

# RECEIVED

RCVD OCT 17 '07  
OIL CONS. DIV.  
DIST. 3

AUG 22 2007

Form 3160-3  
(February 2005)

Bureau of Land Management  
Farmington Field Office

FORM APPROVED  
OMB No. 1004-0137  
Expires March 31, 2007

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

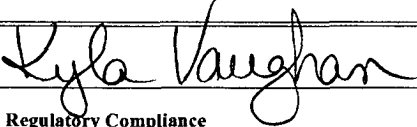
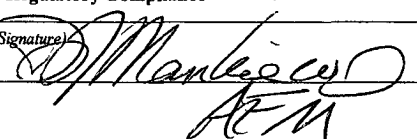
## APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No <b>NMSF-077329</b>
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name <b>N/A</b>
2. Name of Operator <b>XTO Energy, Inc.</b>		7. If Unit or CA Agreement, Name and No. <b>N/A</b>
3a. Address <b>2700 Farmington Ave, Bldg K - Suite 1 Farmington NM 87402</b>	3b. Phone No. (include area code) <b>505-324-1090</b>	8. Lease Name and Well No. <b>MARTIN GAS COME #1F</b>
4. Location of Well (Report location clearly and in accordance with any State requirements*) At surface <b>1295' FSL x 665' FWL</b> At proposed prod. zone <b>same</b>		9. API Well No. <b>30-045- 34403</b>
10. Field and Pool, or Exploratory <b>BASIN DK/WC BASIN MC</b>		11. Sec., T R. M. or Blk. and Survey or Area <b>(M) SEC 15, T27N, R10W</b>
12. Distance in miles and direction from nearest town or post office* <b>Approximately 11 miles Southeast of Bloomfield, NM post office</b>		12. County or Parish <b>San Juan</b>
13. State <b>NM</b>		
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) <b>665'</b>	16. No. of acres in lease <b>1480</b>	17. Spacing Unit dedicated to this well <b>DK W/2 320 - MC SW/4 160</b>
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. <b>163</b>	19. Proposed Depth <b>6750'</b>	20. BLM/BIA Bond No. on file <b>UTB-000138</b>
21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>6136' GROUND ELEVATION</b>	22. Approximate date work will start* <b>10/01/2007</b>	23. Estimated duration <b>2 weeks</b>

### 24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No 1, must be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the BLM.

25. Signature 	Name (Printed/Typed) <b>Kyla Vaughan</b>	Date <b>08/22/2007</b>
Title <b>Regulatory Compliance</b>		
Approved by 	Name (Printed/Typed) <b>J. Mantel</b>	Date <b>10/16/07</b>
Title <b>FFO</b>		

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)

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".

NOTIFY AZTEC OCD 24 HRS.  
PRIOR TO CASING & CEMENT

# APD/ROW

NMOCD

B 10/26

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

OIL CONSERVATION DIVISION

1220 South St. Francis  
Santa Fe, NM 87505

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AUG 22 2007

Bureau of Land Management  
Farmington Field Office

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 36045-34403		<sup>2</sup> Pool Code 97232		<sup>3</sup> Pool Name Basin manco	
<sup>4</sup> Property Code 22768		<sup>5</sup> Property Name MARTIN GAS COM E			<sup>6</sup> Well Number 1F
<sup>7</sup> OCRID No 5380		<sup>8</sup> Operator Name XTO ENERGY INC.			<sup>9</sup> Elevation 6136

