

RCVD MAY 7 '08

OIL CONS. DIV.

DIST. 3

Form 3160-3  
(February 2005)

RECEIVED

FORM APPROVED  
OMB No 1004-0137  
Expires March 31, 2007UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

JAN 15 2008

## APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMNM 003016
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 N/A
3a. Address 382 CR 3100 AZTEC, NM 87410		8. Lease Name and Well No. HUERFANO Unit #313
3b. Phone No. (include area code) 505-333-3100		9. API Well No. 30-045-34566
4. Location of Well (Report location clearly and in accordance with any State requirements *) At surface 1950' ENL x 1940' FWL At proposed prod. zone same		10. Field and Pool, or Exploratory BASIN DK/WC BASIN MC
11. Distance in miles and direction from nearest town or post office* Approximately 24 miles Southeast of Bloomfield, NM post office		11. Sec., T. R. M. or Blk. and Survey or Area (F) SEC 11, T25N, R9W
12. County or Parish San Juan	13. State NM	
14. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 1940'	15. No. of acres in lease 1280	16. Spacing Unit dedicated to this well W/2 DK 320 - NW/4 MC 160
17. Distance from proposed location* to nearest well, drilling, completed, apphed for, on this lease, ft. 1697'	18. Proposed Depth 6800'	19. BLM/BIA Bond No. on file UTB-000138
20. Elevations (Show whether DF, KDB, RT, GL, etc) 6534' GROUND ELEVATION	21. Approximate date work will start* 03/10/2008	22. 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.

25. Signature <i>Kyla Vaughan</i>	Name (Printed/Typed) Kyla Vaughan	Date 01/14/2008
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Title  
Regulatory Compliance

Approved by (Signature) <i>[Signature]</i>	Name (Printed/Typed) AFM	Date 5/5/08
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Title  
Office FFOApplication 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)

SEE ATTACHED FOR  
CONDITIONS OF APPROVALBLM'S APPROVAL OR ACCEPTANCE OF THIS  
ACTION DOES NOT RELIEVE THE LESSEE AND  
OPERATOR FROM OBTAINING ANY OTHER  
AUTHORIZATION REQUIRED FOR OPERATIONS  
ON FEDERAL AND INDIAN LANDSThis action is subject to technical and  
procedural review pursuant to 43 CFR 3165.3  
and appeal pursuant to 43 CFR 3165.4

MAY 08 2008

DRILLING OPERATIONS AUTHORIZED ARE  
SUBJECT TO COMPLIANCE WITH ATTACHED  
"GENERAL REQUIREMENTS".APD/ROW  
NMOCD  
NOTIFY AZTEC OCD 24 HRS  
PRIOR TO CASING & CEMENT

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 October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

JAN 15 2008

Bureau of Land Management  
Farmington Field Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-045-34566	<sup>2</sup> Pool Code 71599	<sup>3</sup> Pool Name Basin Dakota
<sup>4</sup> Property Code 36992	<sup>5</sup> Property Name HUERFANO unit	<sup>6</sup> Well Number 313
<sup>7</sup> OGRID No. 5380	<sup>8</sup> Operator Name XTO ENERGY INC.	<sup>9</sup> Elevation 6534'

