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Form 3160-3
(February 2005)

Bureau of Land Management
Farmington Field Office

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMSF 081186A
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" 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. NMNM 073688
3a. Address 382 CR 3100 AZTEC, NM 87410		8. Lease Name and Well No. CALDWELL A #1E
3b. Phone No. (include area code) 505-333-3100		9. API Well No. 30-045-34442
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface 665' FSL x 825' FWL At proposed prod. zone same		10. Field and Pool, or Exploratory Basin Dakota/Caldwell Group
14. Distance in miles and direction from nearest town or post office* Approximately 17.8 miles South of Bloomfield, NM post office		11. Sec., T. R. M. or Blk. and Survey or Area (M) SEC 27, T26N, R11W
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 665'	16. No. of acres in lease 160	17. Spacing Unit dedicated to this well DK: S/2 320 GP:SW/4 80
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1285'	19. Proposed Depth 6300'	20. BLM/BIA Bond No. on file UTB-000138
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6216' Ground Elevation	22. Approximate date work will start* 11/03/2007	23. Estimated duration 2 weeks

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, must be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the BLM.

RCUD OCT 15 '07

OIL CONS. DIV.
DIST. 2

25. Signature <i>Kyla Vaughan</i>	Name (Printed/Typed) Kyla Vaughan	Date 09/25/2007
Title Regulatory Compliance		
Approved by (Signature) <i>[Signature]</i>		
Name (Printed/Typed) [Signature]		Date 10/10/07
Title AFM		

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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)

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

NOTIFY AZTEC OGD 24 HRS.
PRIOR TO CASING & CEMENT

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

BLM'S APPROVAL OR ACCEPTANCE OF THIS
ACTION DOES NOT RELIEVE THE LESSEE AND
OPERATOR FROM OBTAINING ANY OTHER
AUTHORIZATION REQUIRED FOR OPERATION
ON FEDERAL AND INDIAN LANDS

APD/ROW

NMOCD

OCT 18 2007 - [Signature]

DISTRICT I
1625 N French Dr Hobbs NM 88241

DISTRICT II
1301 W Grand Ave Artesia NM 88210

DISTRICT III
1000 Rio Brazos Rd Aztec, NM 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

RECEIVED
SEP 26 2007
Bureau of Land Management
Farmingdale Field Office

Revised 1/10/04 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-45-34442		² Pool Code 71599		³ Pool Name Basin Dakota	
⁴ Property Code 22668		⁵ Property Name CALDWELL A			⁶ Well Number 1E
⁷ OCRID No 5380		⁸ Operator Name XTO ENERGY INC.			⁹ Elevation 6216

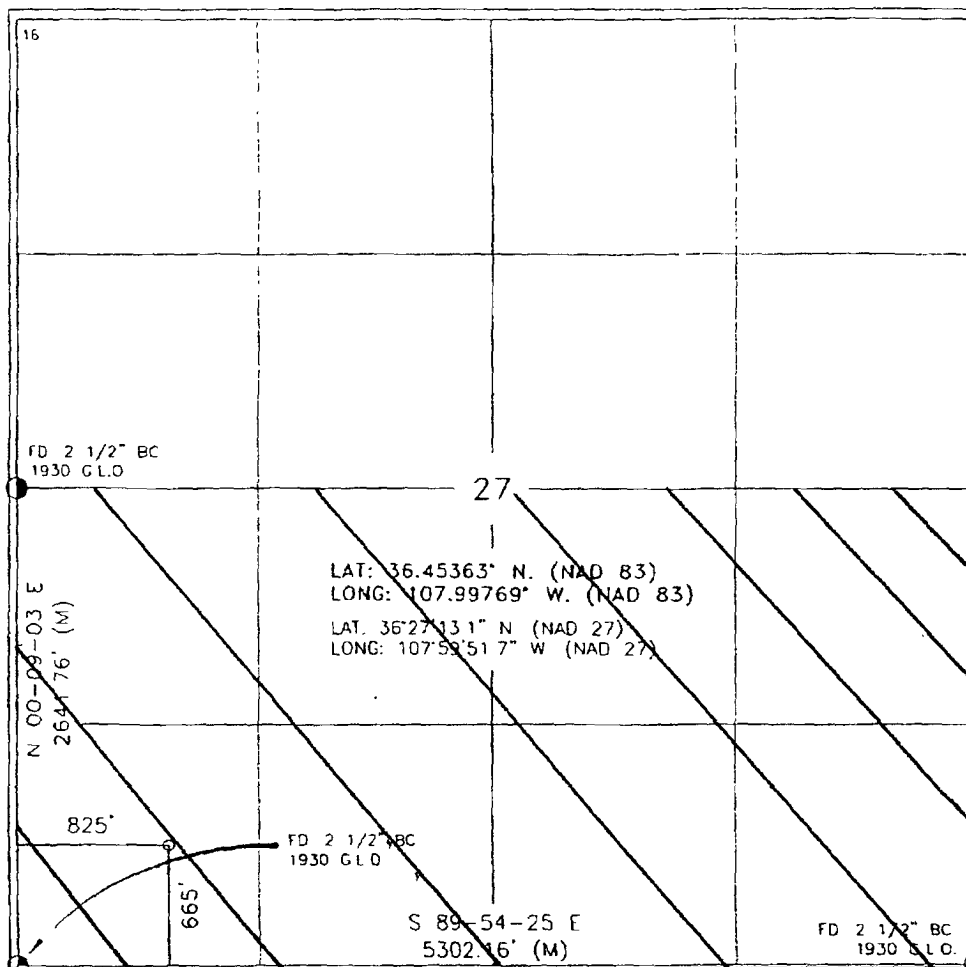
¹⁰ Surface Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	27	26-N	11-W		665	SOUTH	825	WEST	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 912 320					¹³ Joint or Intill		¹⁴ Consolidation Code		¹⁵ Order No

