

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 checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM 18848
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. (5380)		7. If Unit or CA Agreement, Name and No.
3a. Address 200 N. Lorraine, Suite 800 Midland, TX 79701		8. Lease Name and Well No. SDE 31 Federal, Well #17
3b. Phone No (include area code) (432-684-6381) 688873		9. API Well No. 30 025 38088
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 1988' FNL & 2310' FEL (amended from 1980' FEL) (G) At proposed prod. zone 1900' FNL TAS 8/10/2006 per E-mail from Ann Ritchie		10. Field and Pool, or Exploratory Triste Darw W Data Sand Dunes South Bone Spring
11. Sec., T. R. M. or Blk. and Survey or Area Sec 31, T23S, R32E		12. County or Parish Lea
13. State NM		
14. Distance in miles and direction from nearest town or post office 23 miles East of Loving, NM	15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1980'	16. No. of acres in lease 1994.13
17. Spacing Unit dedicated to this well 40	18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1650'	19. Proposed Depth 10,260'
20. BLM/BIA Bond No. on file STD # 20138	21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3596'	22. Approximate date work will start* 09/10/2006
23. Estimated duration 14-21 days	24. Attachments Completed Controlled Water Book	

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall 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 shall 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 authorized officer.

25. Signature 	Name (Printed/Typed) Ann E. Ritchie	Date 07/28/2006
Title Regulatory Agent		
Approved by (Signature) /s/ James Stovall	Name (Printed/Typed) /s/ James Stovall	Date AUG 21 2008
Title ACTING 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

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

KZ

Corrected APP
Original Sent 7/18/08

State of New Mexico

DISTRICT I

1625 N. FRANKLIN DR., HOHES, NM 88240

Energy, Minerals and Natural Resources Department

DISTRICT II

1301 W. GRAND AVENUE, ALBUQUERQUE, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-38088	Pool Code 59945; 53818	Pool Name Triste Draw, W. Dela; Sand Dunes, Bone Springs, S.
Property Code 15704	Property Name SDE 31	Well Number 17
UGRID No. 5380	Operator Name XTO ENERGY, Inc.	Elevation 3596'

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	31	23-S	32-E		1900	NORTH	2310	EAST	LEA

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

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40			

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>LOT 1</p> <p>46.48 AC LOT 2</p> <p>40.46 AC LOT 3</p> <p>46.46 AC LOT 4</p> <p>46.44 AC</p> <p>GEODETIC COORDINATES NAD 27 NME Y=459903.7 N X=692002.3 E LAT.=32.262865° N LONG.=103.712187° W</p>	<h3>OPERATOR CERTIFICATION</h3> <p>I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Ann E. Ritchie</i> 8-9-06 Signature Date Ann E. Ritchie Printed Name Regulatory Agent</p> <h3>SURVEYOR CERTIFICATION</h3> <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 24, 2006</p> <p>Date Surveyed REV:07/26/06 Signature & Seal of Professional Surveyor MR <i>Ronald J. Eidson</i> 7/26/06 06.11.1217 Certificate No. GARY EIDSON 12041 RONALD J. EIDSON 3230</p>
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Nine Point Drilling Plan
(Supplement to BLM 3160-3)

XTO Energy, Inc., 200 North Loraine, Suite 800, Midland, TX 79701

SDE 31 Federal, Well #17

^{1900' (BSP)}
~~1980'~~ FNL and ~~2310'~~ FEL, Section 31, Blk 23S, R32E, Lea County, New Mexico

Sand Dunes; Bone Spring, South/Triste Draw; Delaware, West

NM 18848

1. The geologic surface formation is quaternary; the land surface is relatively level with moderate sand dunes. Regionally, the land slopes to the southwest. Vegetation consists primarily of scrub oak, mesquite and sparse ranch grasses.

2. Name and estimated tops of geologic horizons:

Rustler 920'

Salt 1200'

Base of Salt 4200'

Lamar 4600'

Lwr Delaware 7080'

Lwr Delaware A 8120'

1st Bone Spring 8530'

2nd Bone Spring 8980'

Total Depth 9300 – 10,260'

3. **Protection of possible useable water** will be achieved by setting 13 3/8", 48#, H40, STC surface casing @ 975' +/-.

Intermediate Casing: 8 5/8", 24#, 24# & 32#, J-55 & HCK-55, STC casing set @ 4400' +/-.

Production Casing: 5.5" casing @ 9300' +/-.

Summary: casing string(s) referenced above will consist of the following:

Surface: 13 3/8", 48#, H-40, STC, new pipe @ 880' +/- in 17.5" hole.

Intermediate: 8 5/8", J-55 & HCK-55, 24# & 32# @ 4400' in 12 1/4" hole.

Production: 5 1/2", 17#, J-55, L-80, LTC casing @ 9300' in 7 7/8" hole.

4. **Cement Program:**

Surface Casing: 13 3/8", 48# H-40, STC @ 975' +/-

Lead: 510 sx 35/65 Poz/C + 2% CaCl + 3#/sk LCM-1 + 0.25 #/sx celloflake + 6^ gel (12.4 ppg 2.02 cu ft/sx, 10.82 gal/sx wtr). Tail w/200 sx C + 1% CaCl (mixed @ 14.8 ppg, 1.34 ft³/sx, 6.34 gal/sx wtr). All volumes 100% excess.

