Form 3160-3
(April 2004)

SEP 29

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

RCVD FEB 1'10
OIL CONS. DIV.
DIST. 3

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
NOG 0503172175

6. If Indian, Allotee or Tribe Name
NAVAJO ALLOTMENT

1a. Type of work: ☑ DRILL ☐ REENTER

7. If Unit or CA Agreement, Name and No.
PENDING

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

8. Lease Name and Well No.
BOXER #21 H

2. Name of Operator
XTO Energy Inc.

9 API Well No.
30-045- 35625

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

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

10. Field and Pool, or Exploratory
BASIN FRUITLAND COAL

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*
At surface **200' FNL x 250' FWL**
At proposed prod. zone **1950' FNL x 700' FEL**

11. Sec., T. R. M. or Blk. and Survey or Area
(D) Sec 27, T25N, R10W

14 Distance in miles and direction from nearest town or post office*
23.5 miles SE of Bloomfield P.O.

12 County or Parish
SAN JUAN

13. State
NM

15 Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg. unit line, if any) **200'**

16. No. of acres in lease
160

17 Spacing Unit dedicated to this well
FC: N/2 320

18 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. **N/A**

19. Proposed Depth
5863' MD/1673' TVD

20 BLM/BIA Bond No. on file
BIA104312789

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
6666' Ground Elevation

22 Approximate date work will start*
01/01/2010

23. Estimated duration
2 Weeks

24. Attachments

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

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.

25. Signature: Malia Villers
Name *(Printed/Typed)*: **MALIA VILLERS**
Date: **09/25/2009**

Title: **PERMITTING TECH.**

Approved by *(Signature)*: /s/ Manager
Name *(Printed/Typed)*:
Date: 1/29/2010

Title: AFM
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)*

Hold C104
for Directional Survey
and "As Drilled" plat

NOTIFY AZTEC OCD 24 HRS.
PRIOR TO CASING & CEMENT

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

NMOCD

FEB 03 2010

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED GENERAL REQUIREMENTS".

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

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

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

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

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, N.M. 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, N.M. 87505

SEP 29 2009

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
30-045-35005	71629	Basin FRUITLAND COAL

[4] Property Code	[5] Property Name	[6] Well Number
38004	BOXER	21

[7] OGRID No.	[8] Operator Name	[9] Elevation
5380	XTO ENERGY, INC.	6666

[10] Surface Location

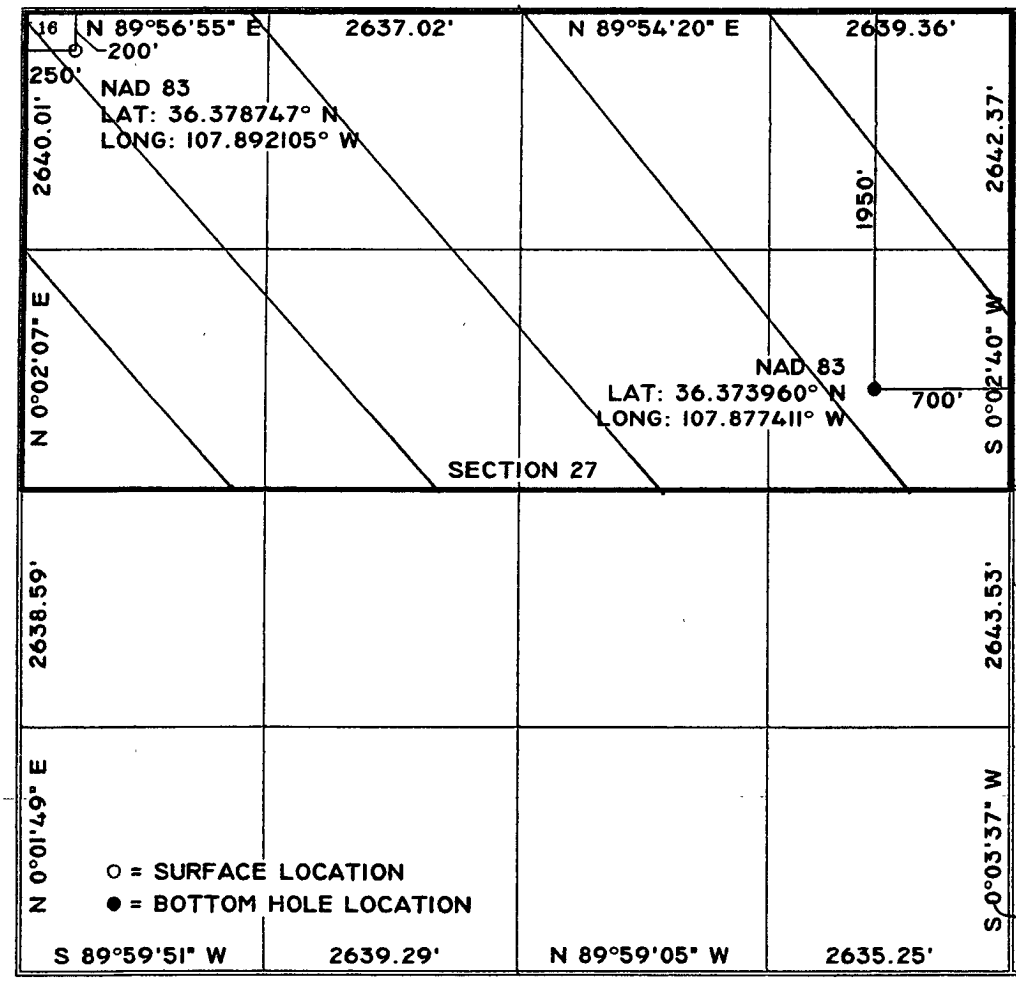
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	27	25 N	10 W		200	NORTH	250	WEST	SAN JUAN

