Form 3160-5
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

5. Lease Serial No.
NMSF-0079756A

6. If Indian, Allottee or Tribe Name
N/A

7. If Unit or CA/Agreement, Name and/or No.
N/A

8. Well Name and No.
Mestenas Canyon #1

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
XTO Energy Inc.

9. API Well No.
30-039-27677

3a. Address
2700 Farmington Ave., Bldg. K, Ste 1 Farmington,

3b. Phone No. *(include area code)*
505-324-1090

10. Field and Pool, or Exploratory Area
Basin Fruitland Coal

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
660' FNL x 660' FWL in Sec 4, T29N, R4W (SHL)
1970' FNL + 910' FWL (BHL)

11. County or Parish, State
Rio Arriba NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other CHANGE DRILLING PROGRAM
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

XTO Energy Inc. proposes to change the drilling program on the Mestenas Canyon #1 as per attached documents. A new plat is attached to reflect the changes.

JUN 2006

14. I hereby certify that the foregoing is true and correct
Name *(Printed/Typed)*
HOLLY C. PERKINS

Title
REGULATORY COMPLIANCE TECH

Date 5/16/2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title Petr. Eng.

Date 6/2/06

Conditions of approval, if any, are attached. Approval of this notice 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.

Office

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, 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.

NMOCD

XTO ENERGY INC.

Mestenas Canyon #1
APD Data
May 16, 2006

Location: 660' FNL x 660' FWL Sec 4, T29N, R4W **County:** Rio Arriba **State:** New Mexico

GREATEST PROJECTED TD: 5722'
GREATEST PROJECTED TVD: 4135'
APPROX GR ELEV: 7458'

OBJECTIVE: Basin Fruitland Coal

Est KB ELEV: 7470' (12' AGL)

Please note attached directional program.

1. MUD PROGRAM:

INTERVAL	0' to 360'	360' to 5722'
HOLE SIZE	12.25"	8.75"
MUD TYPE	FW/Spud Mud	FW/Polymer
WEIGHT	8.6-9.0	8.4-8.8
VISCOSITY	28-32	28-32
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. Raise viscosity at TD for logging. Reduce viscosity after logging for cementing purposes.

2. CASING PROGRAM:

Surface Casing: 9.625" casing to be set at ± 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'	36.0#	J-55	ST&C	2020	3520	394	8.921	8.765	11.730	20.44	30.40

Production Casing: 5.5" casing to be set at TD (±5722') in 7-7/8" 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'-5722	5722'	15.5#	J-55	ST&C	4040	4810	202	4.950	4.825	1.48	1.76	2.28

Note: Safety factors are calculated based on a 9.2 ppg mwe with no backup using measured depth assumed to be in a vertical wellbore.

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: 9.625", 36.0#, J-55, ST&C casing to be set at ± 360' in 12-1/4" hole.

162 sx of Type III cement (or equivalent) typically containing accelerator and LCM, mixed at 14.5 ppg, 1.39 ft^3/sk, & 6.70 gal wtr/sk.

Total slurry volume is 225 ft^3, 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 ±5722' in 8.75" hole. DV/ECP Tool set @ ±4100'

1st Stage

The first stage will be left uncemented along the lateral in the coal. A turbolizer and at least two solid centralizers will be placed above the external casing packer to ensure good cement coverage. Above that one Weatherford spiralizer will be run every two joints uphole until the hole deviation is less than 35 degrees.

2nd Stage

LEAD:
±519 sx of Type III or equivalent cement with 8% gel & LCM mixed at 11.9 ppg, 2.54 ft^3/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 1458 ft^3.

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 2,900' 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/SFL/GR/SP fr/TD (5722') to the bottom of the surface csg. Run Neutron/Lithodensity/Pe/GR/Cal from TD (5722') to 3,000'.

