RCVD APR 29 '09
OIL CONS. DIV.
DIST. 3

Form 3160-3
(April 2004)

RECEIVED
AUG 26 2008
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

5. Lease Serial No.: NMNM-003153

6. If Indian, Allotee or Tribe Name: N/A

1a. Type of work: [✓] DRILL [ ] REENTER

7. If Unit or CA Agreement, Name and No.: N/A

1b. Type of Well: [ ] Oil Well [✓] Gas Well [ ] Other [ ] Single Zone [✓] Multiple Zone

8. Lease Name and Well No.: O H RANDEL 5 E

2. Name of Operator: XTO ENERGY INC.

9. API Well No.: 30-045-34781

3a. Address: 382 ROAD 3100, AZTEC, NM 87410

3b. Phone No. *(include area code)*: (505) 333-3159

10. Field and Pool, or Exploratory: Basin Mancos C & BAS. DK.

4. Location of Well *(Report location clearly and in accordance with any State requirements *)*
At surface: 1970' FNL & 1790' FEL
At proposed prod. zone: SAME

11. Sec., T. R. M. or Blk. and Survey or Area: G 10-26N-11W NMPM

14. Distance in miles and direction from nearest town or post office*: 14 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): 1,790'

16. No. of acres in lease: 1,920

17. Spacing Unit dedicated to this well: Basin Mancos & DAKOTA: N2 320

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.: 1,610' (2 E)

19. Proposed Depth: 6,700'

20. BLM/BIA Bond No. on file: BLM NATIONWIDE UTB-000138

21. Elevations (Show whether DF, KDB, RT, GL, etc.): 6,379' GL

22. Approximate date work will start*: 12/01/2008

23. Estimated duration: 4 WEEKS

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

24. Attachments

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

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.
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)*	Date
BRIAN WOOD	BRIAN WOOD	08/21/2008

Title: CONSULTANT — PHONE: (505) 466-8120 — FAX: (505) 466-9682

Approved by *(Signature)*	Name *(Printed/Typed)*	Date
Title: AFM	Office: FFO	4/27/09

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. Test BOPE minimum: 1200 psi

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)

H_2S POTENTIAL EXIST

NMOCD

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

MAY 05 2009

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

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	[2] Pool Code	[3] Pool Name
30-045-34781	97232	Basin Mancos

[4] Property Code	[5] Property Name	[6] Well Number
22857	OH RANDEL	5E

[7] OGRID No.	[8] Operator Name	[9] Elevation
5380	XTO ENERGY INC.	6379'

[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
G	10	26-N	11-W		1970	NORTH	1790	EAST	SAN JUAN

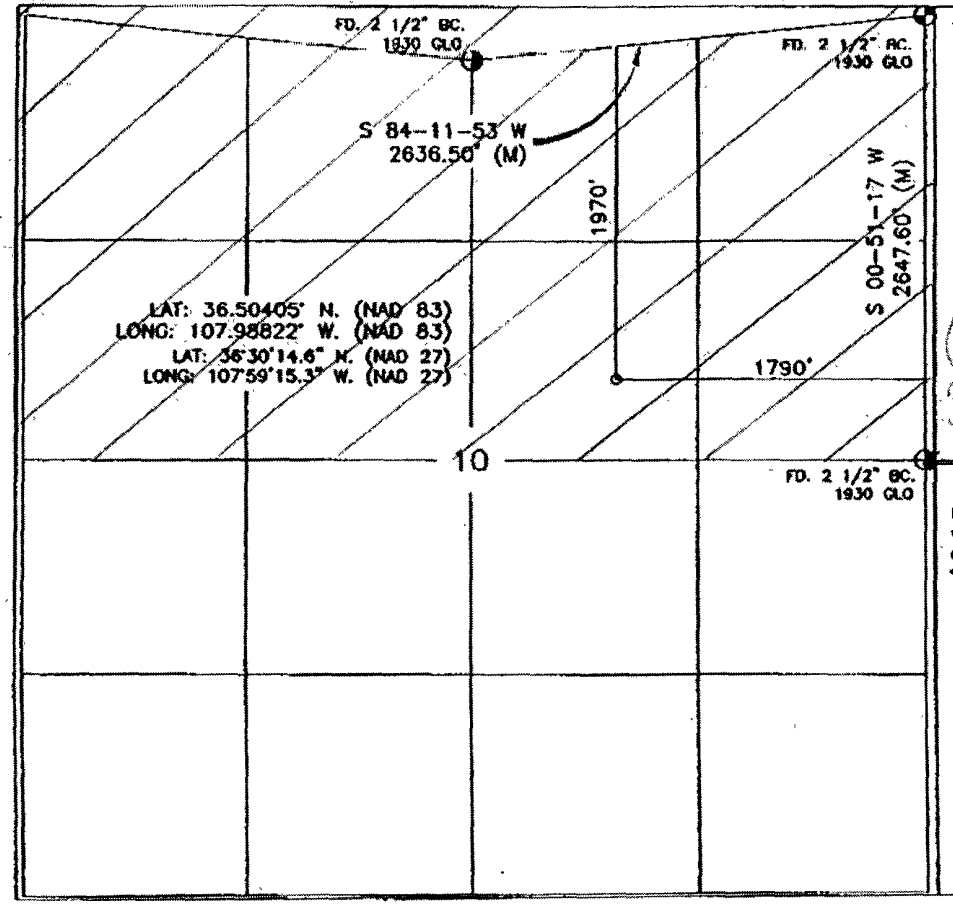
[11] Bottom Hole Location If Different From Surface