[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
G	27	25 N	10 W		1950	NORTH	700	EAST	SAN JUAN

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
N/2, 320 AC ±			

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.

Maia Villers 9/25/09
Signature Date

Maia Villers
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.

6/24/08
Date of Survey

Signature and Seal of Professional Surveyor:

ROBERT L. POUNDS
NEW MEXICO
6846
LICENSED PROFESSIONAL SURVEYOR

Certificate Number 6846

XTO ENERGY INC.

Boxer #21
APD Data
September 28, 2009

Location: 200' FNL x 250' FWL Sec 27, T25N, R10W **County:** San Juan **State:** New Mexico
Bottomhole Location: 1950' FNL x 700' FEL Sec 27, T25N, R10W

GREATEST PROJECTED TVD: 1673'
GREATEST PROJECTED MD: 5863 '
OBJECTIVE: Fruitland Coal

APPROX GR ELEV: 6666'
Est KB ELEV: 6678' (12' AGL)

1. MUD PROGRAM:

INTERVAL	0' to 250'	250' to 2285'	2285' 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 ± 250' 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'-250'	250'	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 ±1925' MD, 1673' 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'-2285	2285'	23.0#	J-55	ST&C	3270	4360	284	6.276	6.151	4.09	5.45	5.40

Production Casing: 4.5" casing to be set at ±5760' MD, 1673' 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]
2225'-5863'	3638'	10.5	J-55	ST&C	4010	4790	132	4.052	3.927	5.49	6.55	3.46

[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 ± 250' 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 250'.

B. Production Casing: 7", 23#/ft, J-55, ST&C casing to be set at ±2285'MD, 1673' TVD in 8.75" hole.

LEAD:
± **150** 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 481 ft^3.

C. Production Liner: 4.5", 10.5#/ft, J-55, ST&C casing is to be set at 5863' MD, 1673' 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 Program.

**** 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	505-333-3199	505-320-0158
Bobby Jackson	Drilling Superintendent	505-333-3224	505-486-4706
John Klutsch	Project Geologist	817-885-2800	--

JDN
9/28/09

Weatherford International, Inc.
Proposal Plan Report

Company:	XTO	**Date:** 9/25/2009	**Time:** 11:44:16	**Page:**	3
Field:	San Juan, NM (NAD 83)	**Co-ordinate(NE) Reference:**	Well: #21, True North		
Site:	Boxer #21	**Vertical (TVD) Reference:**	SITE 6678.0		
Well:	#21	**Section (VS) Reference:**	Well (0.00N,0.00E,111.97Azi)		
Wellpath:	1	**Survey Calculation Method:**	Minimum Curvature	**Db:**	Sybase

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
LP3			1668.00	-489.61	975.00	1956684.93	2706771.20	36 22 38.648 N	107 53 19.656 W
PBHL			1673.00	-1744.67	4324.98	1955427.83	2710120.42	36 22 26.233 N	107 52 38.690 W

