

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

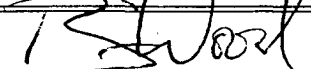
FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMNM-003153
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name N/A
2. Name of Operator XTO ENERGY INC		7. If Unit or CA Agreement, Name and No. N/A
3a. Address 2700 FARMINGTON AVE., BLDG. K-1 FARMINGTON, NM 87401	3b. Phone No. (include area code) (505) 324-1090	8. Lease Name and Well No. O H RANDEL 17 S
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 835 FSL & 890 FEL At proposed prod. zone SAME		9. API Well No. 30-045- 32950
10. Field and Pool, or Exploratory Basin Fruitland Coal		11. Sec., T. R. M. or Blk. and Survey or Area P 15-26N-11W NMPM
12. Distance in miles and direction from nearest town or post office* 15 AIR MILES SOUTH OF BLOOMFIELD		12. County or Parish SAN JUAN
13. State NM		
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 835'	16. No. of acres in lease 1,920	17. Spacing Unit dedicated to this well E2
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 145' (XTO OHR 6-E)	19. Proposed Depth 2,100'	20. BLM/BIA Bond No. on file BLM NATIONWIDE 57 91 73
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6,387' GL	22. Approximate date work will start* 09/12/2005	23. Estimated duration 2 WEEKS

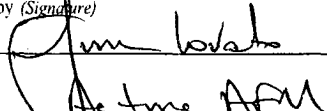
24. Attachments

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. | 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 	Name (Printed/Typed) BRIAN WOOD	Date 03/01/2005
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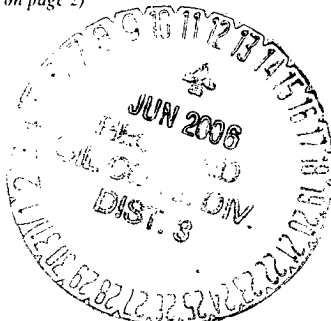
Title **CONSULTANT** PHONE: (505) 466-8120 FAX: (505) 466-9682

Approved by (Signature) 	Name (Printed/Typed)	Date 6/8/06
Title Acting ASU	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)



NMOC

RECEIVED
FARMINGTON NM
2005 MAR 7 PM 12 16

DISTRICT I
1625 N. Fench Dr., Hobbs, N.M. 88240

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102

Revised June 10, 2003

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT II
1301 W. Grand Avenue, Artesia, N.M. 88210

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, NM 87504-2088

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

DISTRICT IV
1220 South St. Francis Dr., Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-32950	² Pool Code 71629	³ Pool Name BASIN FRUITLAND COAL
⁴ Property Code 22857	⁵ Property Name O H RANDEL	⁶ Well Number 17S
⁷ OGRID No. 167067	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 6387'

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
P.	15	26-N	11-W	.	835	SOUTH	890	EAST	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 320					¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.

16 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

2005 MAR 7 PM 12 16 RECEIVED XTO FARMINGTON III	15	LAT: 36°28'59" N. (NAD 27) LONG: 107°59'05" W. (NAD 27)	QTR. CORNER FD 2 1/2" BC GLO 1930	S 89-06-53 W 2629.4' (M)	835'	QTR. CORNER FD 2 1/2" BC GLO 1930	890'	SEC. CORNER FD 2 1/2" BC GLO 1930	N 00-07-28 E 2649.5' (M)	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief Signature <u>Brian Wood</u> Printed Name <u>BRIAN WOOD</u> Title <u>CONSULTANT</u> Date <u>MAR. 1, 2005</u>
										¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes or actual surveys made by me or under my supervision and the same is true and correct to the best of my belief. Date <u>JUN 10 2004</u> Signature <u>JOHN W. WOOD</u> Seal of Professional Surveyor Certificate Number <u>14831</u>

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
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

Form C-103
May 27, 2004

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

WELL API NO.	30-045- 32950
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>	
6. State Oil & Gas Lease No. NMNM-003153	
7. Lease Name or Unit Agreement Name O H RANDEL	
8. Well Number	17 S
9. OGRID Number	167067
10. Pool name or Wildcat BASIN FRUITLAND COAL GAS	