6. FORMATION TOPS:

Est. KB Elevation: 7470'

FORMATION	Sub-Sea Elev.	WELL DEPTH
Ojo Alamo SS	3838	3,632
Kirtland Shale		
Farmington SS		
Fruitland Formation	3720	3,750
Lower Fruitland Coal*	3411	4,059
Target Seam @ SL	3335	4,135
Target Seam @ BHL	3345	4,125
Upper Pictured Cliffs SS	3325	4,145
Lower Pictured Cliffs SS	3200	4,270
Total Depth	***3125***	***4,345***

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

7. COMPANY PERSONNEL:

Name	Title	Office Phone	Home Phone
John Egelston	Drilling Engineer	505-564-6734	505-330-6902
Jerry Lacy	Drilling Superintendent	505-566-7917	505-320-6543
Reed Meek	Project Geologist	817-885-2800	817-427-2475

JWE
5/16/06

XTO Energy

T29N, R04W
Mestenas Canyon #1
Mestenas Canyon #1
~~7-7/8~~ O.H. to TD
8 3/4

Plan: Preliminary Plan

Standard Planning Report

16 May, 2006

XTO ENERGY

XTO Energy, Inc.
Planning Report

Database:	EDM 2003.14 Single User Db	**Local Co-ordinate Reference:**	Well Mesenas Canyon #1
Company:	XTO Energy	**TVD Reference:**	AWS #545 RKB @ 7470.0ft (AWS #545)
Project:	T29N, R04W	**MD Reference:**	AWS #545 RKB @ 7470.0ft (AWS #545)
Site:	Mesenas Canyon #1	**North Reference:**	True
Well:	Mesenas Canyon #1	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	7-7/8 O.H. to TD		
Design:	Preliminary Plan		

Project T29N, R04W, T29N, R04W – Rio Arriba Co., NM, Carson National Forest FC Wells

Map System:	US State Plane 1927 (Exact solution)	**System Datum:**	Mean Sea Level
Geo Datum:	NAD 1927 (NADCON CONUS)		*Using Well Reference Point*
Map Zone:	New Mexico Central 3002		

Site Mesenas Canyon #1

Site Position:		**Northing:**	2,097,337.98ft	**Latitude:**	36° 45' 35.000 N
From:	Lat/Long	**Easting:**	202,593.68ft	**Longitude:**	107° 15' 55.000 W
Position Uncertainty:	0.0 ft	**Slot Radius:**	"	**Grid Convergence:**	-0.61 °

Well Mesenas Canyon #1, Infill Fruitland Coal Gas Well

Well Position	**+N/-S**	0.0 ft	**Northing:**	2,097,337.98 ft	**Latitude:**	36° 45' 35.000 N
	+E/-W	0.0 ft	**Easting:**	202,593.68 ft	**Longitude:**	107° 15' 55.000 W
Position Uncertainty		0.0 ft	**Wellhead Elevation:**	7,458.0 ft	**Ground Level:**	7,458.0ft

Wellbore 7-7/8 O.H. to TD

Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF200510	5/11/2006	10.29	63.70	51,327

Design Preliminary Plan

Audit Notes:

Version:		**Phase:**	PROTOTYPE	**Tie On Depth:**	0.0

Vertical Section:	Depth From (TVD) (ft)	+N/-S (ft)	+E/-W (ft)	Direction (°)
	0.0	0.0	0.0	136.34

Plan Sections

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.0	0.00	136.34	0.0	0.0	0.0	0.00	0.00	0.00	0.00	
3,614.2	0.00	136.34	3,614.2	0.0	0.0	0.00	0.00	0.00	0.00	
4,436.5	90.45	136.34	4,135.1	-379.8	362.4	11.00	11.00	0.00	136.34	
5,722.3	90.45	136.34	4,125.0	-1,310.0	1,250.0	0.00	0.00	0.00	0.00	Mesenas Canyon I

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
0.0	0.00	136.34	0.0	0.0	0.0	0.0	0.00	0.00	0.00
3,614.2	0.00	136.34	3,614.2	0.0	0.0	0.0	0.00	0.00	0.00
4,436.5	90.45	136.34	4,135.1	-379.8	362.4	525.0	11.00	11.00	0.00
5,722.3	90.45	136.34	4,125.0	-1,310.0	1,250.0	1,810.7	0.00	0.00	0.00

Database:	EDM 2003.14 Single User Db	**Local Co-ordinate Reference:**	Well Mestenas Canyon #1
Company:	XTO Energy	**TVD Reference:**	AWS #545 RKB @ 7470.0ft (AWS #545)
Project:	T29N, R04W	**MD Reference:**	AWS #545 RKB @ 7470.0ft (AWS #545)
Site:	Mestenas Canyon #1	**North Reference:**	True
Well:	Mestenas Canyon #1	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	7-7/8 O.H. to TD		
Design:	Preliminary Plan		

