

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well ☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator **XTO Energy, Inc.**

3a. Address **382 CR 3100 AZTEC, NM 87410**

3b. Phone No. (include area code) **505-333-3100**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SH: 965' FNL x 1010' FWL, SEC 5, T26N, R11W
BH: 1900' FNL x 700' FEL, SEC 5, T26N, R11W

5. Lease Serial No.
NMNM-0359212

6. If Indian, Allottee or Tribe Name
N/A **RCVD FEB 13 '08**

7. If Unit or CA/Agreement, Name and/or No.
N/A **OIL CONS. DIV.**

8. Well Name and No.
HENDERSON 5 #3 **DIST. 3**

9. API Well No.
30-045-32588

10. Field and Pool, or Exploratory Area
BASIN FRUITLAND COAL

11. County or Parish, State
SAN JUAN, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other chg to
	<input checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	horizontal drlg
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Upon further review of this well, XTO would like to change the drilling plan from a vertical FC/PC to a horizontal FC. Please see attached revised C102, drilling & horizontal plan.

CONDITIONS OF APPROVAL
Adhere to previously issued stipulations.



H₂S POTENTIAL EXIST

HOLD C104 FOR *directional survey & as drilled*
C-102

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) **Kyla Vaughan** Title **Regulatory Compliance**

Signature *Kyla Vaughan* Date **01/31/2008**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by **Troy L. Sahers** Title **PE** Date **2-11-2008**

Conditions of approval, if any, are attached. Approval of this notice 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.

Office **FFO**

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)

NMOC

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

DISTRICT II
1301 W. Grand Ave., 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 87505

Form C-102
Revised October 12, 2005

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies
RCVD FEB 13 '08
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

OIL CONS. DIV.

¹ API Number	² Pool Code 71629	³ Pool Name BASIN FRUITLAND	DIST. 3 COAL
⁴ Property Code 303836	⁵ Property Name HENDERSON 5-		⁶ Well Number #3
⁷ OCRD No. 5380	⁸ Operator Name XTO ENERGY INC.		⁹ Elevation 6179

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
D	5	26-N	11-W		965	NORTH	1010	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
H	5	26-N	11-W		1900	NORTH	700	EAST	SAN JUAN

¹² Dedicated Acres N 1/2 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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>FD. 3 1/4" BC. 1911 G.L.O.</p> <p>LOT 4</p> <p>1010'</p> <p>S 00-48-38 E 2651.13' (M)</p> <p>FD. 2 1/2" BC. 1930 G.L.O.</p> <p>LOT 3</p> <p>N 89-58-06 E 2641.91' (M)</p> <p>LOT 2</p> <p>N 89-58-54 W 2642.39' (M)</p> <p>LOT 1</p> <p>1800'</p> <p>S 01-03-27 E 2740.05' (M)</p> <p>FD. 2 1/2" BC. 1930 G.L.O.</p> <p>5</p> <p>SURFACE: LAT: 36.52178° N. (NAD 83) LONG: 108.03265° W. (NAD 83) LAT: 36°31'18.4" N. (NAD 27) LONG: 108°01'55.3" W. (NAD 27)</p> <p>BOTTOMHOLE: LAT: 36.51921° N. (NAD 83) LONG: 108.02042° W. (NAD 83) LAT: 36°31'09.1" N. (NAD 27) LONG: 108°01'11.3" W. (NAD 27)</p> <p>PRELIMINARY B.H.L. B.H.L. FOOTAGES ARE APPROXIMATE AND PROVIDED BY XTO ENERGY INC. CLIENT</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, 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.</p> <p><i>Kyla Vaughan</i> 1/31/08 Signature Date <i>Kyla Vaughan</i> Printed Name</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 my belief.</p> <p>DECEMBER 18/2007 Date of Survey Signature and Seal of Professional Land Surveyor <i>[Signature]</i> 12-13-07 PROFESSIONAL LAND SURVEYOR 8894 Certificate Number</p>
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XTO ENERGY INC.

