Form 3160-3
(July 1992)

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

5. LEASE DESIGNATION AND SERIAL NO.: SF - 081239

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

1a. TYPE OF WORK
DRILL [X] DEEPEN [ ]

070 Farmington, NM

7. UNIT AGREEMENT NAME: 22620

b. TYPE OF WELL
OIL WELL [ ] GAS WELL [X] OTHER SINGLE ZONE [ ] MULTIPLE ZONE [X]

8. FARM OR LEASE NAME, WELL NO.: LC Kelly #17

2. NAME OF OPERATOR
XTO Energy Inc.

9. API WELL NO.: 3004531625

3. ADDRESS AND TELEPHONE NO.
2700 Farmington Ave., Bldg. K, Ste 1 Farmington, NM 87401

10. FIELD AND POOL, OR WILDCAT
Blanco Mesaverde
Basin Dakota

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface
660' FNL & 1965' FWL Sec 3, T30N, R12W
At proposed prod. zone

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
C Sec 3, T30N, R12W

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
Approx 5 miles north of the Flora Vista 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 drlg. unit line, if any)	16. NO. OF ACRES IN LEASE	17. NO. OF ACRES ASSIGNED TO THIS WELL
660'	2522.59	318.41 DK & MV W/2

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	19. PROPOSED DEPTH	20. ROTARY OR CABLE TOOLS
750'	7,150'	0'-7,150' w/Rotary Tools

21. ELEVATIONS (Show whether DF,RT, GR, etc.)	22. APPROX. DATE WORK WILL START*
5,899' Ground level	Summer 2003

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	9-5/8", H-40	32.3#	265'	140 sx Class B or Type III
8-3/4"	7", J-55	20.0#	2,500'	350 sx Liteweight cement
6-1/4"	4-1/2", J-55	10.5#	7,150'	425 sx Premium Lite HS

XTO Energy Inc. plans to drill the above mentioned well as described in the enclosed Surface Use Program.

The El Paso Field Services pipeline ROW plat is also enclosed with this APD.

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

JUN 2003 RECEIVED OIL CONS. DIV. DIST. 3

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposalis to deepen,give dataon presentproductivezone and proposednew productivezone. If proposalis to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED J W Patton TITLE Drilling Engineer DATE 4/10/03

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

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:

/s/ David J. Mankiewicz

JUN 10 2003

APPROVED BY _____ TITLE _____ DATE _____

*See Instructions On Reverse Side

NMOCD

Title 18 U.S.C. Section 1001, makes 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.

DISTRICT I
P.O. Box 1980, Hobbs, N.M. 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, N.M. 88211-0719

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

DISTRICT IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

RECEIVED
JUN 2003
OIL CONS. DIV.
DIST. 3

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2 Pool Code	3 Pool Name
30-045-31625	71599	Basin Dakota

4 Property Code	5 Property Name	6 Well Number
	L.C. KELLY	17

7 OGRID No.	8 Operator Name	9 Elevation
167067	XTO ENERGY INC.	5899

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
C	3	30-N	12-W		660	NORTH	1965	WEST	SAN JUAN

