

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 ☒ DRILL ☐ REENTER
1b. Type of Well ☐ Oil Well ☒ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone

2. Name of Operator

XTO Energy Inc. 167067

3a. Address

2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 505-324-1090

4. Location of Well (Report location clearly and in accordance with any State requirements)*

At surface 2100' FNL x 665' FEL in Sec 18, T31N, R12W

At proposed prod. zone

same

14. Distance in miles and direction from nearest town or post office*

Approx 10.4 air miles North of Farmington, NM Post Office

15. Distance from proposed*

location to nearest

property or lease line, ft.

(Also to nearest drg. unit line, if any)

665'

16. No. of Acres in lease

320

17. Spacing Unit dedicated to this well

MV 320

18. Distance from proposed location*

to nearest well, drilling, completed,

applied for, on this lease, ft.

1250'

19. Proposed Depth

4975'

20. BLM/BIA Bond No. on file

21. Elevations (Show whether DF, KDB, RT, GL, etc.)

5899' Ground Elevation

22. Approximate date work will start*

summer 2005

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.
2. A Drilling Plan
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).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
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

01/27/05

Title

Regulatory Compliance Tech

Approved by (Signature)

Jim Lovato

Name (Printed/Typed)

Date

1/23/06

Title

Office

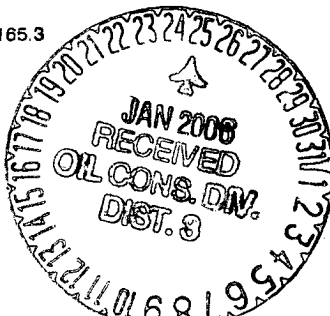
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

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)

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4



DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS".

NMOCD

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

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 30-045-32871		*Pool Code 72319		*Pool Name Blanco McSquerde	
*Property Code 30329		*Property Name OHIO E GOVERNMENT		*Well Number 1R	
*OGRID No. 1107067		*Operator Name XTO ENERGY INC.		*Elevation 5899'	

10 Surface Location

UL or lot no.	Section	Township	Range	Lot 12n	Feet from the	North/South line	Feet from the	East/West line	County
H	18	31-N	12-W		2100	NORTH	665	EAST	SAN JUAN

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 12n	Feet from the	North/South line	Feet from the	East/West line	County

*Dedicated Acres 320 8/2		*Joint or int'l		*Consolidation Code		*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 QTR. CORNER FD 3 1/4" BC B.L.M. 1952		N 89-35-03 W 2642.1' (M)		SEC. CORNER FD 3 1/4" BC B.L.M. 1952		17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature: Kelly H. Sencer Printed Name: Kelly H. Sencer Title: Drilling Assistant Date: 12/10/04	
LOT 1		2100'		S 00-45-03 W 2644.1' (M)			
LOT 2 2005 JAN 31 PM 3 16 RECEIVED OTO FARMINGTON NM		LAT: 38°54'03.2" N. (NAD 27) LONG: 108°07'48.1" W. (NAD 27)		665'			
LOT 3		18		QTR. CORNER FD 3 1/4" BC B.L.M. 1952		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. JOHN A. VUKONICH 2004 NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR 14831 1-3-04 Certificate Number	
LOT 4							

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 87240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
May 27, 2004

WELL API NO. <u>30-045-32871</u>
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. <u>NM-021125</u>
7. Lease Name or Unit Agreement Name: <u>OHIO E GOVERNMENT</u>
8. Well Number <u>#1R</u>
9. OGRID Number <u>167067</u>
10. Pool name or Wildcat <u>BLANCO MESVERDE</u>

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH
PROPOSALS.)