Intermediate Casing: 8 5/8", 24# & 32# set @ 4400':

Lead: 20 bbls fresh water, 875 sx 50/50 poz Cl C + 5% NaCl + 10% gel + 5 lb/sx LCM-1 + 0.25 lb/sx celloflake (missed @ 11.9 ppg 2.45 ft³/sx 13.57 gal/sx wtr.)

Tail: 200 sx Cl C + 1% CaCl (mixed @ 14.8 ppg, 1.34 ft³/sx, 6.34 gal/sx wtr.)

Through DV Tool @ 1500':

Lead: 20 bbls fresh water, 875 sx 50/50 poz Cl C + 5% NaCl + 10% gel + 5 lb/sx LCM-1 + 0.25 lb/sx celloflake (mixed @ 11.9 ppg 2.45 ft³/sk, 13.57 gal/sx wtr.)

Tail: 200 sx C (mixed @ 14.8 ppg 1.34 ft³/sx, 6.34 gal/sx wtr) – all volumes 100% excess

Production Casing: 5 1/2", 17# J055, L-80, LTC @ 9300':

First Stage: Cement fill from 9300' to DV tool @ 6800+/-'.

Tail: 620 sx H + 0.4% CD-32 + 1% FL-62 0.1% Sodium Metasilicate + 0.15% FL-52A (15.6 ppg 1.19 cuft/sx, 5.14 gal/sx wtr.)

Second Stage: Cement fill from DV Tool @ +/- 6800' – 3200':

Lead: 20 bbls FW, 275 sx 50/50 Poz Cl C + 5% NaCl + 10% gel (11.8 ppg, 2.44 ft³/sx, 14.07 gal/sx wtr.)

Tail: 150 sx Cl C (mixed @ 14.8 ppg, 1.33 ft³/sx, 6.33 gal/sx wtr.)

Remarks: Cement volumes to be adjusted for production casing based on log caliper volume plus 30% in open hole section. Desired cement top on the second stage cement job is 3200'.

5. **The well control equipment** to be employed during the drilling of this well is as illustrated on BOP diagram attached. This equipment includes a pipe and blind rams, an annular preventer and a choke manifold of comparable pressure rating. Equipment will be rated for a minimum of 3000 psi, and will be tested to 80% of that pressure rating prior to drilling out of the surface casing.
6. **Mud/Drilling fluid program:** Spud with fresh water/native mud. Drill out from under 13 3/8" surface casing with fresh water/brine solution. Start brine additions as mud begins to salt up while drilling salt sections (1200'). Use fibrous materials as needed to control seepage and lost circulation. Pump viscous sweeps as needed for hole cleaning. Will use available solids control equipment to help keep mud weight down after mud up. Raise viscosity at TD for logging. Reduce viscosity after logging for cementing purposes.
 - 0-880': 17 1/2" hole, mud-FW/native; MW 8.5-8.8; vis. 35-40; FL-NC
 - 880-4400': 11" hole, mud-FW/Brine/Gel sweeps; MW 9.8-10.2; vis. 30-32
 - 4400-8400': 7 7/8" hole, mud-FW/polymer sweeps; MW 8.6-8.8; vis. 29-32; fluid loss – NC-20.
 - 8400-9300': 7 7/8" hole, mud-FW/Poly/Gel/Starch; MW 8.8-9.0; vis. 32-38; fluid loss 18-15-10.
7. **Auxiliary equipment** will include an upper kelly cock valve, safety valve to fit drill pipe and pressure gauges. WOC a minimum of 12 hrs before drilling out surface casing, check BOP blind rams each trip and pipe rams each day.

8. No drill stem testing is planned for this wellbore. A mud logging unit will be utilized: Selman Mud Logging Unit on @ 4500'. Will catch 10' samples from 4500' to 10,260' (maximum TD). Open hole logs by Halliburton: GR/Cal/DLL/DPHI/NPHI/Microlog from TD to intermediate casing point NPHI/GR to surface.
9. The estimated BHP at TD is not expected to exceed 1300 psi, and a BHT of 100 F is anticipated. There is H₂S present from approximately 4600' to TD. Monitors and alarms will be installed on the rig floor, beneath the substructure, and at the flowline. Escape units will be provided for rig crews. All person requiring access to the drilling location should be trained in H₂S safety and have current documentation with them. No beards or facial will be permitted. This is for the safety of the individual and there are no exceptions. H₂S can be deadly and should be treated as such.

Lost circulation is not expected to be a serious problem in this area, and hole seepage will be compensated for by additions of small amounts of starch & gel as needed.

It is estimated that this well will be drilled and cased in 14-20 days. Drilling will commence as soon as approval to drill is issued by the Bureau of Land Management.



