

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.
(April 2004)

RECEIVED

DEC 18 2007

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Farmington Field Office

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: ☒ DRILL ☐ REENTER

1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☐ Single Zone ☒ Multiple Zone

2. Name of Operator
XTO ENERGY INC.

3a. Address 382 ROAD 3100
AZTEC, NM 87410

3b. Phone No. (include area code)
(505) 333-3159

4. Location of Well (Report location clearly and in accordance with any State requirements*)
At surface 1845' FSL & 1715' FEL
At proposed prod. zone SAME

14. Distance in miles and direction from nearest town or post office*
17 AIR MILES SOUTH OF BLOOMFIELD

15. Distance from proposed*
location to nearest
property or lease line, ft.
(Also to nearest drig. unit line, if any) 795'

16. No. of acres in lease
160 (320 in CA)

17. Spacing Unit dedicated to this well
MANCOS: & DAKOTA: S2

18. Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease, ft 265' (8 S)

19. Proposed Depth
6,150'

20. BLM/BIA Bond No. on file
BIA NATIONWIDE 104312789

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
6,227' GL

22. Approximate date work will start*
02/10/2008

23. Estimated duration
4 WEEKS

24. Attachments

RCVD APR 9 '09

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

OIL CONS. DIV.

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).

4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the authorized officer.

DIST. 3

25. Signature

Name (Printed/Typed)

Date

BRIAN WOOD

12/15/2007

Title

CONSULTANT

PHONE: (505) 466-8120

FAX: (505) 466-9682

Approved by (Signature)

Name (Printed/Typed)

Date

Title

Office

FFO

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)



H₂S POTENTIAL EXIST

NOTIFY AZTEC OCD 24 HRS.

PRIOR TO CASING & CEMENT

APR 15 2009

NMOCD

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

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".

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

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

AP# Number 30-045-34544		Pool Code 71599		Pool Name BASIN DAKOTA	
Property Code 22610		Property Name GALLEGOS		Well Number 8E	
OGRID No 5380		Operator Name XTO ENERGY INC.		Elevation 6227	

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
J	34	26-N	11-W		1845	SOUTH	1715	EAST	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
Dedicated Acres S/2 320			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

<p>16</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 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>Kyle Vaughan</i> 4/13/07 Signature Date <i>Kyle 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><i>Roy A. Rush</i> Signature 11-05-07 Date of Survey 8894 Certificate Number</p>

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*API Number 30-045-34544		*Pool Code 97232		*Pool Name BASIN PLANCOS	
*Property Code 22610		*Property Name CALLEGOS		*Well Number 8C	
*OCRD No. 5380		*Operator Name XTO ENERGY INC.		*Elevation 6227	

¹⁰ Surface Location

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¹¹ Bottom Hole Location If Different From Surface

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	<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>OCTOBER 12, 2006 Date of Survey Signature and Seal <i>Roy A. Rush</i> PROFESSIONAL LAND SURVEYOR 8894 Certificate Number</p>

XTO Energy Inc.
Gallegos 8 E
1845' FSL & 1715' FEL
Sec. 34, T. 26 N., R. 11 W.
San Juan County, New Mexico

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Drilling Program

1. ESTIMATED FORMATION TOPS

<u>Formation Name</u>	<u>GL Depth</u>	<u>KB Depth</u>	<u>Elevation</u>
Nacimiento	0'	12'	+6,227'
Ojo Alamo Sandstone	327'	339'	+5,900'
Kirtland Shale	452'	464'	+5,775'
Fruitland Formation	777'	789'	+5,450'
Pictured Cliffs Sandstone	1,277'	1,289'	+4,950'
Lewis Shale	1,577'	1,589'	+4,650'
Chacra Sandstone	2,177'	2,189'	+4,050'
Cliff House Sandstone	2,827'	2,839'	+3,400'
Menefee Shale	2,877'	2,889'	+3,350'
Point Lookout Sandstone	3,802'	3,814'	+2,425'
Mancos Shale	4,002'	4,014'	+2,225'
Gallup Sandstone	4,727'	4,739'	+1,500'
Greenhorn Limestone	6,107'	6,119'	+520'
Graneros Shale	5,777'	5,789'	+450'
Dakota Sandstone	5,837'	5,849'	+390'
Burro Canyon Sandstone	6,027'	6,039'	+200'
Total Depth (TD)*	6,150'	6,162'	+77'

2. NOTABLE ZONES

Gas & Oil Zones

Fruitland
Pictured Cliffs
Mancos
Gallup
Dakota

Water Zones

Nacimiento
Ojo Alamo
Fruitland

Coal Zone

Fruitland

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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 model to be used is not yet known. (A typical 2,000 psi model is on PAGE 3.) An 8-5/8" x 11" 2,000 pound double ram BOP system with a choke manifold and mud cross will be tested to ≈ 200 psi and then to $\approx 1,000$ psi. Upper and lower Kelly cocks with valve handle and subs to fit all drill string connections which are in use will be available on the rig floor.