Formations

MD ft	TVD ft	Formations	Lithology	Dip Angle deg	Dip Direction deg
780.64	779.00	Ojo Alamo SS		0.00	0.00
941.83	934.00	Kirtland Shale		0.00	0.00
1323.25	1265.00	Fruitland Formation		0.00	0.00
2182.87	1663.00	Lower Fruitland Coal		0.00	0.00

Annotation

MD ft	TVD ft	
545.95	545.95	KOP
1345.95	1282.53	BUILD/TURN
2285.11	1668.00	LP/TURN
2359.22	1668.10	HOLD
5862.50	1673.00	PBHL

Casing Points

MD	TVD	Diameter	Hole Size	Name

XTO ENERGY

BOXER #21
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	0 00	0 00	0 00	0 00	0 00	0 00	0 00	
2	545 95	0 00	0 00	545 95	0 00	0 00	0 00	0 00	0 00	
3	1345 95	40 00	120 00	1282 53	-134 05	232 18	5 00	120 00	265 46	
4	2285 11	89 92	112 74	1668 00	-489 61	975 00	5 36	-9 45	1087 37	LP3
5	2359 22	89 92	110 52	1668 10	-516 92	1043 89	3 00	-89 97	1161 47	
6	5862 50	89 92	110 52	1673 00	-1744.67	4324 98	0 00	0.00	4663 62	PBHL

FORMATION TOP DETAILS

No	TVDPath	MDPath	Formation
1	779 00	780 64	Ojo Alamo SS
2	934 00	941 83	Kirtland Shale
3	1265 00	1323 25	Fruitland Formation
4	1663 00	2182 87	Lower Fruitland Coal

TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Latitude	Longitude	Shape
LP3	1668 00	-489 61	975 00	36°22'38 648N	107°53'19 656W	Point
PBHL	1673 00	-1744 67	4324 98	36°22'26 233N	107°52'38 690W	Point

FIELD DETAILS

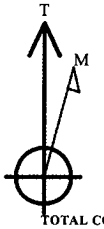
San Juan, NM (NAD 83)

Geodetic System: US State Plane Coordinate System 1983
Ellipsoid: GRS 1980
Zone: New Mexico, Western Zone
Magnetic Model: igrf200510

System Datum: Mean Sea Level
Local North: True North

WELL DETAILS

Name	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot
#21	0 00	0 00	1957175 13	2705796 50	36°22'43 490N	107°53'31 580W	N/A



Azimuths to True North
Magnetic North: 10 11°

Magnetic Field
Strength: 50768nT
Dip Angle: 63.18°
Date: 8/20/2009
Model igrf200510