"Ann Ritchie"
<ann.ritchie@wtor.net>
08/17/2006 12:39 PM

To <Betty_Hill@nm.blm.gov>
cc
bcc
Subject XTO Energy, Inc., SDE 31 Federal, Well #17

Betty,

I give you permission to make the following changes on the Statement of Operator Accepting Responsibility:

1. Name of well is SDE 31 Federal, #17
2. The lease number is NM 18848
3. Change bond coverage to bond area - nationwide.
4. BLM bond number is UTB 000138

This pertains to any and all documents, particularly Page 3 of the Surface Use Plan & 3160-3, filed for the application to drill on the subject well.

Thank you,

Ann Ritchie, Regulatory Agent for XTO Energy, Inc.

WEST TEXAS OIL REPORTS

P.O. Box 953

Midland, TX 79702

432 684-6381; 682-1458-fax

ann.ritchie@wtor.net

STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

XTO ENERGY INC
200 N. LORAIN ST., STE. 800
MIDLAND, TEXAS 79701
(432) 682-8873

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

FEDERAL
SDE 31 #17

LEASE NO.: *NM-18848*

LEGAL DESCRIPTION OF LAND: Section 31, T23S, R32E UL: G

FORMATION: 1st Bone Spring Sand and Brushy Canyon Sand

BOND ~~COVERAGE~~: *AREA* *NATIONWIDE*
~~UTB 000138~~

BLM BOND ~~NO.~~ NO.: ~~UTB 000138~~ *UTB000138*

AUTHORIZED SIGNATURE: *Boogie Armes*

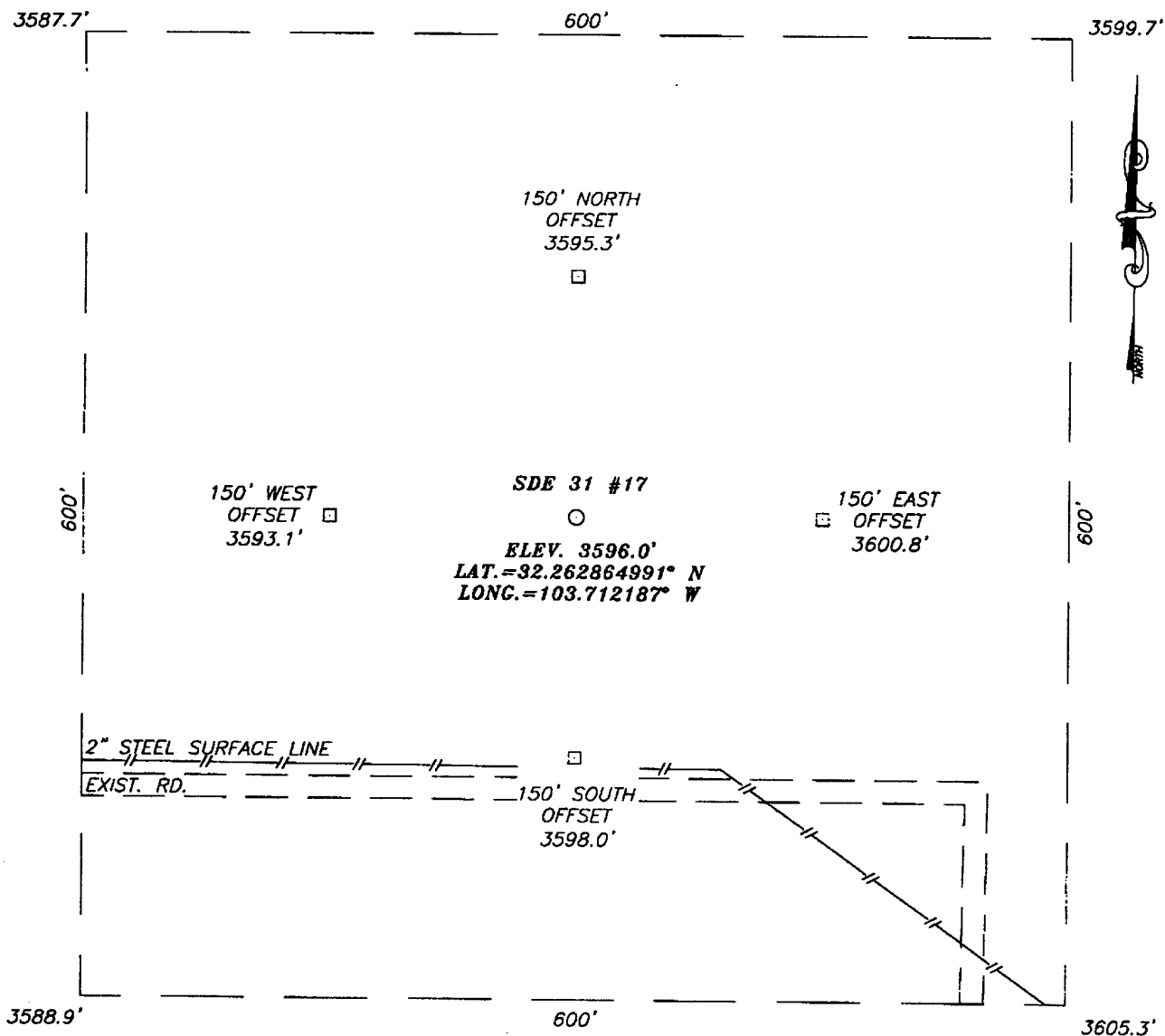
PRINTED NAME: Boogie Armes

TITLE: Drilling Superintendent

DATE: 7/11/2006

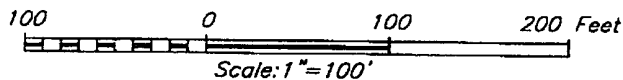
*Change made
by Lethy per Armes Retiree
E-Mail 8/17/06 BSA*

