

A COMPLETE C-144 MUST BE SUBMITTED TO AND APPROVED BY THE NMOC D FOR: A PIT, CLOSED LOOP SYSTEM, BELOW GRADE TANK, OR PROPOSED ALTERNATIVE METHOD, PURSUANT TO NMOC D PART 19.15.17, PRIOR TO THE USE OR CONSTRUCTION OF THE ABOVE APPLICATIONS.

RECEIVED

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Bureau of Land Management
APPLICATION FOR PERMIT TO DRILL OR REENTER Field Office

DEC 18 2007

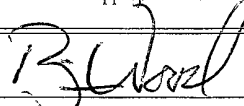
1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER	5. Lease Serial No. NOO-C-14-20-4321
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone	6. If Indian, Allottee or Tribe Name NAVAJO ALLOTMENT
2. Name of Operator XTO ENERGY INC	7. If Unit or CA Agreement, Name and No. N/A NMNM-96769-FC
3a. Address 382 ROAD 3100 AZTEC, NM 87410	8. Lease Name and Well No. GALLEGOS 8 S
3b. Phone No. (include area code) (505) 333-3159	9. API Well No. 30-045- 34545
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface 1865' FSL & 1980' FEL At proposed prod. zone SAME	10. Field and Pool, or Exploratory BASIN FRUITLAND COAL
14. Distance in miles and direction from nearest town or post office* 17 AIR MILES SOUTH OF BLOOMFIELD	11. Sec., T. R. M. or Blk. and Survey or Area 34-26N-11W NMPM
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 660'	12. County or Parish SAN JUAN
16. No. of acres in lease 160 (320 in CA)	13. State NM
17. Spacing Unit dedicated to this well S2	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 265' (XTO's 8 E)	20. BLM/BIA Bond No. on file BIA NATIONWIDE 104312789
19. Proposed Depth 1,600'	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6,221' GL	22. Approximate date work will start* 02/20/2008
23. Estimated duration 2 WEEKS	

24. Attachments

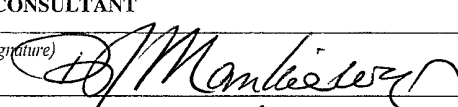
The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

RCVD APR 9 '09
OIL CONS. DIV.
DIST. 3

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
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).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
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 12/16/2007
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Title CONSULTANT PHONE: (505) 466-8120 FAX: (505) 466-9682

Approved by (Signature) 	Name (Printed/Typed) J. MONTAÑA	Date 4/7/09
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Title AFM	Office FFO
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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)

NOTIFY AZTEC OCD 24 HRS.
PRIOR TO CASING & CEMENT



H₂S POTENTIAL EXIST

APR 15 2009



NMOC D

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 OPERATIONS ON FEDERAL AND INDIAN LANDS

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

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

¹ API Number 30-045-34545	² Pool Code 71629	³ Pool Name BASIN FRUITLAND COAL
⁴ Property Code 22610	⁵ Property Name CALLEGOS	⁶ Well Number BS
⁷ GRID No. 5380	⁸ Operator Name XTO ENERGY INC	⁹ Elevation 6221

¹⁰ Surface Location

UL or lot no	Section	Township	Range	Lot 1st	Feet from the	North/South line	Feet from the	East/West line	County
J	34	26-N	11-W		1865	SOUTH	1980	EAST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

UL or lot no	Section	Township	Range	Lot 1st	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres S/2 320			¹³ Joint or Int'l		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>LAT: 36.44241° N. (NAD 83) LONG: 107.98922° W. (NAD 83) LAT: 36.26326° N. (NAD 27) LONG: 107.59189° W. (NAD 27)</p> <p>S 89-59-56 W 2635.1' (M)</p> <p>FD 2 1/2" BC. 1930 G.L.O.</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 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.</p> <p><i>Kyle Vaughan</i> 4/13/07 Signature Date <i>Kyle 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>OCTOBER 11, 2006 Date of Survey Signature and Seal of Registered Professional Land Surveyor <i>[Seal]</i> Certificate Number</p>
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XTO Energy Inc.
Gallegos 8 S
1865' FSL & 1980' FEL
Sec. 34, T. 26 N., R. 11 W.
San Juan County, New Mexico

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Drilling Program

1. ESTIMATED FORMATION TOPS

<u>Formation Name</u>	<u>GL Depth</u>	<u>KB Depth</u>	<u>Elevation</u>
Nacimiento	0'	5'	+6,221'
Ojo Alamo Sandstone	321'	326'	+5,900'
Fruitland Coal	1,221'	1,226'	+5,000'
Pictured Cliffs Sandstone	1,271'	1,276'	+4,950'
Lewis Shale	1,571'	1,576'	+4,650'
Total Depth (TD)	1,600'	1,605'	+4,621'

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 model to be used is not yet known. (A typical 2,000 psi model is on PAGE 3.) An 8-5/8" x 11" 2,000 pound double ram BOP system with a choke manifold and mud cross will be tested to \approx 200 psi and then to \approx 1,000 psi. Upper and lower Kelly cocks with valve handle and subs to fit all drill string connections which

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are in use will be available on the rig floor. Tests will be run when:

- 1) installed
- 2) anytime a pressure seal is broken (test only affected equipment)
- 3) blind & pipe rams will be activated each trip, but no more than daily

BOP systems will be consistent with API RP 53. Blowout preventers will be installed and tested before drilling surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated daily to ensure good mechanical working order and this inspection recorded on the daily drilling report. Preventers and casing will be pressure tested before drilling casing cement plugs. Maximum expected bottom hole pressure will be <460 psi. BOP and mud system will control pressure.