Henderson 5-3

APD Data

January 31, 2008

Location: 965' FNL & 1010' FWL, Sec. 5, T26N, R11W County: San Juan State: New Mexico

Bottomhole Location: 1900' FNL & 700' FEL Sec 5, T26N, R11W

GREATEST PROJECTED TVD: 1398'

APPROX GR ELEV: 6179'

GREATEST PROJECTED MD: 4811'

Est KB ELEV: 6191' (12' AGL)

OBJECTIVE: Fruitland Coal

1. MUD PROGRAM:

INTERVAL	0' to 225'	225' to 1677'	1677' to TD
HOLE SIZE	12.25"	8.75"	6.125"
MUD TYPE	FW/Spud Mud	FW/Polymer	Air/Mist
WEIGHT	8.6-9.0	8.4-8.8	NA
VISCOSITY	28-32	28-32	NA
WATER LOSS	NC	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. Use Fruitland Coal produced water as make-up water for mist fluid. Pump enough fluid to dampen vibration at directional BHA. If directional control is not maintainable in air/mist environment convert to polymer mud.

2. CASING PROGRAM:

Surface Casing: 9.625" 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 ¹	SF Burst ²	SF Ten ³
0'-225'	225'	36.0#	J-55	ST&C	2020	3520	394	8.921	8.765	18.76	32.7	48.6

Intermediate Casing: 7" casing to be set at $\pm 1677'$ MD, 1398' TVD in 8.75" 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 ¹	SF Burst ²	SF Ten ³
0'-1677'	1677'	23.0#	J-55	ST&C	3270	4360	284	6.366	6.241	4.08	5.43	7.36

Production Casing: 4.5" casing to be set at $\pm 4810'$ MD, 1398' TVD in 6.125" hole filled with 8.4 ppg mud.

Interval	Length	Wt	Gr	Cplg	Coll Rating (psi)	Burst Rating (psi)	Jt Str (M-lbs)	ID (in)	Drift (in)	SF Coll ¹	SF Burst ²	SF Ten ³
1677'-4810'	3133'	10.5	J-55	ST&C	4010	4790	132	4.052	3.927	6.57	7.85	4.01

¹Collapse SF is based on evacuated annulus and hydrostatic at TVD.

²Burst SF is based on evacuated casing and hydrostatic at TVD.

³Tensile SF is based on hanging air weight of casing in a vertical hole at measured depth.

3. WELLHEAD:

- A. Casing Head: WHI QDF System (or equivalent), 9-5/8" x 7", 3,000 psig WP (4,000 psig test) with 9-5/8" 8rnd thread ST&C pin end on bottom and 4-1/2" slips on top.
- B. Tubing Head: WHI W2F (or equivalent), 7.063" nominal, 5,000 psig WP (5,000 psig test), 5-1/2" slip-on or weld-on.

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

- A. Surface: 9.625", 36.0#, J-55, ST&C casing to be set at $\pm 225'$ in 12-1/4" hole.

140 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 177 ft³, 100% excess of calculated annular volume to 225'.

- B. Production Casing: 7", 23#/ft, J-55, ST&C casing to be set at $\pm 1677'$ MD, 1398' TVD in 8.75" hole.

LEAD:

± 80 sx of Premium Lite FM or CBM Lite typically containing accelerator, LCM, dispersant, and fluid loss additives at 12.1 ppg, 2.22 ft³/sk, & 12.04 gal wtr/sk.

TAIL:

± 100 sx of Type III or V cement typically containing accelerator, LCM, dispersant, and fluid loss additives at 14.2 ppg, 1.48 ft³/sk, & 7.34 gal wtr/sk.

Total estimated slurry volume for the 7" production casing is 325 ft³.

- C. Production Liner: 4.5", 10.5#/ft, J-55, ST&C casing is to be set at 4810' MD, 1398' TVD in 6.125" hole.

The production liner will be set using an uncemented liner hanger. The liner may be tied back to surface during the completion of the well.

Note: The slurry design may change slightly based upon actual conditions. Final cement volumes will be determined from the caliper logs (if available) plus 40%. It will be attempted to circulate cement to the surface.

5. LOGGING PROGRAM:

- A. Mud Logger: A geologic consultant or unmanned mud logging unit will begin logging the well once the surface shoe is drilled out and remain on the well to TD.
- B. Open Hole Logs as follows: Gamma Ray from Surface shoe to TD.

6. **FORMATION TOPS:**

Please see directional plan for anticipated formation tops.

**** Maximum anticipated BHP should be <2,000 psig (<0.30 psi/ft) ****

7. **COMPANY PERSONNEL:**

Name	Title	Office Phone	Home Phone
John Egelston	Drilling Engineer	505.333.3163	505.330.6902
Jerry Lacy	Drilling Superintendent	505.333.3100	505.320.6543
John Klutsch	Project Geologist	817.885.2781	--

JWE
1/31/08

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.