SECTION 31, TOWNSHIP 23 SOUTH, RANGE 32 EAST, N.M.P.M.,
 LEA COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

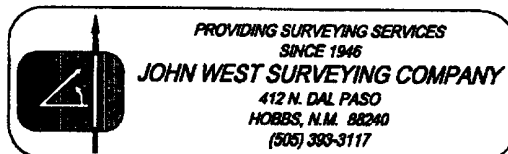
FROM THE INTERSECTION OF ST. HWY. #128 AND PADUCA BREAKS RD., GO NORTHEAST ON PADUCA BREAKS RD. APPROX. 1.0 MILES. TURN LEFT AND GO NORTHWEST APPROX. 0.5 MILES. TURN RIGHT AND GO NORTH APPROX. 0.3 MILES. TURN RIGHT AND GO EAST APPROX. 0.25 MILES. TURN LEFT AND GO NORTH APPROX. 0.2 MILES. TURN LEFT AND GO WEST APPROX. 250 FEET. THIS LOCATION IS APPROX. 150 FEET NORTH.



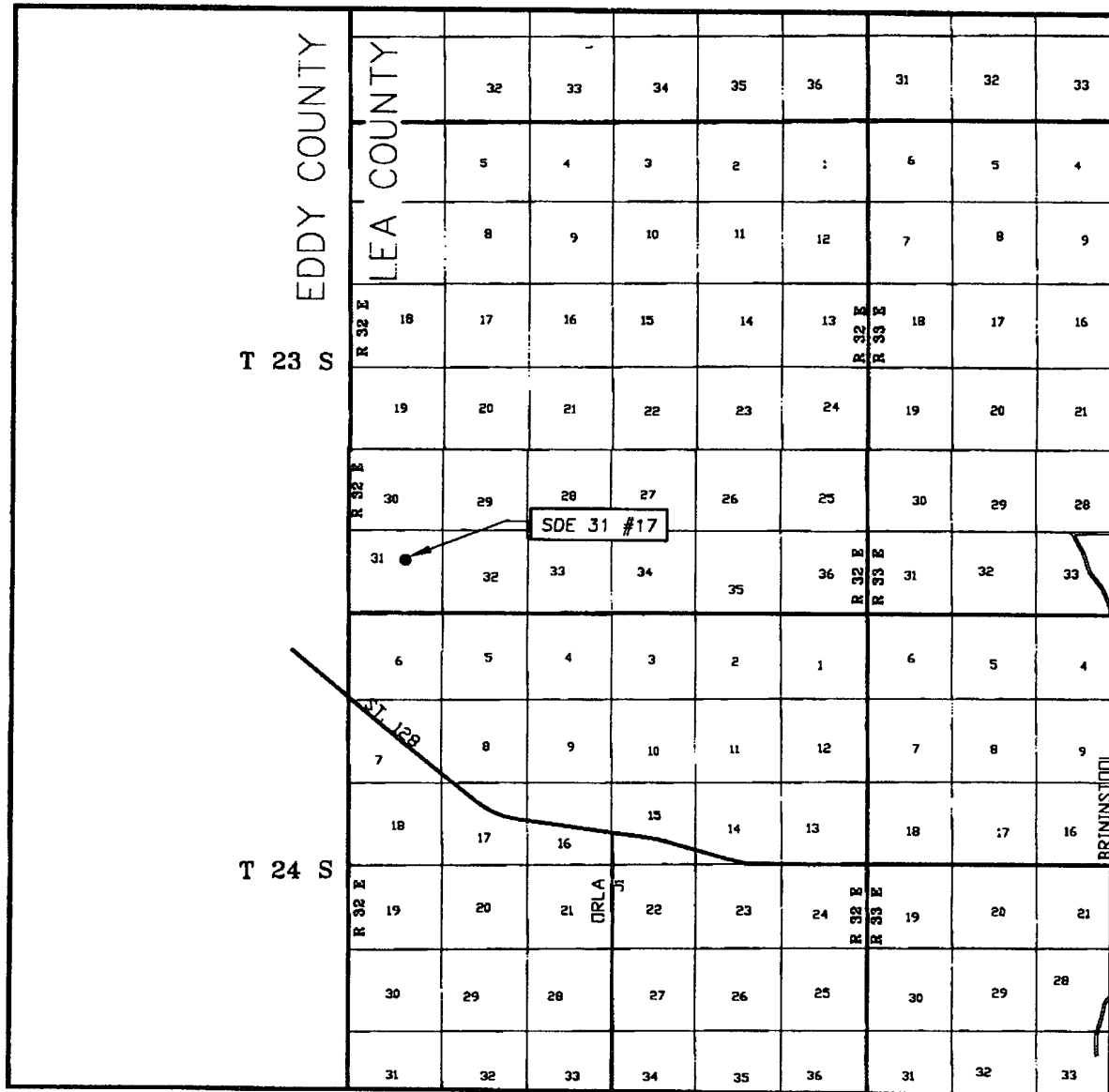
XTO ENERGY

SDE 31 #17
 LOCATED 1900 FEET FROM THE NORTH LINE
 AND 2310 FEET FROM THE EAST LINE OF SECTION 31,
 TOWNSHIP 23 SOUTH, RANGE 32 EAST, N.M.P.M.,
 LEA COUNTY, NEW MEXICO.

