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RCVD AUG 13'08 OTL CONS. DIV.

DIST. 3

Form 3160-3

NOV 09 2007

FORM APPROVED Bureau of Land Management Farmington Field Officease Serial No. OMB No. 1004-0137 Expires March 31, 2007 (February 2005) UNITED STATES DEPARTMENT OF THE INTERIOR 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 REENTER la. Type of work 8. Lease Name and Well No. Oil Well Gas Well Single Zone / Multiple Zone FLORANCE #75 9. API Well No. Name of Operator XTO Energy, Inc. 30-045- 34500 3a. Address 382 CR 3100 3b. Phone No. (include area code) 10. Field and Pool, or Exploratory DK/MC/MV/CH **AZTEC, NM 87410** 505-333-3100 11. Sec., T. R. M. or Blk and Survey or Area Location of Well (Report location clearly and in accordance with any State requirements.*) 705' FNL x 1890' FEL At surface (B) Sec 20, T27N, R8W At proposed prod. zone same 12. County or Parish 13 State 14. Distance in miles and direction from nearest town or post office* San Juan NM Approximately 17.8 miles South of Bloomfield, NM post office 17 Spacing Unit dedicated to this well Distance from proposed No. of acres in lease 320 Ch NE/4160 location to near property or lease line, ft.
(Also to nearest drig. unit line, if any)
705 2400.96 18. Distance from proposed location* to nearest well, drilling, completed, 20. BLM/BIA Bond No. on file 19. Proposed Depth 1285 7600 UTR-000138 applied for, on this lease, ft. 22. Approximate date work will start* 23. Estimated duration Elevations (Show whether DF, KDB, RT, GL, etc.) 6732' Ground Elevation 01/21/2007 2 weeks 24. Attachments The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, must be attached to this form: 1. Well plat certified by a registered surveyor. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above) 2. A Drilling Plan. 3. A Surface Use Plan (if the location is on National Forest System Lands, the Operator certification SUPO must be filed with the appropriate Forest Service Office). Such other site specific information and/or plans as may be required by the BLM. 25. Signature Name (Printed/Typed) Date Kyla Vaughan 11/08/2007 Tale Name (Printed/Typed) Approved by (Signature

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)

Title

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS

A COMPLETE C-144 MUST BE SUBMITTED TO AND APPROVED BY THE NMOCD FOR: A PIT, CLOSED LOOP SYSTEM, BELOW GRADE TANK, OR PROPOSED ALTERNATIVE METHOD, PURSUANT TO NMOCD PART 19.15.17, PRIOR TO THE USE OR CONSTRUCTION OF THE ABOVE APPLICATIONS.

Rule 40 compliance

DC104 FOR

procedural review pursuant to 43 CFR 3165 3 and appeal pursuant to 43 CFR 3165 4

RILLING OPERATIONS AUTHORIZED ARE PRIOR TO CASING & CEMEDIA TO COMPLIANCE WITH ATTACHED

SEE ATTACHED FOR

CONDITIONS OF APPROVAL

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

DISTRICT II 1301 W Grand Ave. Artesia, N.M. 88210

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

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

DISTRICT IV 1220 South St. Fran	ncis Dr. Sai	nto Fe. NM 87	7505] AMEN	DED REPORT
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DISTRICT 1 1625 M. French Dr., Hobbs, N.M. 88240

State of New Mexico Energy, Minerals & Natural Resources Department

DISTRICT 8 1301 W. Grand Ave., Artesia, H.M. 88210

OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Sonto Fe, NM 87505 Form C-102 Revised October 12, 2005

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

DISTRICT IV 1220 South St. Francis Dr., Sonto Fe, NM 87505 ☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT Property Code SProperty Name 22608 FLORANCE 75 OGRED No. *Operator Name ¹ Elevotion XTO ENERGY INC. 6732 ¹⁰ Surface Location UL or lot no. Section Feel from the North/South line Feet from the East/West line Range County 20 27-N 8-W 705 NORTH В 1890 SAN JUAN **EAST** ⁿ Bottom Hole Location If Different From Surface Ut or lot no. Lol Idn Feet from the North/South line Feet from the Section Township East/West fine County * Dedicated Acres 13 Joint or Infill [™] Consolidation Code 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

16	OK A NON-STAI	NUARD UNIT HAS E	BEEN APPROVED BY	Y THE DIVISION
	FD 3 1/4" BC. 1955 B.L.M. N 89-24-37 W 2568.83' (M)	705.	FD. 3 1/4" BC. 1955 B.L.M.	OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of any knowledge and belief, and that this argonization either owns a working interest or unlessed mineral interest in the load including the proposed bottom hate location or has a right to drill this well at this location pursuant to a confract with an ensure of such a mineral or working interest, or to a woluntary pooling agreement or a compulsory pooling order heretofare unlessed by the division
	LAT: 36.56530° I LONG: 107.70260° V LAT: 36'33'55.1" LONG: 107'42'07.2"	v. (NAD 83)	S 3-42-54 W 2669.10' (M)	Kula laughan 11/8/07 Signofure Kula laughan Printed Nome
			1955 B.L.M.	18 SURVEYOR CERTIFICATION I hereby certify that the well tacoffon shown on this plot 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. SEPPEMBER 18 2006 Bate of Surveys
				Certificate Humber