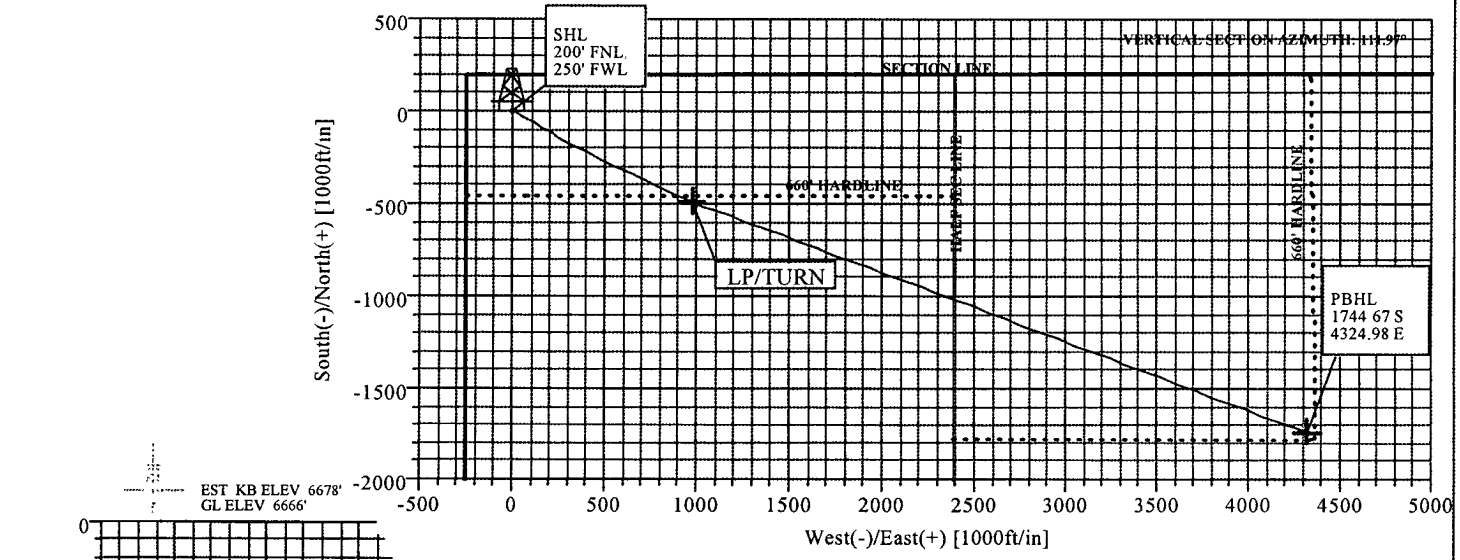
TOTAL CORRECTION TO TRUE NORTH 10.11°

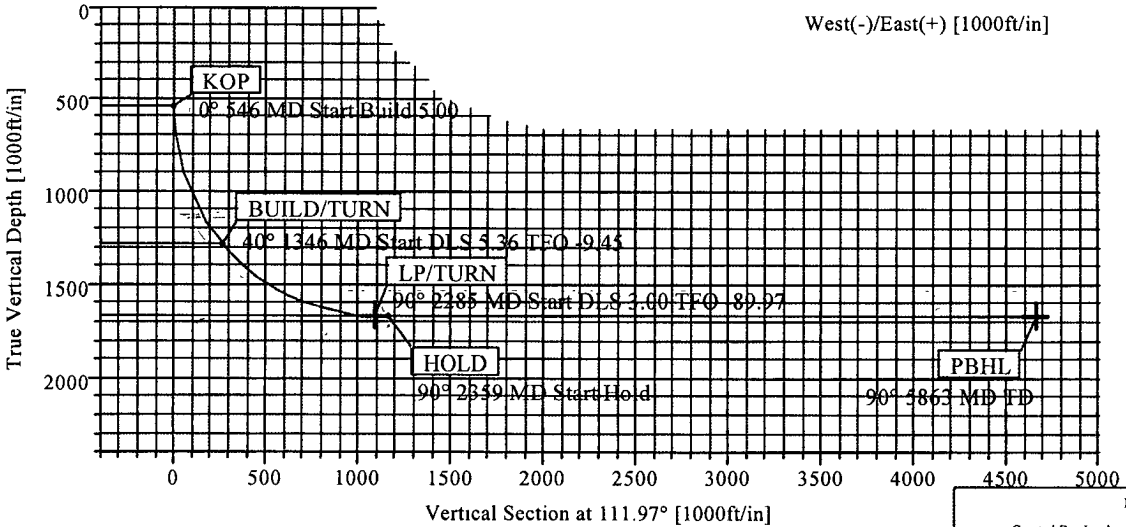
SITE DETAILS

Boxer #21
200' FNL 250' FWL of SEC 27 T25N R10W

Site Centre Latitude: 36°22'43 490N
