Form 3160-5
(February 2005)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
AUG 20 2008
Bureau of Land Management
Farmington Field Office

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)*

SHL: 1850 FNL X 920 FWL Sec 15, T26N, R11W
BHL: 700 FNL x 1940 FWL Sec 15, T26N, R11W

5. Lease Serial No. **NMNM03153**

6. If Indian, Allottee or Tribe Name **N/A**

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

8. Well Name and No. **OH RANDEL #16S**

9. API Well No. **30-045-33135**

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			
☑ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☑ Other **DRILL AS HORIZONTAL FC**
	☑ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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 recomplete 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)

After further evaluation, XTO would like to drill this well as a horizontal fruitland coal. Please see attached revised C102, drilling program and horizontal plan for your approval.

RCVD AUG 27 '08
OIL CONS. DIV.
DIST. 3

H_2S POTENTIAL EXIST

CONDITIONS OF APPROVAL
Adhere to previously issued stipulations.

HOLD C104 FOR Change in Stables to O.H. Randel #9

14. I hereby certify that the foregoing is true and correct
Name *(Printed/Typed)* **Kyla Vaughan** Title **Regulatory Compliance**

Signature Kyla Vaughan Date **08/20/2008**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Troy L Salyers Title PE Date 8-26-2008

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)

NMOCD

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30-045-33135	71629	BASIN FRUITLAND COAL

[4] Property Code	[5] Property Name	[6] Well Number
22857	O.H. RANDEL	16S

[7] OGRID No.	[8] Operator Name	[9] Elevation
5380	XTO ENERGY INC	6337'

[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
E	15	26-N	11-W		1850	NORTH	920	WEST	SAN JUAN

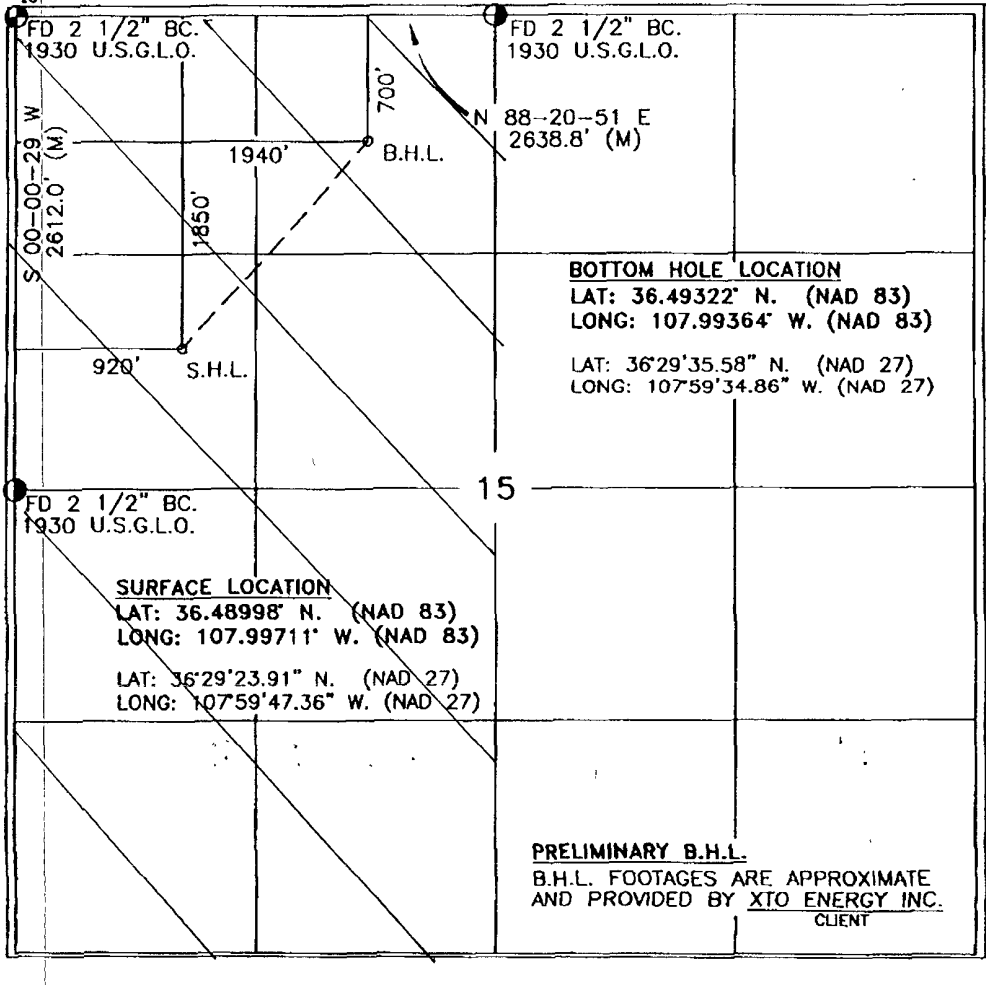
[11] Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	15	26-N	11-W		700	NORTH	1940	WEST	SAN JUAN

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
W/2 320			

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]



[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.