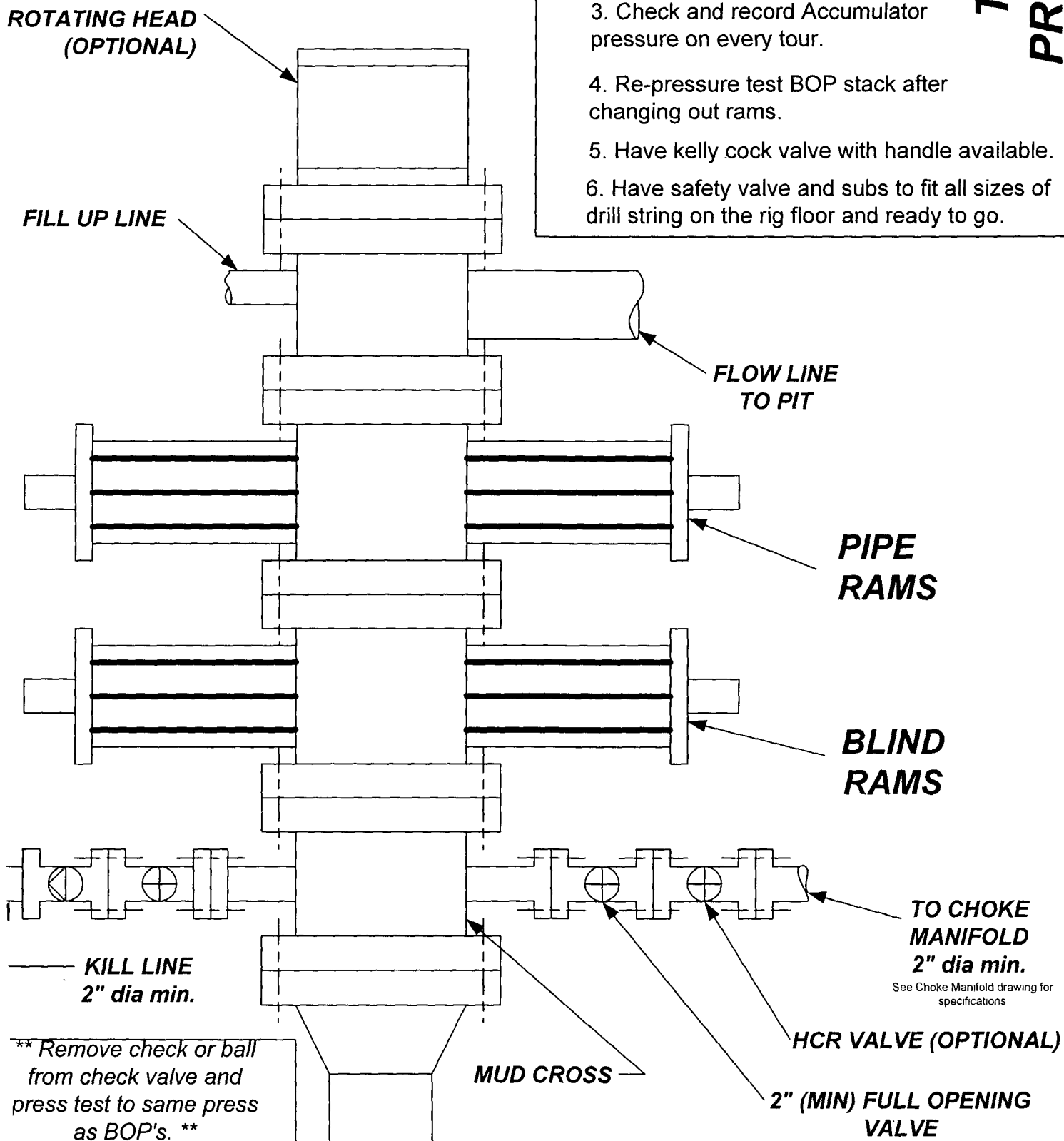
2. Test operation of (both) rams
on every trip.

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.