Survey Date: 07/24/06	Sheet 1 of 1 Sheets
W.O. Number: 06.11.1217	Dr By: M.R.
Date: 07/26/06	Disk: CD#6
06111217	Scale: 1"=100'

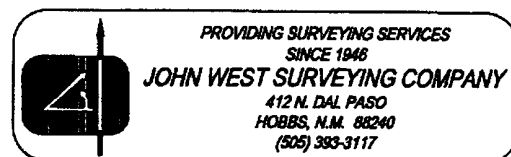


VICINITY MAP

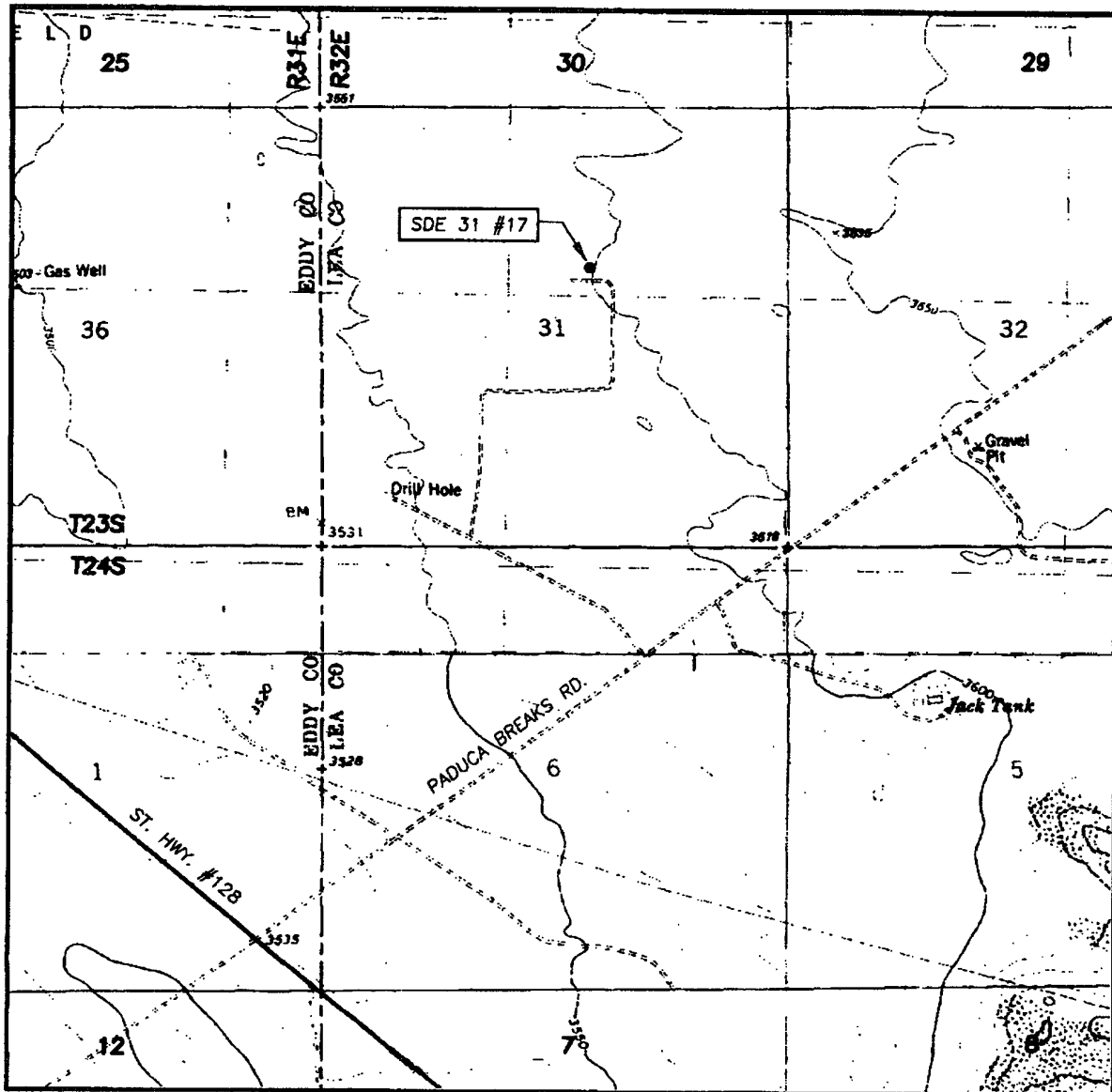


SCALE: 1" = 2 MILES

SEC. 31 TWP. 23-S RGE. 32-E
 SURVEY N.M.P.M.
 COUNTY LEA STATE NEW MEXICO
 DESCRIPTION 1900' FNL & 2310' FEL
 ELEVATION 3596'
 OPERATOR XTO ENERGY
 LEASE SDE 31



LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
 BOOTLEG RIDGE, N.M. - 10'
 PADUCA BREAKS NW, N.M. - 10'

SEC. 31 TWP. 23-S RGE. 32-E

SURVEY N.M.P.M.

