FORM APPROVED Form 3160-3 OMB No. 1004-0137 Expires March 31, 2007 (April 2004) UNITED STATES 5. Lease Scrial No. DEPARTMENT OF THE INTERIOR NMNM-003153 **BUREAU OF LAND MANAGEMENT** 6. If Indian, Allotee or Tribe Name APPLICATION FOR PERMIT TO DRILL OR REENTER 7 If Unit or CA Agreement, Name and No. DRILL REENTER la. Type of work: 8. Lease Name and Well No. Oil Well | Gas Well ✓ Single Zone Multiple Zone O H RANDEL 14 lb. Type of Well: 9. API Well No. Name of Operator 30-045- 37909 XTO ENERGY INC 3b. Phone No. (include area code) 10. Field and Pool, or Exploratory 3a. Address 2700 FARMINGTON AVE., BLDG. K-1 BASIN FRUITLAND COAL **FARMINGTON, NM 87401** (505) 324-1090 11. Sec., T. R. M. or Blk. and Survey or Area 4. Location of Well (Report location clearly and in accordance with any State requirements.\*) 1590 FSL & 850 FWL At surface \_\_ 9-26N-11W NMPM At proposed prod. zone SAME 12. County or Parish 13. State 14. Distance in miles and direction from nearest town or post office\* 15 AIR MILES SSW OF BLOOMFIELD SAN JUAN NM 15. Distance from proposed 16. No. of acres in lease 17. Spacing Unit dedicated to this well location to nearest property or lease line, ft.
(Also to nearest drig, unit line, if any)
850 1,920 Distance from proposed location\* to nearest well drilling, completed, applied for, on this lease, ft. 19. Proposed Depth 20. BLM/BIA Bond No. on file 152' (XTO's OHR #1) **BLM NATIONWIDE 57 91 73** Elevations (Show whether DF, KDB, RT, GL, etc.) 22 Approximate date work will start\* 23. Estimated duration 2 WEEKS 6,282' GL 08/01/2005 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. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). 2. A Drilling Plan. 3. A Surface Use Plan (if the location is on National Forest System Lands, the 5. Operator certification SUPO shall be filed with the appropriate horest Service Office). Such other site specific information and/or plans as may be required by the authorized officer. Name (Printed/Typed) Date 25. Signature **BRIAN WOOD** 01/25/2005 Title CONSULTANT PHONE: (505) 466-8120 FAX: (505) 466-9682 Approved by (Signatur Name (Printed/Typed) Date Title 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. 070 FARMINGTON NA \*(Instructions on page 2)

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DISTRICT I 1625 M. French Dr., Hobbs, N.M. 88240 State of New Mexico 5 F. Energy. Minerals & Natural Resources Department 3