<sup>10</sup> Surface Location

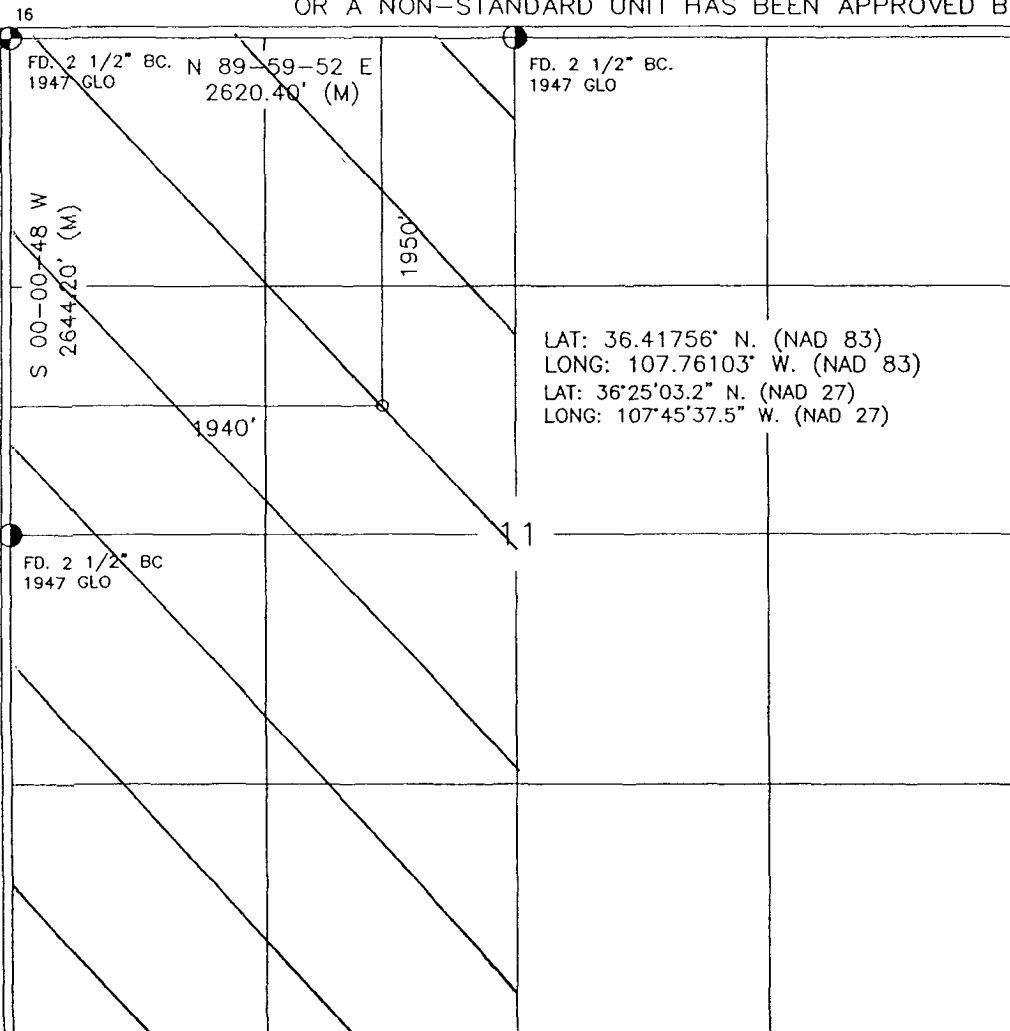
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	11	25-N	9-W		1950	NORTH	1940	WEST	SAN JUAN

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres W/2 320	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.

Signature: *John* Date: 10/16/07  
Printed Name: Johnson

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.

MARCH 3 2008  
Date of Survey  
Signature and Seal of Professional Surveyor:  
*[Signature]*  
8894  
PROFESSIONAL LAND SURVEYOR

Certificate Number

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 October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-045-34566	<sup>2</sup> Pool Code 97232	<sup>3</sup> Pool Name Basin Mancos
<sup>4</sup> Property Code 36992	<sup>5</sup> Property Name HUERFANO Unit	<sup>6</sup> Well Number 313
<sup>7</sup> GRID No. 5380	<sup>8</sup> Operator Name XTO ENERGY INC.	<sup>9</sup> Elevation 6534'

