Form 3160-3

SUBMIT IN TRIPLICATE*

FORM APPROVED OMB NO. 1004-0136

(July 1992)	UNIT	ED STATES	•	(Other instructi		Expires: February 28, 1995				
	DEPARTMENT	OF THE IN	ITERIOR	,	- -	5. LEASE DESIGNATION AND SERIAL NO. NM - 14921				
	BUREAU OF	LAND MANA	GEMENT	6. IF INDIAN, ALLOTTEE OR TRIBE NAME						
ADDI	ICATION FOR PE	BMIT TO DI	BUL OR DE	EPEN	-	6. IF INDIAN, ALLOTTEE ON TRIBE NAME				
12 TYPE OF WORK		<u></u>				7. UNIT AGREEMENT NAME				
b. TYPE OF WELL	RILL X	DEEPEN L				22849				
OIL OIL	GAS X OTHER	100111	SINGLE ZONE	MULTIPL ZONE	E	8. FARM OR LEASE NAME, WELL NO. Valencia Canyon Unit #43				
2. NAME OF OPERATOR	XIO EL	VERAY INC	•	170170	2	1				
3. ADDRESS AND TELEPHON	ENO. Ave., Bldg. K. Ste 1		NM 87401 /	57.13		9. API WELL NO. 30-039-26920 16. FIELD AND POOL, OR WILDCAT				
4 LOCATION OF WELL (Rep	ort location clearly and in accor	dance with any State	requirements.*)	SEP 20	.02	Blanco Mesaverde				
At surface 2690' FNL & 1				D		H: SEC., T., R., M., OR BLK. AND SURVEY OR AREA				
At proposed prod. zone 1829' FSL & 2	2049' FWL Sec 27.	T28N, R04W	\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \		1. 1.2 to 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1.	Sec 27, T28N, R04W				
14. DISTANCE IN MILES AND	DIRECTION FROM NEAREST TO	WN OR POST OFFICE*	V. 2	*	-6	COUNTY OR PARISH 13. STATE				
	he Post Office in B		14 NO OF ACRES TO	TAOR TO THE	17.200	Rio Arriba NM				
 DISTANCE FROM PROPOSE LOCATION TO NEAREST PROPERTY OR LEASE LIN 			16. NO. OF ACRES IN I	LEASE.	TO THIS					
(Also to nearest drlg. un	it line, if any) 1, 0/3		320 19. PROPOSED DEPTH	· -	20. ROTAR)	OR CABLE TOOLS				
 DISTANCE FROM PROPOSITIONEAREST WELL, DRILL OR APPLIED FOR, ON TH 	LING, COMPLETED,		6.925'	-	1	925' with Rotary Tools				
OR APPLIED FOR, ON TH	· · · · · · · · · · · · · · · · · · ·		0,020		,	22. APPROX. DATE WORK WILL START*				
7,249' Ground Lev						Summer of 2002				
23.		PROPOSED CASING	AND CEMENTING	PROGRAM	****					
SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER ECO		VG DEPTH	200	OUANTITY OF CEMENT				
12-1/4"	9-5/8"	32.3#		20 320	540 sx	type III				
8-3/4"	7"	20.0#	+/-	3,800'	300 sx	c cmt (total)				
6-1/4"	4-1/2"	10.5#	5# +/- 6,925'			240 sx cmt (total)				
and appeal pursuan See the atta	ched Surface Use pl	an and Drilli	e (/	SUBJECT "GENERA or the abov	TO COM; N. REGUE Ve menti	oned well.				
IN A DOME SDACE DESCR	BE PROPOSED PROGRAM: pertinent data on substitutace loc	ations and measured								
IN ABOVE SPACE DESCR deepen directionally, give p	IBE PROPOSED PROGRAM: ertinent data on substrace loc	/	ns Drilling E							
IN ABOVE SPACE DESCR deepen directionally, give p 14.	pertinent data on substitute loc	/	πε Drilling E			DATE 1/30/02				
IN ABOVE SPACE DESCR deepen directionally, give p	pertinent data on substitute loc	/	πε Drilling E							
IN ABOVE SPACE DESCR. deepen directionally, give p 24. SIGNED (This space for Federal PERMIT NO.	or/State office use)	/ п	APPROVA	ngineer		DATE 1/30/02				
IN ABOVE SPACE DESCR. deepen directionally, give p 4. SIGNED (This space for Federal PERMIT NO.)	or/State office use)	/ п	APPROVA	ngineer	e which would	DATE 1/30/02				
IN ABOVE SPACE DESCR. deepen directionally, give post. SIGNED (This space for Federal PERMIT NO. Application approval documents)	or/State office use)	IT	APPROVA	ngineer	e which would					