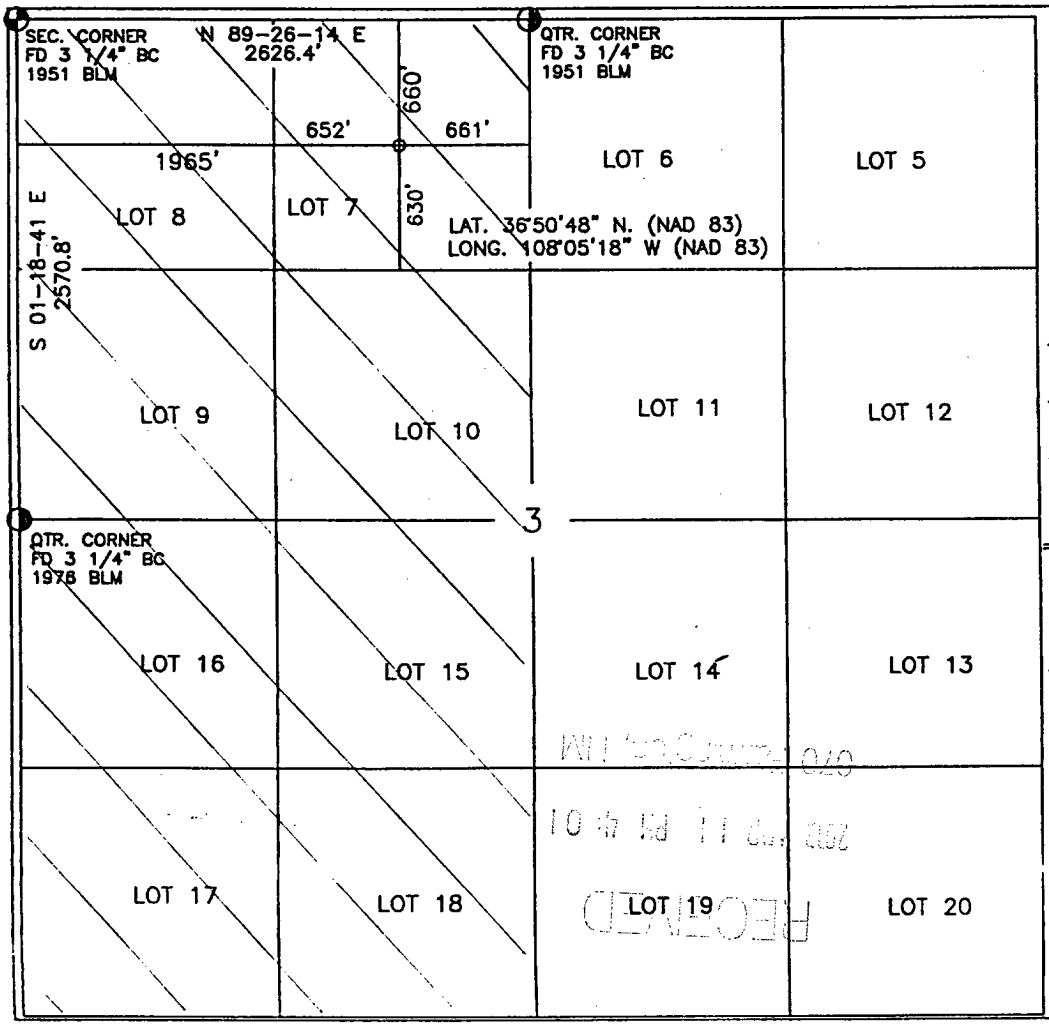
11 Bottom Hole Location If Different From Surface

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

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
318.41 W/2	I		

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



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Signature

Jeffrey W Patton

Printed Name

Drilling Engineer

Title

4-10-03

Date

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.

Date of Survey

Signature and Seal of Professional Surveyor:

DAVID A. JOHNSON
NEW MEXICO
14827
REGISTERED PROFESSIONAL SURVEYOR

14827

Certificate Number

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P.O. Box 1980, Hobbs, N.M. 88241-1980

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WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
	72319	Blanco Mesaverde

[4] Property Code	[5] Property Name	[6] Well Number
	L.C. KELLY	17

[7] OGRID No.	[8] Operator Name	[9] Elevation
167067	XTO ENERGY INC.	5899

[10] Surface Location

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C	3	30-N	12-W		660	NORTH	1965	WEST	SAN JUAN

[11] Bottom Hole Location If Different From Surface

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[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
318.41 W/2	I		