<sup>10</sup> Surface Location

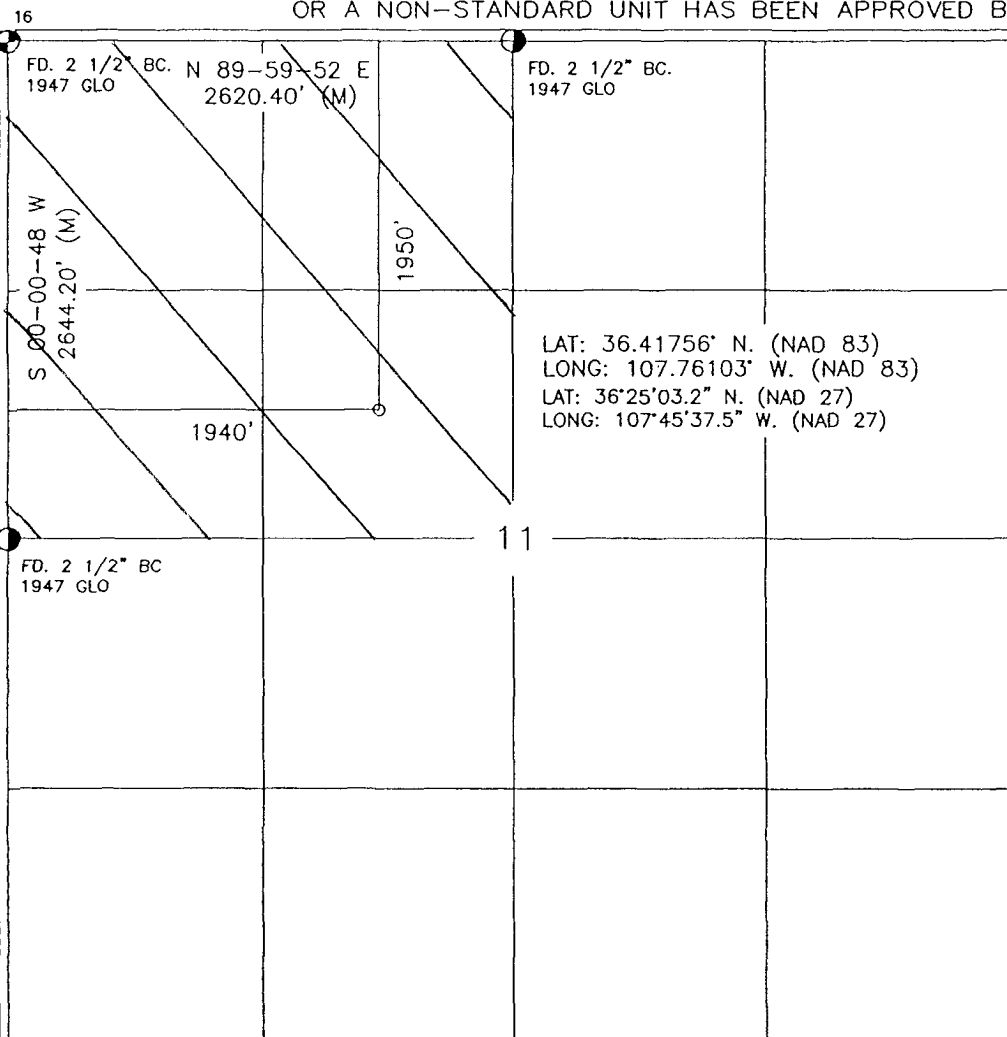
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	11	25-N	9-W		1950	NORTH	1940	WEST	SAN JUAN

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres NW/4 160	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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



<sup>17</sup> 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.

Signature: [Signature] Date: 10/16/07  
Printed Name: Johnson

<sup>18</sup> 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.

Date of Survey: MARCH 3, 2006  
Signature and Seal of Professional Land Surveyor: [Signature]  
Certificate Number: 8894

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

Form C-103  
May 27, 2004

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

WELL API NO. <u>30-045-34560</u>
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. <b>FEDERAL LEASE</b>
7. Lease Name or Unit Agreement Name: <b>HUERFANO</b>
8. Well Number <b>#313</b>
9. OGRID Number <b>5380</b>
10. Pool name or Wildcat <b>BASIN DAKOTA/WC BASIN MC</b>