Form C-102 Revised August 15, 2000

DISTRICT II 611 South First, Artesia, N.M. 86210

DISTRICT III 1000 Rio Brezos Rd., Axtec, N.M. 87410

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

1000 Rio Brezos Rd., Axtec, N.M. 87410			2040 South F	Pacheco	MGT	<i></i>		-			
DISTRICT IV					Santa Fe, NM	1 87305	- / (	24 NA	☐ AMEN	DED REPORT	
WELL LOCATION AND ACREAGE DEDICATION PLAT											
<sup>1</sup> API Number <sup>2</sup> Pool Code								Pool Name			
	<u>- 32</u>	909	710	629		BASIN FRUIT	LAN	D COA		ll Number	
Property Co	77			•	*Property I O H RAN					14	
OGRID No.	.				*Operator				•1	* Elevation	
167	067			•	XTO ENER	RGY INC.			6	6282'	
L			1.0-7		10 Surface	Location					
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UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet	from the	Rest/West line	County	
<sup>20</sup> Dedicated Acre		<del>                                     </del>	Joint or	<b>I</b> nfill	M Consolidation	Code	* Order	No.			
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WELL API NO. 30-045-32909	Submit 3 Copies To Appropriate District Office	State of New Mexic			Form C-103
Some continues of the	District I 1625 N. French Dr., Hobbs, NM 88240	Energy, Minerals and Natural	Resources	WELL API NO.	May 27, 2004 30-045- <b>329</b> 09
Databash   1220 South St. Francis Dr.   STATE   FEE	District II 1301 W. Grand Ave., Artesia, NM 88210	OIL CONSERVATION D	IVISION	5 Indicate Tune	
Santa Fe, NM 87505   6, ether Cil & Cas Lase No. NMNM-003153	District III	1220 South St. Franci	s Dr.		
SUNDRY NOTICES AND REPORTS ON WELLS ON NOT USE THE SPORT FOR PROPOSALS TO DRILL OR TO DESERVOR PLUG BACK TO A DIPERENT RESERVOR USE "APPLICATION FOR PROPRIETING PROPRIETING SUCH 1 Type of Well: Oil Well	District IV	Santa Fe, NM 8750	)5		<del></del>
SUNDRY NOTICES AND REPORTS ON WELLS ODNOT USE THIS FORM FOR REPORASALS TO BRILL OR TO DEPERSON REPULS BACK TO A DEFERSON RESERVOIR. USE "APPLICATION FOR PERMIT" GOENG-101) FOR SUCH REPORTSALS.) 1. Type of Well: Oil Well   Gas Well   Other    3. Address of Operator   XTO ENERGY INC.    3. Address of Operator   XTO ENERGY INC.    4. Well Location   Unit Letter   L   1590   feet from the   SOUTH   line and   850   feet from the   WEST   line   Section   Township 26N   Range 11W   NMPM   County SAN JUAN    4. Well Location   Inchesses   Line   Report County    11. Elevation (Show whether DR, RKB, RT, GR, etc.)    3. Address of Township 26N   Range 11W   NMPM   County SAN JUAN    4. Well Location   Line   Report County    4. The Pelaw grade Task Application (Store County    4. The Pelaw grade Task Application (Store County    4. The Pelaw grade Task Application (Store County    5. The Polith County SAN JUAN    5. The Pelaw grade Task Application (Store County    5. The Pelaw grade Task Application (Store County    6. The Pelaw grade Task Application (Store County    6. The Polith County SAN JUAN    7. Lass Name or Unit Agreement Name O H RANDEL    8. Well Number 14    9. OGRID Number 14    10. Pool name or Wildest BASIN FRUITLAND COAL GAS BASIN FRUITLAND C	1220 S. St. Francis Dr., Santa Fe, NM 87505			NMNM-00	3153
DIFFERENCE RESERVOR USE - APPLICATION FOR PREMITY FOREM C. 101) FOR SUCH	SUNDRY NOTION			7. Lease Name or	Unit Agreement Name
2. Name of Operator   TO ENERGY INC.					
A Address of Operator 2700 FARMINGTON AVE., BLDG. K-1, FARMINGTON, NM 87401  4. Well Location Unit Letter L : 1590   feet from the   SOUTH   line and   850   feet from the   WEST   line Section   9   Township   26N   Range   11W   NMPM   County SAN JUAN    11. Elevation (Show whether DR, RKB, RT, GR, etc.)	1. Type of Well: Oil Well	Gas Well 🛛 Other			
FARMINGTON, NM 87401  BASIN FRUITLAND COAL GAS  4. Well Location  Unit Letter L 1590 feet from the SOUTH line and 850 feet from the WEST line Section 9 Township 26N Range 11W NMPM County SAN JUAN  11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6.282° GL  Without Pelow grade Tank Amplication Mor Clourer 1 feet when the County SAN JUAN  12. It is present to Groundwater -255 before from heavest tresh water well-still Distance from nearest surface water -600.  13. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data  NOTICE OF INTENTION TO:  PERFORM REMEDIAL WORK   PLUG AND ABANDON   CHANGE PLANS   COMMENCE DRILLING OPNS   PAND A   CASING/CEMENT JOB   THERE OF STATE AND A CASING/CEMENT JOB   PAND A   CASING/CEMENT JOB   THERE OF STATE AND A CASING/CEME	2. Name of Operator XTO EN	ERGY INC.		9. OGRID Numb	er 167067