Pit or Below-grade Tank Application ☒ or Closure ☐ **>100'** **>1000'** **>200' <1000'**
Pit type DRILLING Depth to Groundwater 250' Distance from nearest fresh water well >1 mi Distance from nearest surface water ~600'
Pit Liner Thickness: 12 mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

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 ☐ Gas Well ☒ Other

2. Name of Operator XTO ENERGY INC.

3. Address of Operator 2700 FARMINGTON AVE., BLDG. K-1,
FARMINGTON, NM 87401

4. Well Location
Unit Letter P : 835 feet from the SOUTH line and 890 feet from the EAST line
Section 15 Township 26N Range 11W NMPM County SAN JUAN

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6,387' GL

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 COMPL ☐

OTHER: DRILLING PIT ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/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.

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 & closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Brian Wood TITLE CONSULTANT DATE 3-1-05

Type or print name BRIAN WOOD

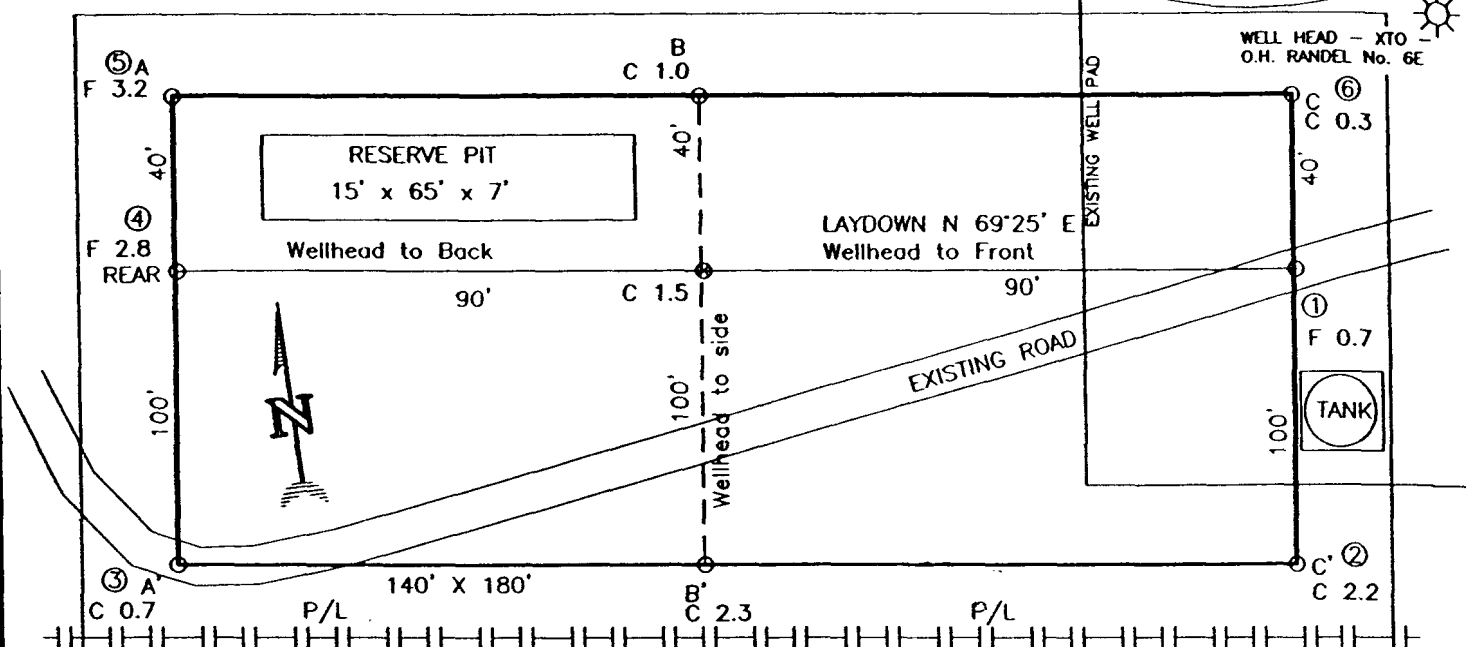
E-mail address: brian@permitswest.com Telephone No. (505) 466-8120

