

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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. NMSF-077875	
1b. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name N/A	
2. Name of Operator XTO Energy Inc.		7. Unit or CA Agreement Name and No. N/A	
3a. Address 2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM		8. Lease Name and Well No. PO Pipkin #2F	
3b. Phone No. (include area code) 505-324-1090		9. API Well No. 30045 32676	
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface 660' FSL x 1965' FWL in Sec 8, T27N, 10W At proposed prod. zone same		10. Field and Pool, or Exploratory Basin Dakota/Basin Mancos	
14. Distance in miles and direction from nearest town or post office* Approx 14 air miles SouthEast of Bloomfield, NM Post Office		11. Sec., T., R., M., or Blk. and Survey or Area N Sec 8, T27N, R10W	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 660'	16. No. of Acres in lease 640	12. County or Parish San Juan	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 400'	19. Proposed Depth 6525'	13. State NM	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5927' Ground Level	22. Approximate date work will start* winter 2005	17. Spacing Unit dedicated to this well W2 SW4 320 DK / 160 MC	
20. BLM/BIA Bond No. on file		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 Kyla Vaughan	Name (Printed/Typed) Kyla Vaughan	Date 11/09/04
Title Regulatory Compliance Tech		
Approved by (Signature) Wayne Townsend	Name (Printed/Typed) Wayne Townsend	Date 12/8/07
Title Acting 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.

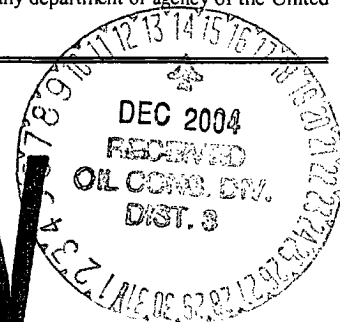
*(Instructions on page 2)

NMOCDD

APD/ROW

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
1501 W. Grand Ave., Artesia, N.M. 88210

DISTRICT III
1000 Rio Bravo Rd., Artesia, 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 June 10, 2003

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-32676		*Pool Code 97232	*Pool Name Basin Mancos
*Property Code 22628	*Property Name P. O. PIPKIN		*Well Number 2F
*OGRD No. 167067	*Operator Name XTO ENERGY INC.		*Elevation 5927'

10 Surface Location

1/4 or lot no.	Section	Township	Range	Lot 14n	Feet from the	North/South line	Feet from the	East/West line	County
N	8	27-N	10-W		660	SOUTH	1965	WEST	SAN JUAN

11 Bottom Hole Location If Different From Surface

1/4 or lot no.	Section	Township	Range	Lot 14n	Feet from the	North/South line	Feet from the	East/West line	County
*Dedicated Acre 160 SW 1/4		*Light or Info I		*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>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.</p> <p>Signature: <u>Barry K Small</u> Printed Name: <u>Barry K Small</u> Title: <u>Drilling Assistant</u> Date: <u>11/3/04</u></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>Date of Survey: <u>11/3/04</u> Signature of Surveyor: <u>[Signature]</u> Surveyor's License Number: <u>14831</u></p> <p>Certificate Number: _____</p>	

LAT. = 36°35'03.5" N.
LONG. = 107°55'14" W
NAD 27



C/L



EXHIBIT 10

XTO ENERGY INC.

P.O. Pipkin #2F

APD Data

November 9, 2004

Location: 660' FSL x 1,965' FWL Sec 8, T27N R10W

County: San Juan

State: New Mexico

GREATEST PROJECTED TD: 6,525'
APPROX GR ELEV: 5,927'

OBJECTIVE: Basin Dakota & Basin Mancos
Est KB ELEV: 5,939' (12' AGL)

1. MUD PROGRAM:

INTERVAL	0' to 360'	360' to 4,000'	4,000' to TD
HOLE SIZE	12-1/4"	7-7/8"	7-7/8"
MUD TYPE	FW/Spud Mud	FW/Polymer	LSND / Gel Chemical
WEIGHT	8.6-9.0	8.4-8.8	8.6-9.0
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: 8-5/8" casing to be set at $\pm 360'$ in a 12-1/4" hole filled with 8.8 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	STC	1370	2950	244	8.097	7.972	7.32	7.95	29.39

Production Casing: 5-1/2" casing to be set at TD ($\pm 6,525'$) in 7-7/8" hole filled with 9.0 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'-TD	6,525'	15.5#	J-55	STC	4040	4810	222	4.950	4.825	1.22	1.45	2.02

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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, 8-5/8" 8rnd thread on top.

