

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

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2006 JUN 15 AM 2 23

2. Name of Operator

XTO Energy Inc.

RECEIVED

3a. Address

2700 Farmington Ave., Bldg. K. Ste 1 Farmington,

3b. Phone No. (include area code)

505-324-1090

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

660' FNL x 660' FWL in Sec 4, T29N, R4W (SHL)

1,760' FSL x 1,910' FWL in Sec 4, T29N, R4W (BHL)

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

9. API Well No.

30-039-27677

10. Field and Pool, or Exploratory Area

Basin Fruitland Coal

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

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

TYPE OF ACTION

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☒ Other

CHANGE DRILLING

PROGRAM

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 recomplate 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 recomplate 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 BHL on the Mestenas Canyon #1 as per attached documents. A new plat is attached to reflect the changes.



HOLD C104 FOR *directional survey*

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Kelly K. Small

Title

REGULATORY COMPLIANCE TECH

Date **06/12/06**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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.

NMOC

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

REC'D / SAN JUAN

DEC 05 2001

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-27677	² Pool Code 71629	³ Pool Name Basin Fruitland Coal
⁴ Property Code	⁵ Property Name MESTENAS CANYON	⁶ Well Number 1
⁷ GRID No. 167067	⁸ Operator Name XTO ENERGY INC	⁹ Elevation 7458'

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
h	4	29N	4W		1760'	South	1910'	West	RA
¹² Dedicated Acres 319.81 w/2			¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ 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

SEC. CORNER FD BLM AC 1953 660' 660' 629' 659' (R) 1882 NM GLO 5276.70' (79.95 Ch) SOUTH 4 BHL CALC'D CORNER	(BOB) N 89-20-32 W 5157.78' LAT: 36°45'35" N LONG: 107°15'55" W	SEC. CORNER FD BLM AC 1953	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief <u>Kelly Small</u> Signature <u>Kelly Small</u> Printed Name <u>Regulatory Compliance</u> Title <u>6/12/06</u> 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 <u>11-2901A RUSH</u> Date of Survey <u>8894</u> Signature and Seal of Professional Surveyor <u>8894</u> Certificate Number		

XTO ENERGY INC.

Mestenas Canyon #1

APD Data

June 12, 2006

Location: 660' FNL x 660' FWL Sec 4, T29N, R4W County: Rio Arriba

State: New Mexico

Bottom Hole Location: 1760' FSL x 1910' FWL Sec 4, T29N, R4W

GREATEST PROJECTED TD: 7028'

OBJECTIVE: Basin Fruitland Coal

GREATEST PROJECTED TVD: 4135'

APPROX GR ELEV: 7458'

Est KB ELEV: 7470' (12' AGL)

Please note attached directional program.

1. MUD PROGRAM:

INTERVAL	0' to 360'	360' to 7028'
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 $\pm 360'$ 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 ($\pm 5722'$) in 8-3/4" 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'-7028'	7028'	15.5#	J-55	ST&C	4040	4810	202	4.950	4.825	1.20	1.43	1.85

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:

- 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.
- 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 $\pm 360'$ 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 ft³/sk, & 6.70 gal wtr/sk.

Total slurry volume is 225 ft³, 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 $\pm 5722'$ in 8.75" hole.
DV/ECP Tool set @ $\pm 4100'$

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 ft³/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 ft³.

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 (7028') to 3,000'.

6. **FORMATION TOPS:**

Est. KB Elevation: 7470'

<u>FORMATION</u>	<u>Sub-Sea Elev.</u>	<u>WELL DEPTH</u>
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
<i>Total Depth</i>	<i>3125</i>	<i>4,345</i>

**** 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
6/12/06

XTO Energy

T29N, R04W

Mestenas Canyon #1

Mestenas Canyon #1

8-3/4" O.H. to TD

Plan: Preliminary Plan

Standard Planning Report

12 June, 2006



XTO Energy, Inc.
Planning Report



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:	8-3/4" 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:	Mestenas Canyon #1		
Site Position:		Northing:	2,097,337.98 ft
From:	Lat/Long	Easting:	202,593.68 ft
Position Uncertainty:	0.0 ft	Slot Radius:	"
		Latitude:	36° 45' 35.000 N
		Longitude:	107° 15' 55.000 W
		Grid Convergence:	-0.61 °