**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 <b>XTO Energy Inc.</b>
3. Address of Operator <b>382 CR 3100 AZTEC, NM 87410 505-333-3100</b>
4. Well Location Unit Letter <b>F</b> : <b>1950</b> feet from the <b>NORTH</b> line and <b>1940</b> feet from the <b>WEST</b> line Section <b>11</b> Township <b>25N</b> Range <b>9W</b> NMPM <b>NMPM</b> County <b>SAN JUAN</b>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <b>6534' GROUND ELEVATION</b>
Pit or Below-grade Tank Application <input checked="" type="checkbox"/> or Closure <input type="checkbox"/>
Pit type <b>DRILL</b> Depth to Groundwater <b>&gt;100</b> Distance from nearest fresh water well <b>&gt;1000</b> Distance from nearest surface water <b>&gt;1000</b>
Pit Liner Thickness: <b>12</b> mil Below-Grade Tank: Volume <b>8000</b> 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: **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 Energy plans to construct 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 01/11/2008

Type or print name Kyla Vaughan E-mail address: kyla\_vaughan@xtoenergy.com Telephone No. 505-333-3159

For State Use Only

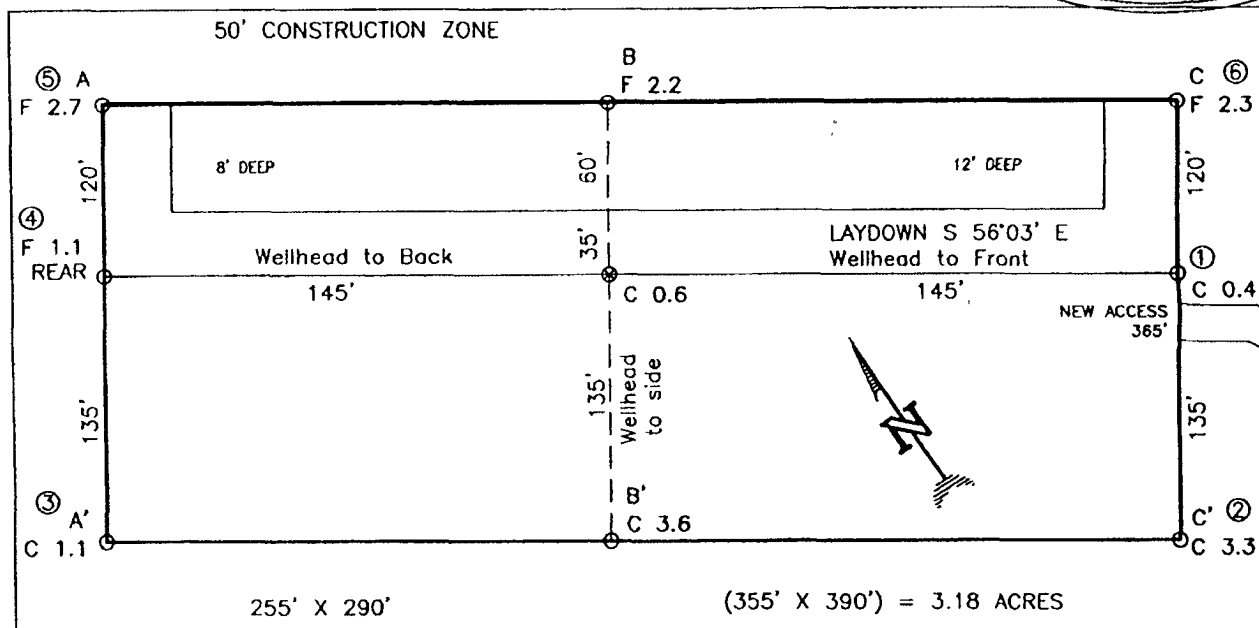
APPROVED BY [Signature] TITLE Deputy Oil & Gas Inspector, District #3 DATE MAY 08 2008

Conditions of Approval, if any:

**EXHIBIT D**

XTO ENERGY INC.  
 HUERFANO No. 313, 1950 FNL 1940 FWL  
 SECTION 11, T25N, R9W, N.M.P.M., SAN JUAN COUNTY, N. M.  
 GROUND ELEVATION: 6534' DATE: MARCH 3, 2006

NAD 83  
 LAT. = 36.41756° N  
 LONG. = 107.76103° W  
 NAD 27  
 LAT. = 36°25'03.2" N  
 LONG. = 107°45'37.5" 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.

