| Ut or lot no. | Section | Township | | om Hole | LOCATION Feet from | | Different Fro | | urtace | East/Wes | t line | T C |
| OL OF IOL IIO. | Section | TOWNSHIP | Range | Lot Ion | reet trom | uie | North/South line | reet | t from the | Edst/ Wes | it inte | County |
| ¹² Dedicated Acres | \$ | 13 | Joint or Infili | l . | ¹⁴ Consolida | tion Co | Code ¹⁵ Order No. | | der No. | <u> </u> | | |
| 22 | ^ | | | | | | | | | | | |
| 320 NO ALLOY | | /III BE | ASSIGNED |) TO THI | S COMPL | ETIC | N UNTIL ALL | INTE | RESTS H | AVF RFI | FN CO | NSOLIDATED |
| NO ALLO | | | | | | | EEN APPROVE | | | | | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, |
| | | | QTR. CORNE | • | | 20 1 | 8-52 W sec. o | OONED | ð | | | |
| | | | 5°29'25" N | 1. (NAD 2 | ,508 | | | N 00-09-07 E, 2648.3' (M) | Signature | 36 | JOH | zl |
| | | LONG:1 | 07'59'17' | W. (NAD | 27) | ı | | _ | | | BR | AN WOOD |
| | | | | | | | | | Printed No | me | COI | NSULTANT |
| | | | | 16 | | | | , | Title | | FEB. | 19, 2005 |
| | | • | | 15 I | | | QTR. CC FD 2 1/: | ORNER 2" BC | Date 18 SI | URVEYO | R CER | RTIFICATION |
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| MINCLON I ELNED | | LO | | | | | | | correct to th | E | A MEX | a surveys mode by m |
| | :EB 53 | \$002 | | | | | | / | Date of Su Signature o | Tak. | 14931 Opessi | |
| | | | | | | | | 1 | Certificate I | 148 | 831 | - |



| Office District I 1625 N. French Dr., Hobbs, NM 88240 | State of New Me Energy, Minerals and Natu | | Form C-103 May 27, 2004 WELL API NO. 30-045-27 Q1//2 |
|---|---|--|---|
| OIL CONSERVATION DIVISION District III 000 Rio Brazos Rd., Aztec, NM 87410 District IV 220 S. St. Francis Dr., Santa Fe, NM Santa Fe, NM 87505 | | | 5. Indicate Type of Lease STATE FEE 6. State Oil & Gas Lease No. NMNM-003153 |
| (DO NOT USE THIS FORM FOR PROPO | CES AND REPORTS ON WELLS SALS TO DRILL OR TO DEEPEN OR PLA CATION FOR PERMIT* (FORM C-101) FO | JG BACK TO A | 7. Lease Name or Unit Agreement Name O H RANDEL |
| | Gas Well X Other | | 8. Well Number 14 |
| 2. Name of Operator XTO EN | ERGY INC. | į | 9. OGRID Number 167067 |
| | RMINGTON AVE., BLDG. K-1, GTON, NM 87401 | | 10. Pool name or Wildcat BASIN FRUITLAND COAL GAS |
| 4. Well Location | 1005 - NODG | 71.1 | 0.40 |
| | 1805 feet from the NORT | | |
| Section 15 | Township 26N Ra 11. Elevation (Show whether DR, | ange 11W , RKB, RT, GR, etc.) | NMPM County SAN JUAN |
| Di Di itala e di M | 6,367' GL | | |
| Pit or Below-grade Tank Application \(\bar{\text{N}} \) or Pit type \(\bar{DRILLING} \) Depth to Groundw | 7000 | Stock Title Diet | >2.001 |
| Pit Liner Thickness: 12 mil | Below-Grade Tank: Volume | | nstruction Material |
| 12. Check | Appropriate Box to Indicate N | | |
| • | • | | • |
| NOTICE OF IN PERFORM REMEDIAL WORK TEMPORARILY ABANDON PULL OR ALTER CASING | PLUG AND ABANDON CHANGE PLANS MULTIPLE COMPL | REMEDIAL WORK COMMENCE DRI CASING/CEMENT | LLING OPNS. P AND A |
| OTHER: DRILLING PIT | · [X] | OTHER: | П |
| 13. Describe proposed or comp | leted operations. (Clearly state all 1 | pertinent details, and | d give pertinent dates, including estimated date tach wellbore diagram of proposed completion |
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| I hereby certify that the information | above is-true and complete to the b | est of my knowledg | e and belief. I further certify that any pit or below- |
| grade tank has been/will be constructed of | closed according to NMOCD guidelines | , a general permit | or an (attached) alternative OCD-approved plan . |
| SIGNATURE ! JU | TITLE_ | CONSULTANT | DATE 2-19-05 |
| Type or print name BRIAN WO | | | mitswest.com Telephone No. 466-8120 |
| APPROVED BY: Conditions of Approval of any): | TITLE | eruiy Cal & Gas II | NSPECTOR, DIST. (7" DATE JUN 12 2006 |