COUNTY LEA STATE NEW MEXICO

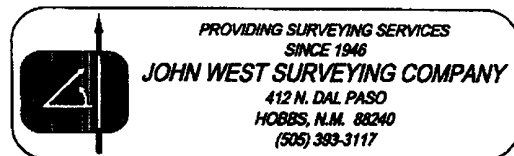
DESCRIPTION 1900' FNL & 2310' FEL

ELEVATION 3596'

OPERATOR XTO ENERGY

LEASE SDE 31

U.S.G.S. TOPOGRAPHIC MAP
 BOOTLEG RIDGE, N.M.



PROVIDING SURVEYING SERVICES
 SINCE 1946

JOHN WEST SURVEYING COMPANY

412 N. DAL PASO
 HOBBS, N.M. 88240
 (505) 393-3117

Thirteen Point Plan for Surface Use
(Additional data for form 3160-3)

XTO Energy, Inc.: Ogrid No. 3580

SDE 31 Federal ¹⁹⁰⁰ ~~6A~~

Well #17: ~~1980~~ FNL and ~~2310~~' FEL (G)

Section 31, T23S, R32E, Lea County, NM

Triste Draw West Delaware (59945); Sand Dunes; Bone Spring, South (53818)

NM 18848

1. **EXISTING ROADS – VICINITY MAP, Topographic Land Surveyors**

The road log to the location is as follows:

From the intersection of St. Hwy #128 and Paduca Breaks Rd., go northeast on Paducas Breaks Rd. approximately 1.0 miles. Turn left and go northwest approximately 0.5 miles. Turn right and go north approximately 0.3 miles. Turn right and go east approximately 0.25 miles. Turn left and go north approximately 0.2 miles. This location is approximately 185 ft. northeast.

2. **PLANNED ACCESS ROAD —** There is approximately 185' of access road built to the existing North to West existing lease road (see plat). All lease roads will be graded in compliance with BLM standards and made a uniform width of 20', including shoulders.

3. **LOCATION OF EXISTING WELLS –** The XTO Energy, Inc., SDE 31 Federal, Well #17 will be the only producing well in Unit letter G. Well #4 is located in Unit letter F, 1320' to the west.

4. **LOCATION OF EXISTING OR PROPOSED FACILITIES –** This well will be tied into existing SDE 31 Federal facilities.

5. **LOCATION AND TYPE OF WATER SUPPLY -** All water (fresh or otherwise) needed for the drilling and completion of this well will be purchased from a commercial source and trucked to the location via the existing and proposed access road. No water source wells will be drilled, and no surface water will be utilized.

6. **SOURCE OF CONSTRUCTION MATERIALS -** Construction material (caliche) required for the preparation of the drill site is available from a local source: Jeff Raines w/Sweatt, Artesia, NM 505 631-7366. It is not anticipated that a significant amount of material will be required for this location as the terrain is relatively flat. Transportation will be over existing roads. See "Cross-Sections..." diagram attached.

7. **METHODS FOR HANDLING WASTE DISPOSAL -**

- Drill cuttings will be disposed into drilling pits after fluids have evaporated.

- The drilling pits will be lined with a 12+mil biodegradable plastic liner, and buried as per all NMOCD regulatory requirements. The pits will be located on the drill site.
- Receptacles for solid wastes (paper, plastic, etc) will be provided and equipped to prevent scattering by wind, animals, etc. This waste will be hauled to an approved landfill site.
- Any other waste generated by the drilling, completion, testing of this well will be removed from the site within 30 days of the completion of drilling or testing operations.
- A Porta-John will be provided for the crews. This will be properly maintained during the drilling operations and removed upon completion of the well.

8. **ANCILLARY FACILITIES** - The drilling, completion, and/or testing of this well will require no ancillary facilities.
9. **WELLSITE LAYOUT** - Attached, as "Rig" is the plat showing the anticipated orientation of the drilling rig and the pad. Approximately 5" of topsoil will be stockpiled on the east side of the location for rehabilitation purposes. There are no waterways or occupied structures within 1/2 mile radius.
10. **PLANS FOR SURFACE RESTORATION** - Reclamation of the surface location will be in accordance with the requirements set forth by the BLM. As stated earlier all waste generated by this operation will be disposed of in an approved manner, and the site restored as closely as possible to its pre-operation appearance. Due to the topography of the area no problems are anticipated in achieving this status and no erosion or other detrimental effects are expected as a result of this operation.
11. **OTHER INFORMATION** – The ownership of the drill site and the access routes are under the control/ownership of:

Bureau of Land Management
P. O. Box 1778
Carlsbad, New Mexico 88221-1778
505-234-5972

The surface is owned by the Bureau of Land Management.