Tests will be run when:

- 1) installed
- 2) anytime a pressure seal is broken (test only affected equipment)
- 3) at least every 30 days
- 4) blind & pipe rams will be activated each trip, but no more than daily

BOP systems will be consistent with API RP 53. Blowout preventers will be installed and tested before drilling surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated daily to ensure good mechanical working order and this inspection recorded on the daily drilling report. Preventers and casing will be pressure tested before drilling casing cement plugs. Maximum expected bottom hole pressure will be $\approx 2,460$ psi. BOP and mud system will control pressure.

4. CASING & CEMENT

<u>Hole Size</u>	<u>O. D.</u>	<u>Weight (lb/ft)</u>	<u>Grade</u>	<u>Age</u>	<u>Connections</u>	<u>Setting Depth</u>
12-1/4"	8-5/8"	24	J-55	New	ST & C	360'
7-7/8"	5-1/2"	15.5	J-55	New	ST & C	6,150'

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Surface casing will be cemented to the surface with ≈ 375 cubic feet (≈ 270 sacks) Type V cement + $1/4$ pound per sack cello-flake + 2% CaCl_2 . Yield = 1.39 cubic feet per sack. Weight = 14.5 pounds per gallon. Excess: $>100\%$.

Centralizers will be set on the bottom two joints of the surface casing and every fourth joint to the surface.

Production casing will be cemented to the surface with $\approx 50\%$ excess as follows. DV tool will be set @ $\approx 4,250'$.

First stage lead will consist of ≈ 302 cubic feet (≈ 150 sacks) of Type III (or its equivalent) + 2% CaCl_2 + $1/4$ pound per sack cello flake + 0.2% dispersant + 0.5% fluid loss control + 2% LCM additives mixed at 12.5 pounds per gallon and 2.01 cubic feet per sack.

First stage tail will consist of ≈ 222 cubic feet (≈ 150 sacks) Type III (or its equivalent) + 5% bonding additive + $1/4$ pound per sack cello flake + 0.3% dispersant + 0.2% fluid loss control + 2% LCM additives mixed at 14.2 pounds per gallon and 1.48 cubic feet per sack.

Second stage lead will consist of ≈ 975 cubic feet (≈ 375 sacks) Type III (or its equivalent) + $1/4$ pound per sack cello flake + 8% gel + 2% LCM mixed at 11.9 pounds per gallon and 2.6 cubic feet per sack.

Second stage tail will consist of ≈ 139 cubic feet (≈ 100 sacks) Type III Neat mixed at 14.5 pounds per gallon and 1.39 cubic feet per sack.

Centralizers will be set on the bottom two joints, every second joint to $\approx 5,000'$, and every fourth joint from $\approx 2,000'$ to the surface.

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5. MUD PROGRAM

<u>RANGE</u>	<u>MUD TYPE</u>	<u>WEIGHT</u>	<u>VISCOSITY</u>	<u>WATER LOSS</u>	<u>ADDITIVES</u>
0' - 360'	Fresh-Spud	8.6-9.0	28-32	NC	Gel, lime
360' - 2,500'	Fresh-Poly	8.4-8.8	28-32	NC	Gel, lime sweeps
2,500' - TD	Fresh Water	8.6-9.2	45-60	8-10 cc	Gel, soda ash, LCM

6. CORES, TESTS, & LOGS

No cores or drill stem tests are planned. Mud logger will arrive at $\approx 3,000'$ and collect samples every $\approx 10'$ from there to TD. These open hole logs will be run:

Array Induction/SFL/GR/SP from TD to $\approx 360'$
Neutron/Lithodensity/Pe/GR/Cal from TD to $\approx 3,000'$

7. DOWN HOLE CONDITIONS

No abnormal pressures, temperatures, nor hydrogen sulfide are expected. Maximum expected bottom hole pressure will be $\approx 2,460$ psi.