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



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Helly Small 3/8/07
Signature Date
Helly Small
Printed Name

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.

DECEMBER 8, 2006
Date of Survey
Signature and Seal of Registered Professional Land Surveyor

Certificate Number

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 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 October 12, 2005

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-34442	² Pool Code 97232	³ Pool Name WC BASIN MANCOS
⁴ Property Code 22668	⁵ Property Name CALDWELL A	⁶ Well Number 1E
⁷ OCRD No. 5380	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 6216

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
M	27	26-N	11-W		665	SOUTH	825	WEST	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 SW 1/4 160			¹³ Joint or Infit		¹⁴ Consolidation Code		¹⁵ Order No		

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

<p>16</p> <p>FD 2 1/2" BC. 1930 G.L.O.</p> <p>N 00-09-03 E 2641.76' (M)</p> <p>825'</p> <p>665'</p> <p>FD 2 1/2" BC. 1930 G.L.O.</p> <p>S 89-54-25 E 5302 16' (M)</p> <p>LAT: 36.45363° N. (NAD 83) LONG: 107.99769° W. (NAD 83) LAT: 36°27'13.1" N. (NAD 27) LONG: 107°52'51.7" W. (NAD 27)</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Kyla Vaughan</i> 10/17/07 Signature Date <i>Kyla Vaughan</i> Printed Name</p> <p>18 SURVEYOR CERTIFICATION</p> <p>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.</p> <p>DECEMBER 18, 2006 Date of Survey Surveyor and Registered Professional Surveyor Certificate Number</p>
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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.

30-045- 34442

5. Indicate Type of Lease

STATE ☐ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name:

CALDWELL A

8. Well Number

#1E

9. OGRID Number

5380

10. Pool name or Wildcat

BASIN DAKOTA/GALLEGOS GALLUP

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

382 CR 3100, Aztec NM 87410

4. Well Location

Unit Letter M : 665 feet from the SOUTH line and 825 feet from the WEST line

Section 27 Township 26N Range 11W NMPM NMPM County SAN JUAN

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

6216' GROUND ELEVATION

Pit or Below-grade Tank Application ☒ or Closure ☐

Pit type DRILL Depth to Groundwater > 100 Distance from nearest fresh water well >1000 Distance from nearest surface water >1000

Pit Liner Thickness: 12 mil

Below-Grade Tank: Volume 8000 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: Drilling 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.

XTO plans to install a lined pit on location for drilling.