Kyla Vaughan 8/20/08
Signature Date

Kyla Vaughan
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 knowledge and belief.

MAY 27, 2008
Date of Survey

ROY A. RUSH
NEW MEXICO
8894
REGISTERED PROFESSIONAL LAND SURVEYOR

Signature and Seal of Professional Surveyor

06-08-08

Certificate Number

XTO ENERGY INC.

OH Randel #16 S
APD Data
August 20, 2008

Location: 1850' FNL x 920' FWL Sec 15, T26N, R11W **County**: San Juan **State**: New Mexico
Bottomhole Location: 700' FNL x 1940' FWL Sec 15, T26N, R11W

GREATEST PROJECTED TVD: 1667'
GREATEST PROJECTED MD: 2921'
OBJECTIVE: Fruitland Coal

APPROX GR ELEV: 6336'
Est KB ELEV: 6348' (12' AGL)

1. MUD PROGRAM:

INTERVAL	0' to 225'	225' to 1992'	1992' 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 ± 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 ±1920' MD, 1662' 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'-1920	1920'	23.0#	J-55	ST&C	3270	4360	284	6.276	6.151	4.11	6.00	6.43

Production Casing: 4.5" casing to be set at ±2921' MD, 1667' 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]
1860'-2921'	1061'	10.5#	J-55	ST&C	4010	4790	132	4.052	3.927	5.51	6.58	11.8

[1]Collapse SF is based on evacuated annulus and hydrostatic at TVD.
[2]Burst SF is based on evacuated casing and hydrostatic at TVD.
[3]Tensile 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 ± 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 ft^3/sk, & 6.70 gal wtr/sk.

Total slurry volume is 177 ft^3, 100% excess of calculated annular volume to 225'.

B. Production Casing: 7", 23#/ft, J-55, ST&C casing to be set at ±1920'MD, 1662' TVD in 8.75" hole.

LEAD:
± **108** sx of Premium Lite FM or CBM Lite typically containing accelerator, LCM, dispersant, and fluid loss additives at 12.1 ppg, 2.22 ft^3/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 ft^3/sk, & 7.34 gal wtr/sk.

Total estimated slurry volume for the 7" production casing is 380 ft^3.

C. Production Liner: 4.5", 10.5#/ft, J-55, ST&C casing is to be set at 2921' MD, 1667' 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:

See attached Directional Plan.

7. COMPANY PERSONNEL:

Name	Title	Office Phone	Home Phone
Justin Niederhofer	Drilling Engineer	505-333-3199	505-320-0158
Jerry Lacy	Drilling Superintendent	505-333-3177	505-320-6543
John Klutsch	Project Geologist	817-885-2800	--

JDN
8/20/08

Weatherford®

Drilling Services

Proposal

XTO ENERGY

OH RANDEL #16S

SAN JUAN COUNTY, NEW MEXICO

WELL FILE: **PLAN 1**

JULY 25, 2008

Weatherford International, Ltd.
P O. Box 61028
Midland, TX 79711 USA
+1 432.561.8892 Main
+1.432.561.8895 Fax
www weatherford.com

XTO ENERGY

OH RANDEL #16S
SAN JUAN CO., NEW MEXICO

Weatherford

SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0 00	0 00	40 85	0 00	0 00	0 00	0 00	0 00	0 00	
2	788 98	0 00	40 85	788 98	0 00	0 00	0 00	40 85	0 00	
3	1588 98	40 00	40 85	1525 56	202 79	175 35	5 00	40 85	268 09	
4	1920 40	89 71	40 85	1662 00	422 69	365 49	15 00	0 00	558 79	
5	2921 41	89 71	40 85	1667 00	1179 91	1020 17	0 00	0 00	1559 78	PBHL

TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Latitude	Longitude	Shape
PBHL	1667 00	1179 91	1020 17	36°29'35 568N	107°59'34 906W	Point

WELL DETAILS

Name	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot
#16S	0 00	0 00	1997637 50	452036 50	36°29'23 900N	107°59'47 400W	N/A

FIELD DETAILS

SAN JUAN CO., NM (NAD 27)