DISTRICT I P.O. Box 1980, Hobbs, N.M. 88241-1980

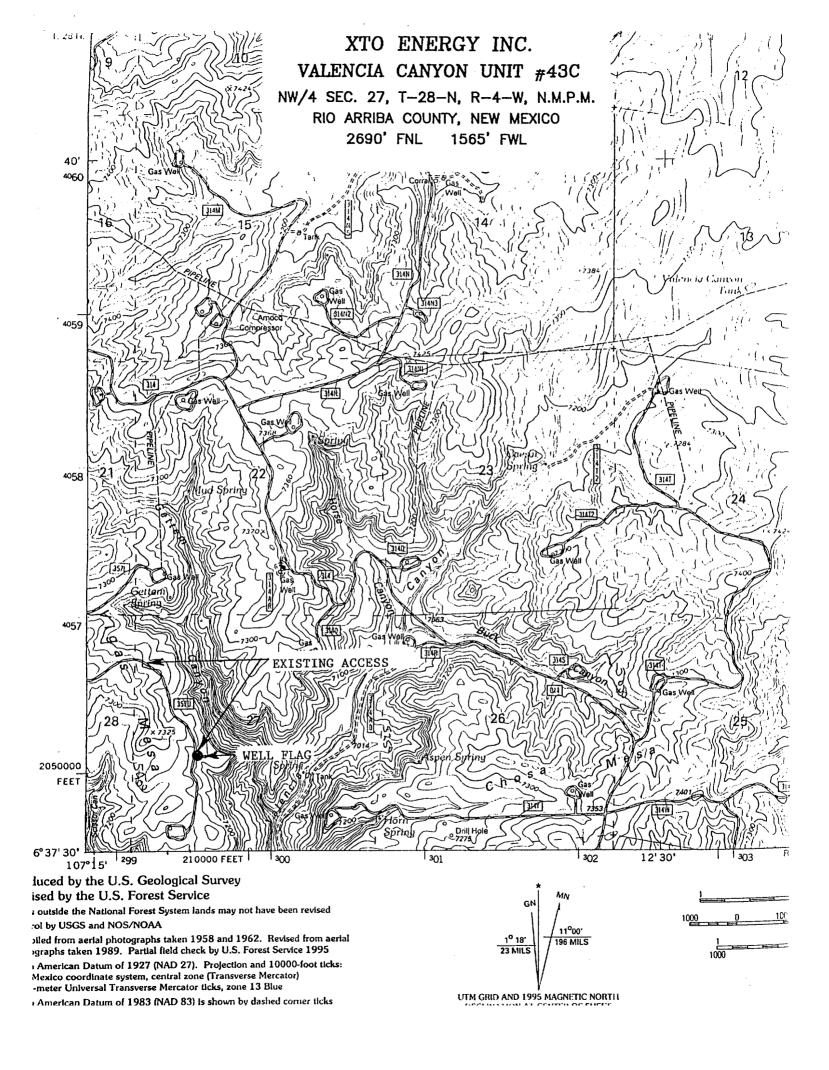
DISTRICT II P.O. Drawer DD, Artesia, N.M. 88211-0719

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised February 21, 199.
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Coples
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION P.O. Box 2088

DISTRICT III			OIT CONSTRANTION DIAISION							Fee Lease - 3 Copie				
1000 Rio Brazos Re	d, Aztec, 1	N.M. B7410	P.O. Box 2088 Santa Fe, NM 87504-2088											
DISTRICT IV PO Box 2088, Sant	ia Fe, NM] AMEN	NDED REPORT		
* · · · · · · · · · · · · · · · · · · ·		Y	VELL I	OCATIO	N AND	ACI	REAGE DED	ICATI	ON PL	AT				
31-12	Number	6974		*Pool Code 7231	9		В	LAN	Pool Name	IESAUR	120E			
Property Co	de					perty N		<u> </u>				ell Number		
1 32 51	9			\	ALENCIA	CANYO	N UNIT					43C		
OGRID No.					* Ope	rator N	iame				•	Elevation		
16706					XTO E	NERGY	' INC.					7249'		
							Location			- 		`. T		
UL or lot no.	Section 27	Township 28—N	Range 4-W	Lot Idn	Feet from 2690		North/South line NORTH	1 -	from the	East/We WE		RIO ARRIBA		
		l	¹¹ Boti	tom Hole	Locat	ion I	Different Fr	om S	urface					
UL or lot no.	Section	Township	Range	Lot Idn	Feet from	the	North/South line	l l	from the	East/We		County		
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Dedicated Acres	9 <		18 Joint or	Infill	M Consolid	lation C	ode	15 Orde	r No.					
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Pressure test BOP to 200-300 TESTING PROCEDURE psig (low pressure) for 5 min. **BOP SCEMATIC FOR** Test BOP to Working Press or **DRILLING OPERATIONS** to 70% internal yield of surf csg CLASS 1 (2M) NORMAL (10 min). 2. Test operation of (both) rams **PRESSURE** on every trip. 3. Check and record Accumulator **ROTATING HEAD** pressure on every tour. (OPTIONAL) 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. FILL UP LINE **FLOW LINE** TO PIT PIPE RAMS **BLIND** RAMS TO CHOKE MANIFOLD 2" dia min. KILL LINE See Choke Manifold drawing for 2" dia min. specifications HCR VALVE (OPTIONAL) Remove check or ball MUD CROSS from check valve and 2" (MIN) FULL OPENING press test to same press VALVE

1. Test BOP after installation:

XTO ENERGY INC.