Unit Letter L 1590 feet from the SOUTH line and 850 feet from the WEST line Section 9 Township 26N Range 11W NMPM County SAN JUAN  11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6.282 'GL  11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6.282 'GL  12. Check Application Directory of County	FARMIN				
Section 9 Township 26N Range 11W NMPM County SAN JUAN  11. Elevation (Show whether DR, RKB, RT, GR, etc.)  6.282° GL  7. Seary of the blow-grade Tank Application file or Course 1  7. Start type DRILLING Depth to Groundwater 255° Dislates from nearest fresh water well-time)  12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data  12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data  NOTICE OF INTENTION TO:  PERFORM REMEDIAL WORK   PLUG AND ABANDON   GASING/CEMENT JOB   PAND A   COMMENCE DRILLING OPNS.   PAND A   GASING/CEMENT JOB    OTHER: DRILLING PIT   K   OTHER:   OTHER	4. Well Location	1500		<b>.</b>	TI POOP
11. Elevation (Show whether DR, RKB, RT, GR, etc.)   6,282°GL     2,200     1,000					-
At the Below-grade Tank Application Not Closure   255 Distance from nearest fresh water welf2+fill   Distance from nearest surface water -600'   Notice, Report or Other Data   12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data   NOTICE OF INTENTION TO:   SUBSEQUENT REPORT OF:   PERFORM REMEDIAL WORK   PLUG AND ABANDON   REMEDIAL WORK   ALTERING CASING   TEMPORARILY ABANDON   CHANGE PLANS   COMMENCE DRILLING OPNS   PAND A   PULL OR ALTER CASING   MULTIPLE COMPL   CASING/CEMENT JOB   OTHER:   13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated do of starting arry proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.	Section 9				County SAN JUAN
The property of the construction of the property of the proper			KB, KI, GR, etc.)		
12 mil   Below-Grade Tank: Volume   bbis   Construction Material	Pit or Below-grade Tank Application 🛛 o	Closure \\ \ \/ \/ \/ \/ \/ \/ \/ \/ \/ \/ \/ \	>1000'		7200'41000'
12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data  NOTICE OF INTENTION TO:  PERFORM REMEDIAL WORK   PLUG AND ABANDON   REMEDIAL WORK   ALTERING CASING    TEMPORARILY ABANDON   CHANGE PLANS   COMMENCE DRILLING OPNS   PAND A    PULL OR ALTER CASING   MULTIPLE COMPL   OTHER:  13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated de of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion recompletion.  hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below that has been will be constructed declared and complete to the best of my knowledge and belief. I further certify that any pit or below that has been will be constructed declared and complete to the best of my knowledge and belief. I further certify that any pit or below that has been will be constructed declared according to NMOCD guidelines are general permit   or an (attached) alternative OCD-approved plan    SIGNATURE   TITLE CONSULTANT DATE 1-25-05 (505)  E-mail address: brian@permitswest.com Telephone No. 466-8126			r w <del>ell≥1-mi</del> Dist	ance from nearest surf	ace water $\sim 600^{\circ}$
NOTICE OF INTENTION TO:  PERFORM REMEDIAL WORK   PLUG AND ABANDON   CHANGE PLANS   COMMENCE DRILLING OPNS   PAND A   CASING/CEMENT JOB   OTHER: DRILLING PIT   OTHER: DRILLING P	Pit Liner Thickness: 12 mil	Below-Grade Tank: Volume	bbls; Co	nstruction Material	
TITLE CONSULTANT DATE 1-25-05  Type or print name  BRIAN WOOD  E-mail address: brian@permitswest.comTelephone No. 466-8120	OTHER: DRILLING PIT  13. Describe proposed or comp of starting any proposed we	MULTIPLE COMPL	CASING/CEMENT OTHER: tinent details, and	JOB	es, including estimated da
For State Use Only	grade tank has been/will be constructed of	above is true and complete to the best closed according to NMOCD guidelines	of my knowledg a general permit	e and belief. I furth or an (attached) altern	er certify that any pit or below native OCD-approved plan □.
				mitswest com T	DATE 1-25-05 (505)