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 DATE 09/25/07

Type or print name Kyla Vaughan

E-mail address: kyla_vaughan@xtoenergy.com

Telephone No. 505-333-3159

For State Use Only

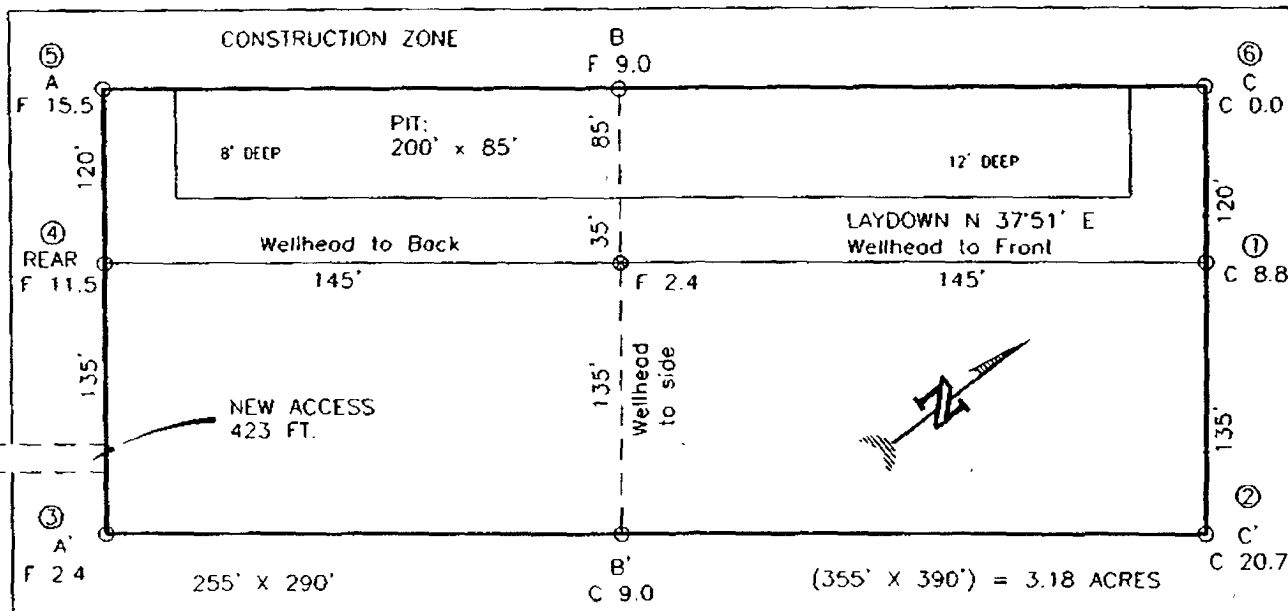
APPROVED BY [Signature] TITLE Deputy Oil & Gas Inspector, District #3 DATE OCT 18 2007

Conditions of Approval, if any:

EXHIBIT D

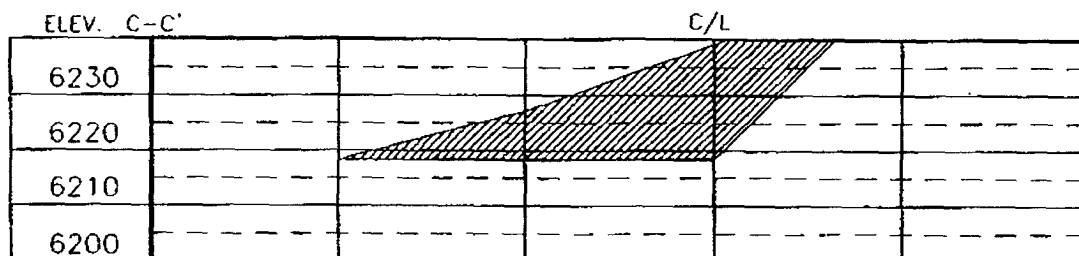
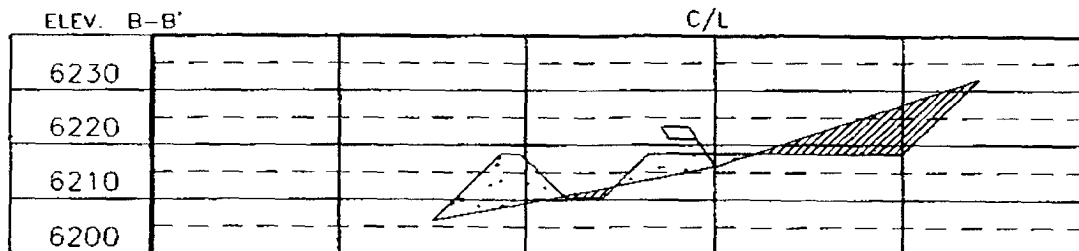
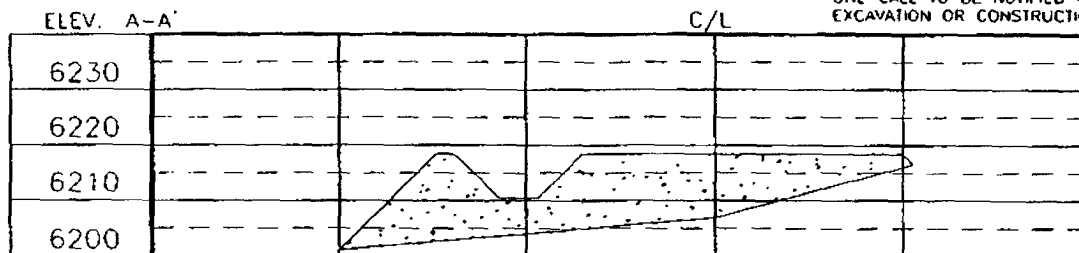
XTO ENERGY INC.
 CALDWELL A No. 1E, 665 FSL 825 FWL
 SECTION 27, T26N, R11W, N.M.P.M., SAN JUAN COUNTY, N.M.
 GROUND ELEVATION: 6216' DATE: DECEMBER 18, 2006