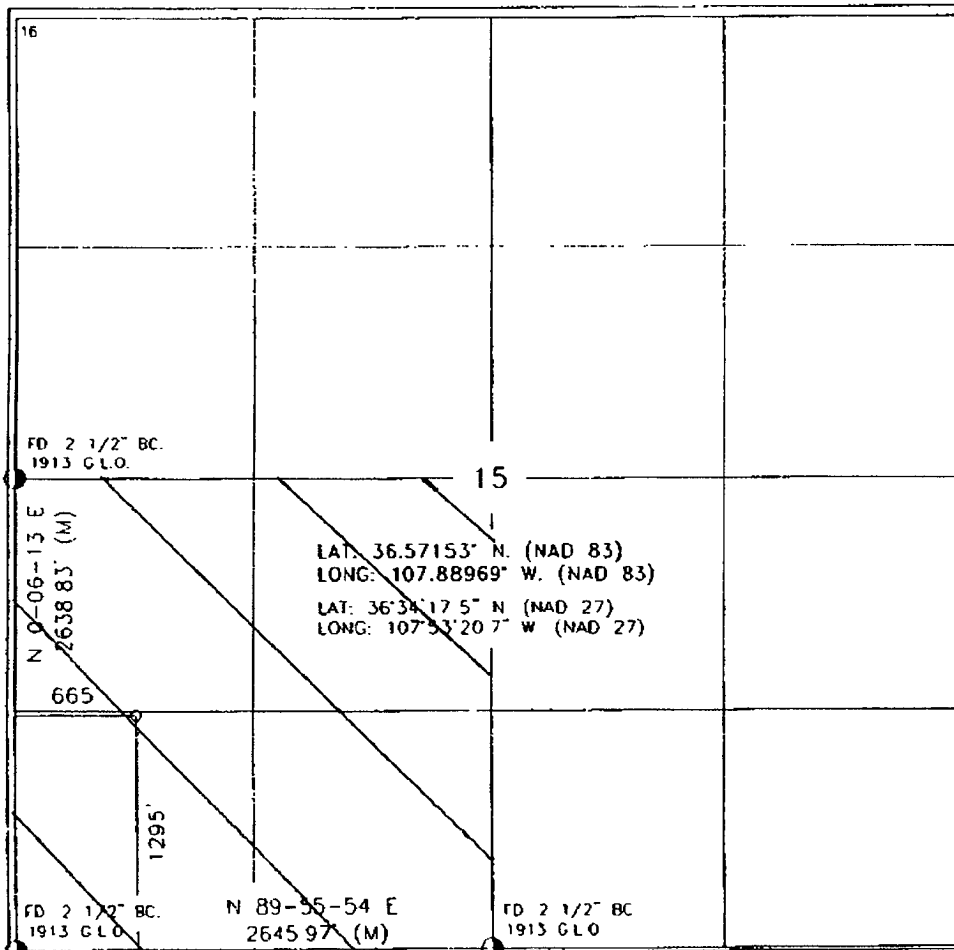
<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	15	27-N	10-W		1295	SOUTH	665	WEST	SAN JUAN

<sup>11</sup> 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
<sup>12</sup> Dedicated Acres SW 1/4 1600			<sup>13</sup> Joint or Initial		<sup>14</sup> Consolidation Code		<sup>15</sup> 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



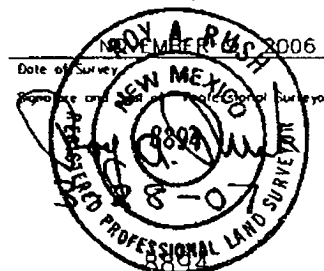
17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the Division.

*[Signature]* 5/3/07  
\_\_\_\_\_  
Printed Name

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.



Certificate Number

# RECEIVED

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

OIL CONSERVATION DIVISION

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

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies  
Bureau of Land Management  
Farmington Field Office

Form C-102  
Revised October 12, 2005

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-045-34403	<sup>2</sup> Pool Code 71599	<sup>3</sup> Pool Name Basin Dakota
<sup>4</sup> Property Code	<sup>5</sup> Property Name MARTIN GAS COM E	<sup>6</sup> Well Number 1F
<sup>7</sup> OCRD No 5380	<sup>8</sup> Operator Name XTO ENERGY INC.	<sup>9</sup> Elevation 6136