ELEV. A-A' C/L

6540					
6530					
6520					
6510					

ELEV. B-B' C/L

6540					
6530					
6520					
6510					

ELEV. C-C' C/L

6540					
6530					
6520					
6510					

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

Daggett Enterprises, Inc.  
 Surveying and Oil Field Services  
 P. O. Box 510 Farmington, NM 87499  
 Phone (505) 328-1772 • Fax (505) 328-6019  
 NEW MEXICO L.S. No. 8894  
 SCALE: CR618P18  
 DATE: 09/19/07  
 DRAWN BY: A.G.  
 CHECKED BY: CR618

EXHIBIT E

# XTO ENERGY INC.

Huerfano #313

APD Data

January 11, 2008

Location: 1950' FNL x 1940' FWL Sec 11, T25N, R9W County: San Juan State: New Mexico

GREATEST PROJECTED TD: 6800'  
APPROX GR ELEV: 6534'

OBJECTIVE: Basin Dakota / Basin Mancos  
Est KB ELEV: 6546' (12' AGL)

## 1. MUD PROGRAM:

INTERVAL	0' to 360'	360' to 2500'	2500' to 6800'
HOLE SIZE	12.25"	7.875"	7.875"
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 ( $\pm 6800'$ ) in 7.875" 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'-6800	6800'	15.5#	J-55	ST&C	4040	4810	202	4.950	4.825	1.24	1.48	1.92

## 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.

EXHIBIT F

**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 ft<sup>3</sup>/sk, & 6.70 gal wtr/sk.

*Total slurry volume is 297 ft<sup>3</sup>, 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  $\pm 6800'$  in 7.875" hole. DV Tool set @  $\pm 4300'$

1<sup>st</sup> Stage

LEAD:

$\pm 187$  sx of Premium Lite HS (Type III/Poz/Gel) or equivalent, with dispersant, fluid loss, accelerator, & LCM mixed at 12.5 ppg, 2.01 ft<sup>3</sup>/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.

2<sup>nd</sup> Stage

LEAD:

$\pm 360$  sx of Type III or equivalent cement with 8% gel & LCM mixed at 11.9 ppg, 2.54 ft<sup>3</sup>/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 1659 ft<sup>3</sup>.*

*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 (6800') to the bottom of the surface csg. Run Neutron/Lithodensity/Pe/GR/Cal from TD (6800') to 3,000'.

**EXHIBIT F**

6. **FORMATION TOPS:**

Est. KB Elevation: 6546'

FORMATION	Sub-Sea	MD	FORMATION	TV Sub-Sea	MD
Ojo Alamo SS	5440	1106	Gallup	1182	5364
Kirtland Shale	5283	1263	Greenhorn	254	6292
Farmington SS			Graneros	208	6338
Fruitland Formation	5034	1512	Dakota 1*	182	6364
Lower Fruitland Coal			Dakota 2*	127	6419
Pictured Cliffs SS	4595	1951	Dakota 3*	89	6457
Lewis Shale	4422	2124	Dakota 4*	19	6527
Chacra SS	3745	2801	Dakota 5*	-17	6563
Cliffhouse SS*	3034	3512	Dakota 6*	-55	6601
Menefee**	2988	3558	Burro Canyon	-106	6652
Point Lookout SS*	2209	4337	Morrison*	-161	6707
Mancos Shale	1872	4674	<b>TD</b>	-254	<b>6800</b>

\* 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	505-333-3177	505-320-6543
John Klutsch	Project Geologist	817-885-2800	--