NAD 83
 LAT. = 36.45363° N
 LONG. = 107.99769° W
 NAD 27
 LAT. = 36°27'13.1" N
 LONG. = 107°59'51.7" W



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	DATE	REVISION
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 U.S. No. B894 CADFILE CR630_PL8 DATE 1/26/07 DRAWN BY C.V. RONA CR630			

EXHIBIT E

XTO ENERGY INC.

Caldwell A #1E

APD Data

September 25, 2007

Location: 665' FSL x 825' FWL Sec 27, T26N, R11W

County: San Juan

State: New Mexico

GREATEST PROJECTED TD: 6300'

OBJECTIVE: Basin Dakota /Gallegos Gallup

APPROX GR ELEV: 6216'

Est KB ELEV: 6228' (12' AGL)

1. MUD PROGRAM:

INTERVAL	0' to 360'	360' to 2500'	2500' to 6300'
HOLE SIZE	12.25"	8.75"	8.75"
MUD TYPE	FW/Spud Mud	FW/Polymer	LSND / Gel Chemical
WEIGHT	8.6-9.0	8.4-8.8	8.6- 9.20
VISCOSITY	28-32	28-32	45-60
WATER LOSS	NC	NC	8-10

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: 8.625" casing to be set at $\pm 360'$ in a 12.25" 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'	24.0#	J-55	ST&C	1370	2950	244	8.097	7.972	7.950	17.13	28.24

Production Casing: 5.5" casing to be set at TD ($\pm 6300'$) in 8.75" 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'-6300	6300'	15.5#	J-55	ST&C	4040	4810	202	4.950	4.825	1.34	1.60	2.07

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.

EXHIBIT G

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

A. Surface: 8.625", 24.0#, J-55, ST&C casing to be set at $\pm 360'$ in 12-1/4" hole.

214 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 297 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 $\pm 6300'$ in 8.75" hole. DV Tool set @ $\pm 3800'$

1st Stage

LEAD:

± 325 sx of Premium Lite HS (Type III/Poz/Gel) or equivalent, with dispersant, fluid loss, accelerator, & LCM mixed at 12.5 ppg, 2.01 ft³/sk, 10.55 gal wtr/sx.

TAIL:

150 sx Type III or equivalent cement with bonding additive, LCM, dispersant, & fluid loss mixed at 14.2 ppg, 1.54 cuft/sx, 8.00 gal/sx.

2nd Stage

LEAD:

± 462 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 2198 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: None.

B. Open Hole Logs as follows: Run Array Induction/SFL/GR/SP fr/TD (6300') to the bottom of the surface csg. Run Neutron/Lithodensity/Pe/GR/Cal from TD (6300') to 3,000'.

EXHIBIT G

6. **FORMATION TOPS:**

Est. KB Elevation: 6228'

FORMATION	Sub-Sea	MD	FORMATION	TV Sub-Sea	MD
Ojo Alamo SS	5877	351	Gallup	1460	4768
Kirtland Shale	5787	441	Greenhorn	435	5793
Farmington SS			Graneros	380	5848
Fruitland Formation	5421	807	Dakota 1*	345	5883
Lower Fruitland Coal	4887	1341	Dakota 2*	316	5912
Pictured Cliffs SS	4862	1366	Dakota 3*	269	5959
Lewis Shale	4569	1659	Dakota 4*	226	6002
Chacra SS	3985	2243	Dakota 5*	197	6031
Cliffhouse SS*	3315	2931	Dakota 6*	179	6049
Menefee**	3276	2952	Burro Canyon	149	6079
Point Lookout SS*	2357	3871	Morrison*	74	6154
Mancos Shale	2158	4070	TD	-72	6300

* Primary Objective

** Secondary Objective

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

7. **COMPANY PERSONNEL:**

Name	Title	Office Phone	Home Phone
Justin Niederhofer	Drilling Engineer	505-333-3199	505-320-0158
Jerry Lacy	Drilling Superintendent	505-566-7917	505-320-6543
John Klutsch	Project Geologist	817-885-2800	--