Targets

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
Mestenas Canyon #1	0.00	0.00	4,125.0	-1,310.0	1,250.0	2,096,014.80	203,829.72	36° 45' 22.046 N	107° 15' 39.640 W
- plan misses by 1392.0ft at 4329.6ft MD (4125.0 TVD, -302.9 N, 289.1 E)									
- Circle (radius 5.0)									

Casing Points

Measured Depth (ft)	Vertical Depth (ft)	Name	Casing Diameter (")	Hole Diameter (")
360.0	360.0	9 5/8"	9-5/8	12-1/4
5,720.0	4,125.0	5 1/2"	5-1/2	7-7/8

Formations

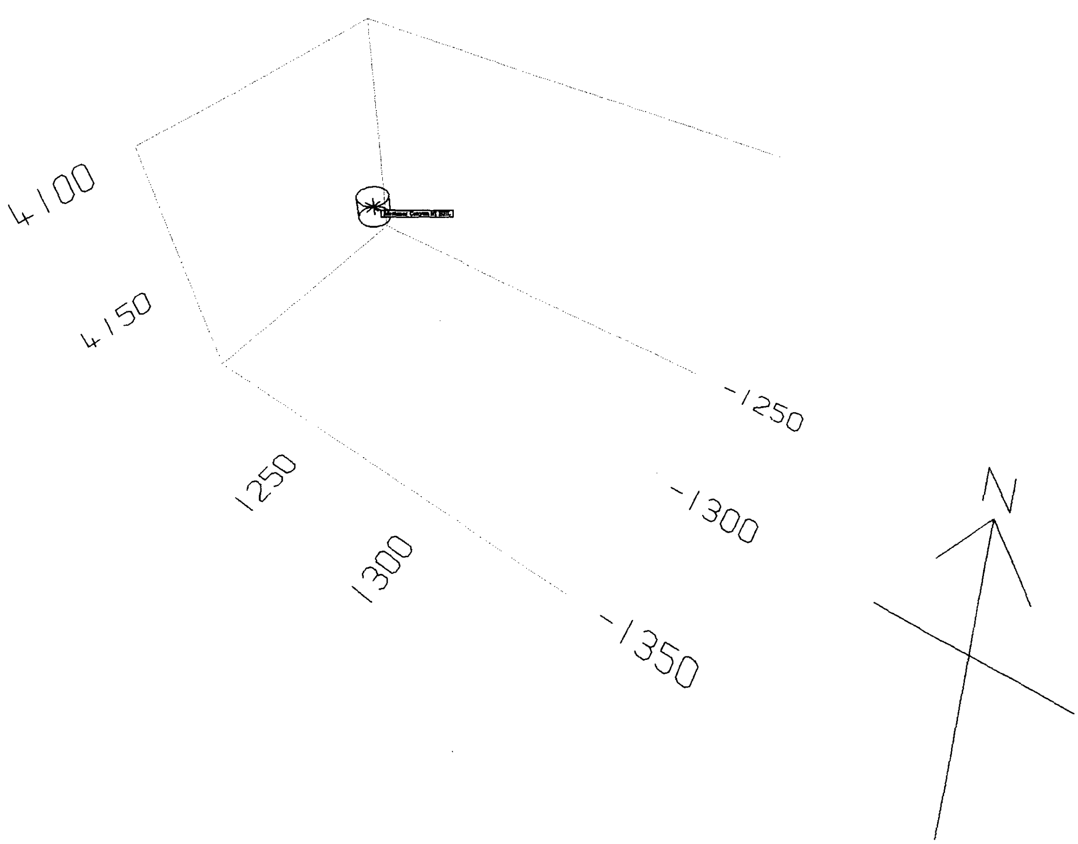
Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)
3,632.0	3,632.0	Ojo Alamo SS	Sandstone	0.00	
3,751.6	3,750.0	Fruitland Formation	Sandstone	0.00	
4,147.3	4,059.0	Lower Fruitland Coal	Coal, Bituminous	0.00	
4,421.5	4,135.0	Target Fruitland Coal	Coal, Bituminous	0.00	
	4,145.0	Pictured Cliffs SS	Sandstone	0.00	