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

DISTRICT II 1301 W Grand Ave., Artesia, N.M. 88210

DISTRICT III 1000 Rio Brozos Rd., Azlec. N.M. 87410

State of New Mexico Energy, Minerals & Natural Resources Department

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

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☐ AMENDED REPORT

DISTRICT IV
1220 South St. Francis Dr. Sonto Fe. NM 87505

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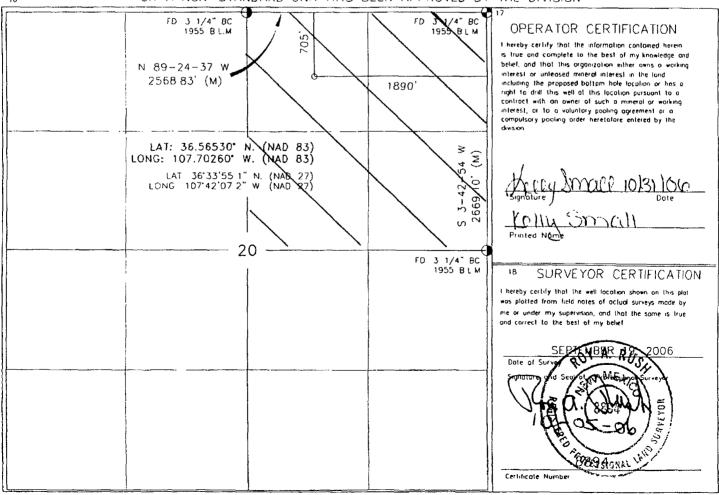
Form C-102 Revised October 12, 2005

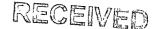
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ISTRICT IV 220 South St. Fro	ncis Dr., Sai	nta Fe NM 87	505] AMEN	IDED REPORT	
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XTO ENERGY INC.

Florance #75 APD Data December 12, 2007 DEC 14 2007

Bureau of Land Management Farmington Field Office

Location: 705' FNL x 1890' FEL Sec 20, T27N, R8W

County: San Juan

State: New Mexico

GREATEST PROJECTED TD: 7600'

OBJECTIVE: Basin Dakota / Blanco Mesaverde / Basin Mancos / Otero Chacra

APPROX GR ELEV: 6732'

Est KB ELEV: <u>6744' (12' AGL)</u>

1. MUD PROGRAM:

INTERVAL	0' to 360'	360' to 2500'	2500' to 7600'
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 ± 360 ' in a 12.25" hole filled with 9.20 ppg mud

						Coll	Burst						
						Rating	Rating	Jt Str	ID	Drift	SF	SF	SF
	Interval	Length	Wt	Gr	Cplg	(psi)	(psi)	(M-lbs)	(in)	(in)	Coll	Burst	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 (±7600') 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'-7600	7600°	15.5#	J-55	ST&C	4040	4810	202	4.950	4.825	1.11	1.32	1.71

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.

- 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 ft³/sk, & 6.70 gal wtr/sk.

Total slurry volume is 297/ft³, 100% excess of calculated annular volume to 360'.

B. <u>Production:</u> 5.5", 15.5#, J-55 (or K-55), ST&C casing to be set at \pm 7600' in 7.875" hole. DV Tool set a \pm 5000'

1st Stage

LEAD:

±199 sx of Premium Lite HS (Type III/Poz/Gel) or equivalent, with dispersant, fluid loss, accelerator, & LCM mixed at 12.5 ppg, 2.01 ft³/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.

2nd Stage

LEAD:

 \pm 427 sx of Type III or equivalent cement with 8% gel & LCM mixed at 11.9 ppg, 2.54 ft³/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 1853 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: None.
- B. Open Hole Logs as follows: Run Array Induction/SFL/GR/SP fr/TD (7600') to the bottom of the surface csg. Run Neutron/Lithodensity/Pe/GR/Cal from TD (7600') to 3,000'.

6. FORMATION TOPS:

Est. KB Elevation: 6744'

FORMATION	Sub-Sea	MD	FORMATION	TV Sub-Sea	MD
Ojo Alamo SS	4833	1911	Gallup	420	6324
Kirtland Shale	4731	2013	Greenhorn	-289	7033
Farmington SS			Graneros	-350	7094
Fruitland Formation	4404	2340	Dakota 1*	-390	7134
Lower Fruitland Coal	3986	2758	Dakota 2*	-430	7174
Pictured Cliffs SS	3941	2803	Dakota 3*	-460	7204
Lewis Shale			Dakota 4*	-513	7257
Chacra SS	3069	3675	Dakota 5*	-561	7305
Cliffhouse SS*	2400	4344	Dakota 6*	-606	7350
Menefee**	2273	4471	Burro Canyon	-644	7388
Point Lookout SS*	1696	5048	Morrison*	-675	7419
Mancos Shale	1338	5406	TD	-856	7600

^{*} Primary Objective

7. **COMPANY PERSONNEL:**

Name	Title	Office Phone	Home Phone
Justin Niederhofer	Drilling Engineer	505-333-3199	505-320-0158
Jerry Lacy	Drilling Superintendent	505-566-7917	505-320-6543
John Klutsch	Project Geologist	817-885-2800	

JN 12/12/07

^{**} Secondary Objective

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

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