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	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
N/2 - 320			

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

[16]



[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.

J. Hembry 5/4/09
Signature Date

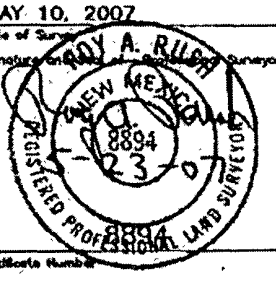
Jennifer M. Hembry
Printed Name

[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.

MAY 10, 2007
Date of Survey

Signature and Seal of Professional Surveyor:



8894
Certificate Number

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30-045-	71599	BASIN DAKOTA

[4] Property Code	[5] Property Name	[6] Well Number
	OH RANDEL	5E

[7] OGRID No.	[8] Operator Name	[9] Elevation
167067	XTO ENERGY INC.	6379'

[10] Surface Location

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320			

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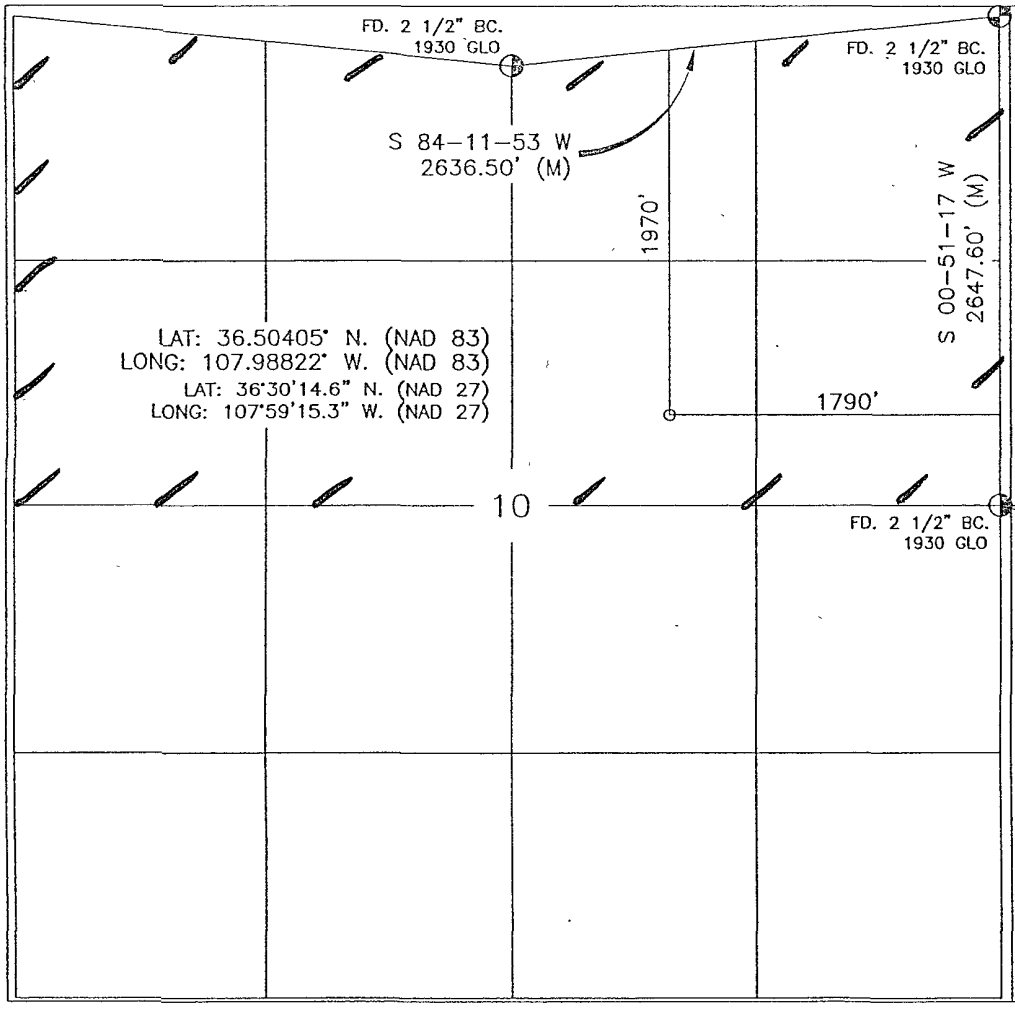

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Signature — Date: 8-21-08

BRIAN WOOD
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.