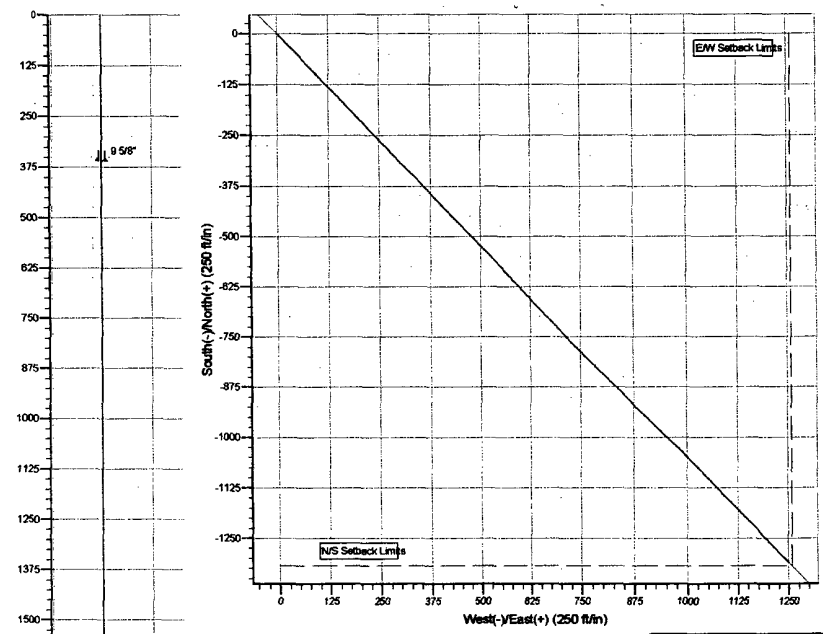
Plan Annotations

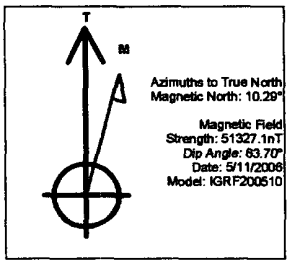
Measured Depth (ft)	Vertical Depth (ft)	Local Coordinates +N/-S (ft)	Local Coordinates +E/-W (ft)	Comment
4,100.0	4,032.6	-152.3	145.4	DV/ECP Tool

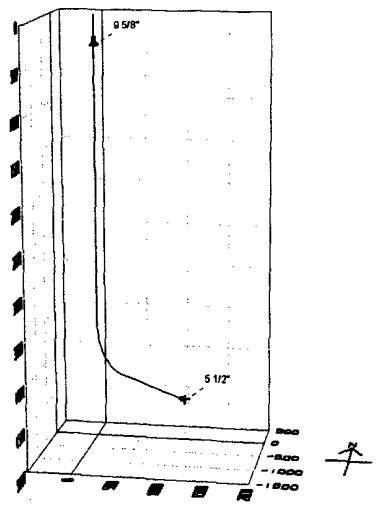
Project: T29N, R04W
Description: 1970' FNL & 1910' FWL
Map Northing: 209601 4.80 ft
Map Easting : 203829.72 ft
Latitude: 36° 43' 22.046 N
Shape: Circle

Well: Mesteñas Canyon #1
Vertical Depth: 4125.0 ft below AWS #546 RKB
Local +N/-S: -1310.0 ft
Local +E/-W: 1250.0 ft
Longitude: 107° 13' 39.640 W
Radius: 5.0 ft









WELL DETAILS: Mestenas Canyon #1

Ground Level: 7458.0
-660.0 FNL
660.0 FWL

Name	TVD	+N/-S	+E/-W	Shape
Mestenas Canyon #1 BHL	4125.0	-1310.0	1250.0	Circle (Radius: 5.0)

Project: T29N, R04W
Site: Mestenas Canyon #1
Well: Mestenas Canyon #1
Wellbore: 7-7/8 O.H. to TD
Preliminary Plan

FORMATION TOP DETAILS

TVDPath	MDPath	Formation
3632.0	3632.0	Ojo Alamo SS
3750.0	3751.6	Fruitland Formation
4059.0	4147.3	Lower Fruitland Coal
4135.0	4421.5	Target Fruitland Coal
		Pictured Cliffs SS

CASING DETAILS

TVD	MD	Name	Size
360.0	360.0	9 5/8"	9-5/8
4125.0	5720.0	5 1/2"	5-1/2

PROJECT DETAILS: T29N, R04W

Geodetic System: US State Plane 1927 (Exact solution)
Datum: NAD 1927 (NADCON CONUS)
Ellipsoid: Clarke 1866
Zone: New Mexico Central 3002