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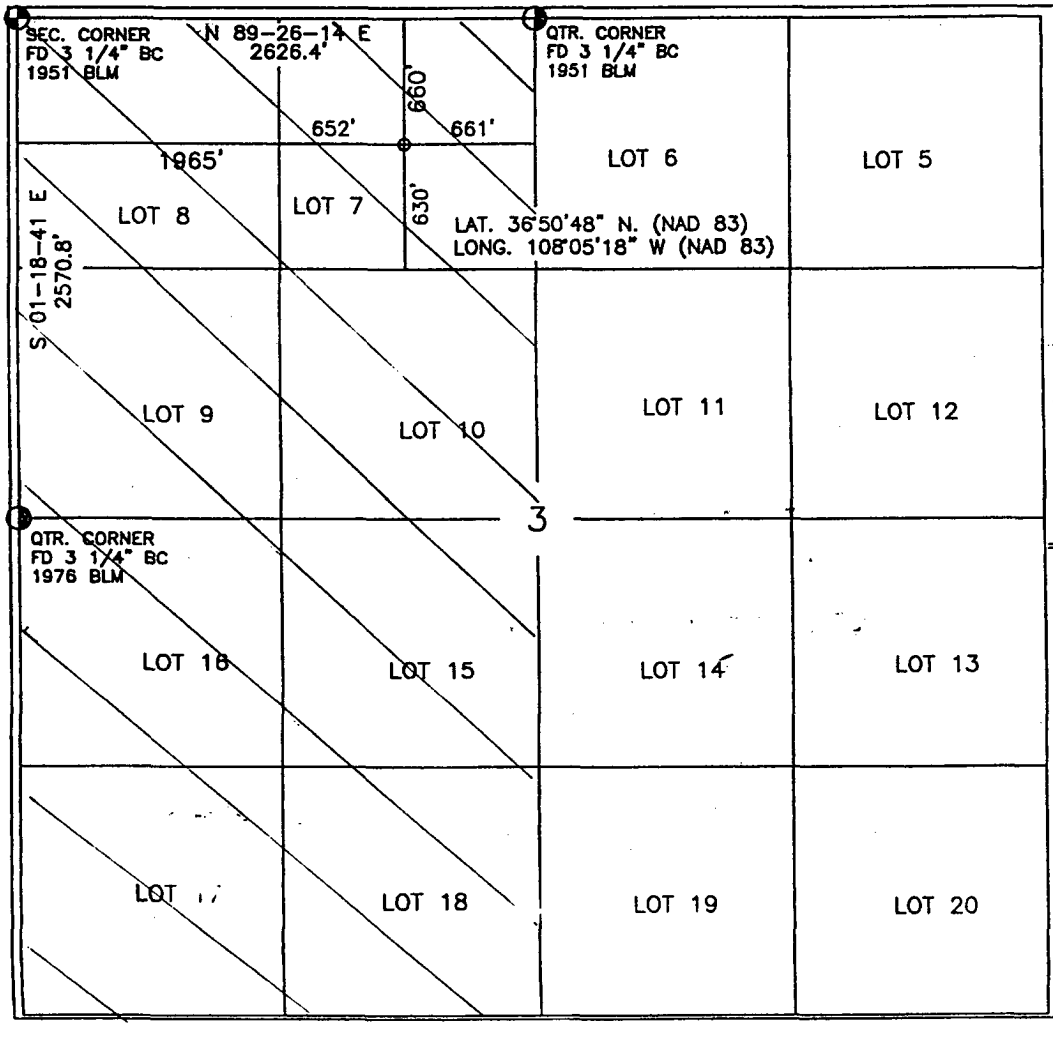


[17] OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Signature

JEFFREY W PATTON
Printed Name

DRILLING ENGINEER
Title

4-10-03
Date

[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.

2-24-03
Date of Survey

Signature and Seal of Professional Surveyor:

DAVID A. JOHNSON
NEW MEXICO
14827
REGISTERED PROFESSIONAL SURVEYOR

14827
Certificate Number

XTO ENERGY INC.