1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other
2. Name of Operator <u>XTO Energy Inc.</u>
3. Address of Operator <u>2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401</u>
4. Well Location Unit Letter <u>H</u> : <u>2100</u> feet from the <u>NORTH</u> line and <u>665</u> feet from the <u>EAST</u> line Section <u>18</u> Township <u>31N</u> Range <u>12W</u> NMPM <u>NMPM</u> County <u>SAN JUAN</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <u>5899' GL</u>
Pit or Below-grade Tank Application <input checked="" type="checkbox"/> or Closure <input type="checkbox"/> Pit type <u>DRILL</u> Depth to Groundwater <u>>100</u> Distance from nearest fresh water well <u>>1000'</u> Distance from nearest surface water <u>>200'</u> Pit Liner Thickness: <u>12</u> mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐
OTHER: RESERVE PIT ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐
OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

See Attachment

I 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-grade tank has been will be constructed or closed according to NMOCD guidelines ☒ , a general permit ☐ or an (attached) alternative OCD-approved plan ☐
SIGNATURE Kyla Vaughan TITLE Regulatory Compliance Tech DATE 01/27/05
Type or print name Kyla Vaughan E-mail address: Kyla_Vaughan@xtoenergy.com Telephone No. 505-324-1090

For State Use Only

APPROVED BY [Signature]
Conditions of Approval, if any:

DEPUTY OIL & GAS INSPECTOR, DIST. 4
TITLE _____

DATE JAN 25 2006

EXHIBIT C

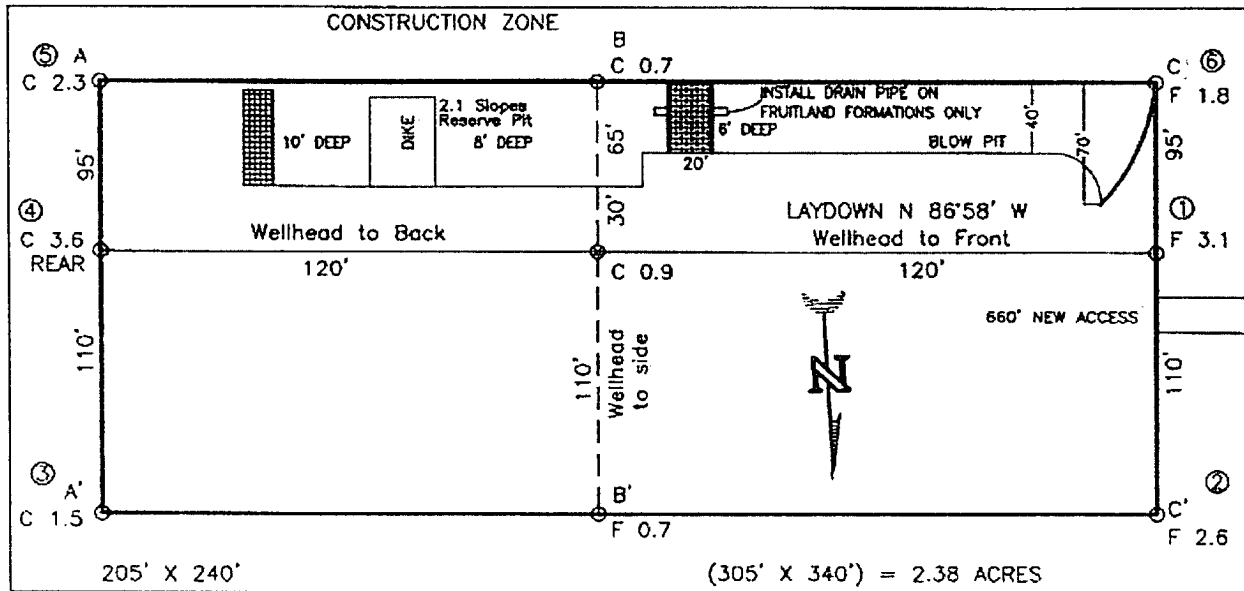
OHIO E GOVERNMENT #1R

XTO Energy Inc. proposes to install a lined, earthen reserve pit on location for drilling. The pit will be removed from location in accordance with New Mexico Oil Conservation division guidelines when work is completed.