Longitude: 107°53'31 580W

Ground Level: 6666 00
Positional Uncertainty: 0 00
Convergence: -0 03



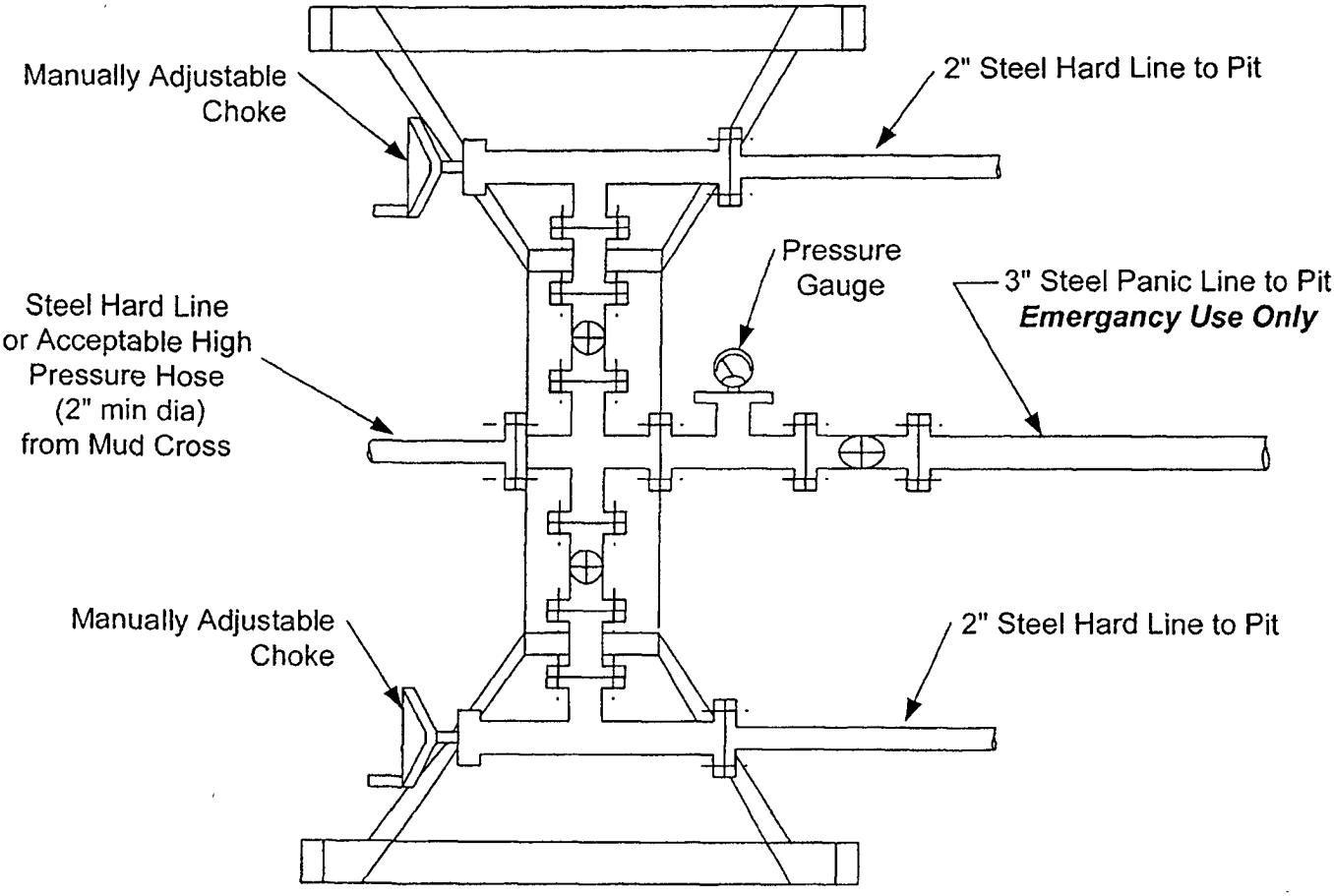


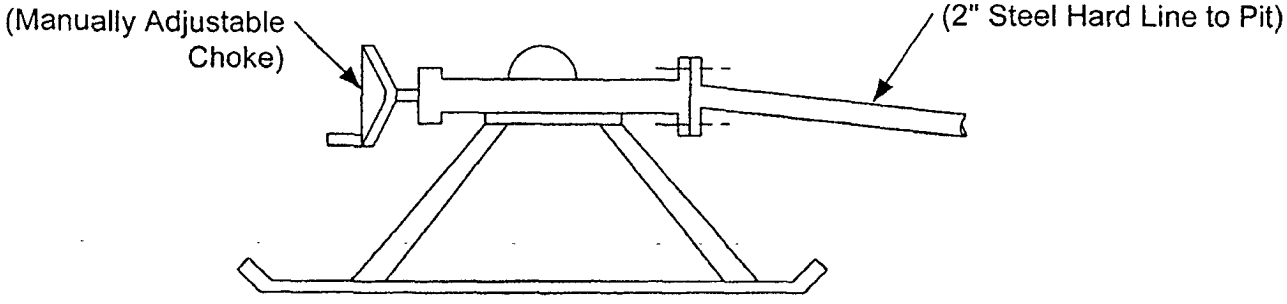
Plan Plan #3 (#21/1)
Created By Lindsey Maddux Date 9/25/2009