The BLM representative for this area is Barry Hunt who can be reached at the above number, or 505-361-4078.

The site was archaeologically surveyed in July 2006. The registered archeological surveyor, will submit this report directly to the BLM in Carlsbad, NM.

12. OPERATORS REPRESENTATIVE – XTO Energy, Inc. is covered by Bond No. UTB ⁰⁰⁰¹³⁸~~100138~~. XTO Energy, Inc. is represented by: Boogie Armes, XTO Energy, Inc., 200 S. Loraine, Suite 800, Midland, TX 79701; 432 682-8873—office; mobil -432 556-7403.

13. OPERATORS CERTIFICATION & STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS: Drilling Superintendent: 432-620-6739 or 432-556-7403 or 806-894-8073 (as above).

I hereby certify that I, Boogie Armes, Drilling Superintendent with XTO Energy, Inc., have inspected the proposed drill site and access route and that I am familiar with the conditions that currently exist; that the statements made in the APD package are to the best of my knowledge true & correct; and that the work associated with operations herein will be performed by XTO Energy, Inc. and it's contractors and subcontractors in conformity with the terms and conditions of this APD package. I also certify responsibility for the operations conducted on that portion of the leased lands associated with this application with bond coverage being provided under an approved BLM bond.

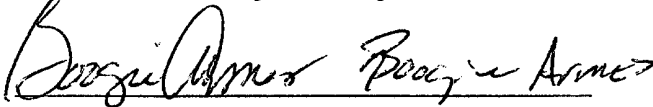
Lease No.: NM 18848

Legal Description: Sec 31, T23S, R32E, ¹⁹²⁰~~1980~~ FNL & ²³~~23~~/0 FEL

Formation: Delaware/Bone Springs

Lea County: SDE 31 Federal, Well #17

This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.



Signature & Printed Name

7-27-06

Date

APD, Nine Point & Thirteen Point Drilling Plans prepared & submitted to Bureau of Land Management by Ann E. Ritchie, Regulatory Agent, P.O. Box 953, Midland, TX 79702, 432-684-6381. ann.ritchie@bblm.net.

June 15, 2006

XTD Energy, Inc.
SDE 31 Federal Lease (NM 18848)
Surface Ownership

To: Sorina Flores

From: Mark S. Dale

Subject: 2006 New Drills – Federal Wells, SDE, Remuda & SEMGSAU
Lea and Eddy Co. New Mexico

SDE 19 #5: Section 19, Township 23-S Range: 32-E 660' FNL & 660' FWL Lea County, NM. Federal surface. Statutes prohibit us from paying any damages to the surface tenant.

SDE 31 #16: Section 31, Township: 23-S Range: 32-E 660' FSL & 900' FWL Lea County, NM. Federal surface. Statutes prohibit us from paying any damages to the surface tenant.

★ SDE 31 #17 Section 31, Township: 23-S Range : 32-E 1980' FNL & 1980' FEL Lea County, NM. Federal surface. Statutes prohibit us from paying any damages to the surface tenant. ★

SEMGSAU #143: Section 30, Township: 17-S Range: 33-E 1021' FSL & 2316' FWL Lea County, NM. Surface owned by Olliane Caswell. We recently paid Olliane Caswell \$7,600.00 per location and \$30.00 per rod for the SEMGSAU #111.

A check for \$7,600 for surface site, in addition to flowlines, electric lines and roads associated with the location totals \$9,963.63. A check request will be processed and charged to AFE No. 504630..

Remuda Basin Federal 19 #5: Section 19, Township 23-S Range: 30-E 1980' FNL & 1980' FEL Eddy County, NM. Federal surface. Statutes prohibit us from paying any damages to the surface tenant.

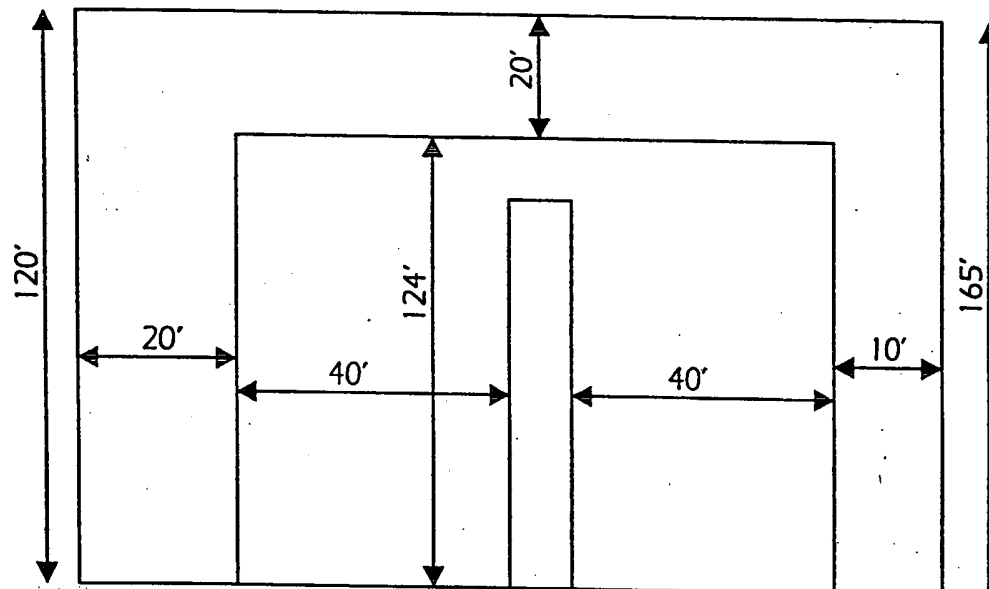
If you should have further questions, please advise.