EXHIBIT

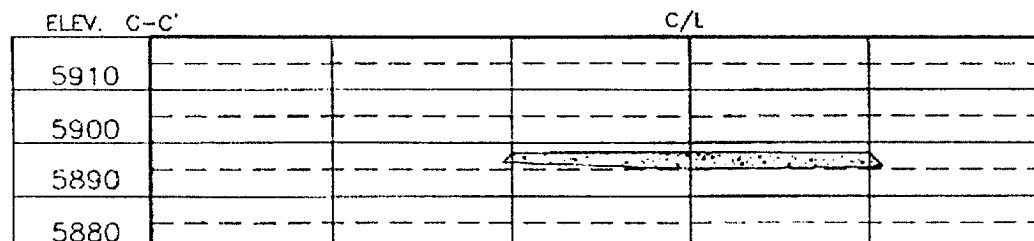
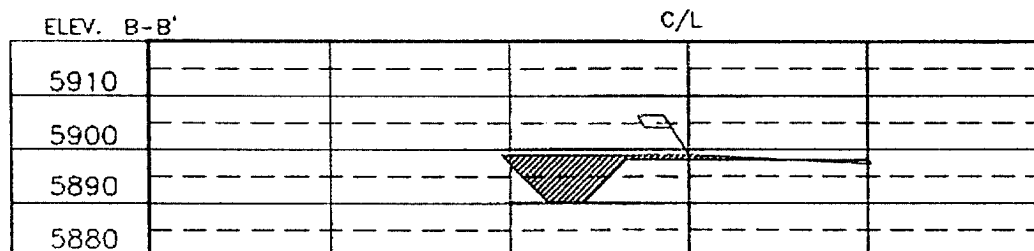
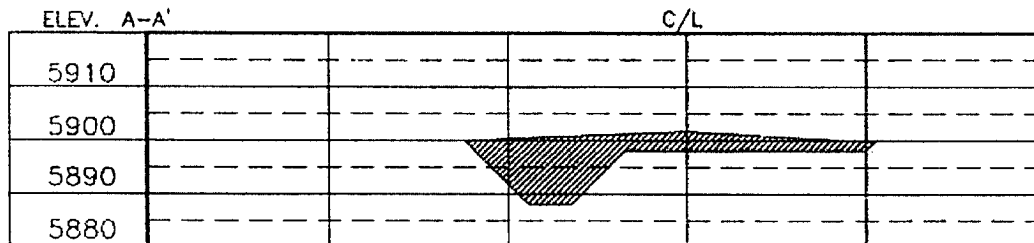
XTO ENERGY INC.
OHIO E GOV'T. #1R, 2100 FNL 665 FEL
SECTION 18, T31N, R12W, N.M.P.M., SAN JUAN COUNTY, N. M.
GROUND ELEVATION: 5899', DATE: OCTOBER 21, 2004

LAT. = 36°54'03.2" N.
LONG. = 108°07'48.1" W
NAD 27



RESERVE PIT DIKE: TO BE 8' ABOVE DEEP SIDE (OVERFLOW - 3' WIDE AND 1' ABOVE SHALLOW SIDE).
BLOW PIT: OVERFLOW PIPE HALFWAY BETWEEN TOP AND BOTTOM AND TO EXTEND OVER PLASTIC LINER AND INTO BLOW PIT.

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.



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.

DATE	REVISION	BY	DATE

Daggett Enterprises, Inc.
Surveying and Oil Field Services
P. O. Box 15068 • Farmington, NM 87401
Phone (505) 326-1772 • Fax (505) 326-6019
NEW MEXICO L.S. No. 14831
CARTER CR386CFB
DATE 11/02/04

Blair M. B.L.
North CR398

EXHIBIT D

XTO ENERGY INC.
Ohio "E" Government #1R
Drilling Prognosis
January 27, 2005

Location: 2,100' FNL & 665' FEL, Sec 18, T31N, R12W

County: San Juan

State: New Mexico

PROJECTED TOTAL DEPTH: ±4,975'
GR ELEV: 5,899'

