

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

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

## APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work <input type="checkbox"/> DRILL <input checked="" type="checkbox"/> REENTER		5. Lease Serial No. NMLC064009C
1b. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator XTO Energy Inc.		7. Unit or CA Agreement Name and No.
3a. Address 200 LORAIN STE. 800 MIDLAND, TX 79701	3b. Phone No. (include area code) 432-620-6714	8. Lease Name and Well No. <u>&lt;538D&gt;</u> Federal DM No. 1
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface 760' FNL & 960' FEL At proposed prod. zone SAME Unit A		9. API Well No. 30-025-29354
14. Distance in miles and direction from nearest town or post office* 6.3 MILES SOUTH/SOUTHWEST OF MALJAMAR, NEW MEXICO		10. Field and Pool, or Exploratory YOUNG WOLFCAMP NORTH (65590)
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 360'		11. Sec., T., R., M., or Blk. and Survey or Area SEC. 8, T-18S, R-32E
16. No. of Acres in lease 80		12. County or Parish LEA
17. Spacing Unit dedicated to this well 40		13. State NM
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1256'		20. BLM/BIA Bond No. on file UTB000138
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3823' GL 3839' KB		22. Approximate date work will start* 03/15/2006
		23. Estimated duration 20 DAYS

## 24. Attachments

Roswell Controlled Water Basin

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.  | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).    |
| 2. A Drilling Plan  | 5. Operator certification.   |
| 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). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature <i>M Lyn Marr</i>	Name (Printed/Typed) M. LYN MARR	Date 02/21/2006
Title REGULATORY SPECIALIST		
Approved by (Signautre) /s/ Tony J. Herrell	Name (Printed/Typed) /s/ Tony J. Herrell	Date APR 06 2006
Title FIELD MANAGER		
Office CARLSBAD FIELD OFFICE		

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.

APPROVAL FOR 1 YEAR

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)

Witness Surface Casing

K2  
APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS  
ATTACHED

**District I**

1625 N. French Dr., Hobbs, NM 88240

**District II**

1301 W. Grand Avenue, 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 &amp; Natural Resources Department

## OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-102

Revised June 10, 2003

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 30-025-29354	<sup>2</sup> Pool Code 65590	<sup>3</sup> Pool Name YOUNG w/21 Camp North
<sup>4</sup> Property Code 35588	<sup>5</sup> Property Name FEDERAL DM	<sup>6</sup> Well Number 1
<sup>7</sup> OGRID No. 5380	<sup>8</sup> Operator Name XTO ENERGY, INC.	<sup>9</sup> Elevation 3815.9

<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
A	8	18 S	32 E	A	760	NORTH	960	EAST	LEA

<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 4.0	<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

8		<sup>17</sup> OPERATOR CERTIFICATION
		<p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>M. Lyn Marr</i></p> <p>Signature</p> <p>M. LYN MARR</p> <p>Printed Name</p> <p>REGULATORY SPECIALIST/ lyn_marr@xtoenergy.com</p> <p>Title and E-mail Address</p> <p>February 21, 2006</p> <p>Date</p>
		<sup>18</sup> SURVEYOR CERTIFICATION
		<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>July 18, 1985</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>
		<p>Certificate Number John W. West 676</p>

# NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedes C-128  
Effective 1-1-85

All distances must be from the outer boundaries of the Section

Operator Amoco Production Co.			Lease Federal DM		Well No. 1
Unit Letter A	Section 8	Township 18 South	Range 32 East	County Lea	
Actual Footage Location of Well: 760 feet from the North line and 960 feet from the East line					
Ground Level Elev. 3815.9	Producing Formation Wolfcamp	Pool Wildcat Wolfcamp	Dedicated Acreage 40 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

<p>An area 600' x 800' around this location was M-Scoped, No underground facilities were found.</p>		<p>760'</p> <p>960'</p>	

## CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

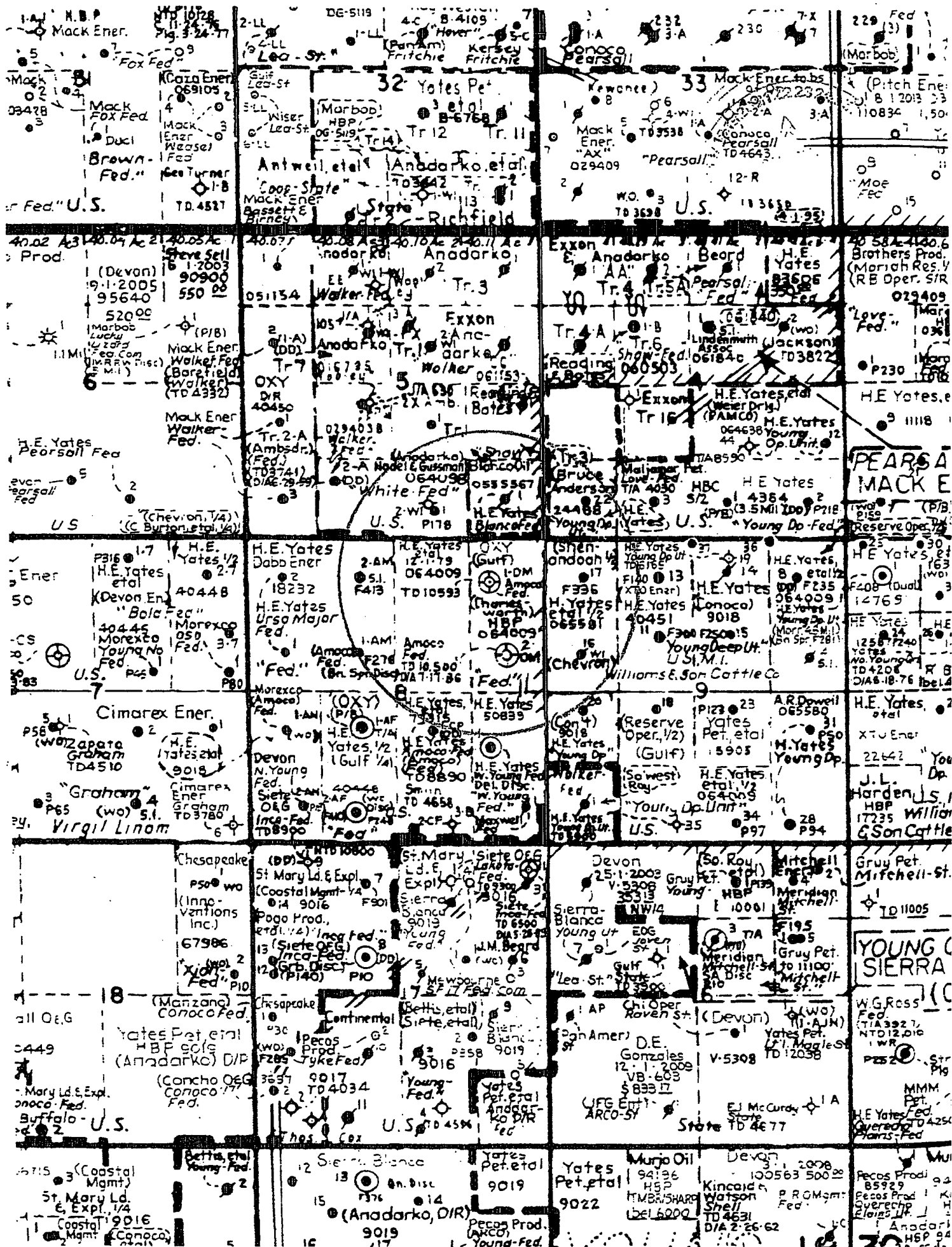
Name  
*Charles M. Lanning*  
Position  
*Admin. Analyst (SG)*  
Company  
*Amoco Production Co.*  
Date  
*7/22/85*

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 knowledge and belief.

Date Surveyed  
July 18, 1985  
Registered Professional Engineer  
and/or Land Surveyor

*John W. West*  
Certificate No. JOHN W. WEST, 676

0 320 640 960 1280 1600 1920 2240 2560 2880 3200

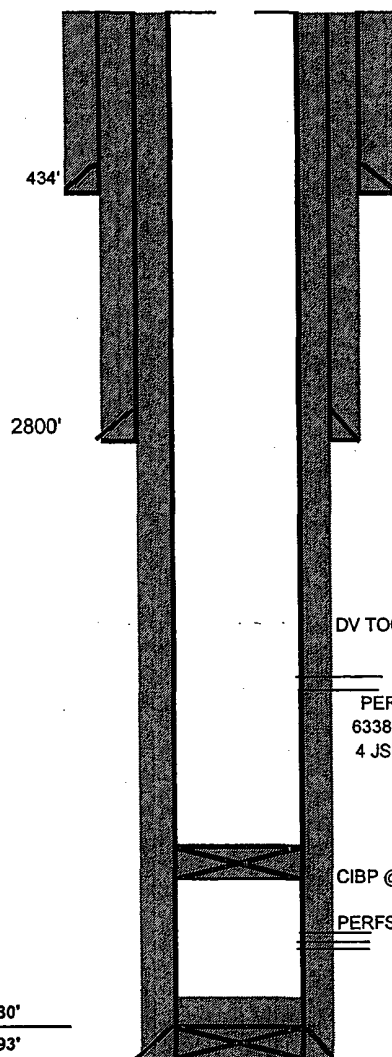




## WELLBORE DIAGRAM

LEASE: Federal DM  
 WELL # 1 PERMIT #  
 SECTION LINES: 760' FNL & 960' FEL PMT DATE  
 LEASE LINES:  
 SEC-BLK-TWN-RNG A - SEC. 8, T-18S, R-32E  
 COUNTY: LEA  
 STATE: NEW MEXICO