APPROVED BY:

Conditions of Approval (if any):

XTO ENERGY INC. LAT. = 36\*29'58" N. O H RANDEL No.14, 1590 FSL 850 FWL LONG. = 108'00'52" SECTION 9, T26N, R11W, N.M.P.M., SAN JUAN COUNTY, N. M. **NAD 27** GROUND ELEVATION: 6282', DATE: JUNE 16, 2004 B F 2.6 c 6 **5** A F 1.9 F 2.5 65' 'n ູທ 5 65' LAYDOWN N 1'17' E 4 (1) Wellhead to Back Wellhead to Front F 1.6 F 0.7 90' REAR 90' C 0.0 5<mark>1</mark> 8 8 METER EXISTING ACCESS O. C 2.0 C, C 1.9 ☆ O.H. RANDEL #1 B, 140' X 180' SEPERATOR COMPRESSOR NOTE: DAGGETT ENTERPRISES, INC. IS NOT LIABLE FOR UNDERGROUND UTILITIES OR PIPELINES. NEW MEXICO ONE CALL TO BE NOTIFIED 48 HOURS PRIOR TO EXCAVATION OR CONSTRUCTION. ELEV. A-A 6300 6290 6280 6270 C/L ELEV. B-B' 6300 6290 6280 mmm Surveying and Oil Field Services P. O. Box 15068 • Famington, NW 87401 Prone (505) 226-1772 • Fax (505) 326-8019 6270 C/L ELEV. C-C' 6300 6290 6280 6270 NOTE: CONTRACTOR SHOULD CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED BURIED PIPELINES OR CABLES ON WELL PAD AND OR ACCESS ROAD AT LEAST TWO (2) WORKING DAYS PRIOR TO CONSTRUCTION.

XTO Energy Inc.
O H Randel 14
1590' FSL & 850' FWL
Sec. 9, T. 26 N., R. 11 W.
San Juan County, New Mexico

## **Drilling Program**

### 1. ESTIMATED FORMATION TOPS

Formation Name	GL Depth	KB Depth	<u>Elevatio</u>
Nacimiento	000'	5'	+6,282'
Ojo Alamo	592'	597'	+5,690'
Kirtland Shale	832'	837'	+5,450'
Fruitland	1,382'	1,387'	+4,900'
Pictured Cliffs	1,632'	1,637'	+4,650'
Lewis Shale	1,982'	1,987'	+4,300'
Total Depth (TD)*	2,100'	2,105'	+4,182'

# 2. NOTABLE ZONES

Gas & Oil Zones	Water Zones	<u>Coal Zone</u>
Fruitland	Nacimiento	Fruitland
Pictured Cliffs	Ojo Alamo	
	Fruitland	

Water zones will be protected with casing, cement, and weighted mud. Fresh water found while drilling will be recorded. Oil or gas shows will be tested for commercial potential based on the geologist's recommendations.

### 3. PRESSURE CONTROL

The drilling contract has not yet been awarded, thus the exact BOP system to be used is not yet known. A typical 2,000 psi stack, manifold, and testing procedures are on Page 3.



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San Juan County, New Mexico

#### 4. CASING & CEMENT

<u>Hole Size</u>	<u>O. D.</u>	Weight (lb/ft)	<u>Grae</u>	<u>de</u>	Age Connec	ction GL Setting	<u>De</u>
8-3/4"	7"	20	K-55	New	ST&C	160'	
6-1/4"	4-1/2"	10.5	K-55	New	ST&C	2,100'	

Surface casing will be cemented to the surface with  $\approx 50$  cubic feet ( $\approx 43$  sacks) Class B + 1/4 lb/sk cello-flake + 2% CaCl<sub>2</sub>. Yield = 1.18 cubic feet per sack. Weight = 15.2 pounds per gallon. Volume:  $\geq 100\%$  excess. A guide shoe and insert float will be used. W. O. C. =12 hours. Surface casing will be tested to 1,500 psi for 30 minutes.

Production casing will be cemented to the surface. Total cement: >437 cubic feet. Volumes are calculated at >100% excess. If cement does not circulate to surface, then a temperature survey will be run to determine the actual cement top as needed. W. O. C. = 12 hours. Test to 2,000 psi.