LC Kelly #17
APD Data
April 10, 2003

Surface Location: 660' FNL & 1,965' FWL, Sec 3, T30N, R12W **County**: San Juan **State**: New Mexico

TOTAL DEPTH: ±7,150'
GR ELEV: 5,899'

OBJECTIVE: Dakota/Mesaverde
Est KB ELEV: 5,912' (13' AGL)

1. MUD PROGRAM:

INTERVAL	0' to 265'	265' to 2,500'	2,500' to TD
HOLE SIZE	12-1/4"	8-3/4"	6-1/4"
MUD TYPE	FW/Native Mud	FW/Polymer	Air/Foam
WEIGHT	8.6-8.8	8.6-9.0	
VISCOSITY	28-32	29-34	
WATER LOSS	NC	NC	

Remarks: Use fibrous materials as needed to control seepage and lost circulation. Pump high viscosity sweeps as needed for hole cleaning. RU air compressors after setting the intermediate csg. Drill with air or foam to TD.

2. CASING PROGRAM:

Surface Casing: 9-5/8" casing to be set at ± 265' in 8.6 – 8.8 ppg (spud) 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'-265'	265'	36.0#	J-55	STC	2020	3520	394	8.921	8.765	5.98	5.68	15.73

Intermediate Casing: 7" casing to be set at ±2,500' in 8.6 - 9.0 ppg mud (or water/poly).

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'-2,500'	±2,500	20.0#	J-55	STC	2257	3740	234	6.456	6.331	1.15	1.31	2.57

Production Casing: 4-1/2" casing to be set at ±7,150' in air (if possible or in LNSD mud if needed).

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'-7,150'	±7,150	10.5#	J-55	STC	4010	4790	132	4.052	3.927	1.33	1.20	1.90

EXHIBIT E

E

3. WELLHEAD:

A. Bradenhead: 9-5/8" x 7" 2,000 psig WP (4,000 psig test).
Casinghead: 7" x 4-1/2" 3,000 psig WP (6,000 psig test).

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

A. Surface: 9-5/8", 36.0#, J-55, STC casing to be set at ± 265'.

Lead: **±140 sx** of Type III (or Class "B", depending on availability) cement containing 2% $CaCl_2$, ¼ pps celloflake, mixed at 14.5 - 15.6 ppg, 1.18 – 1.39 ft^3/sk, & 5.20 – 6.3 gal wtr/sk.

Total slurry volume is 166 ft^3, 100% excess of calculated annular volume to 265'.

B. Intermediate: 7", 20.0#, J-55, STC casing to be set at ±2,500'.

Lead: **±250 sx** of Type III (or Class "B", depending on availability) cement containing ±8% gelr, ¼ pps celloflake and 2% CaCl2 mixed at 11.4 ppg, 3.03 ft^3/sk, 18.51 gal wtr/sx.

Tail: **±100 sx** of Type III(or Class "B", depending on availability) cement containing ¼ pps celloflake and 2% CaCl2 mixed at 14.5 - 15.6 ppg, 1.18 – 1.39 ft^3/sk, 5.20 - 6.3 gal wtr/sx.

Total slurry volume is ±900 ft^3, circulated to surface. This value is >100% (excess) over gage hole volume.

C: Production: 4-1/2", 10.5#, J-55, STC casing to be set at ±7,150'.

We plan to cement the production casing in one stage. Prior to cementing, we will unload the hole with nitrogen. The top of cement is design to overlap into the 7" x 4-1/2" annulus between 200-500'.

Lead: **±325 sx** of Premium Lite HS (65/35/6), ¼ pps celloflake, 2% KCl, 0.5% fluidloss, 0.2% dispersant, 0.3% retarder, 0.5% fluid loss, 1/4#/sx cello, & 2% Phenoseal mixed at 12.5 ppg, 2.01 ft^3/sk, 10.55 gal wtr/sx.

Tail: **±100 sx** of Type III, 5% bonding additive, ¼ pps celloflake, 0.4% fluidloss, 0.3% dispersant, 1/4#/sx cello & 2% Phenoseal mixed at 14.2 ppg, 1.54 ft^3/sk, 7.50 gal wtr/sx.

Total estimated slurry volume for the 4-1/2" production casing is 807 ft^3 for ±4,650' of fill. Est. TOC should be @ ±2,000'. >50% (excess) over gage hole volume has been added to the number of sacks indicated..