Geodetic System: US State Plane Coordinate System 1927
Ellipsoid: NAD27 (Clarke 1866)
Zone: New Mexico, Western Zone
Magnetic Model: bggm2007

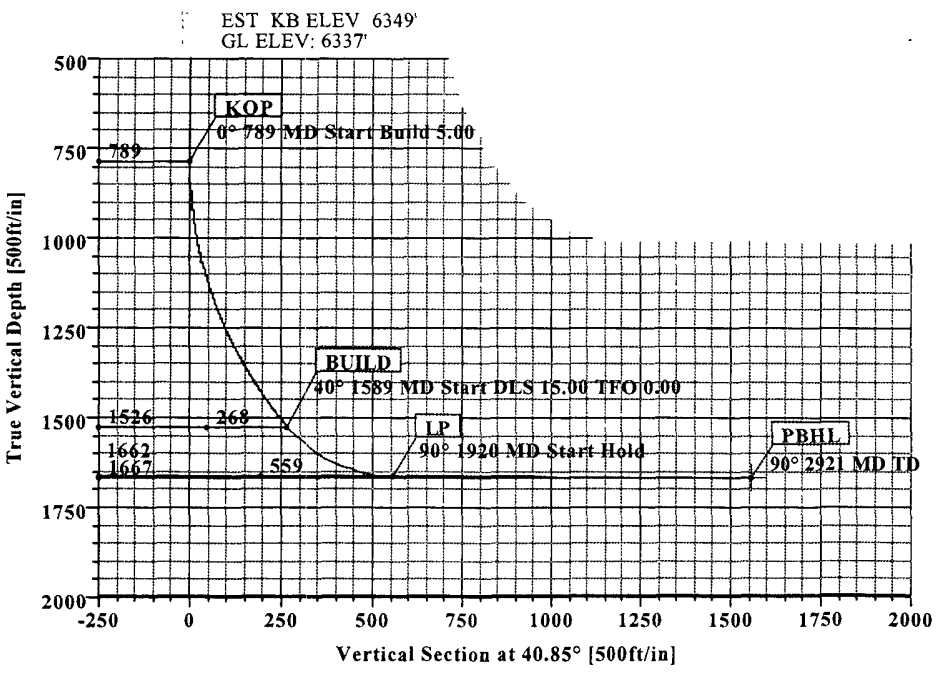
System Datum: Mean Sea Level
Local North: True North

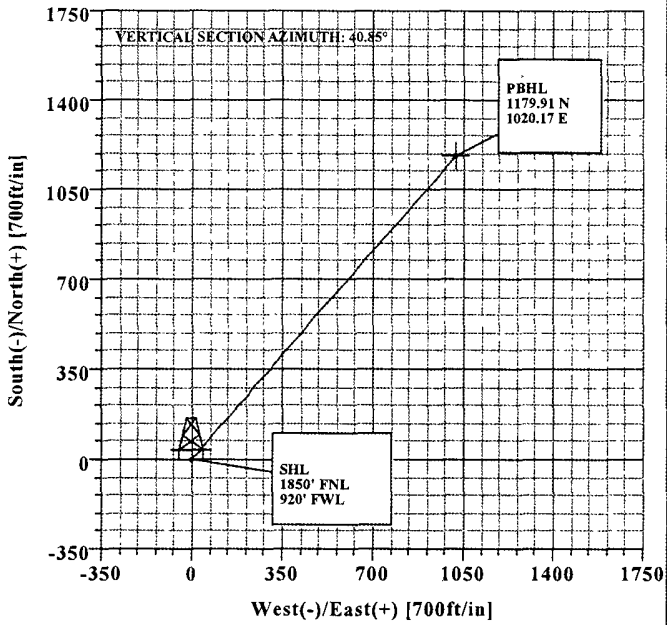
SITE DETAILS

OH Randel #16S
1850' FNL 920' FWL of SEC 18, T-26-N, R-11-W

Site Centre Latitude: 36°29'23.900N
Longitude: 107°59'47.400W

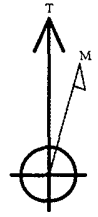
Ground Level: 6337.00
Positional Uncertainty: 0.00
Convergence: -0.10





FORMATION TOP DETAILS

No	TVDPath	MDPath	Formation
1	631 00	631 00	Ojo Alamo SS
2	707 00	707 00	Kirtland Shale
3	1175 00	1182 70	Fruitland Fm
4	1423 00	1460 84	Middle Fruitland Coal
5	1658 00	1866 95	Lower Fruitland Coal