Lead cement will be  $\approx 185$  sacks Class B light cement (65% cement/35% Poz with 6% gel) with 5 #/sack gilsonite + 1/4 #/sack Flocele. Yield = 1.99 cu ft/sk. Weight = 12.4 #/gal.

Tail cement will be  $\approx 50$  sacks 50/50 Class B Poz with 2% gel + 1/4#/sack Flocele + 0.5% Halad 9. Yield = 1.38 cubic feet/sack. Weight = 13.5 #/gallon.

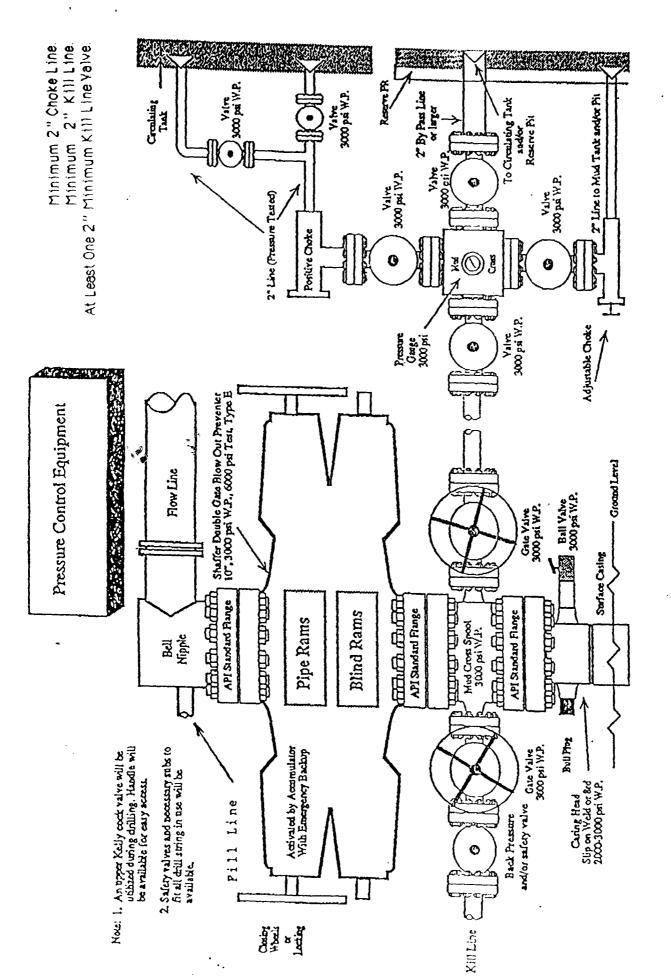
Cement equipment will include a guide shoe, float collar, and 10 centralizers.

#### 5. MUD PROGRAM

<u>Range</u>	<u>Mud Type</u>	<u>Weight</u>
0' - 160'	Fresh-Spud	8.4
160' - TD	LSND	8.6

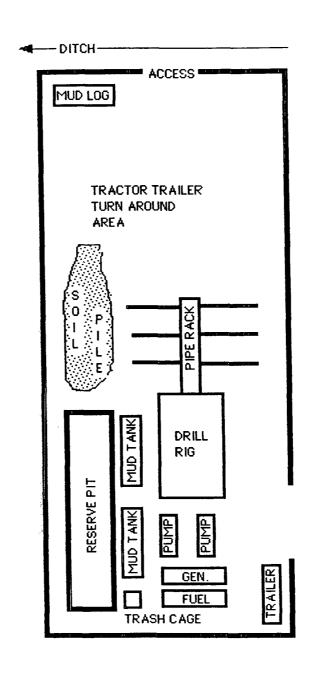
Lost circulation and absorption material will be on location.





Note: This equipment is designed to meet requirements for a 2-M rating standard per 43 CFR part 3160 (amended). Proper operation and testing of equipment will be caried out per standard. 2,000 psi equipment can be substituted in the drawing to meet minimum requirements per standard.

XTO Energy Inc.
O H Randel 14
1590' FSL & 850' FWL
Sec. 9, T. 26 N., R. 11 W.
San Juan County, New Mexico



NORTH