Well:	Mestenas Canyon #1, Infill Fruitland Coal Gas Well		
Well Position	+N/-S	0.0 ft	Northing: 2,097,337.98 ft
	+E/-W	0.0 ft	Easting: 202,593.68 ft
Position Uncertainty	0.0 ft	Wellhead Elevation:	7,458.0 ft
		Latitude:	36° 45' 35.000 N
		Longitude:	107° 15' 55.000 W
		Ground Level:	7,458.0 ft

Wellbore:	8-3/4" O.H. to TD				
Magnetics	Model Name	Sample Date	Declination	Dip Angle	Field Strength
	IGRF200510	5/11/2006	(°)	(°)	(nT)
			10.29	63.70	51,327

Design:	Preliminary Plan			
Audit Notes:				
Version:	Phase:	PROTOTYPE	Tie On Depth:	0.0
Vertical Section:	Depth From (TVD)	+N/-S	+E/-W	Direction
	(ft)	(ft)	(ft)	(°)
	0.0	0.0	0.0	156.37

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	156.37	0.0	0.0	0.0	0.00	0.00	0.00	0.00	
3,613.2	0.00	156.37	3,613.2	0.0	0.0	0.00	0.00	0.00	0.00	
4,433.2	90.20	156.37	4,134.0	-478.9	209.5	11.00	11.00	0.00	156.37	
7,028.7	90.20	156.37	4,125.0	-2,856.7	1,250.0	0.00	0.00	0.00	0.00	Mestenas Canyon #

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	156.37	0.0	0.0	0.0	0.0	0.00	0.00	0.00	
3,613.2	0.00	156.37	3,613.2	0.0	0.0	0.0	0.00	0.00	0.00	
4,433.2	90.20	156.37	4,134.0	-478.9	209.5	522.7	11.00	11.00	0.00	
7,028.7	90.20	156.37	4,125.0	-2,856.7	1,250.0	3,118.2	0.00	0.00	0.00	

XTO Energy, Inc.
Planning Report



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:	8-3/4" O.H. to TD		
Design:	Preliminary Plan		

Targets									
Target Name	- hit/miss target	Dip Angle	Dip Dir.	TVD	+N/-S	+E/-W	Northing	Easting	
- Shape		(°)	(°)	(ft)	(ft)	(ft)	(ft)	(ft)	Latitude Longitude
Mestenas Canyon #1		0.00	0.00	4,125.0	-2,856.7	1,250.0	2,094,468.19	203,813.31	36° 45' 6.753 N 107° 15' 39.641 W
- plan misses by 2694.1ft at 4334.1ft MD (4125.0 TVD, -388.6 N, 170.0 E)									
- Circle (radius 5.0)									