JN

9/25/07

EXHIBIT G

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

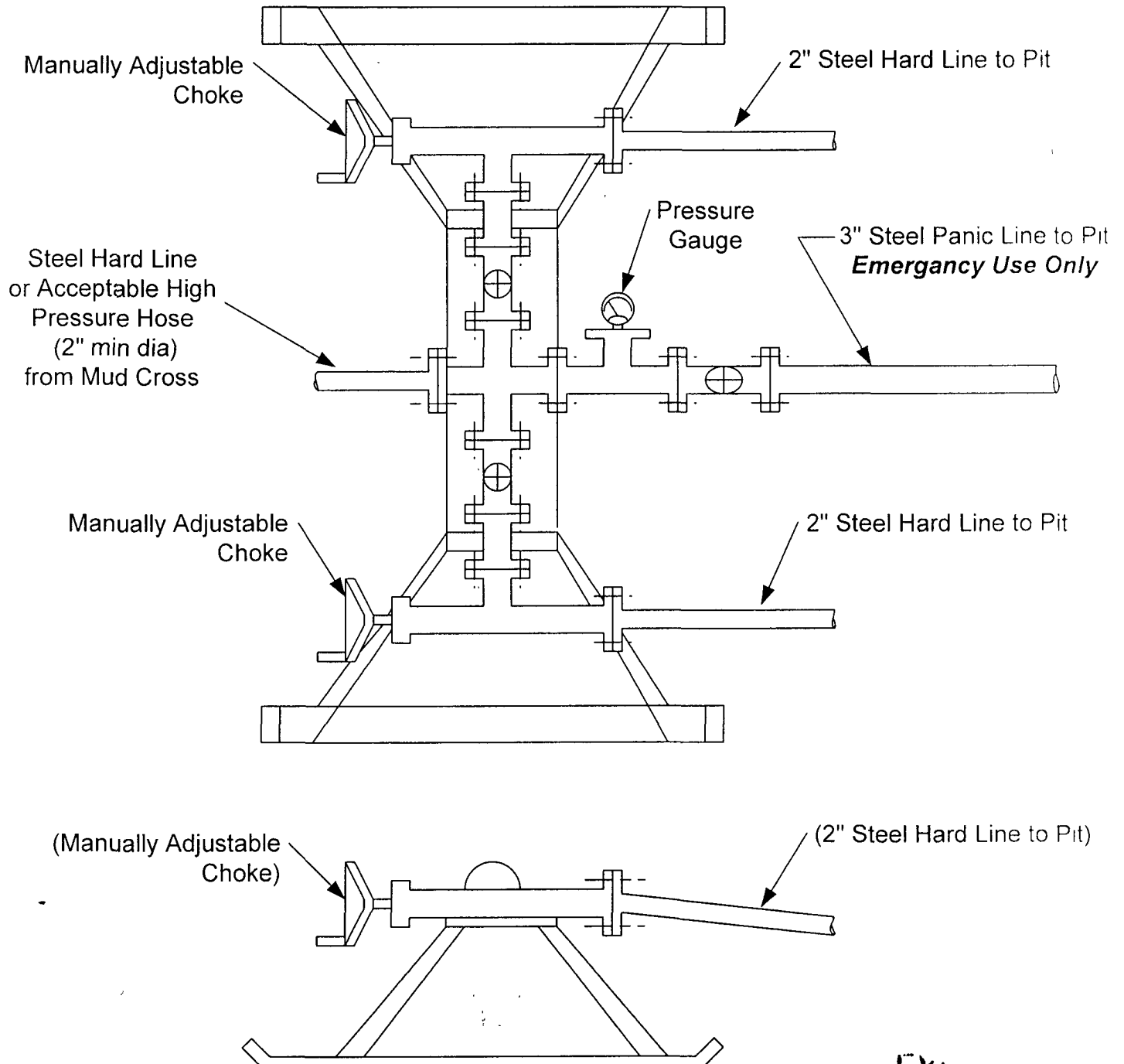


EXHIBIT G

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 10 min.

Test BOP to Working Press or
to 70% internal yield of surf csg
(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.

ROTATING HEAD
(OPTIONAL)

FILL UP LINE

FLOW LINE
TO PIT

PIPE
RAMS

BLIND
RAMS

KILL LINE
2" dia min.

TO CHOKE
MANIFOLD
2" dia min.

See Choke Manifold drawing for
specifications

HCR VALVE (OPTIONAL)

2" (MIN) FULL OPENING
VALVE

MUD CROSS

** Remove check or ball
from check valve and
press test to same press
as BOP's. **

EXHIBIT G