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>Depth Set</u>
8-3/4"	7"	20	K-55	New	ST & C	160'
6-1/4"	4-1/2"	10.5	K-55	New	ST & C	1,600'

Surface casing will be cemented to the surface with ≈ 50 cubic feet (≈ 43 sacks) Class B + 1/4 pound per sack 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 $\approx 1,500$ psi for ≈ 30 minutes.

Production casing will be cemented to the surface. Total cement: >329 cubic feet. Volumes are calculated at $>100\%$ excess. If the cement does not circulate to the surface, then a temperature survey will be run to determine the actual cement top as needed. W. O. C. = 12 hours. Test to $\approx 2,000$ psi.

Lead cement will be ≈ 131 sacks Class B light cement (65% cement/35% Poz with 6% gel) with 5 pounds per sack gilsonite + 1/4 pounds per sack cello flake. Yield = 1.99 cubic feet per sack. Weight = 12.4 pounds per gallon.

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Tail cement will be \approx 50 sacks 50/50 Class B Poz with 2% gel + 1/4 pound per sack cello flake + 0.5% Halad 9. Yield = 1.38 cubic feet per sack. Weight = 13.5 pounds per gallon.

Cement equipment will include a guide shoe, float collar, and \approx 8 centralizers.

5. MUD PROGRAM

<u>Range</u>	<u>Mud Type</u>	<u>Weight</u>
0' - 160'	fresh water spud	8.4
160' - TD	LSND	8.6

Lost circulation and absorption material will be on location.

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 \approx 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 expected bottom hole pressure will be <460 psi.

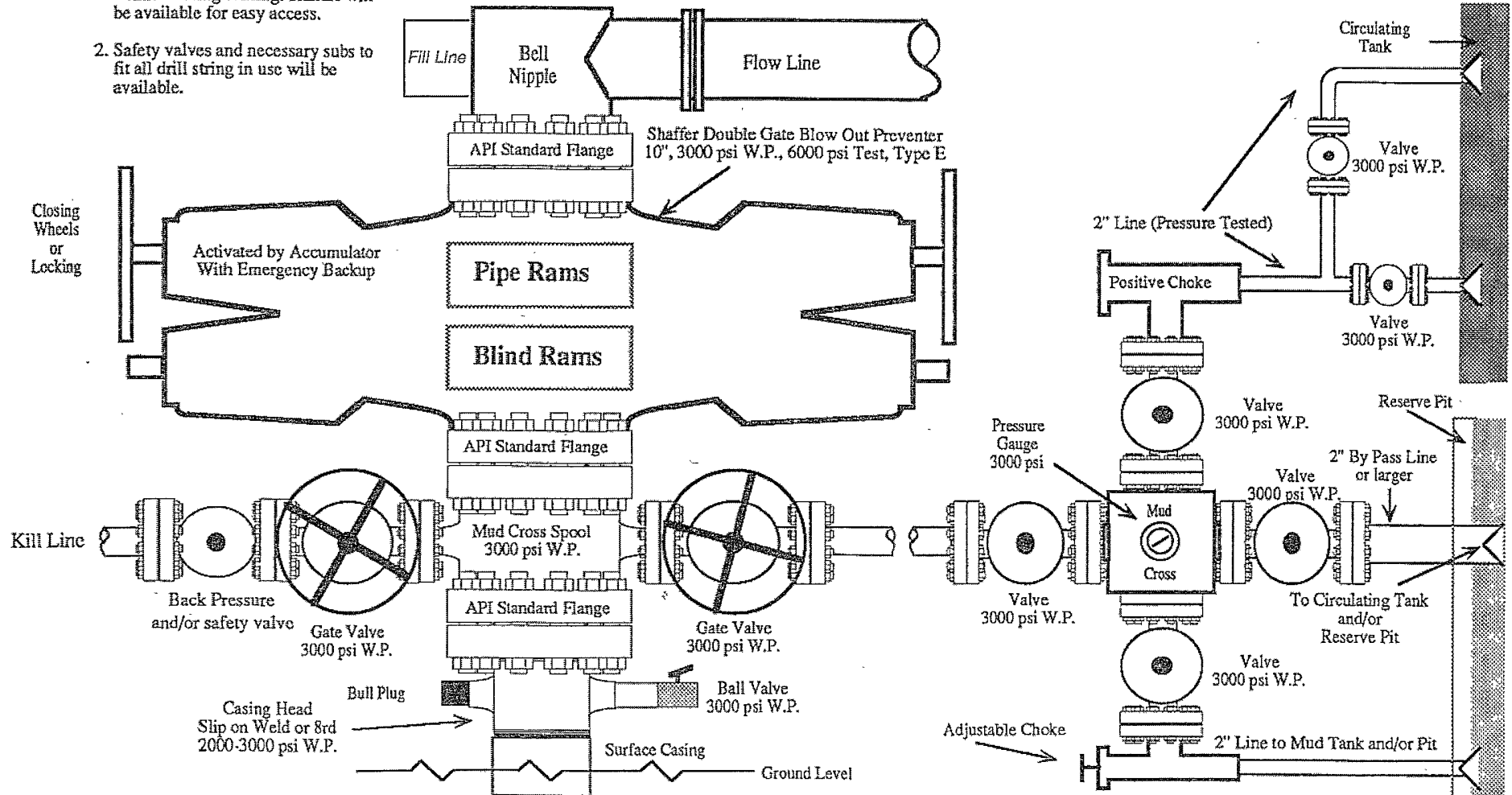
8. OTHER INFORMATION

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

2,000 PSI BOP SYSTEM

Note: 1. An upper Kelly cock valve will be utilized during drilling. Handle will be available for easy access.

2. Safety valves and necessary subs to fit all drill string in use will be available.



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.