For State Use Only

APPROVED BY: [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 3 DATE JUN 12 2006
Conditions of Approval (if any):

XTO ENERGY INC.
 O H RANDEL No. 17S, 835 FSL 890 FEL
 SECTION 15, T26N, R11W, N.M.P.M., SAN JUAN COUNTY, N. M.
 GROUND ELEVATION: 6387, DATE: JUNE 15, 2004

LAT: 36°28'59" N.
 LONG: 107°59'05" 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.

ELEV. A-A'

C/L

6400					
6390					
6380					
6370					

ELEV. B-B'

C/L

6400					
6390					
6380					
6370					

ELEV. C-C'

C/L

6400					
6390					
6380					
6370					

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.

REVISION	DATE	REVISED BY

Daggett Enterprises, Inc.
 Surveying and Oil Field Services
 P. O. Box 15088 • Farmington, NM 87401
 Phone (505) 326-1772 • Fax (505) 326-6019
 NEW MEXICO L.S. No. 14831
 CDR/LE CR341CFB
 DATE: 07/28/04

Drawn By: A.G.
 Note: CR341

XTO Energy Inc.
O H Randel 17 S
835' FSL & 890' FEL
Sec. 15, T. 26 N., R. 11 W.
San Juan County, New Mexico

PAGE 1

Drilling Program

1. ESTIMATED FORMATION TOPS

<u>Formation Name</u>	<u>GL Depth</u>	<u>KB Depth</u>	<u>Elevation</u>
Nacimiento	000'	5'	+6,387'
Ojo Alamo	677'	682'	+5,710'
Kirtland Shale	787'	792'	+5,600'
Fruitland	1,392'	1,397'	+4,995'
Pictured Cliffs	1,747'	1,752'	+4,640'
Lewis Shale	2,022'	2,027'	+4,365'
Total Depth (TD)*	2,100'	2,105'	+4,287'

2. NOTABLE ZONES

<u>Gas & Oil Zones</u>	<u>Water Zones</u>	<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.

XTO Energy Inc.
O H Randel 17 S
835' FSL & 890' FEL
Sec. 15, T. 26 N., R. 11 W.
San Juan County, New Mexico

PAGE 2

4. CASING & CEMENT

<u>Hole Size</u>	<u>O. D.</u>	<u>Weight (lb/ft)</u>	<u>Grade</u>	<u>Age</u>	<u>Connection</u>	<u>Setting Depth</u>
8-3/4"	7"	20	K-55	New	S T & C	160'
6-1/4"	4-1/2"	10.5	K-55	New	S T & C	2,100'

Surface casing will be cemented to the surface with ≈ 50 cubic feet (≈ 43 sacks) Class B + 1/4 lb/sk cello-flake + 2% CaCl_2 . 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 ≈ 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 ≈ 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.

XTO Energy Inc.
O H Randel 17 S
835' FSL & 890' FEL
Sec. 15, T. 26 N., R. 11 W.
San Juan County, New Mexico

