

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SEP 29 2009

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

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NOG 05031737
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name NAVAJO ALLOTMENT
2. Name of Operator XTO Energy Inc.		7. If Unit or CA Agreement, Name and No. PENDING
3a. Address 382 CR 3100 Aztec, NM 87410		8. Lease Name and Well No. BOXER #2E
3b. Phone No. (include area code) 505/ 333-3100		9. API Well No. 30-045- 35032
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface 900' FSL x 660' FEL At proposed prod. zone SAME		10. Field and Pool, or Exploratory BASIN DK/BASIN MC
14. Distance in miles and direction from nearest town or post office* 24 miles SE of Bloomfield P.O.		11. Sec., T. R. M. or Blk. and Survey or Area (P) Sec 27, T25N, R10W
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 660'	16. No. of acres in lease 160	17. Spacing Unit dedicated to this well DK: S/2 320, MC: S/2 320
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. N/A	19. Proposed Depth 6600'	20. BLM/BIA Bond No. on file BIA104312789
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6675' Ground Elevation	22. Approximate date work will start* 01/01/2010	23. Estimated duration 2 Weeks

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4. The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form: DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS".

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|---|--|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 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). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature <i>Malia Villers</i>	Name (Printed/Typed) MALIA VILLERS	Date 09/25/2009
Title PERMITTING TECH.		

Approved by (Signature) <i>[Signature]</i>	Name (Printed/Typed) AFM	Date 2/3/2010
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)

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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.
NOTIFY AZTEC OGD 24 HRS.
PRIOR TO CASING & CEMENT

ROWD FEB 3 '10
OIL CONS. DIV.
DIST. 3

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

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

SEP 29 2009

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code 71599 / 97232		3 Pool Name DAKOTA / MANCOS	
4 Property Code 38004		5 Property Name BOXER			6 Well Number 2E
7 OGRID No. 5380		8 Operator Name XTO ENERGY, INC.			9 Elevation 6675

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
P	27	25 N	10 W		900	SOUTH	660	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

12 Dedicated Acres S 1/2, 320 AC±		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

16 N 89°56'55" E 2640.01'		2637.02'		N 89°54'20" E 2639.36'		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. Signature: <u>Maria Villers</u> Date: <u>9/25/09</u> Printed Name: <u>Maria Villers</u>	
N 0°02'07" E						S 0°02'41" W	
SECTION 27							
2638.59'						2643.53'	
N 0°01'49" E						S 0°03'37" W	
S 89°59'51" W		2639.29'		N 89°59'05" W		2635.25'	
				NAD 83 LAT: 36.367272° N LONG: 107.877279° W		660'	
						900'	

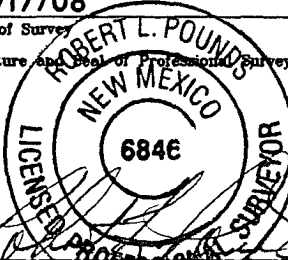
18 SURVEYOR CERTIFICATION

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.

3/17/08

Date of Survey

Signature of Professional Surveyor:



Certificate Number

XTO ENERGY INC.

Boxer #2E

APD Data

September 25, 2009

Location: 900' FSL x 660' FEL Sec 27, T25N, R10W

County: San Juan

State: New Mexico

GREATEST PROJECTED TD: 6600'
APPROX GR ELEV: 6675'

OBJECTIVE: Basin Dakota / Basin Mancos
Est KB ELEV: 6687' (12' AGL)

1. MUD PROGRAM:

INTERVAL	0' to 360'	360' to 2500'	2500' to 6600'
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 $\pm 360'$ 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	SF Burst	SF 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 ($\pm 6600'$) 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'-6600	6600'	15.5#	J-55	ST&C	4040	4810	202	4.950	4.825	1.28	1.52	1.97

Remarks: All Casing strings will be centralized in accordance with Onshore Order #2 and NTL FRA-90-1.

3. WELLHEAD:

- 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.
- 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. Production: 5.5", 15.5#, J-55 (or K-55), ST&C casing to be set at $\pm 6600'$ in 7.875" hole. DV Tool set @ $\pm 4075'$

1st Stage

LEAD:

± 190 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:

± 338 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 1611 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 (6600') to the bottom of the surface csg. Run Neutron/Lithodensity/Pe/GR/Cal from TD (6600') to 3,000'.

6. **FORMATION TOPS:**

Est. KB Elevation: 6687'

FORMATION	Sub-Sea	MD	FORMATION	TV Sub-Sea	MD
Ojo Alamo SS	5910	777	Gallup	1726	4961
Kirtland Shale	5779	908	Greenhorn	624	6063
Farmington SS			Graneros	578	6109
Fruitland Formation	5463	1224	Dakota 1*	525	6162
Lower Fruitland Coal	5046	1641	Dakota 2*	494	6193
Pictured Cliffs SS	5030	1657	Dakota 3*	463	6224
Lewis Shale	4795	1892	Dakota 4*	398	6289
Chacra SS	4231	2456	Dakota 5*	364	6323
Cliffhouse SS*	3534	3153	Dakota 6*	327	6360
Menefee**	3485	3202	Burro Canyon	297	6390
Point Lookout SS*	2556	4131	Morrison*	240	6447
Mancos Shale	2337	4350	TD	87	6600

* Primary Objective

** Secondary Objective

**** 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
9/25/09

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