EXHIBIT E

4. CEMENT PROGRAM (Slurry design may change slightly, but the plan is to circulate cement to surface on both casing strings):

A. Surface: 8-5/8", 24#, J-55, STC casing to be set at $\pm 360'$ in 12-1/4" hole.

210 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 ²⁹²~~297~~ ft³, 100% excess of calculated annular volume to 360'.

B. Production: 5-1/2", 15.5#, J-55 (or K-55), STC casing to be set at $\pm 5,525'$ in 7-7/8" hole. DV Tool set @ $\pm 4,000'$

1st Stage

LEAD:

200 sx of Premium Lite HS (Type III/Poz/Gel) with 2% salt, 1/4 pps cello, 0.2% dispersant, 0.5% fluid loss & 2% LCM mixed at 12.5 ppg, 2.01 ft³/sk, 10.55 gal wtr/sx.

TAIL:

150 sx Type III with 5% bonding additive, 1/4 pps cello, 2% LCM, 0.3% dispersant & 0.2% fluid loss mixed at 14.2 ppg, 1.54 cuft/sx, 8.00 gal/sx.

2nd Stage

LEAD:

350 sx of Type III with 8% gel, 1/4 pps cello & 2% 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 1,661 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: The mud logger will come on at 3,000' and will remain on the hole until TD. The mud will be logged in 10' intervals.

B. Open Hole Logs as follows: Run Array Induction/MSFL/SP/GR/Cal fr/TD to bottom of the surface casing and run the Neutron/Lithodensity/Pe/GR/Cal fr/TD to 5,300'. Run an FMI log from TD up to 5,900'.

EXHIBIT E

6. **FORMATION TOPS:**

Est. KB Elevation: 5,939'

Formation	Subsea Depth	Well Depth
Ojo Alamo SS	+5249'	693'
Kirtland Shale	+5114'	828'
Farmington SS	+4910'	1032'
Fruitland Formation	+4688'	1254'
Lower Fruitland Coal	+4225'	1717'
Pictured Cliffs SS	+4207'	1735'
Lewis Shale	+3682'	2260'
Chacra	+3297'	2645'
Cliffhouse SS	+2664'	3278'
Menefee	+2566'	3376'
Point Lookout SS	+1882'	4060'
Mancos Shale	+1534'	4408'
Gallup SS	+682'	5260'
Greenhorn Limestone	-141'	6083'
Graneros Shale	-186'	6128'
1 st Dakota SS	-213'	6155'
2 nd Dakota SS	-243'	6185'
3 rd Dakota SS	-292'	6234'
4 th Dakota SS	-344'	6286'
5 th Dakota SS	-369'	6311'
6 th Dakota SS	-403'	6345'
Burro Canyon SS	-459'	6401'
Morrison Shale	-508'	6450'
Project TD	-678'	6525'

ABHP ~ 2500 psi

7. **COMPANY PERSONNEL:**

Name	Title	Office Phone	Home Phone
Jeff Patton	Drilling Engineer	505-324-1090	505-632-7882
Dennis Elrod	Drilling foreman	505-486-6460	505-326-2024
John Klutsch	Project Geologist	1-800-299-2800	
Barry Voigt	Reservoir Engineer	817-885-2462	817-540-2092

JWP
11/9/04

EXHIBIT E

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

TESTING PROCEDURE

1. Test BOP after installation:

Pressure test BOP to 200-300
psig (low pressure) for ~~5~~¹⁰ min.

Test BOP to Working Press or
to 70% internal yield of surf csg
(10 min).