JN

1/11/08

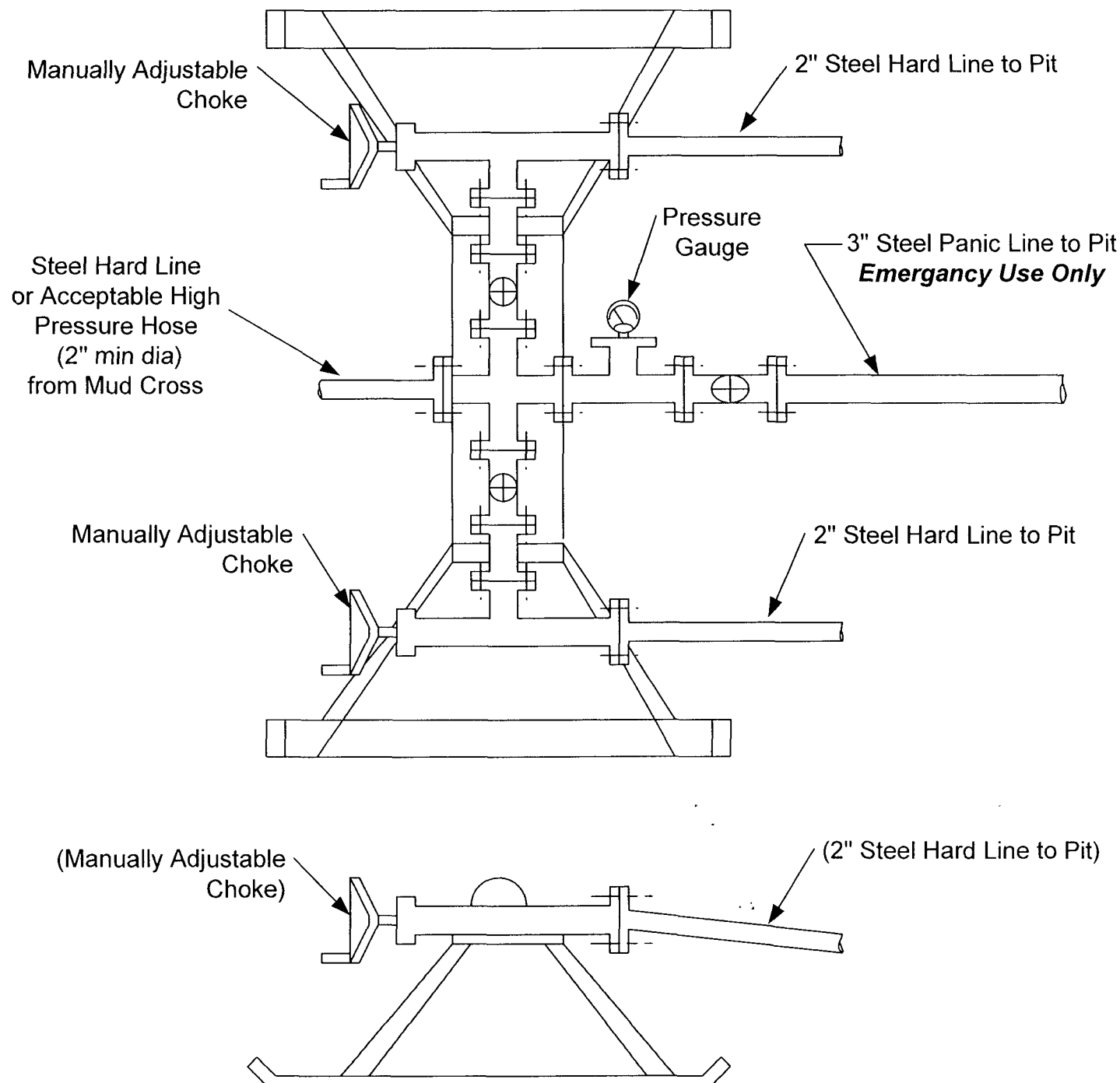
**EXHIBIT F**



# **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 F**

# 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.