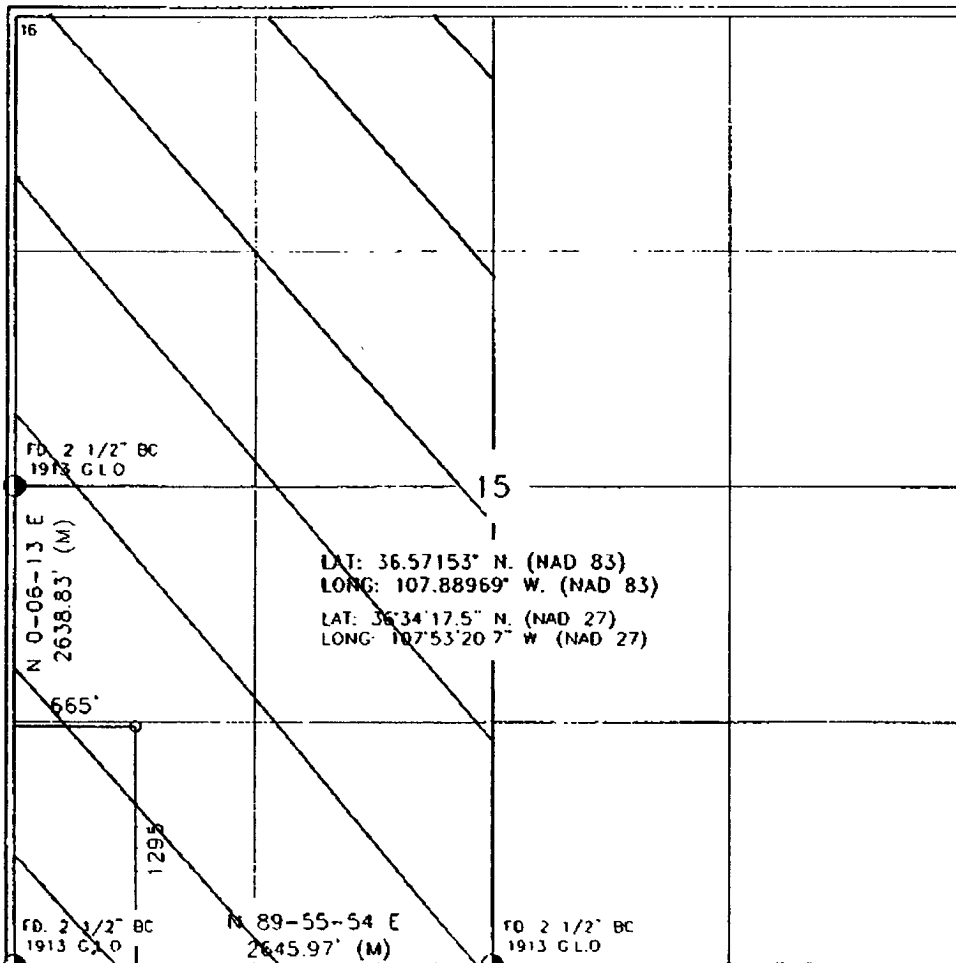
### <sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot 10n	Feet from the	North/South line	Feet from the	East/West line	County
M	15	27-N	10-W		1295	SOUTH	665	WEST	SAN JUAN

### <sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 10n	Feet from the	North/South line	Feet from the	East/West line	County
<sup>12</sup> Dedicated Acres w/2 320			<sup>13</sup> Joint or Init		<sup>14</sup> Consolidation Code		<sup>15</sup> 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



<p><b>17 OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>[Signature]</i> 5/30/07 Signature Date</p> <p><i>[Printed Name]</i> Printed Name</p>	<p><b>18 SURVEYOR CERTIFICATION</b></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 my belief.</p> <p>Date of Survey: _____ Signature of Professional Land Surveyor: _____</p> <p><i>[Professional Seal]</i> Professional Seal</p> <p>Certificate Number: _____</p>
---	---