Azimuths to True North
Magnetic North 10 37°

Magnetic Field
Strength 50888nT
Dip Angle 63 28°
Date 7/25/2008
Model bggm2007

Total Correction to True North 10 37°

Plan: Plan #1 (#16S/1)

Created By Lindsey Maddux Date 7/25/2008

Weatherford International, Inc.
Proposal Plan Report

Company:	XTO	**Date:** 7/25/2008	**Time:** 09:40:04	**Page:**	1
Field:	SAN JUAN CO., NM (NAD 27)	**Co-ordinate(NE) Reference:**	Site: OH Randel #16S, True North		
Site:	OH Randel #16S	**Vertical (TVD) Reference:**	SITE 6349.0		
Well:	#16S	**Section (VS) Reference:**	Well (0.00N,0.00E,40.85Azi)		
Wellpath:	1	**Survey Calculation Method:**	Minimum Curvature	**Db:**	Sybase

Plan:	Plan #1	**Date Composed:**	7/25/2008
		Version:	1
Principal:	Yes	**Tied-to:**	From Surface

Field: SAN JUAN CO., NM (NAD 27)

Map System:	US State Plane Coordinate System 1927	**Map Zone:**	New Mexico, Western Zone
Geo Datum:	NAD27 (Clarke 1866)	**Coordinate System:**	Site Centre
Sys Datum:	Mean Sea Level	**Geomagnetic Model:**	bggm2007

Site: OH Randel #16S

1850' FNL 920' FWL of SEC 18, T-26-N, R-11-W

Site Position:		**Northing:**	1997637.50 ft	**Latitude:**	36	29	23.900	N
From:	Geographic	**Easting:**	452036.50 ft	**Longitude:**	107	59	47.400	W
Position Uncertainty:	0.00 ft			**North Reference:**			True	
Ground Level:	6337.00 ft			**Grid Convergence:**			-0.10	deg

Well:	#16S			**Slot Name:**				
Well Position:	+N/-S 0.00 ft	**Northing:**	1997637.50 ft	**Latitude:**	36	29	23.900	N
	+E/-W 0.00 ft	**Easting :**	452036.50 ft	**Longitude:**	107	59	47.400	W
Position Uncertainty:	0.00 ft							

Wellpath:	1			**Drilled From:**	Surface
				Tie-on Depth:	0.00 ft
Current Datum:	SITE	**Height**	6349.00 ft	**Above System Datum:**	Mean Sea Level
Magnetic Data:	7/25/2008			**Declination:**	10.37 deg
Field Strength:	50888 nT			**Mag Dip Angle:**	63 28 deg

Vertical Section:	**Depth From (TVD)** ft	**+N/-S** ft	**+E/-W** ft	**Direction** deg
	0.00	0.00	0.00	40.85

Plan Section Information

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg	Target
0.00	0.00	40.85	0.00	0 00	0 00	0.00	0.00	0.00	0.00	
788 98	0.00	40.85	788.98	0 00	0.00	0.00	0.00	0 00	40.85	
1588.98	40.00	40.85	1525.56	202.79	175.35	5.00	5.00	0 00	40.85	
1920.40	89 71	40 85	1662.00	422.69	365.49	15.00	15.00	0.00	0.00	
2921.41	89.71	40 85	1667.00	1179.91	1020.17	0 00	0.00	0.00	0.00	PBHL

Survey

MD ft	Incl deg	Azim deg	TVD ft	N/S ft	E/W ft	VS ft	Build deg/100ft	Turn deg/100ft	DLS deg/100ft	TFO deg	Comment
700.00	0.00	40.85	700.00	0.00	0.00	0.00	0.00	0.00	0.00	40.85	
707.00	0.00	40.85	707.00	0.00	0.00	0.00	0.00	0.00	0 00	40 85	Kirtland Shale
788.98	0.00	40.85	788 98	0 00	0 00	0.00	0 00	0.00	0.00	40.85	KOP
800 00	0 55	40.85	800.00	0.04	0.03	0.05	5.00	0.00	5.00	0.00	
900.00	5.55	40 85	899.83	4.06	3.51	5.37	5.00	0.00	5 00	0 00	
1000.00	10.55	40.85	998 81	14.66	12.67	19 37	5.00	0.00	5.00	0.00	
1100.00	15.55	40.85	1096 20	31.73	27.44	41.95	5 00	0.00	5.00	0.00	
1182.70	19 69	40.85	1175.00	50.66	43 81	66.98	5.00	0.00	5.00	0.00	Fruitland Fm
1200.00	20.55	40.85	1191.24	55.16	47.70	72.93	5.00	0.00	5.00	360.00	
1300.00	25.55	40.85	1283.23	84.77	73.30	112.07	5 00	0.00	5.00	0.00	
1400.00	30 55	40.85	1371.45	120.33	104.05	159.08	5.00	0.00	5.00	0.00	
1460.84	33.59	40.85	1423.00	144.76	125.18	191.38	5.00	0.00	5.00	0.00	Middle Fruitland Co
1500.00	35.55	40.85	1455.25	161.57	139.71	213.60	5 00	0.00	5.00	360.00	
1588.98	40.00	40.85	1525.56	202.79	175.35	268.09	5.00	0.00	5.00	0.00	BUILD
1600.00	41.65	40.85	1533.90	208.24	180.07	275.30	15 00	0.00	15.00	360.00	
1700.00	56.65	40.85	1599.12	265.30	229 40	350.73	15.00	0.00	15.00	360.00	