FIELD NAME: Young Wolfcamp North  
 API #: 30-025-29354  
 LEASE #: NM LC064009C  
 POOL #:  
 SPUD DATE: 2/15/1986  
 COMP DATE: 3/25/1986  
 GL: 3815.9  
 DF:  
 KB: # 16



26" HOLE TO 40', RAN 40' CONDUCTOR PIPE

HOLE SIZE: 17 1/2"  
 SURF CSG.: 13 3/8" h-40, 54.5#

DEPTH: 434  
 SXS CMT: 450  
 TOC: SURF  
 DET BY: CIRC  
 CEMENT PLUGS: 312'-512', 1013'-1213', 2302'-2502', 2706'-2906'

HOLE SIZE: 14"  
 SURF CSG.: 8 5/8", k-55, 32#

DEPTH: 2800  
 SXS CMT: 1450  
 TOC: SURF  
 DET BY: CIRC

DV TOOL @ 5995' CMTD W/1350 SXS, CIRC TO SURF

HOLE SIZE: 9"  
 PROD CSG.: 5 1/2" 15.5 & 17# J-55 & N-80

DEPTH: 10593'  
 SXS CMT: 1325  
 TOC: SURF  
 DET BY: CIRC

CIBP @10300' W/35' CMT ON TOP

PERFS 10386'-10408'

PBD 10580'  
 TD 10593'

TBG SIZE:  
 DEPTH:  
 PKR

**Attachments to Form 3160-3  
Application for Permit to Reenter  
Federal "DM" No. 1**

**Section 8, T-18S, R-32E  
Lea County, New Mexico**

24.1 A certified well plat for this location is already on file.

24.2 **DRILLING PLAN**

We are proposing to reenter the plugged and abandoned Federal "DM" No. 1 well, drill cement plugs out to 10,450', and attempt a completion in the Wolfcamp or Bone Springs horizons. Public records indicate that all surface, intermediate, and production casing strings were left in place at abandonment. A wellbore diagram of the well in its current condition is attached to this drilling plan.

A. SURFACE FORMATION: Sandy Soil of Quaternary Age

B. GEOLITICAL MARKERS FROM CNL/FDC LOG 3/24/1986:

a.	Salt	1100'
b.	Queen	3720'
c.	Grayburg	4245'
d.	Bone Spring	5962'
e.	Wolfcamp	8973'

C. ESTIMATED DEPTHS TO OIL OR GAS FORMATIONS:

Oil, Gas, and Water – Bone Springs and Wolfcamp

D. CASING AND CEMENT PROGRAM:

40' – 20", 75/71#/ft conductor cemented with 2-3/4 yards redi-mix  
plus 2% CaCl. Circulated 15 sx.

2800' – 8 5/8", 32#/ft, j & K-55, intermediate cemented with 1050 sx.

Class C Lite + 400 sx Class C. Circulated 432 sx to pit.

10593' 5 1/2", 17 & 15.5#/ft, N-80 & J-55, production with DV tool at 5995'.

Cemented 1<sup>st</sup> stage 1325 sx. Class "H" + additives. Circulated 264 sx. Off DV  
tool. Cemented 2<sup>nd</sup> stage with 950 sx Class "H" Lite + 400 sx. Class "H" neat.  
Circulated 105 sx to pit.

- E. PRESSURE CONTROL EQUIPMENT: Cement plug drilling operations will be conducted with a "reverse unit" consisting of a steel drilling pit, pump, top drive power swivel, and rotating packoff head. This will be installed on top of a double ram blowout preventer (2 – 7/8", Blind) rated to 5000 psi working pressure. A sketch of the BOP and choke manifold is attached.
- F. CIRCULATING MEDIUM: Brine water, 9.5-10.0 ppg, will be used for all drilling operations. The hole will be displaced with 2 percent KCL water prior to perforating.
- G. AUXILIARY EQUIPMENT: A full opening Kelly cock valve to fit 2 – 7/8" workstring will be kept on the rig floor at all times.
- H. TESTING, LOGGING, CORING: All tests will be via perforations.
- I. ABNORMAL PRESSURE AND TEMPERATURES: None anticipated. Maximum bottom hole pressure will not exceed 5012 psig.
- J. ANTICIPATED STARTING DATE: Reentry operations will commence around March 15, 2006. All operations should be completed within 20 days.