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

May 27, 2004

WELL API NO. <u>30-045-34403</u>	
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>	
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name: <u>MARTIN GAS COM E</u>	
8. Well Number <u>#1F</u>	
9. OGRID Number <u>5380</u>	
10. Pool name or Wildcat <u>BASIN DK/WC BASIN MC</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <u>6136' GROUND ELEVATION</u>	
Pit or Below-grade Tank Application <input checked="" type="checkbox"/> or Closure <input type="checkbox"/>	
Pit type <u>DRILL</u> Depth to Groundwater <u>&gt;100</u> Distance from nearest fresh water well <u>&gt;1000</u> Distance from nearest surface water <u>#1000</u>	
Pit Liner Thickness: <u>12</u> mil Below-Grade Tank: Volume <u>8000</u> bbls; Construction Material _____	

**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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other _____	2. Name of Operator <u>XTO Energy Inc.</u>
3. Address of Operator <u>2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401</u>	4. Well Location Unit Letter <u>M</u> : <u>1295</u> feet from the <u>SOUTH</u> line and <u>665</u> feet from the <u>WEST</u> line Section <u>15</u> Township <u>27N</u> Range <u>10W</u> NMPM <u>NMPM</u> County <u>SAN JUAN</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <u>6136' GROUND ELEVATION</u>	
Pit or Below-grade Tank Application <input checked="" type="checkbox"/> or Closure <input type="checkbox"/>	
Pit type <u>DRILL</u> Depth to Groundwater <u>&gt;100</u> Distance from nearest fresh water well <u>&gt;1000</u> Distance from nearest surface water <u>#1000</u>	
Pit Liner Thickness: <u>12</u> mil Below-Grade Tank: Volume <u>8000</u> 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 plans to install a lined pit on location for drilling.

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 NMOCD guidelines ☒ , a general permit ☐ or an (attached) alternative OCD-approved plan ☐

SIGNATURE Kyla Vaughan TITLE Regulatory Compliance Tech DATE 08/22/2007

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

For State Use Only

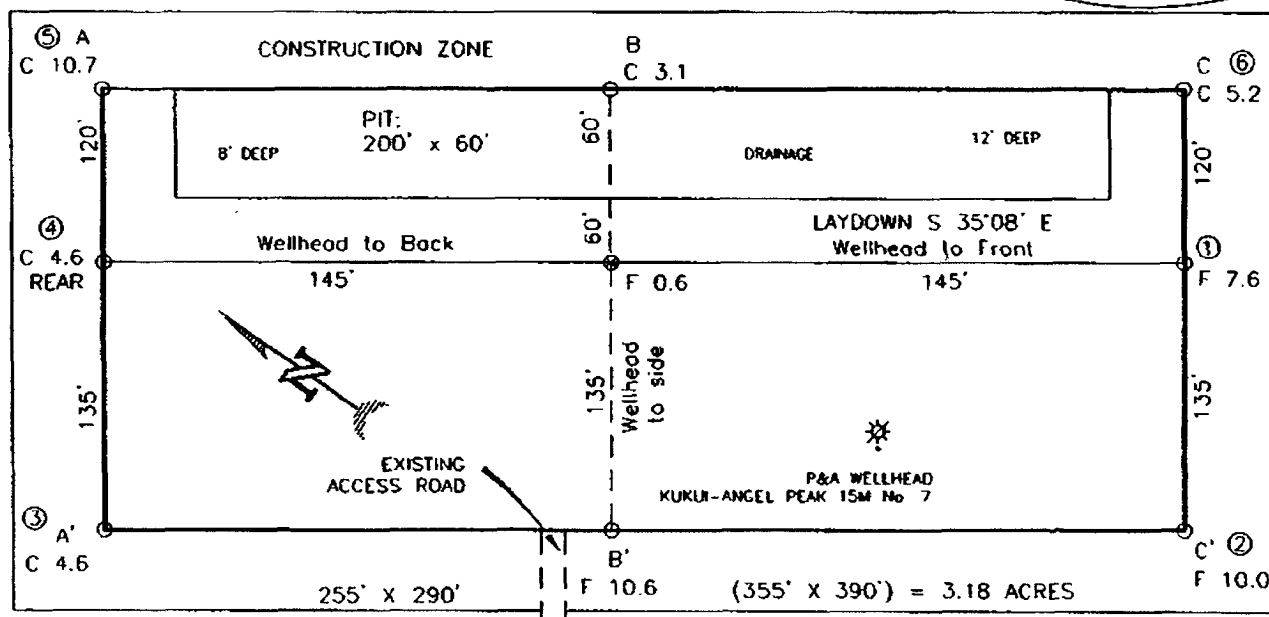
APPROVED BY [Signature] Deputy Oil & Gas Inspector, District #3 DATE OCT 26 2007