CHOKE MANIFOLD
SCHEMATIC FOR DRILLING OPERATIONS
CLASS 1 (2M) NORMAL PRESSURE

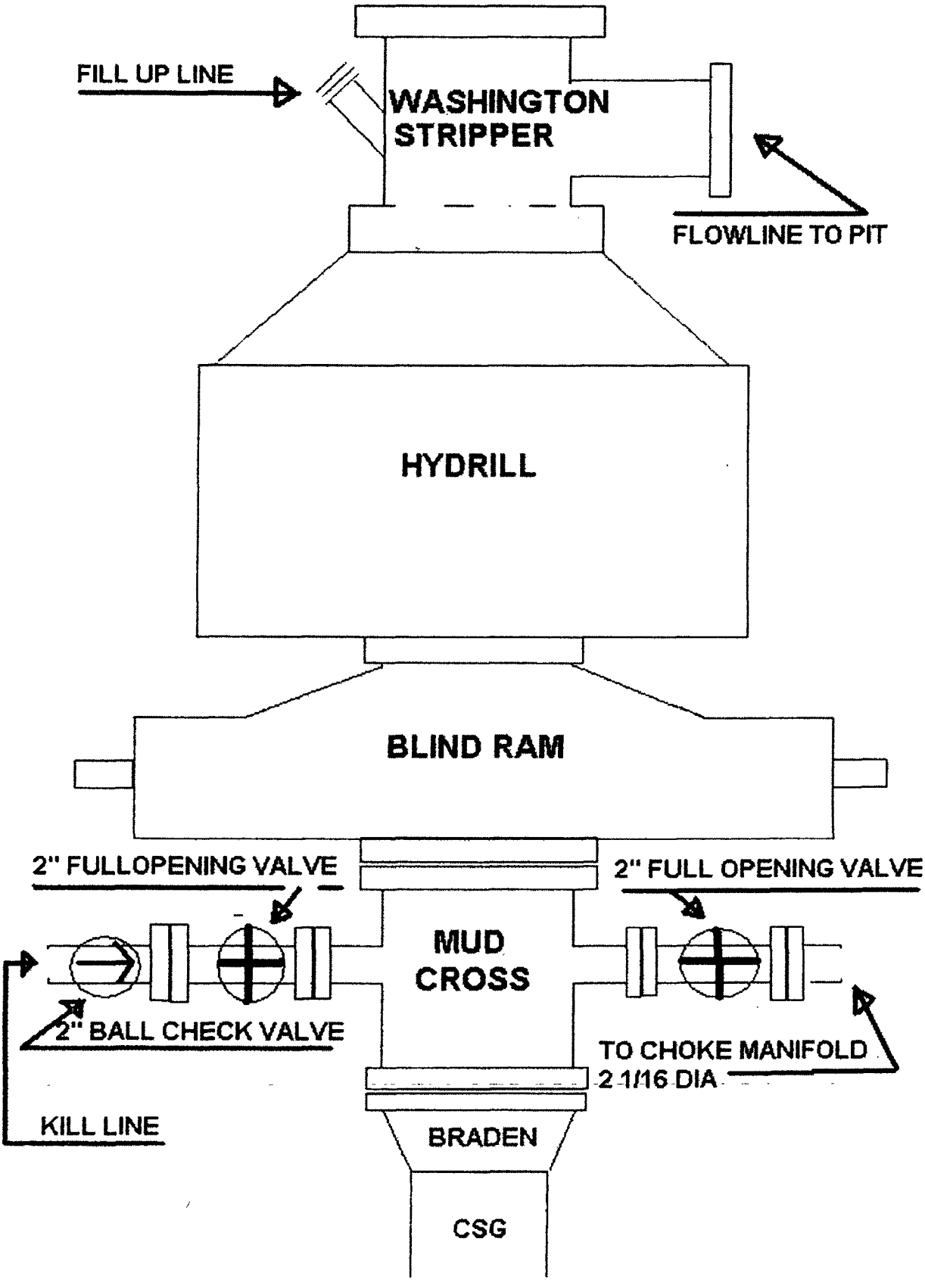
TESTING PROCEDURE

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.





AWS 507


FILL UP LINE
WASHINGTON STRIPPER
FLOWLINE TO PIT
HYDRILL
BLIND RAM
2" FULLOPENING VALVE
2" FULL OPENING VALVE
MUD CROSS
2" BALL CHECK VALVE
TO CHOKE MANIFOLD
2 1/16 DIA
KILL LINE
BRADEN
CSG