XTO ENERGY INC. RANDEL No. 17, 1805 FNL 1840 FEL LAT: 36'29'25" N. SECTION 15, T26N, R11W, N.M.P.M., SAN JUAN COUNTY, N. M. LONG:107'59'17' W. GROUND ELEVATION: 6367, ADATE: JUNE 15, 2004 **NAD 27** SOLAR PANEL WELL HEAD - XTO O.H. RANDEL No. 6 ⑤A C 5.8 C 2.8 2.1 RESERVE PIT , 15' x 65' 4 LAYDOWN S 08'58' W 1 F 0.5 $c \ \widetilde{o}.c$ Wellhead to Back Wellhead to Front REAR C 1.5 90' 8 9 c' @ 3 A 140' X 180' B' F 3.9 F 2.4 4.1 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. DAGGETT ENTERPRISES, INC. IS NOT LIABLE FOR UNDERCROUND UTILITIES OR PIPELINES. NEW MEXICO ONE CALL TO BE NOTIFIED 48 HOURS PRIOR TO EXCAVATION OR CONSTRUCTION. NOTE: ELEV. A-A 6380 6370



0. Box 15068 • Farmington, Ni ne (505) 326-1772 • Fax (505) 3 NEW MEXICO L.S. No. 1483

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OII Fleld

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.

XTO Energy Inc.
O H Randel 17
1805' FNL & 1840' FEL
Sec. 15, T. 26 N., R. 11 W.
San Juan County, New Mexico

Drilling Program

1. ESTIMATED FORMATION TOPS

| Formation Name | GL Depth | KB Depth | <u>Elevation</u> |
|-------------------|----------|----------|------------------|
| Nacimiento | 000' | 5' | +6,367' |
| Ojo Alamo | 677' | 682' | +5,690' |
| Kirtland Shale | 787' | 792' | +5,580' |
| Fruitland | 1,502' | 1,507' | +4,865' |
| Pictured Cliffs | 1,727' | 1,732' | +4,640' |
| Lewis Shale | 2,012' | 2,017' | +4,355' |
| Total Depth (TD)* | 2,100' | 2,105' | +4,267' |

2. NOTABLE ZONES

| Gas & Oil Zones | Water Zones | Coal Zone |
|-----------------|-------------|-----------|
| Fruitland | Nacimiento | Fruitland |
| Pictured Cliffs | Ojo Alamo | |
| | Fruitland | • |

Water zones will be protected with casing, cement, and weighted mud. Fresh water found while drilling will be recorded. Oil or gas shows will be tested for commercial potential based on the geologist's recommendations.

3. PRESSURE CONTROL

The drilling contract has not yet been awarded, thus the exact BOP system to be used is not yet known. A typical 2,000 psi stack, manifold, and testing procedures are on Page 3.



XTO Energy Inc.
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4. CASING & CEMENT

| Hole Size | <u>O. D.</u> | Weight (lb/ft) | <u>Grade</u> | <u>Age</u> | <u>Connection</u> | Setting Depth |
|-----------|--------------|----------------|--------------|------------|-------------------|---------------|
| 8-3/4" | 7" | 20 | K-55 | New | ST&C | 160' |
| 6-1/4" | 4-1/2" | 10.5 | K-55 | New | ST&C | 2,100' |

Surface casing will be cemented to the surface with ≈ 50 cubic feet (≈ 43 sacks) Class B + 1/4 lb/sk cello-flake + 2% CaCl₂. Yield = 1.18 cubic feet per sack. Weight = 15.2 pounds per gallon. Volume: \geq 100% excess. A guide shoe and insert float will be used. W. O. C. =12 hours. Surface casing will be tested to 1,500 psi for 30 minutes.

Production casing will be cemented to the surface. Total cement: >437 cubic feet. Volumes are calculated at >100% excess. If cement does not circulate to surface, then a temperature survey will be run to determine the actual cement top as needed. W. O. C. = 12 hours. Test to 2,000 psi.

Lead cement will be ≈ 185 sacks Class B light cement (65% cement/35% Poz with 6% gel) with 5 #/sack gilsonite + 1/4 #/sack Flocele. Yield = 1.99 cu ft/sk. Weight = 12.4 #/gal.

Tail cement will be ≈ 50 sacks 50/50 Class B Poz with 2% gel + 1/4#/sack Flocele + 0.5% Halad 9. Yield = 1.38 cubic feet/sack. Weight = 13.5 #/gallon.

Cement equipment will include a guide shoe, float collar, and 10 centralizers.

5. MUD PROGRAM

| <u>Range</u> | <u>Mud Type</u> | <u>Weight</u> |
|--------------|-----------------|---------------|
| 0' - 160' | Fresh-Spud | 8.4 |
| 160' - TD | LSND | 8.6 |

Lost circulation and absorption material will be on location.



Note: This equipment is designed to meet requirements for a 2-M rating standard per 43 CFR part 3160 (amended). Proper operation and testing of equipment will be caried out per standard. 2,000 psi equipment can be substituted in the drawing to meet minimum requirements per standard.