

FEB 19 2010

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Bureau of Land Management
Farmington Field Office

Lease Serial No.
NMNM03016

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		6. If Indian, Allottee or Tribe Name N/A	
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		7. If Unit or CA Agreement, Name and No. N/A	
2. Name of Operator XTO Energy Inc.		8. Lease Name and Well No. HUERFANO UNIT #319	
3a. Address 382 CR 3100 Aztec, NM 87410		9. API Well No. 30-045- 35 100	
3b. Phone No. (include area code) 505/ 333-3100		10. Field and Pool, or Exploratory Basin Dakota/Basin Mancos	
4. Location of Well (Report location clearly and in accordance with any State requirements *) At surface 1626' FSL x 1563' FWL At proposed prod. zone SAME		11. Sec., T. R. M. or Blk. and Survey or Area (K) Sec. 14, T25N, R9W	
14. Distance in miles and direction from nearest town or post office* Approximately 24.83 miles to the SE of Bloomfield Post Office.		12. County or Parish San Juan	13. State NM
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1563'	16. No. of acres in lease 1280.00	17. Spacing Unit dedicated to this well DK/MC: W/2 320	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1056'	19. Proposed Depth 6800'	20. BLM/BIA Bond No. on file UTB000138	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6524'	22. Approximate date work will start* 10/01/2010	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. | 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 02/18/2010
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Title
Permitting Tech.

Approved by (Signature) <i>[Signature]</i>	Name (Printed/Typed) AFM	Date 6/2/2010
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Title AFM	Office FFO
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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)

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.

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

JUN 24 2010

RECEIVED
JUN 24 2010
BLM OFFICE

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

RECEIVED

FEB 19 2010

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

Bureau of Land Management
Farmington Field Office
AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-35100	² Pool Code 71599/97232	³ Pool Name Basin Dakota / Basin Mancos
⁴ Property Code 36992	⁵ Property Name HUERFANO UNIT	⁶ Well Number 319
⁷ OGRID No. 5380	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 6524'

¹⁰ Surface Location

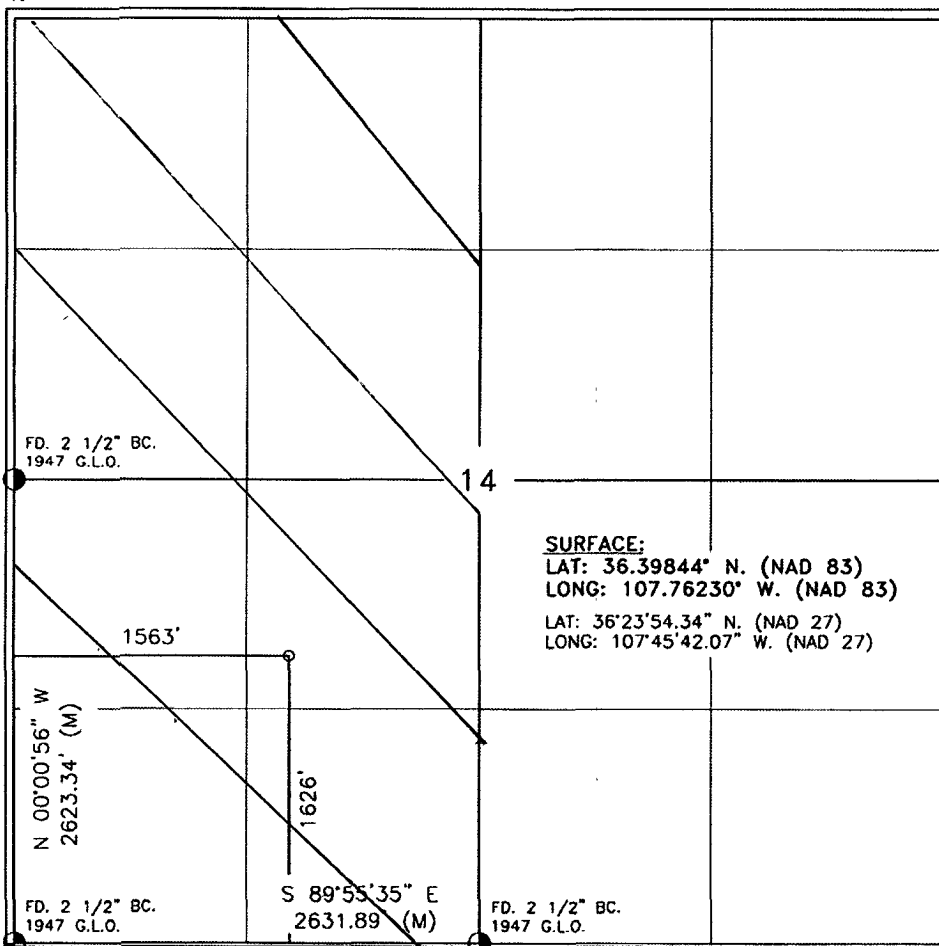
UL or lot no. K	Section 14	Township 25-N	Range 9-W	Lot Idn	Feet from the 1626	North/South line SOUTH	Feet from the 1563	East/West line WEST	County SAN JUAN
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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¹² Dedicated Acres w/12 320	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