Conditions of Approval, if any:

EXHIBIT D

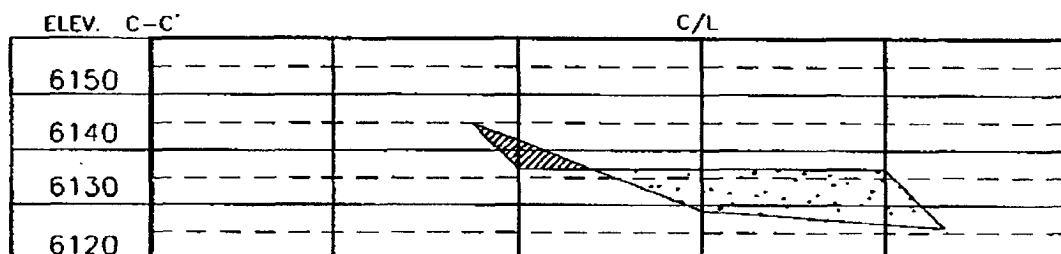
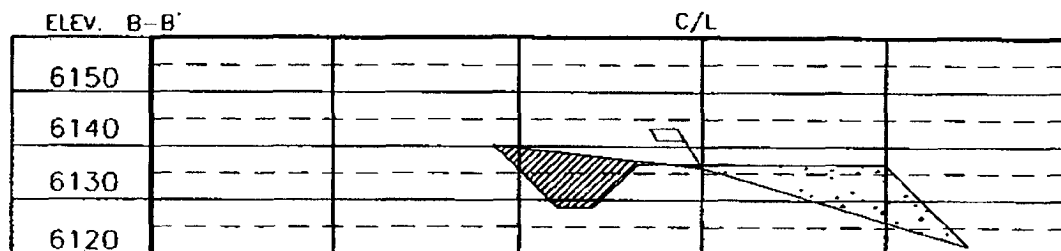
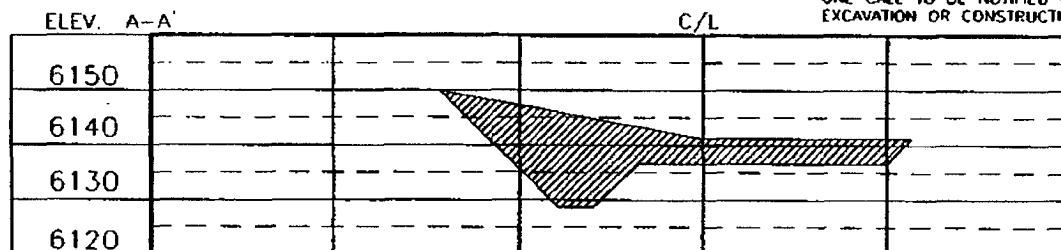
XTO ENERGY INC.  
MARTIN GAS COM E No. 1F, 1295 FSL 665 FWL  
SECTION 15, T27N, R10W, N.M.P.M., SAN JUAN COUNTY, N.M.  
GROUND ELEVATION: 6136' DATE: NOVEMBER 9, 2006

NAD 83  
LAT. = 36.57153° N  
LONG. = 107.88969° W  
NAD 27  
LAT. = 36°34'17.5" N  
LONG. = 107°53'20.7" W



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.