24.3 **SURFACE USE PLAN**

LOCATED: 6.3 miles south southwest of Maljamar, New Mexico

OIL AND GAS LEASE: NOT ASSIGNED – PLUGGED WELL

ACRES IN LEASE: 80

RECORD LESSEES:

- a. XTO Energy, Inc.
- b. Tommye G. Ewing
- c. Patricia A. Brunson
- d. Vivian C. Brunson
- e. Freda E. Charlesworth
- f. Jimmie Charlesworth

BOND COVERAGE: \$25,000 statewide bond

SURFACE OWNER: U.S. Government with Grazing Allotment #6008  
Querecho Plains  
Virgil Linam Estate (Faye Klein)  
P.O. Box 1503

Hobbs, NM 88241

WELL SPACEING: 40 acres (Young Wolfcamp)

1. EXISTING ROADS:

- A. The wellsite is 760' FNL & 960' FEL of Sec. 8, T-18S, R-32E, LEA County, New Mexico.
- B. Attached is an aerial photograph showing the location and existing roads. The well is approximately 6.3 miles south southwest of Maljamar, New Mexico.
- C. Directions: From the intersection of State Highway 529 and County Road 126, travel South on County Road 125 for 5.5 miles. Then turn West for 1.2 miles. Then turn North for 1.4 miles, turn East for 0.7 miles. Turn South and immediately back East into the location.

2. PLANNED ACCESS ROADS

- A. No new access road will need to be constructed for this project. An approximately 100' spur into the location from the existing road will need to be refurbished. Please see aerial photo.
- B. Turnouts: None
- C. Drainage Design: None required.
- D. Culverts, Cuts, and Fills: None
- E. Surfacing Material: Four inches of caliche, bladed, watered, and compacted.
- F. Gates, Cattleguards, and Fences: None

3. LOCATION OF EXISTING WELLS:

Existing is shown on the attached lease plat and aerial photograph.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

- A. Existing Facilities: None
- B. New Facilities: Constructed on wellsite pad



5. LOCATION AND TYPE OF WATER SUPPLY:

Brine and fresh water will be purchased from a commercial source and transported over existing roads to the wellsite.

6. SOURCE OF CONSTRUCTION MATERIAL:

Caliche will be hauled from the nearest approved pit.

7. METHODS OF HANDLING WASTE DISPOSAL

- A. 187 cu ft cement cuttings will be disposed of via burial on site. The required pit size is 6' x 6' x 6'.
- B. Drilling fluids will be contained in a steel reverse pit and hauled to an approved disposal facility.
- C. Water produced during testing will be contained in a steel swab tank and hauled to an approved disposal facility.
- D. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- E. Trash, waste paper, and garbage will be contained in a 55 gallon drum and disposed in an approved landfill.

8. ANCILLARY FACILITIES: None anticipated at this time

9. WELLSITE LAYOUT:

The attached plat indicates the relative location and dimensions of the well, pad, and major pulling unit equipment. No reserve pit will be dug.

10. PLAND FOR RESTORATION OF SURFACE:

- A. After termination of the drilling/completion operations all equipment and other material not needed for producing operations will be removed. Location will be cleaned of trash and junk to leave the wellsite in as aesthetically pleasing condition as possible.

- B. If the well is non-productive, the disturbed area will be rehabilitated to Federal Agency requirements. This will be accomplished as expeditiously as possible.

#### 11. OTHER INFORMATION

- A. Terrain: Flat with nearby sand dunes
- B. Soil: Sandy
- C. Vegetation: Mesquite, shinoak and grasses
- D. Surface Use: Grazing
- E. Ponds and Streams: None within 1.0 mile
- F. Water Wells: None within 1.0 mile
- G. Residences and Buildings: None within 1.0 mile
- H. Arroyos, Canyons, etc: None within 1.0 mile
- I. Well Sign: A sign identifying and locating the well will be maintained at the wellsite.
- J. Archeological, Historical and Other Cultural Sites: This report is already on record.
- K. Surface Ownership: The access road and wellsite are located on public surface.