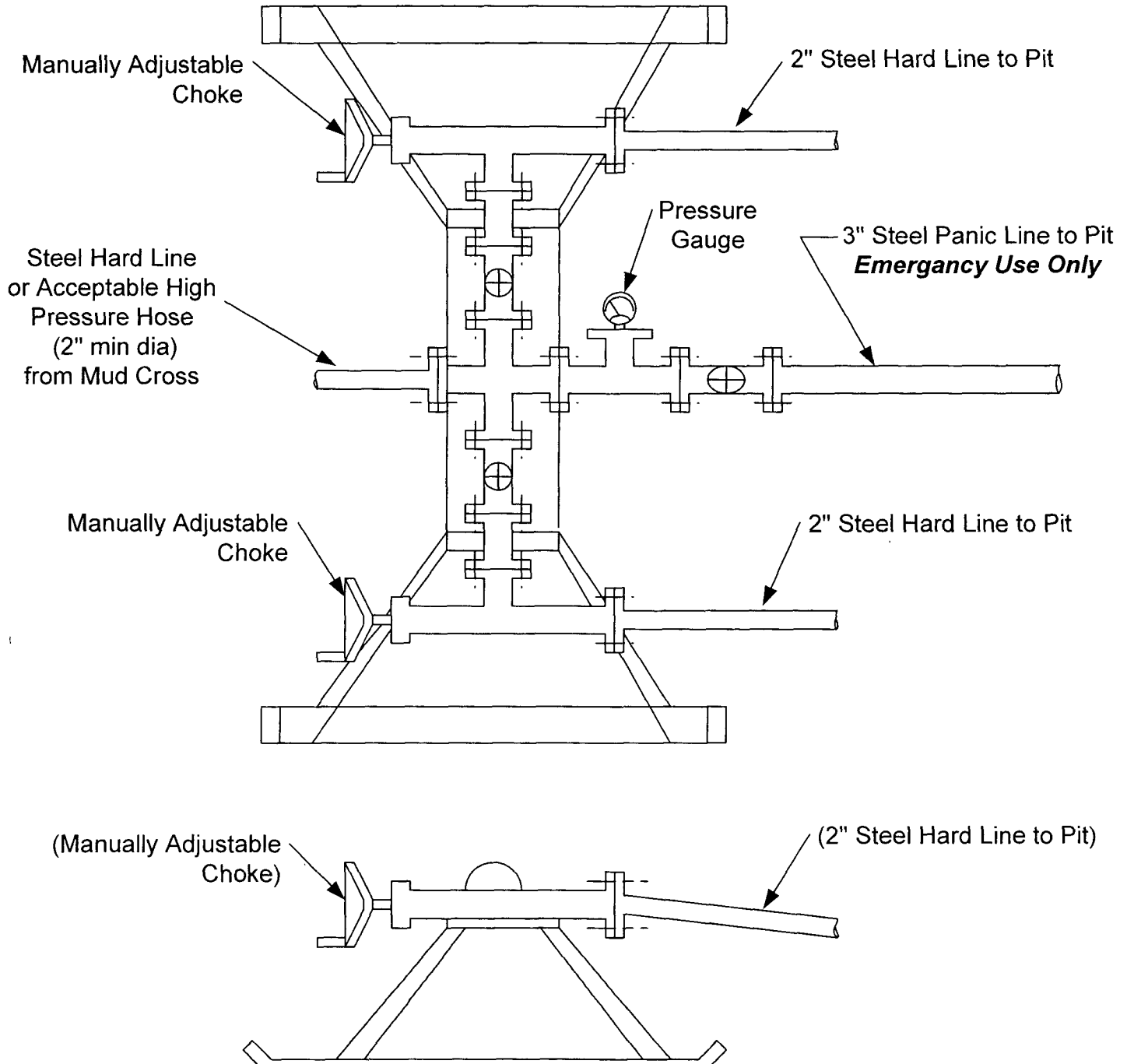
6. Have safety valve and subs to fit all sizes of
drill string on the rig floor and ready to go.



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



XTO Energy, Inc.

Planning Report

Database: EDM 2003 14 Single User Db
Company: XTO Energy
Project: San Juan Basin (NAD 83)
Site: Henderson #5-3
Well: Henderson #5-3
Wellbore: Henderson 5-3
Design: Sundry'd Wellbore

Local Co-ordinate Reference: Well Henderson #5-3
TVD Reference: Rig KB @ 6189 0ft (AWS #507)
MD Reference: Rig KB @ 6189 0ft (AWS #507)
North Reference: True
Survey Calculation Method: Minimum Curvature

Formations						
Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)	
524 0	524 0	Ojo Alamo SS	Sandstone	0 00		
669 4	669 0	Kirtland Shale	Shale	0 00		
1,110 1	1,085 0	Fruitland Formation		0 00		
1,602 8	1,394 0	Fruitland Coal	Coal	0 00		