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

malia Villers 2/18/10
Signature Date
malia 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 knowledge & belief

APR 18 2009
Date of Survey
Signature and Seal of Professional Surveyor
8894
Certificate Number

XTO ENERGY INC.

Huerfano Unit #319

APD Data

February 18, 2010

Location: 1626' FSL x 1563' FWL Sec 14, T25N, R9W

County: San Juan

State: New Mexico

GREATEST PROJECTED TD: 6800'
APPROX GR ELEV: 6524'

OBJECTIVE: Basin Dakota/Basin Mancos
Est KB ELEV: 6536' (12' AGL)

1. MUD PROGRAM:

INTERVAL	0' to 360'	360' to 2500'	2500' to 6800'
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 ($\pm 6800'$) 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'-6800	6800'	15.5#	J-55	ST&C	4040	4810	202	4.950	4.825	1.24	1.48	1.92

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

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. Production: 5.5", 15.5#, J-55 (or K-55), ST&C casing to be set at $\pm 6800'$ in 7.875" hole. DV Tool set @ $\pm 4225'$

1st Stage

LEAD:

± 196 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:

± 353 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 1659 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 (6800') to the bottom of the surface csg. Run Neutron/Lithodensity/Pe/GR/Cal from TD (6800') to bottom of the surface csg.

6. **FORMATION TOPS:**

Est. KB Elevation: 6536'

FORMATION	Sub-Sea	MD	FORMATION	TV Sub-Sea	MD
Ojo Alamo SS	5509	1030	Gallup	1236	5303
Kirtland Shale	5330	1209	Greenhorn	308	6231
Farmington SS			Graneros	258	6281
Fruitland Formation	5108	1431	Dakota 1*	228	6311
Lower Fruitland Coal	4696	1843	Dakota 2*	176	6363
Pictured Cliffs SS	4680	1859	Dakota 3*	142	6397
Lewis Shale	4511	2028	Dakota 4*	65	6474
Chacra SS	3820	2719	Dakota 5*	33	6506
Cliffhouse SS*	3103	3436	Dakota 6*	-19	6558
Menefee**	3061	3478	Burro Canyon	-54	6593
Point Lookout SS*	2267	4272	Morrison*	-96	6635
Mancos Shale	1944	4595	TD	-261	6800

* Primary Objective

** Secondary Objective

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

7. **COMPANY PERSONNEL:**

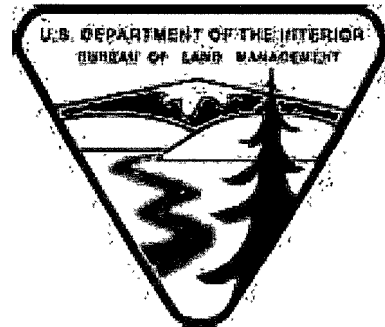
Name	Title	Office Phone	Home Phone
Justin Niederhofer	Drilling Engineer	505-333-3199	505-320-0158
Bobby Jackson	Drilling Superintendent	505-333-3224	505-486-4706
John Klutsch	Project Geologist	817-885-2800	--

JDN
1/4/10

DRILLING CONDITIONS OF APPROVAL

Operator: XTO Energy
Lease No.: NMNM-03016
Well Name: Huerfano Unit #319
Well Location: Sec.14, T25N, R9W; 1626' FSL & 1563' FWL