PAGE 4

6. CORES, TESTS, & LOGS

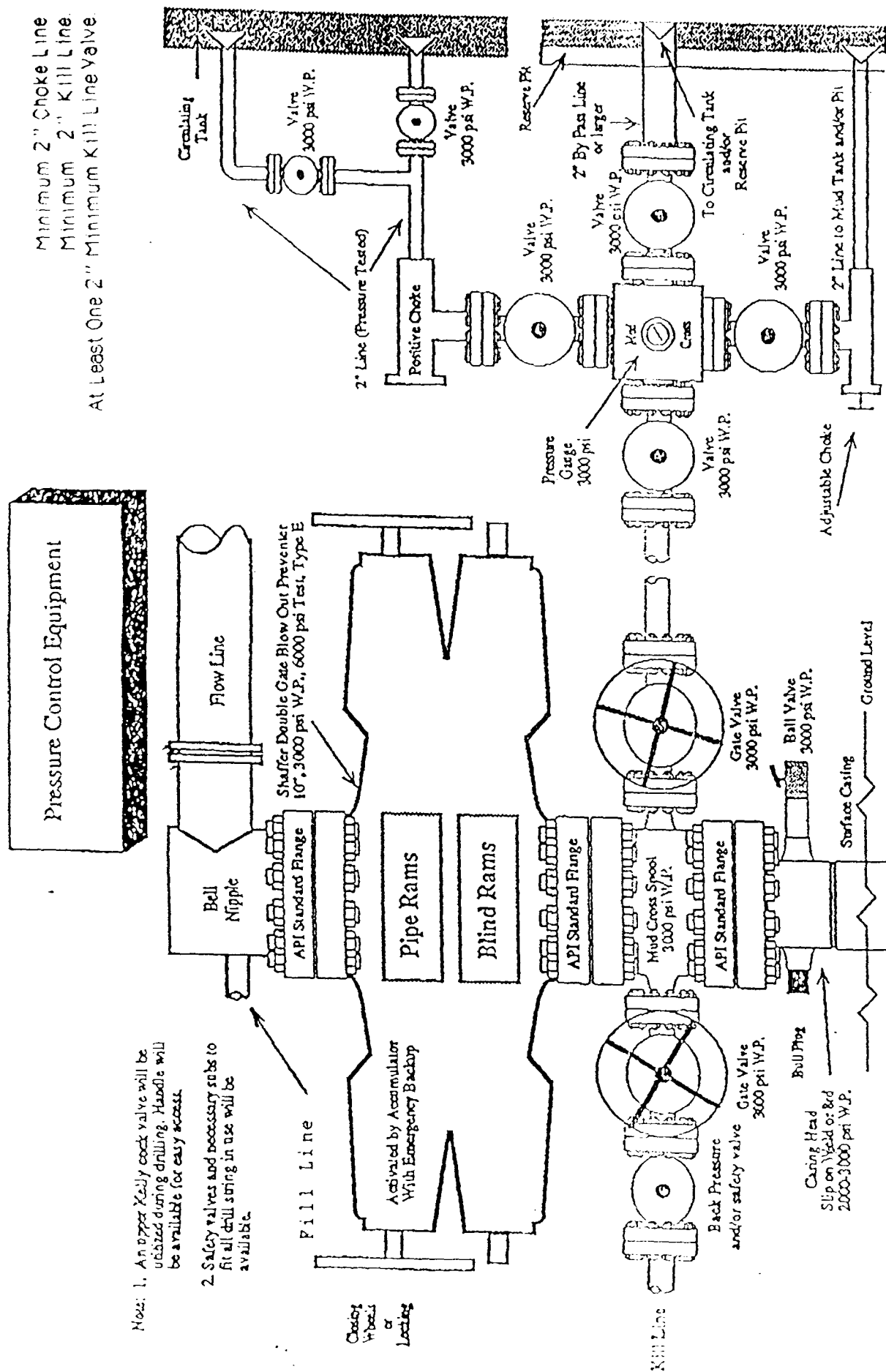
No cores or drill stem tests are planned. Open hole logs will include GR, Neutron-Density, and Induction. The Neutron Density will be run from TD to 500'. The other logs will be run from TD to the base of the surface casing.

7. DOWN HOLE CONDITIONS

No abnormal pressures, temperatures, nor hydrogen sulfide are expected. Maximum pressure will be \approx 200 psi.

8. OTHER INFORMATION

The anticipated spud date is upon approval. It is expected it will take about 1 week to drill and about 1 week to complete the well.



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 carried out per standard. 2,000 psi equipment can be substituted in the drawing to meet minimum requirements per standard.