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 15068 Farmington, NM 87401  
Phone (505) 326-1772 • Fax (505) 326-6019  
NEW MEXICO L.S. No. 8894  
DATE: 3/09/07  
DRAWN BY: G.V.  
NO. 08785

EXHIBIT E

# XTO ENERGY INC.

Martin Gas Com E #1F

APD Data

August 21, 2007

Location: 1295' FSL x 665' FWL Sec 15, T27N, R10W County: San Juan State: New Mexico

GREATEST PROJECTED TD: 6750'  
APPROX GR ELEV: 6136'

OBJECTIVE: Basin Dakota / Basin Mancos  
Est KB ELEV: 6148' (12' AGL)

## 1. MUD PROGRAM:

INTERVAL	0' to 360'	360' to 2500'	2500' to 6750'
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 12.25" 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 ( $\pm$ 6750') in 7.875" 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'-6750'	6750'	15.5#	J-55	ST&C	4040	4810	202	4.950	4.825	1.25	1.49	1.93

## 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  $\pm 360'$  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 ft<sup>3</sup>/sk, & 6.70 gal wtr/sk.

*Total slurry volume is 297 ft<sup>3</sup>, 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  $\pm 6750'$  in 7.875" hole. DV Tool set @  $\pm 4100'$

1<sup>st</sup> Stage

LEAD:

$\pm 205$  sx of Premium Lite HS (Type III/Poz/Gel) or equivalent, with dispersant, fluid loss, accelerator, & LCM mixed at 12.5 ppg, 2.01 ft<sup>3</sup>/sk, 10.55 gal wtr/sx.

TAIL:

150 sx Type III or equivalent cement with bonding additive, LCM, dispersant, & fluid loss mixed at 14.2 ppg, 1.54 cuft/sx, 8.00 gal/sx.

2<sup>nd</sup> Stage

LEAD:

$\pm 341$  sx of Type III or equivalent cement with 8% gel & LCM mixed at 11.9 ppg, 2.54 ft<sup>3</sup>/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 1647 ft<sup>3</sup>.*

*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: None.

B. Open Hole Logs as follows: Run Array Induction/SFL/GR/SP fr/TD (6750') to the bottom of the surface csg. Run Neutron/Lithodensity/Pe/GR/Cal from TD (6750') to 3,000'.

6. **FORMATION TOPS:**

Est. KB Elevation: 6148'

FORMATION	Sub-Sea	MD	FORMATION	TV Sub-Sea	MD
Ojo Alamo SS	5199	949	Gallup	680	5468
Kirtland Shale	5041	1107	Greenhorn	-141	6289
Farmington SS			Graneros	-197	6345
Fruitland Formation	4645	1503	Dakota 1*	-225	6373
Lower Fruitland Coal	4212	1936	Dakota 2*	-259	6407
Pictured Cliffs SS	4190	1958	Dakota 3*	-314	6462
Lewis Shale	4039	2109	Dakota 4*	-365	6513
Chacra SS	3291	2857	Dakota 5*	-392	6540
Cliffhouse SS*	2647	3501	Dakota 6*	-415	6563
Menefee**	2540	3608	Burro Canyon	-443	6591
Point Lookout SS*	1833	4315	Morrison*	-465	6613
Mancos Shale	1515	4633	<b>TD</b>	-602	<b>6750</b>

\* 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
Justin Niederhofer	Drilling Engineer	505-566-7946	505-320-0158
Jerry Lacy	Drilling Superintendent	505-566-7917	505-320-6543
John Klutsch	Project Geologist	817-885-2800	--