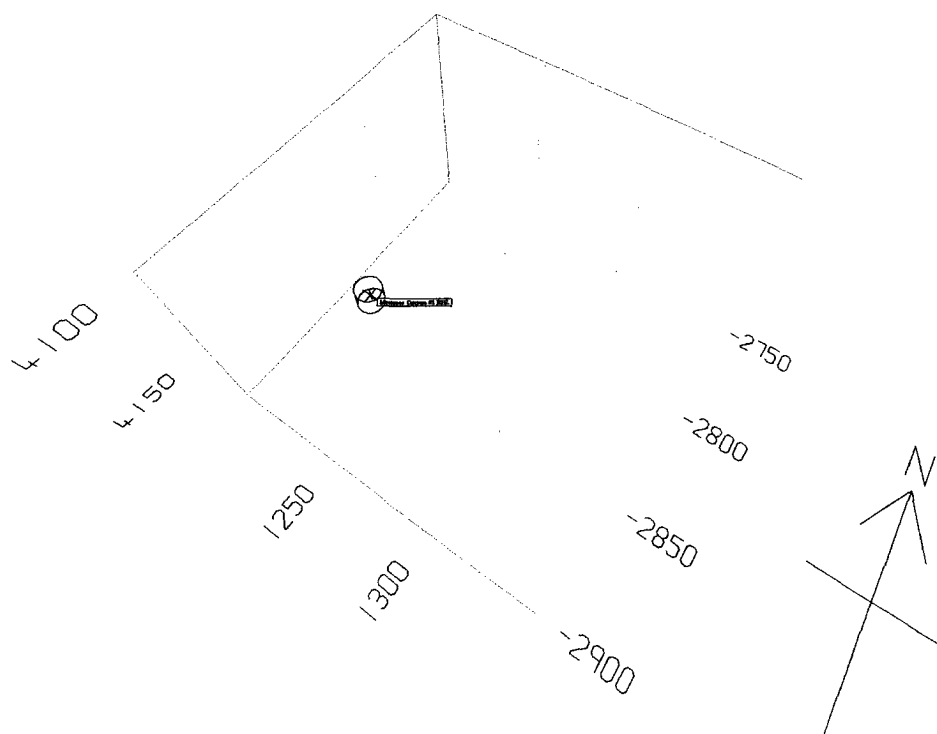
Casing Points					
Measured Depth	Vertical Depth	Name		Casing Diameter	Hole Diameter
(ft)	(ft)			(")	(")
360.0	360.0	9 5/8"		9-5/8	12-1/4
5,720.0	4,129.6	5 1/2"		5-1/2	7-7/8

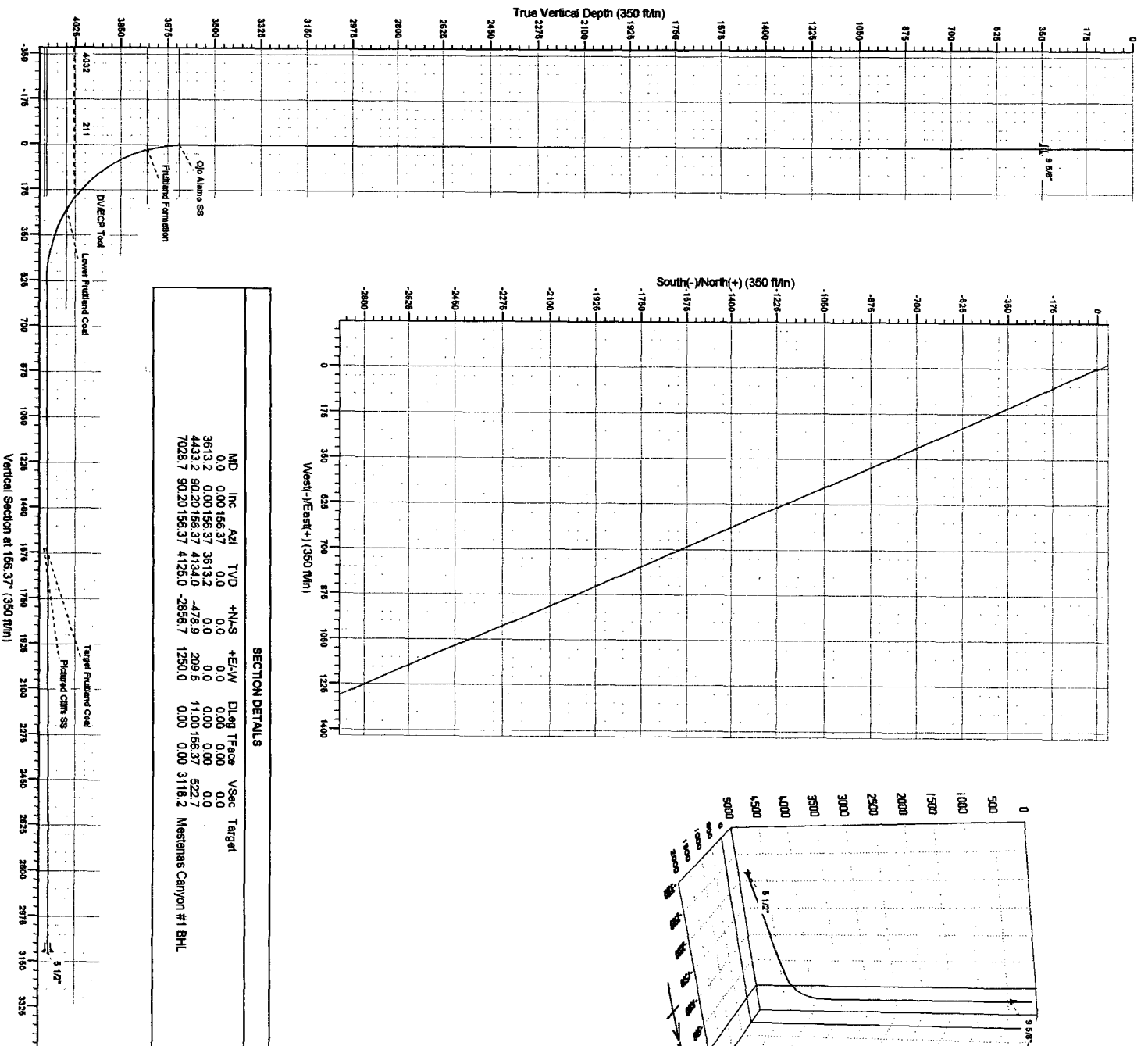
Formations						
Measured Depth	Vertical Depth	Name	Lithology	Dip	Dip Direction	
(ft)	(ft)			(°)	(°)	
3,632.0	3,632.0	Ojo Alamo SS	Sandstone	0.00		
3,751.6	3,750.0	Fruitland Formation	Sandstone	0.00		
4,148.3	4,059.0	Lower Fruitland Coal	Coal, Bituminous	0.00		
	4,135.0	Target Fruitland Coal	Coal, Bituminous	0.00		
	4,145.0	Pictured Cliffs SS	Sandstone	0.00		