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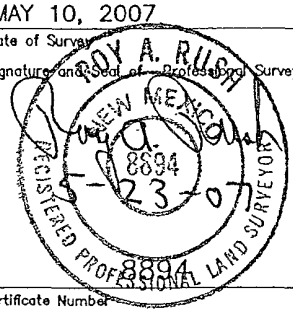
Signature and Seal of Professional Surveyor:



Certificate Number

XTO Energy Inc.
O H Randel 5 E
1970' FNL & 1790' FEL
Sec. 10, T. 26 N., R. 11 W.
San Juan County, New Mexico

Drilling Program

1. ESTIMATED FORMATION TOPS

Formation Name	GL Depth	KB Depth	Elevation
Nacimiento	0'	12'	+6,379'
Ojo Alamo	789'	791'	+5,590'
Fruitland Formation	1,449'	1,461'	+4,930'
Pictured Cliffs Sandstone	1,774'	1,786'	+4,605'
Lewis Shale	1,864'	1,876'	+4,515'
Menefee Shale	3,319'	3,331'	+3,060'
Point Lookout Sandstone	4,189'	4,201'	+2,190'
Mancos Shale	4,514'	4,526'	+1,865'
Gallup Sandstone	5,329'	5,341'	+1,050'
Greenhorn Limestone	6,189'	6,201'	+190'
Graneros Shale	6,254'	6,266'	+125'
Dakota Sandstone	6,359'	6,371'	+20'
Total Depth (TD)	6,700'	6,712'	-321'

2. NOTABLE ZONES

Gas & Oil Zones	Water Zones	Coal Zone
Fruitland	Nacimiento	Fruitland
Pictured Cliffs	Ojo Alamo	
Gallup	Fruitland	
Dakota		

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 ≈200 psi and then to ≈1,000 psi. Upper and lower Kelly cocks with valve handle and subs to fit all drill string connections which 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) at least every 30 days
4) 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 ≤2,680 psi. BOP and mud system will control pressure.

4. CASING & CEMENT

Hole Size	O. D.	Weight (lb/ft)	Grade	Age	Connections	Setting Depth
12-1/4"	8-5/8"	24	J-55	New	ST&C	360'
7-7/8"	5-1/2"	15.5	J-55	New	ST&C	6,700'

Surface casing will be cemented to the surface with ≈375 cubic feet (≈270 sacks) Type V cement + 1/4 pound per sack cello-flake + 2% $CaCl_2$. Yield = 1.39 cubic feet per sack. Weight = 14.5 pounds per gallon. Excess: >100%. Centralizers will be set on the bottom two joints of the surface casing and every fourth joint to the surface.

Production casing will cemented to the surface in two stages with ≈100% excess. DV tool will be set at ≈4,800'. Total first stage volume = 1,165 cubic feet. Second stage volume = 1,725 cubic feet. Centralizers will be set on the bottom two joints, every second joint to ≈5,000', and every fourth joint from ≈2,000' to the surface.

Will cement first stage with ≈580 sacks (=1,165 cubic feet) premium light HS cement with 0.2% CD 32 + 0.5% FL 32 + 1/4 pound per sack cello flake + 2% KCl + 2% phenoseal mixed at 12.5 pounds per gallon and 2.01 cubic feet per sack.

Will cement second stage with ≈610 sacks (=1,586 cubic feet) premium light HS cement with 8% gel + 1/4 pound per sack cello flake + 2% phenoseal mixed at 11.9 pounds per gallon and 2.60 cubic feet per sack. Will follow with ≈100 sacks (= 139 cubic feet) Type III neat cement mixed at 14.5 pounds per gallon and 1.39 cubic feet per sack.