#### 12. OPERATOR'S REPRESENTATIVE:

M. Lyn Marr  
200 Loraine Ste. 800  
Midland, TX 79701  
Phone: 432-620-6714  
FAX: 432-684-9681  
E-mail: [lyn\\_marr@xtoenergy.com](mailto:lyn_marr@xtoenergy.com)

**24.6.1 CERTIFICATION:**

I hereby certify that I, or persons under my direct supervision, have inspected the proposed well site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; that the work associated with the operations proposed herein will be performed by XTO ENERGY INC. and its sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

By:  Kyle Hammond, VP OPERATIONS  
XTO ENERGY, Inc

Date: 2-22-06

**STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS**

Application for Permit to Drill  
Federal DM No. 1  
760' FWL & 960' FEL  
Section 8, T-18S, r-32E  
Lea County, New Mexico

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:

Lease No.: NMLC064009C

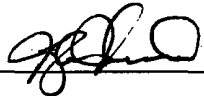
Legal Description: NE/4 NE/4, Section 8, T-18S, R-32E  
Lea County, New Mexico

Formation: Surface to Base of Wolfcamp

Bond Coverage: \$25,000 Statewide

BLM Bond File No.: UTB000138

Operator: XTO ENERGY, INC.

Authorized Signature: \_\_\_\_\_

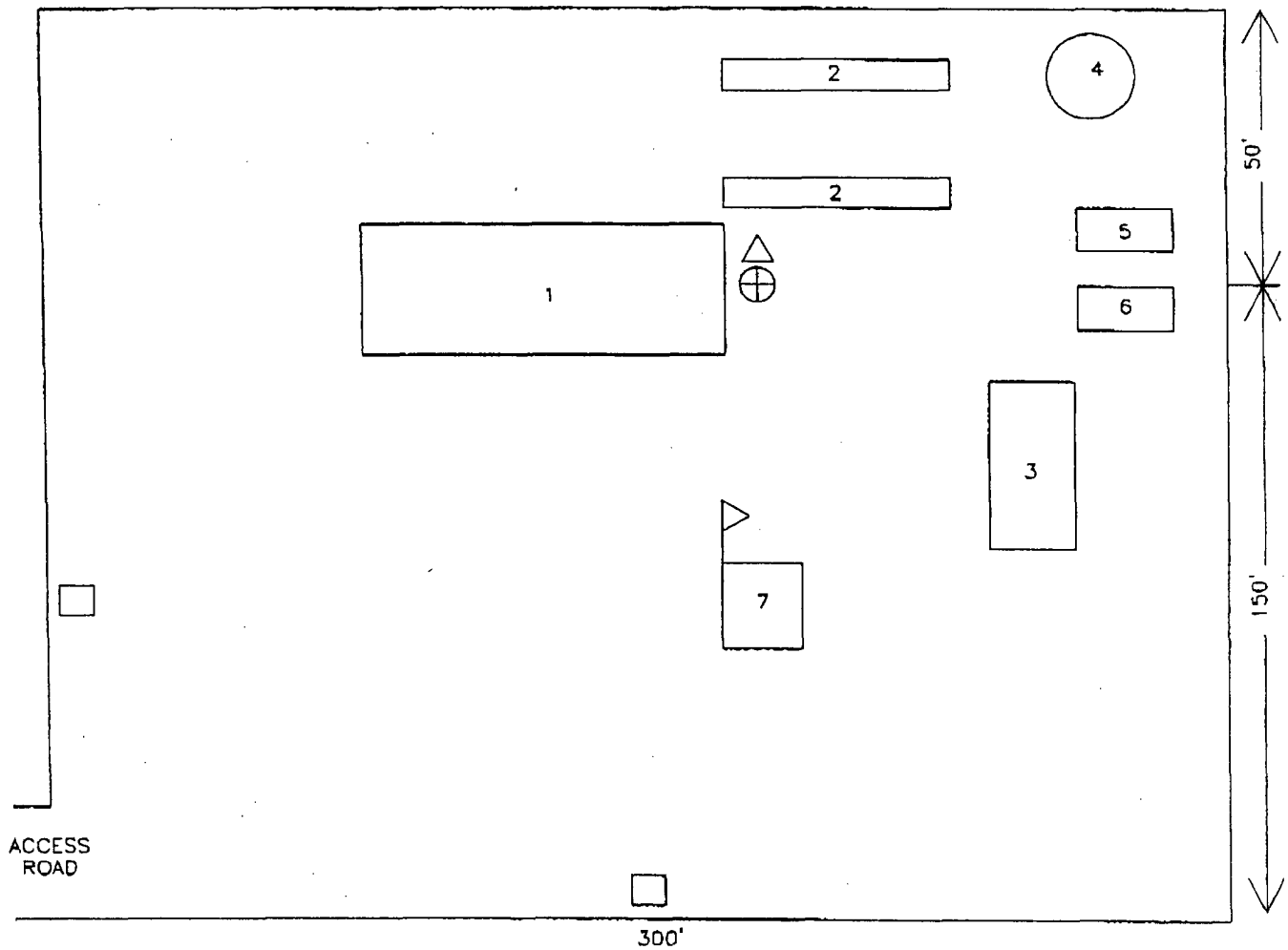
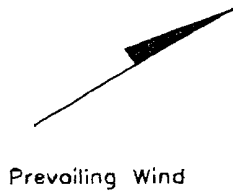
Title: VP Operations, Permian Division & Alaska