Plan Annotations				
Measured Depth	Vertical Depth	Local Coordinates		Comment
(ft)	(ft)	+N/-S (ft)	+E/-W (ft)	
4,100.0	4,036.7	-185.4	81.1	DV/ECP Tool

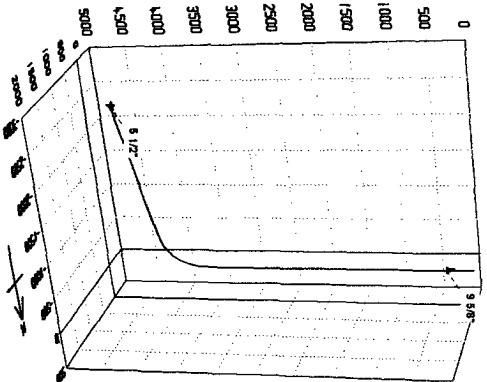
Project: T200, R200
Description: 1907 PSL & 1907 PSL
Map Number: 200000100
Map Scale: 1:25000
Latitude: 30° 45' 5.723 N
Elevation: 2000

Well Number: C-200
Vertical Depth: 4125.0 ft below AWT 4545 RLS
Lithology: 2000
Lithology: 2000
Lithology: 2000
Lithology: 2000
Lithology: 2000





SECTION DETAILS									
MD	Inc	Azi	TVD	+N-S	+E-W	DLeg	TFace	VSec	Target
0.0	0.00	156.37	0.0	0.0	0.0	0.0	0.00	0.0	
3613.2	0.00	156.37	3613.2	0.0	0.0	0.0	0.00	0.0	
4433.2	90.20	156.37	4134.0	-478.9	209.5	11.00	156.37	522.7	
7028.7	90.20	156.37	4125.0	-2856.7	1250.0	0.00	0.00	3118.2	Mesetas Canyon #1 BHL



WELL DET	
Name	Mesetas Canyon #1 BHL 412c
Projec	
Site	
Well	
Wellbore	
FORMA	
TVDPathMDPat	3632.0 3632.1
	3750.0 3751.1
	4058.0 4148.1
CA	
TVD	360.0 36
	4125.0 702
PROJECT	
Geodetic System:	
Datum:	
Ellipsoid:	
Zone:	
System Datum:	