OBJECTIVE: Mesaverde
Est KB ELEV: 5,911' (12' AGL)

1. MUD PROGRAM:

INTERVAL	0' to 265'	265' to TD
HOLE SIZE	12-1/4"	7-7/8"
MUD TYPE	FW/Spud Mud	FW/Polymer/LSND
WEIGHT	8.6-9.0	8.4-8.8
VISCOSITY	28-32	28-40
WATER LOSS	NC	8-10 cc's

Remarks: Use fibrous materials as needed to control seepage and lost circulation during intermediate part of hole.

2. CASING PROGRAM:

Surface Casing: 8-5/8" casing to be set at ± 265' in 8.6 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'	24.0#	J-55	STC	1,370	2,950	244	9.001	8.845	11.57	18.76	49.14

Production Casing: 5-1/2" casing to be set at 4,975' in LSND Gel based 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'-4,975'	4,975'	15.5#	J-55	STC	4,040	4,810	202	4.950	4.825	1.87	2.23	2.83

3. WELLHEAD:

- A. Casing Head: Larkin Fig 92 (or equivalent), 8-5/8" nominal, 2,000 psig WP (4,000 psig test) with 8-5/8" 8rnd thread on bottom and 10-3/4" 8rnd thread on top.
- B. Tubing Head: Larkin Fig 612 (or equivalent), 6.437" nominal, 3,000 psig WP (6,000 psig test), 5-1/2" weld-on, slip-on bottom and a flanged fitting on top.

EXHIBIT E

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

A. Surface: 8-5/8", 24.0#, J-55, STC casing to be set at $\pm 265'$.

Lead: 150 sx of Type III (or equivalent) cement containing 2% CaCl_2 , $\frac{1}{4}$ pps celloflake, mixed at 14.5 ppg, 1.41 ft^3/sk , & 6.30 gal wtr/sk.

Total slurry volume is 208 ft^3 , $\pm 125\%$ excess of calculated annular volume to 265'.

B. Production Casing: 5-1/2", 15.5#, J-55, STC casing to be set at 4,975'. DV Tool @ 4,000'

1st Stage 125 sx Premium Lite High Strength w/LCM, dispersant and fluid loss additives mixed at 12.5 ppg, 2.01 cuft/sx, 10.6 gal wtr/sx.

2nd Stage

Lead: 375 sx of Type III w/extender and LCM mixed at 11.9 ppg, 2.54 ft^3/sk , 15.0 gal wtr/sx.

Tail: 50 sx of Type III w/LCM mixed at 14.5 ppg, 1.41 ft^3/sk , 6.7 gal wtr/sx..

Total estimated slurry volume for the 5-1/2" production casing is 1,274 ft^3 using 40% excess.

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

5. LOGGING PROGRAM:

A. Mud Logger: A 2 man mud logging unit will come on the hole from 2,000' to TD.

B. Open Hole Logs as follows: Run Induction/MSFL/GR/SP from TD (4,975') to the bottom of the surface casing and run the Density/CSN/Cal and Pe fr/TD to 2,000'.

6. FORMATION TOPS:

Formation	Subsea Depth	Well Depth
Ojo Alamo SS		
Kirtland Shale		
Fruitland Formation	+3950'	1955'
Lower Fruitland Coal	+3850'	2055'
Pictured Cliffs SS	+3650'	2255'
Lewis Shale	+3450'	2455'
Chacra SS	+2518'	3387'
Cliffhouse SS*	+1903'	4002'
Menefee*	+1837'	4068'
Point Lookout SS*	+1280'	4625'
Mancos Shale	+945'	4960'
Projected TD	+930'	4975'

* Target Reservoir. Maximum anticipated reservoir pressure will be $\pm 1,550$ psig.

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 esg
(10 min) or which ever is less.