2. Test operation of (both) rams on every trip.

3. Check and record Accumulator pressure on every tour.

4. Re-pressure test BOP stack after changing out rams.

5. Have kelly cock valve with handle available.

6. Have safety valve and subs to fit all sizes of drill string.

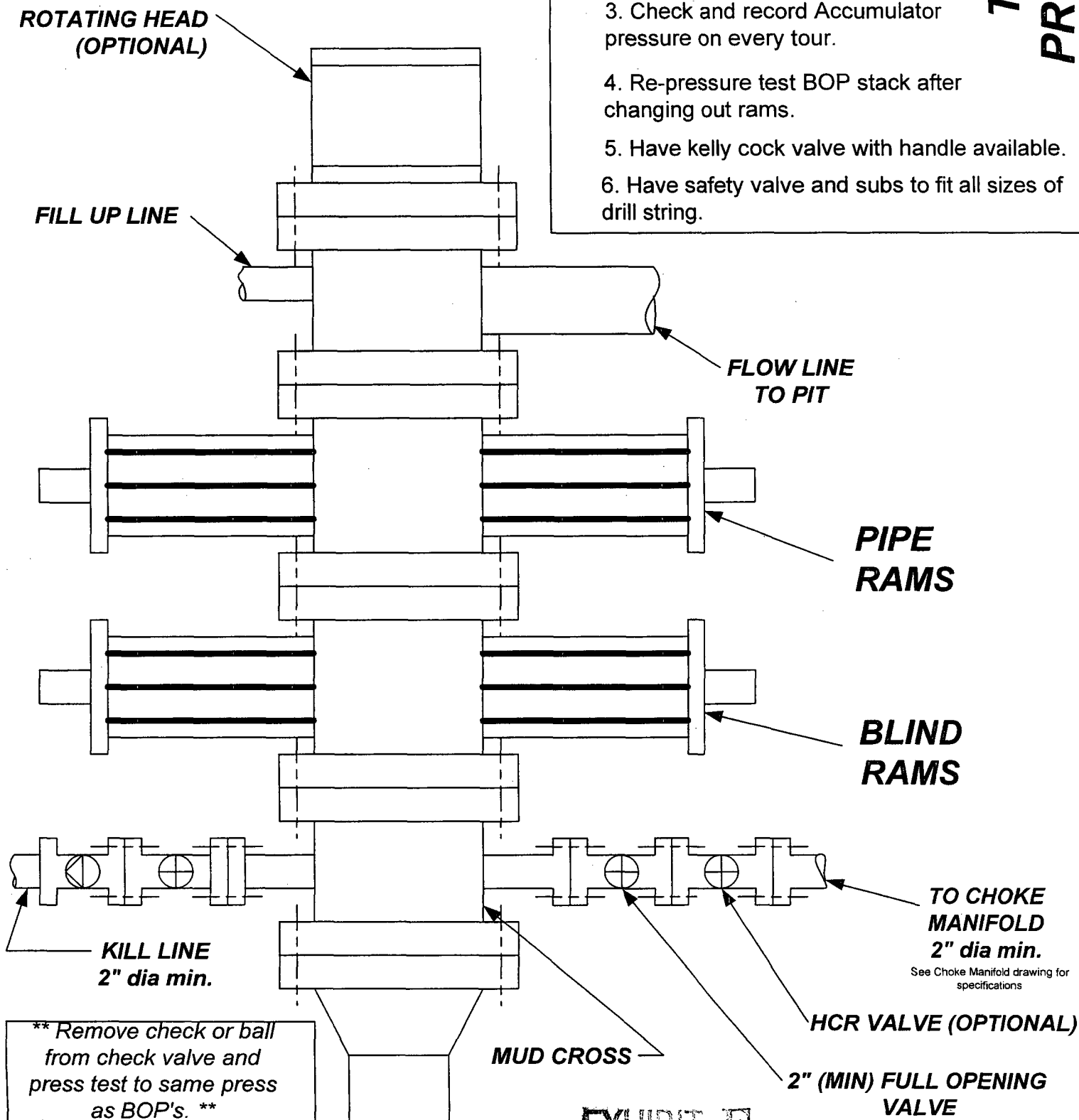


EXHIBIT E

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