Date: 2/21/2006

**SITE SECURITY PLAN**  
**FEDERAL DM No. 1**  
**February 21, 2006**

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- I. Self Inspection
  - A. Gauge tank levels and calculate oil production daily.
  - B. Keep record of item "IA" on file for 1 year.
  - C. Check seal records quarterly.
- II. Seal Records
  - A. Seals to be in place as per 43 CFR Part 3160 Section III Paragraphs A and C.
  - B. The pumper is to keep a diary of seal numbers and update the diary whenever a seal is changed.
- III. Reporting Theft or Mishandling of Oil
  - A. Report any incident of theft or mishandling of oil to the authorized officer no later than the next business day.
  - B. File a written report within 10 business days to include all items listed in 43 CFR Part 3160 Section III paragraph E
- IV. By-Pass Around Meters
  - A. No By-pass around the gas meter exists nor will one be permitted.
- V. Leases
  - A. This site security plan is established for the Federal DM No. 1 Lease.
- VI. Notification Documentation
  - A. A Site Security Diagram will be prepared and mailed to the BLM in Hobbs, NM in the event that the well is completed as a commercial producer.
  - B. This new Site Security Plan will replace any previous plan on file.



1. WELL SERVICING UNIT
2. PIPE RACKS
3. REVERSE UNIT STEEL PIT
4. SWAB TANK
5. POWER SWIVEL HYDRAULICS

6. REVERSE UNIT PUMP
7. DOGHOUSE

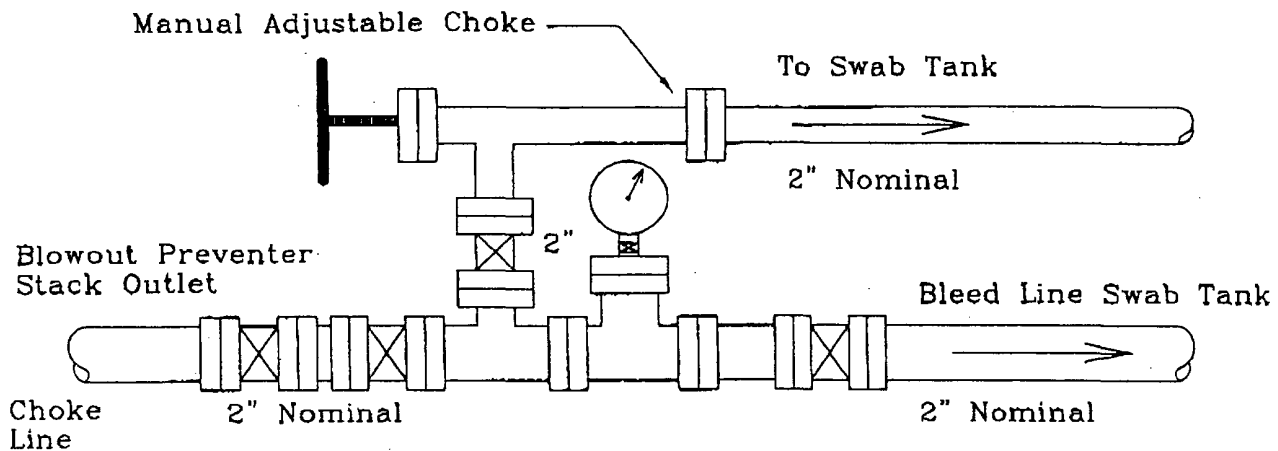
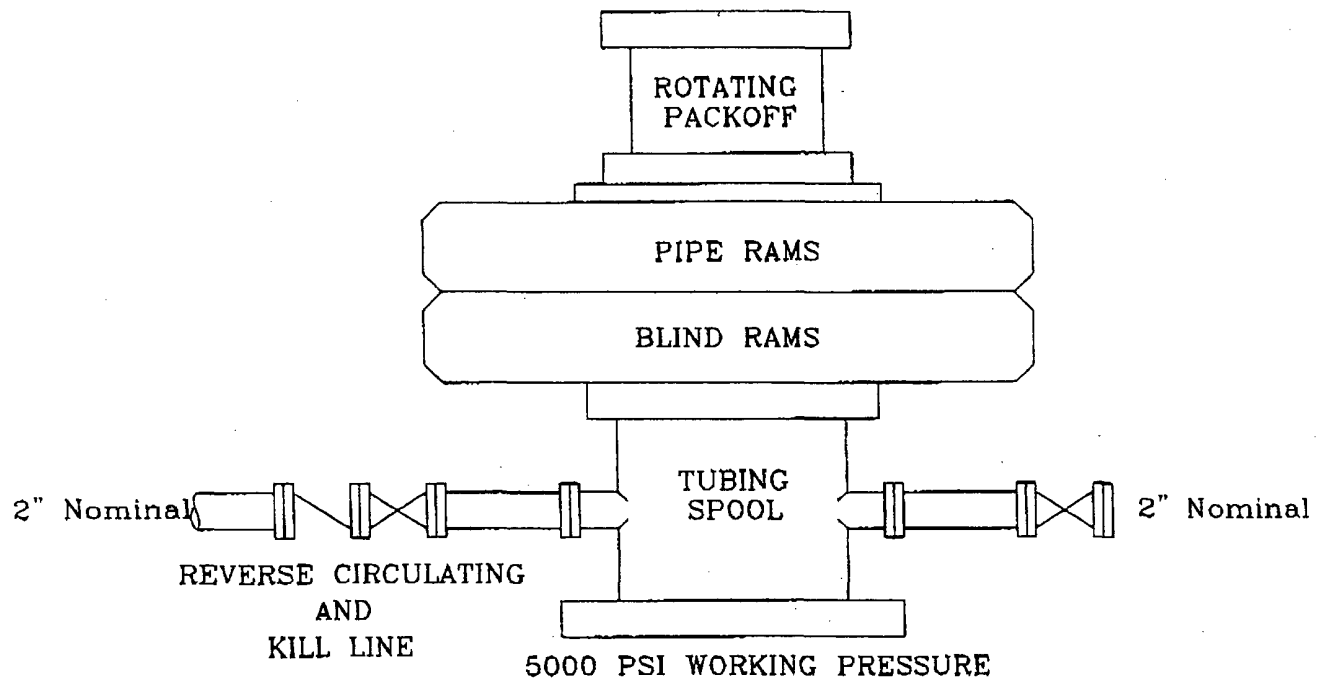
- H2S Monitor with alarm
- Wind Direction Indicator
- Safe Briefing Area.