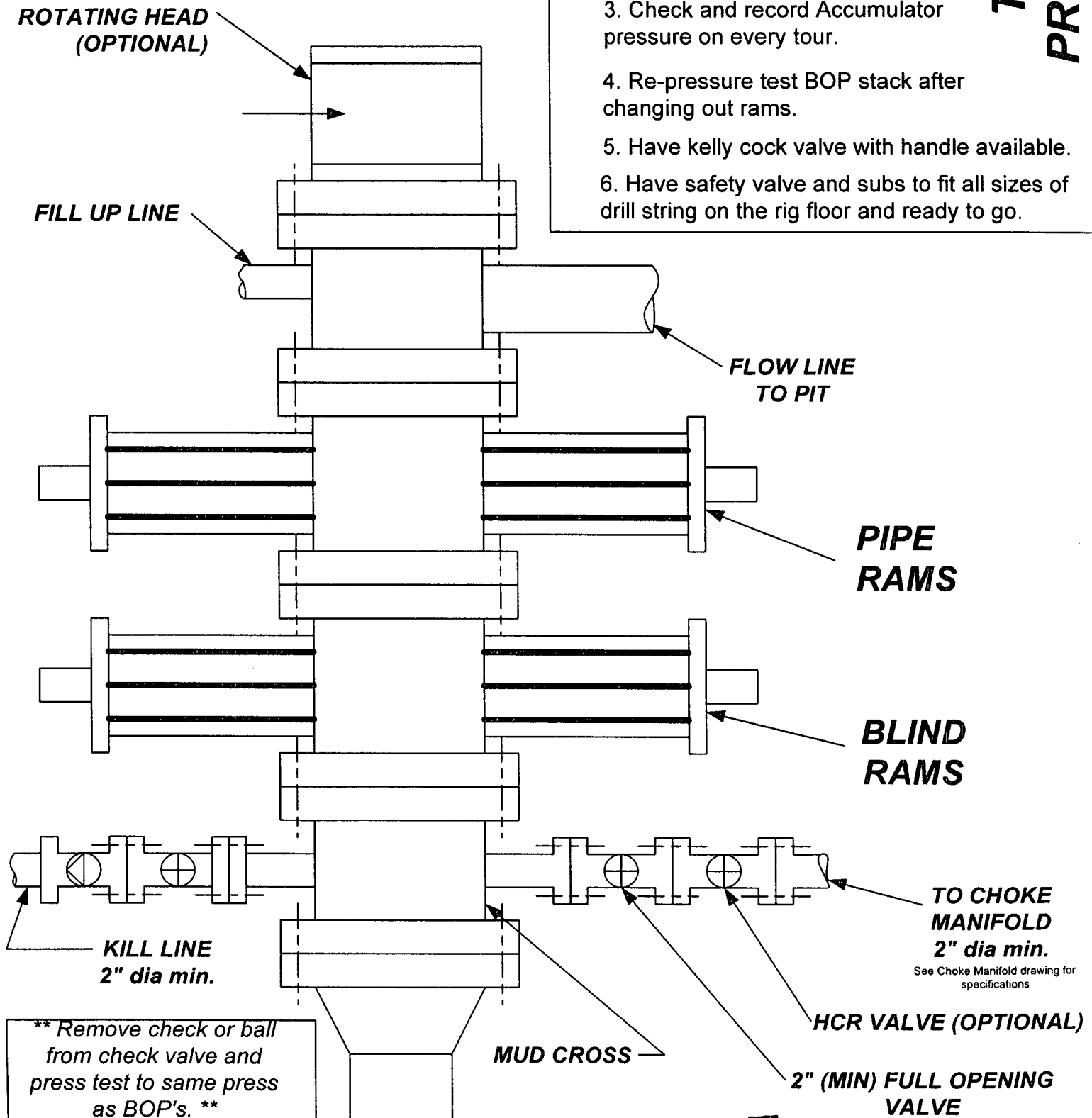
2. Test operation of (both) rams on every trip.

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 on the rig floor and ready to go.



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