5. MUD PROGRAM

RANGE	MUD TYPE	WEIGHT	VISCOSITY	WATER LOSS	ADDITIVES
0' - 360'	Fresh-Spud	8.6-9.0	28-32	NC	Gel, lime
360' - 2,500'	Fresh-Poly	8.4-8.8	28-32	NC	Gel, lime sweeps
2,500' - TD	Fresh Water	8.6-9.2	45-60	8-10 cc	Gel, soda ash, LCM

6. CORES, TESTS, & LOGS

No cores or drill stem tests are planned. Mud logger will arrive at ≈3,000' and collect samples every ≈10' from there to TD. These open hole logs will be run:

Array Induction/SFL/GR/SP from TD to ≈360'
Neutron/Lithodensity/Pe/GR/Cal from TD to ≈3,000'

7. DOWN HOLE CONDITIONS

No abnormal pressures, temperatures, nor hydrogen sulfide are expected. Maximum expected bottom hole pressure will be ≤2,680 psi.

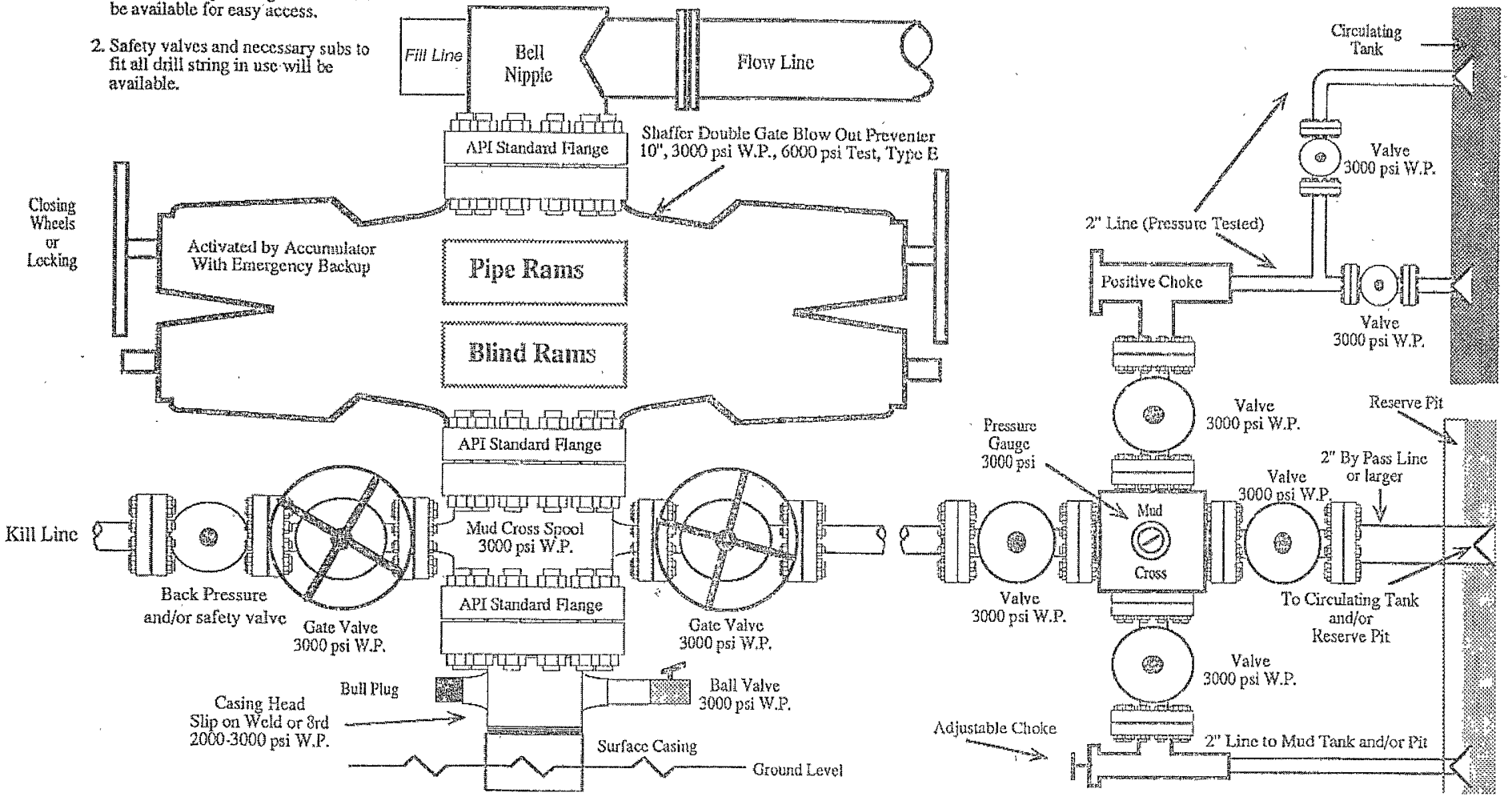
8. OTHER INFORMATION

The anticipated spud date is upon approval. It is expected it will take about four 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.