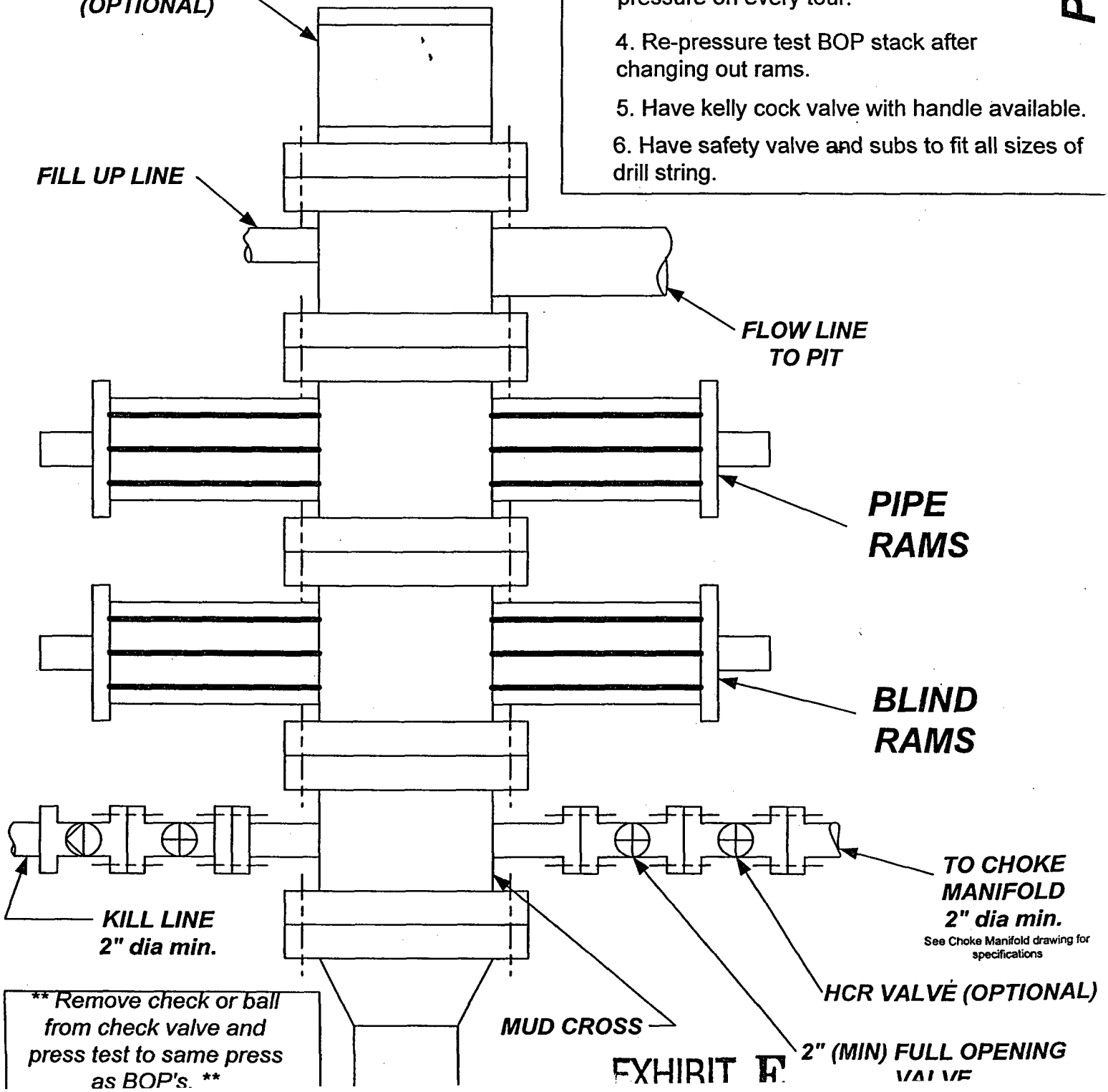
Note: The slurry design may change slightly based upon actual conditions. Final cement volumes will be determined for the caliper logs plus 40%..

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 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.



** Remove check or ball from check valve and press test to same press as BOP's. **

EXHIBIT E