JWE  
8/21/07

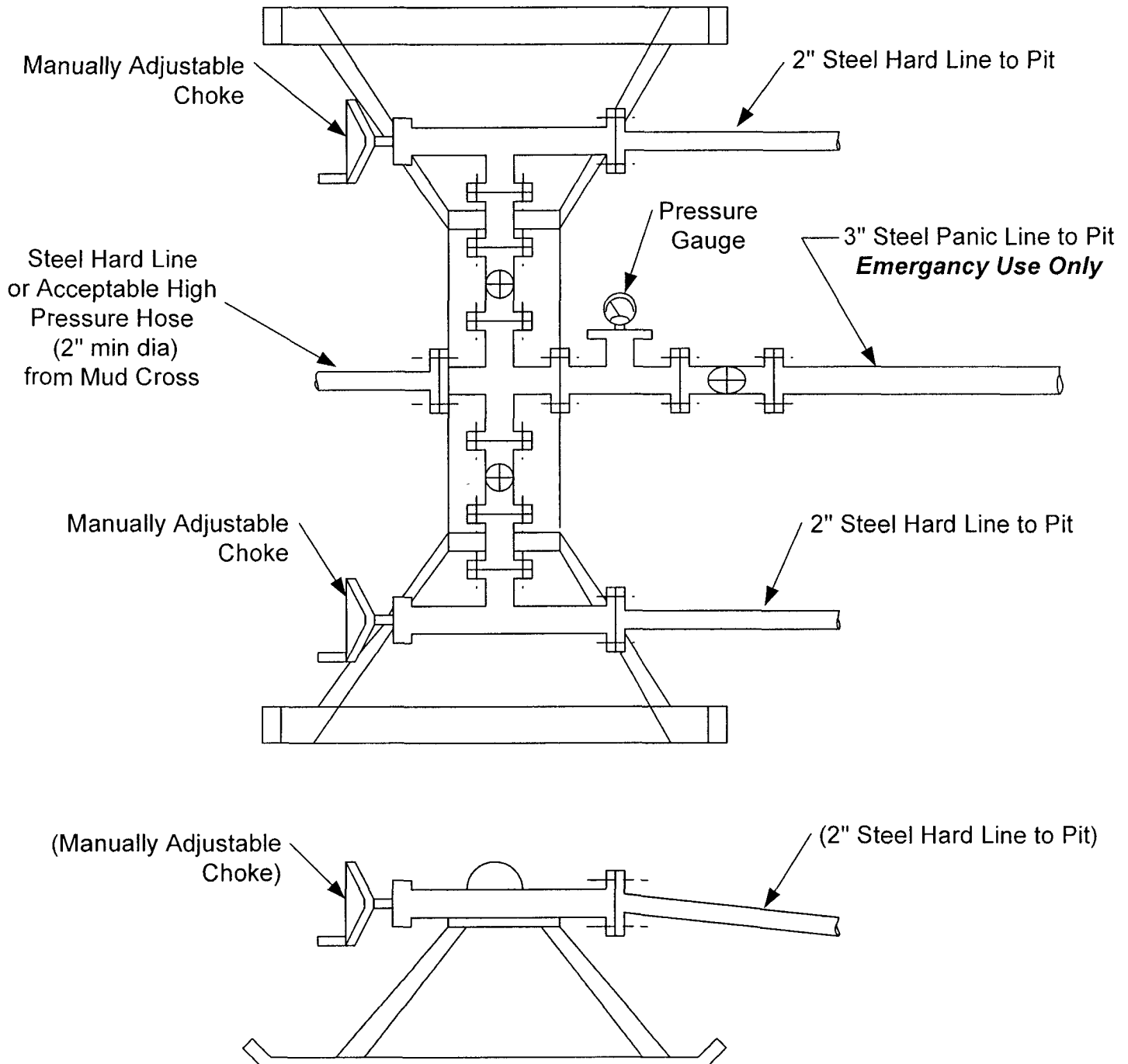
EXHIBIT F



# **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.

ROTATING HEAD  
(OPTIONAL)

FILL UP LINE

FLOW LINE  
TO PIT

PIPE  
RAMS

BLIND  
RAMS

KILL LINE  
2" dia min.

TO CHOKE  
MANIFOLD  
2" dia min.

See Choke Manifold drawing for  
specifications

HCR VALVE (OPTIONAL)

2" (MIN) FULL OPENING  
VALVE

MUD CROSS

EXHIBIT F

\*\* Remove check or ball  
from check valve and  
press test to same press  
as BOP's. \*\*