Location: NE/4 NE/4  
Sec. 8, T-18S, R-32E  
Lea County, NM

# FEDERAL 'DM' NO. 1 RIG LAYOUT

Scale: None

# USED FOR DRILLING CEMENT IN PRODUCTION CASING



Location: NE/4 NE/4  
 Sec. 8, T-18S, R-32E  
 Lea County, NM

Federal 'DM' No. 1  
 BLOWOUT PREVENTER AND CHOKE MANIFOLD

Scale: None

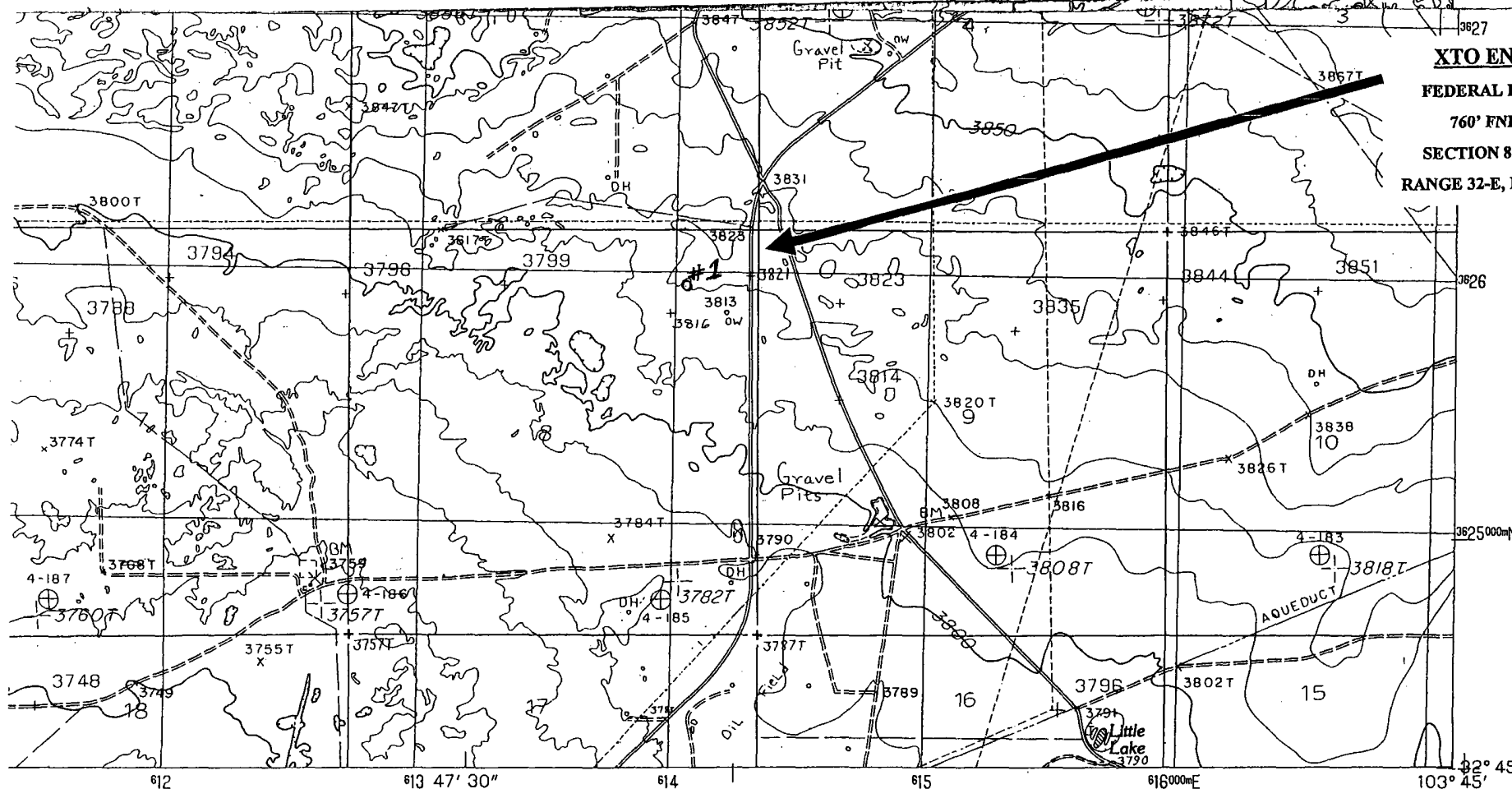
**XTO ENERGY INC.**

**FEDERAL DM WELL NO. 1**

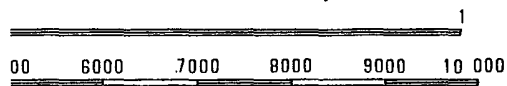
**760' FNL & 960' FEL**

**SECTION 8, TOWNSHIP 18-S**

**RANGE 32-E, LEA COUNTY, NM**



000



1/4" = 10 FEET



QUADRANGLE LOCATION

1	2	3	1 Henshaw Tank 2 Maljamar NE 3 Buckeye NW
4		5	4 Loco Hills 5 Dog Lake 6 Hackberry Lake
6	7	8	7 Greenwood Lake 8 Laguna Gatuna NW

ADJOINING 7.5' QUADRANGLE NAMES

INTERIOR-GEOLOGICAL SURVEY, RESTON, VIRGINIA-1988

**ROAD LEGEND**

Improved Road . . . . .  
Unimproved Road . . . . .  
Trail . . . . .


⊖ Interstate Route ⊖ U.S. Route ⊖ State Route

**MALJAMAR, NEW MEXICO**  
**PROVISIONAL EDITION 1985**

32103-G7-TF-024

MAP ACCURACY STANDARDS  
Y, DENVER, COLORADO 80225  
NIA 22092



 The sender of this message has requested a read receipt. [Click here to send a receipt.](#)

**Mull, Donna, EMNRD**

**From:** Phillips, Dorothy, EMNRD  
**To:** Mull, Donna, EMNRD  
**Cc:**  
**Subject:** RE: Financial Assurance Requirement  
**Attachments:**

**Sent:** Fri 6/23/2006 9:02 AM

Petrohawk appears on Jane's list requiring 3 one wells for 30-025-08832; 30-025-35556 and 30-025-25962  
They all have blankets.

---

**From:** Mull, Donna, EMNRD  
**Sent:** Friday, June 23, 2006 9:00 AM  
**To:** Phillips, Dorothy, EMNRD  
**Cc:** Macquesten, Gail, EMNRD; Sanchez, Daniel J., EMNRD  
**Subject:** Financial Assurance Requirement

Dorothy,

Is the Financial Assurance Requirements for these Operators OK?

Petrohawk Operating Co (194849)  
XTO Energy Inc (5380)  
Cimarex Energy Co (215099)

I have checked the Inactive well list for these Operators.

Please let me know. Thanks and have a nice day. Donna