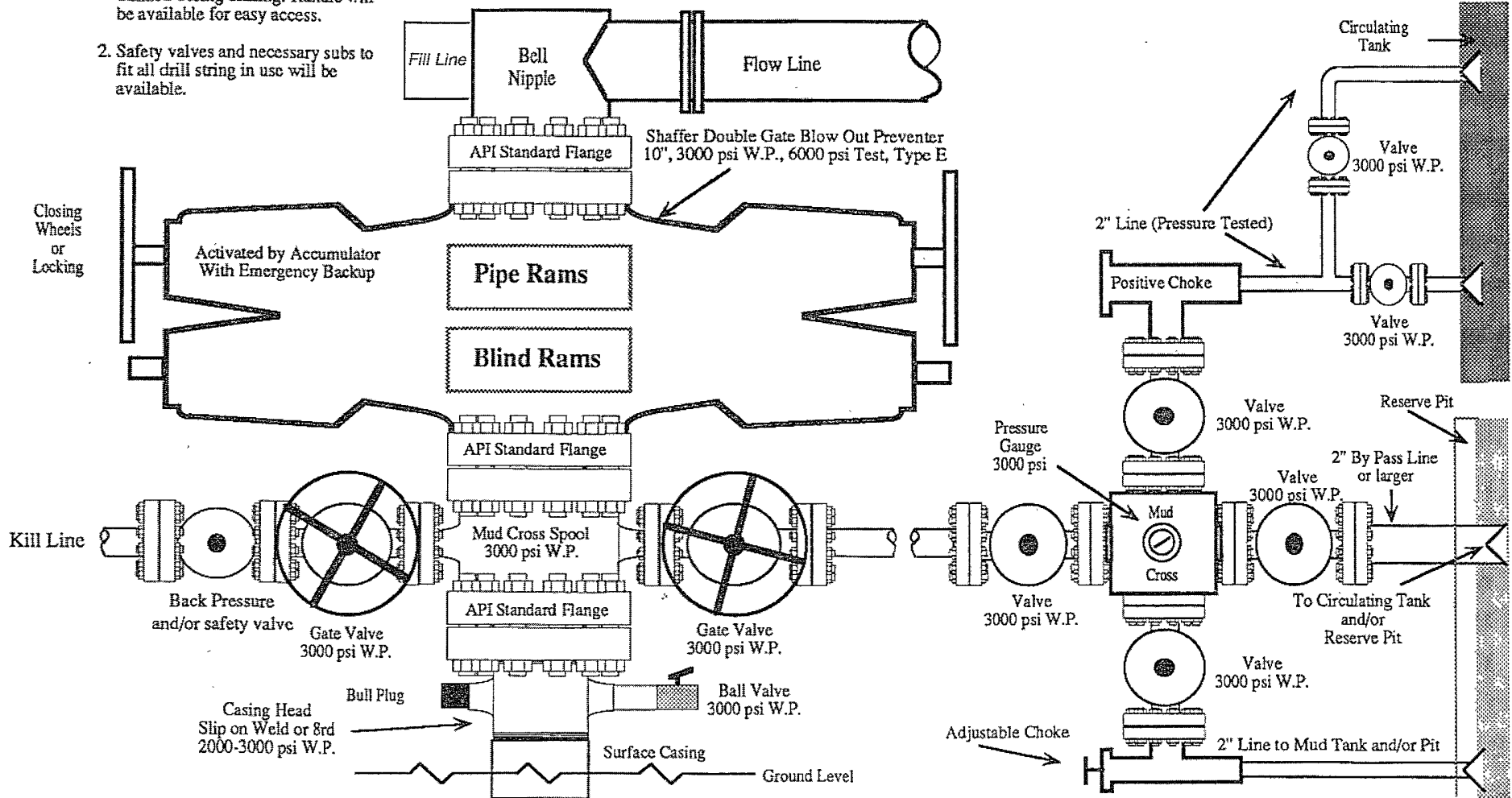
8. OTHER INFORMATION

The anticipated spud date is upon approval. It is expected it will take about four weeks to drill and complete the well.

2,000 PSI BOP SYSTEM

Note: 1. An upper Kelly cock valve will be utilized during drilling. Handle will be available for easy access.

2. Safety valves and necessary subs to fit all drill string in use will be available.



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 carried out per standard. 2,000 psi equipment can be substituted in the drawing to meet minimum requirements per standard.