Weatherford International, Inc.
Proposal Plan Report

Company:	XTO	**Date:** 7/25/2008 **Time:** 09:40:04	**Page:** 2
Field:	SAN JUAN CO., NM (NAD 27)	**Co-ordinate(NE) Reference:**	Site: OH Randel #16S, True North
Site:	OH Randel #16S	**Vertical (TVD) Reference:**	SITE 6349.0
Well:	#16S	**Section (VS) Reference:**	Well (0.00N,0.00E,40.85Azi)
Wellpath:	1	**Survey Calculation Method:**	Minimum Curvature **Db:** Sybase

Survey

MD ft	Incl deg	Azim deg	TVD ft	N/S ft	E/W ft	VS ft	Build deg/100ft	Turn deg/100ft	DLS deg/100ft	TFO deg	Comment
1800.00	71.65	40.85	1642.59	333.18	288.10	440.47	15.00	0.00	15.00	360.00	
1866.95	81.70	40.85	1658 00	382.41	330.66	505.54	15.00	0 00	15.00	360.00	Lower Fruitland Coa
1900.00	86.65	40 85	1661.35	407.27	352 15	538.40	15.00	0.00	15.00	360.00	
1920.40	89.71	40.85	1662.00	422.69	365.49	558 79	15.00	0.00	15 00	360 00	LP
2000.00	89.71	40.85	1662.40	482.90	417.54	638.39	0 00	0 00	0.00	0.00	
2100 00	89.71	40.85	1662.90	558.55	482.95	738.39	0.00	0.00	0.00	0.00	
2200.00	89.71	40.85	1663.40	634.19	548.35	838.38	0.00	0.00	0.00	0.00	
2300.00	89.71	40.85	1663.90	709.84	613.75	938.38	0.00	0.00	0.00	0.00	
2400.00	89.71	40.85	1664.40	785.49	679.15	1038.38	0.00	0.00	0 00	0.00	
2500.00	89 71	40.85	1664.89	861.13	744 56	1138.38	0.00	0 00	0.00	0.00	
2600.00	89.71	40.85	1665.39	936.78	809.96	1238.38	0.00	0.00	0.00	0 00	
2700.00	89.71	40.85	1665.89	1012.42	875.36	1338.38	0.00	0.00	0 00	0.00	
2800.00	89.71	40.85	1666.39	1088.07	940.76	1438.38	0.00	0.00	0.00	0 00	
2900.00	89.71	40 85	1666.89	1163.72	1006.16	1538 38	0.00	0.00	0.00	0.00	
2921 41	89.71	40.85	1667.00	1179 91	1020 17	1559.78	0.00	0.00	0.00	0.00	PBHL

Targets

Name	Description Dip.	Dir.	TVD ft	+N/-S ft	+E/-W ft	Map Northing ft	Map Easting ft	<---- Latitude ----> Deg Min Sec	<--- Longitude ---> Deg Min Sec
PBHL			1667.00	1179.91	1020.17	1998815.68	453058.66	36 29 35.568 N	107 59 34.906 W

Formations

MD ft	TVD ft	Formations	Lithology	Dip Angle deg	Dip Direction deg
631 00	631 00	Ojo Alamo SS		0.00	0 00
707.00	707.00	Kirtland Shale		0.00	0.00
1182 70	1175.00	Fruitland Fm		0 00	0 00
1460.84	1423.00	Middle Fruitland Coal		0 00	0 00
1866.95	1658.00	Lower Fruitland Coal		0.00	0.00

Annotation

MD ft	TVD ft	
788.98	788 98	KOP
1588.98	1525.56	BUILD
1920.40	1662.00	LP
2921.41	1667 00	PBHL

Casing Points

MD	TVD	Diameter	Hole Size	Name