Valencia Canyon Unit #43C PROPOSED DRILLING PROGRAM APD Data January 31, 2002

Surface Location: 2,690' FNL & 1,565' FWL, Sec 27, T28N, R04W County: Rio Arriba State: New Mexico

Bottomhole location: 1,829' FSL & 2,049' FWL, Sec 27, T28N, R04W

PROJECTED TOTAL DEPTH: ±6,810' (TVD) ±6,925 (MD)

OBJECTIVE:

Mesaverde

GR ELEV: 7,249'

Est KB ELEV: 7,262' (13' AGL)

1. MUD PROGRAM:

INTERVAL	0' to 80'	400' to 3,800'	3,800' to TD
HOLE SIZE	12-1/4"	8-3/4"	6-1/4"
MUD TYPE	FW/Native Mud	FW/Polymer	Air
WEIGHT	8.6-8.8	8.6-9.0	
VISCOSITY	28-32	29-34	
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. RU air compressors after setting the intermediate csg. Drill with air or foam to TD.

2. CASING PROGRAM:

320

Surface Casing: 9-5/8" casing to be set at \pm 80° in 8.6 ppg mud

241144												
					Coll	Burst						
					Rating	Rating	Jt Str	${ m I\!D}$	Drift	SF	SF	SF
Interval	Length	Wt	Gr	Cplg	(psi)	(psi)	(M-lbs)	(in)	(in)	Coll	Burst	Ten
0'-88' 3	20 80	32.3#	H-40	STC	1370	2270	254	9.001	8.972	5.98	5.68	15.73

Intermediate Casing: 7" casing to be set at $\pm 3,800'$ (MD) 3,800' (TVD) in 9.0 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'- 3,800'	3,800'	20.0#	J-55	STC	2257	3740	234	6.456	6.331	1.15	1.31	2.57

Production Casing: 4-1/2" casing to be set at 6,810' (MD) 6,925' (TVD) in air.

					Coll Rating	Burst Rating	Jt Str	ID	Drift	SF	SF	SF
Interval	Length	Wt	Gr	Cplg	(psi)	(psi)	(M-lbs)	(in)	(in)	Coll	Burst	Ten
0'-	6,925'	10.5#	J-55	STC	4010	4790	132	4.052	3.927	1.33	1.20	1.90
6,925'	•										-	
(MD)												

3. WELLHEAD:

- A. Braden Head: 9-5/8" x 7" 2,000 psig WP (4,000 psig test).
- B. Intermediate Casing Head: 7" x 4-1/2" 3,000 psig WP (6,000 psig test).

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

A. Surface:

9-5/8", 32.3#, H-40, STC casing to be set at \pm 80'.

Lead: 50 sx of "Type III" cement containing 3% CaCl₂, ¼ pps celloflake, mixed at 14.5 ppg, 1.39 ft³/sk, & 6.20 gal wtr/sk.

Total slurry volume is Wft³, 277% excess of calculated annular volume to &9.

B. Intermediate:

7", 20.0#, J-55, STC casing to be set at \pm 3,800' (MD).

<u>Lead:</u> 200 sx of Premium Lite (65/35/6)(cement/poz/gel), ¼ pps celloflake and 2% Phenoseal mixed at 11.9 ppg, 2.21 ft³/sk, 10.25 gal wtr/sx.

<u>Tail:</u> 100 sx of "Type III" cement containing ¼ pps celloflake and 2% Phenoseal mixed at 14.5 ppg, 1.41 ft³/sk, 6.30 gal wtr/sx.

Total slurry volume is 583 ft³, circulated to surface. No excess has been added to the above volume of lead and tail cement. Based on actual drilling conditions an excess (usually 35-50%) will be added.

C: <u>Production:</u> 4-1/2", 10.5#, J-55, STC casing to be set at $\pm 6,810$ ' (TVD) 6,925' (MD).

<u>Lead:</u> 90 sx of Premium Lite (65/35/6)(cement/poz/gel) containing 2% KCl, ½ pps celloflake, 4% Phenoseal, 0.2% dispersant, 0.5% fluid loss mixed at 11.9 ppg, 2.21 ft³/sk, 10.25 gal wtr/sx.

<u>Tail:</u> 150 sx of Class "H" cement containing ¼ pps celloflake, 4% Phenoseal and 0.6% Fl-62 mixed at 15.6 ppg, 1.18 ft³/sk, 4.80 gal wtr/sx..

Total estimated slurry volume for the 4-1/2" production casing is 376 ft³ for 3,665' of fill. Est. TOC should be 200' into the 7" intermediate casing. The above cement volumes for both the lead & tail do not have any excess. Excess cement will be calculated from the caliper log + 40%'.

Note: The slurry design may change slightly based upon actual conditions. Final cement volumes will be determined for the caliper logs plus 40%.

5. LOGGING PROGRAM:

- A. Mud Logger: There are no plans to use a mud logger at this time.
- B. Open Hole Logs as follows: Run Dual Induction/SFL/GR/CAL/SP/CNL/LDT (lithodensity) from TD to the bottom of the intermediate csg. Run cased hole GR/CCL from TD to surface.