- 1) Test the BOP and all components to 1500 psi high for 10 minutes and 250 psi low for 10 minutes.**
- 2) Pressure test the surface casing to a minimum of 600 psi for 30 minutes.**
- 3) Pressure test the 5.5" casing to minimum of 1500 psi for 30 minutes.**

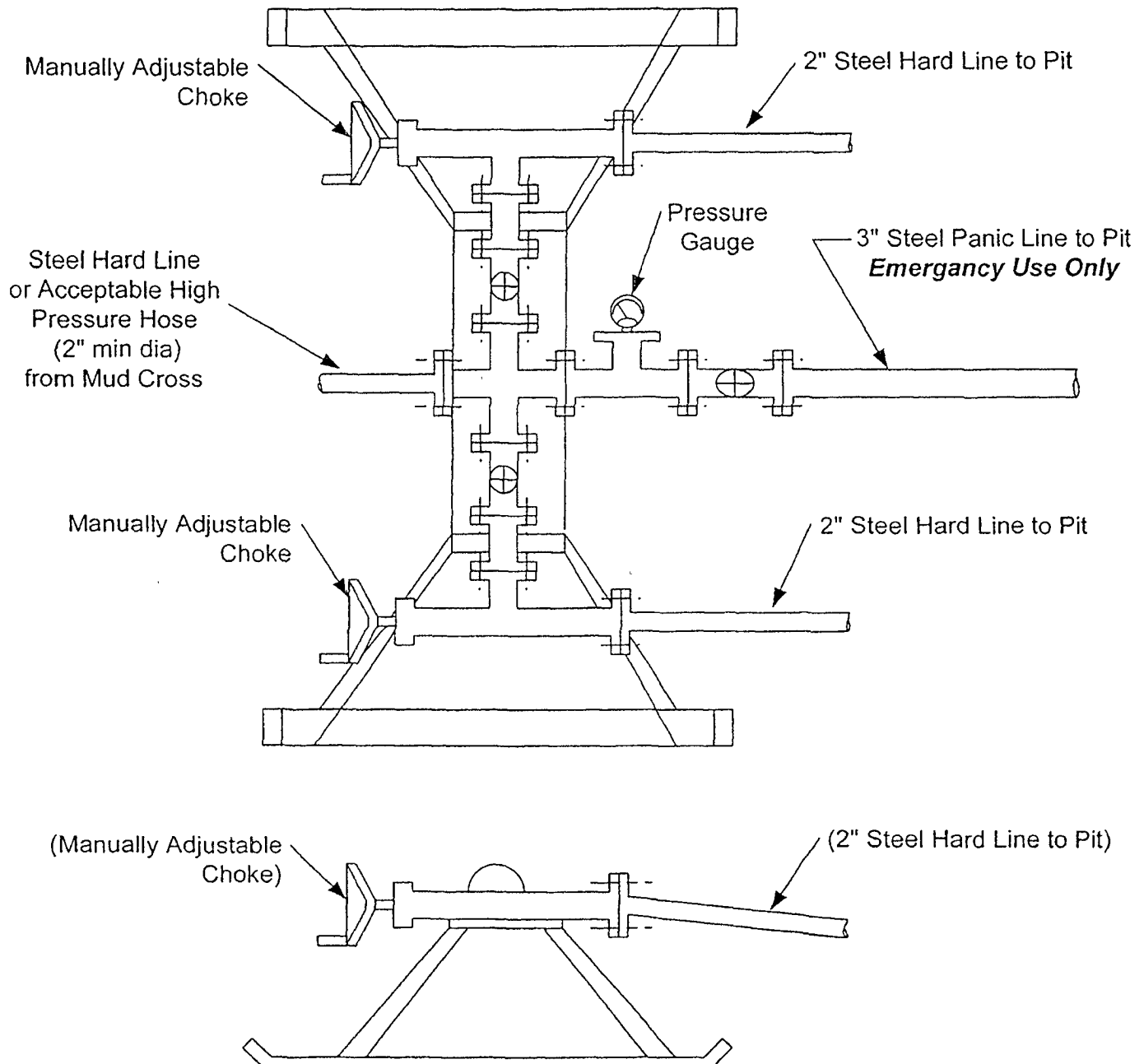


After hour contact: Troy Salyers 505-360-9815

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



AWS 507