System Datum: Mean Sea Level

SECTION DETAILS

MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
0.0	0.00	136.34	0.0	0.0	0.0	0.00	0.00	0.0	
3614.2	0.00	136.34	3614.2	0.0	0.0	0.00	0.00	0.0	
4436.5	90.45	136.34	4135.1	-379.8	362.4	11.00	136.34	525.0	
5722.3	90.45	136.34	4125.0	-1310.0	1250.0	0.00	0.00	1810.7	Mestenas Canyon #1 BHL

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

REC'D / SAN JUAN
DEC 05 2001

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2 Pool Code	3 Pool Name
30-039-27677	71629	Basin Fruitland Coal

4 Property Code	5 Property Name	6 Well Number
	MESTENAS CANYON	1

7 OGRID No.	8 Operator Name	9 Elevation
167067	XTO ENERGY INC	7456'

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
D	4	29-N	4-W		660	NORTH	660	WEST	RIO ARRIBA

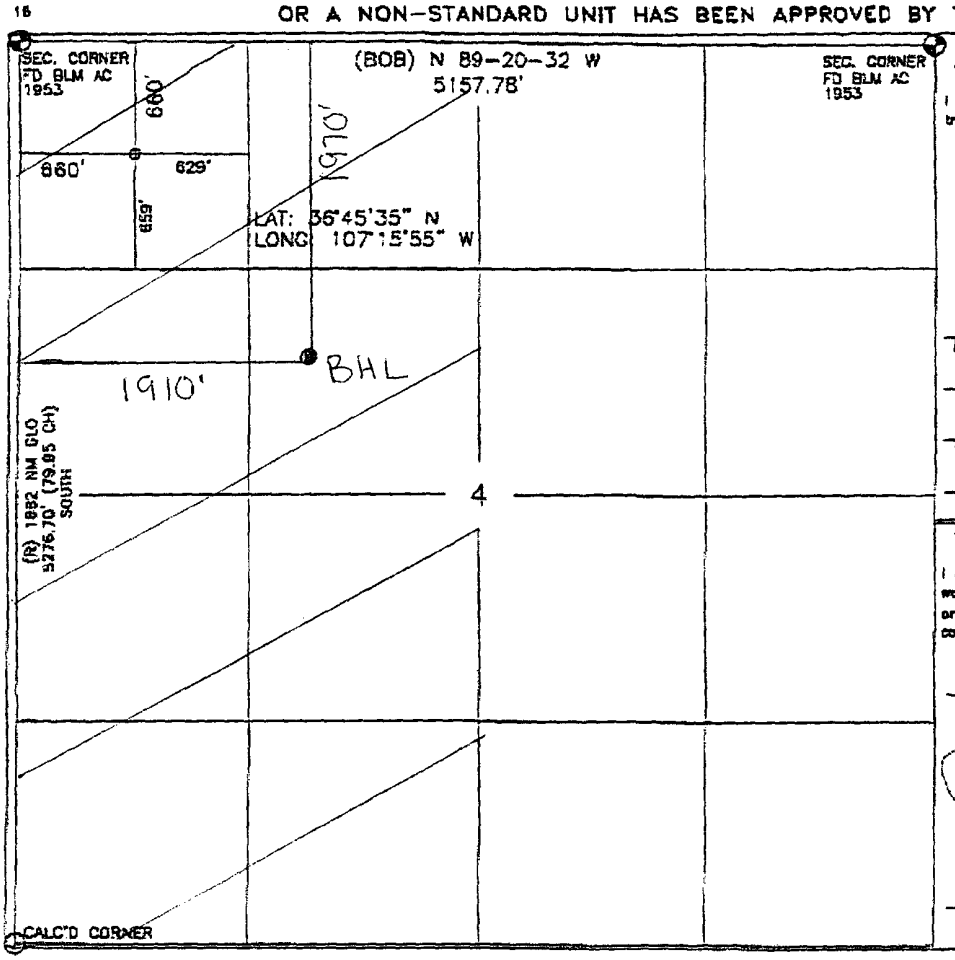
11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	4	29N	4W		1970'	N	1910	W	RA

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

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

Kelly Small
Printed Name

Regulatory compliance
Title

5/1/02
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.

11-29-01
Date of Survey

Signature and Seal of Professional Surveyor

ROY A. RUSH
NEW MEXICO
8894
REGISTERED PROFESSIONAL LAND SURVEYOR

8894
Certificate Number