cc: Richard Lauderdale Joshua Randall Jimmy Death Tim Welch

RIG

First wall on reserve @
back of cellar on pump side

6' x 6'
Cellar



45'

150'

170'

150'

Rathole/Mousehole

S 5' 5" → M 20' @ 3 deg

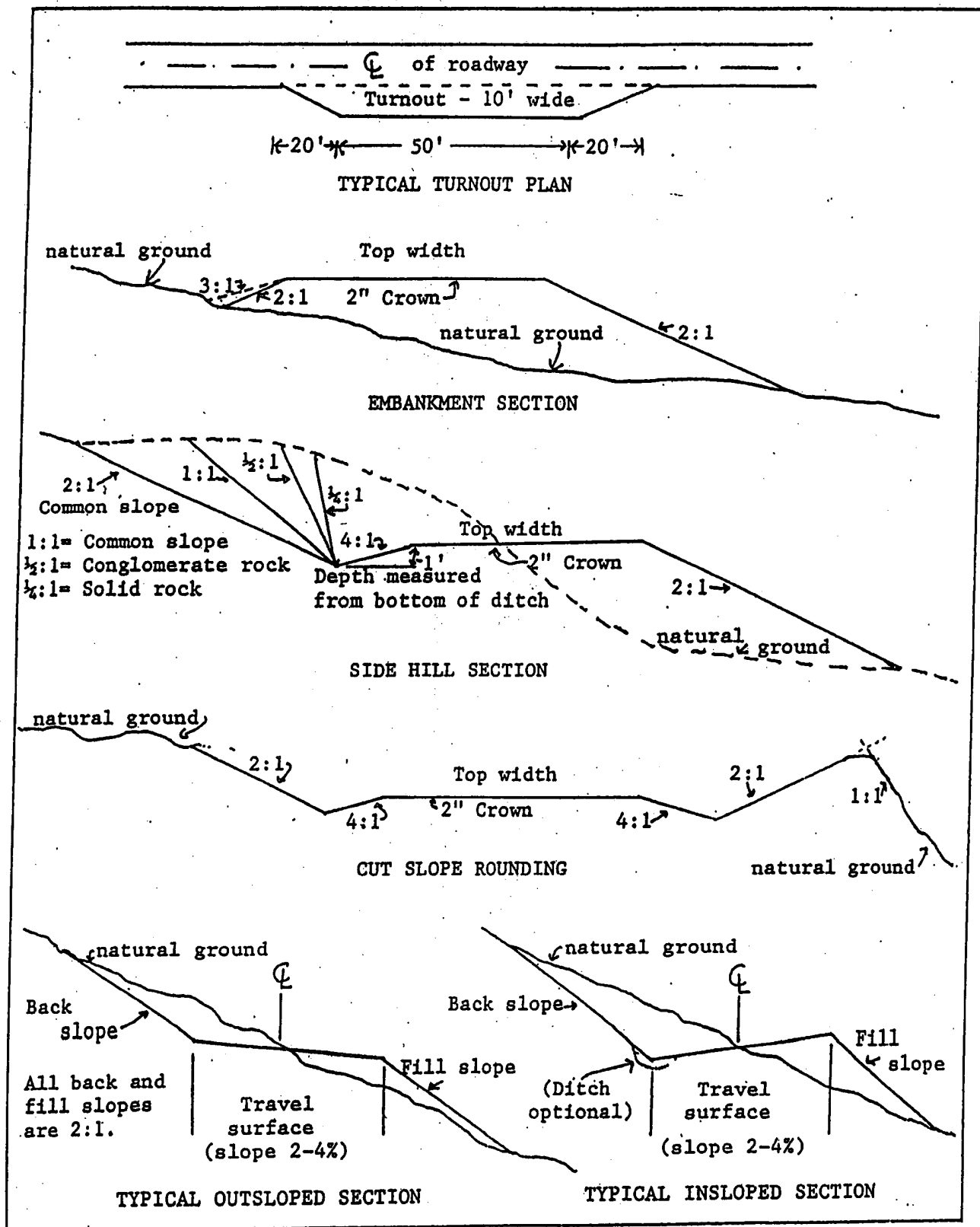
8' 2" →
7' 8" ↓

R 30' @ 6 deg

FIGURE 1: CROSS-SECTIONS AND PLANS FOR TYPICAL ROAD CONSTRUCTION REPRESENTATIVE OF BLM RESOURCE, AND HIGHER CLASS, ROADS.

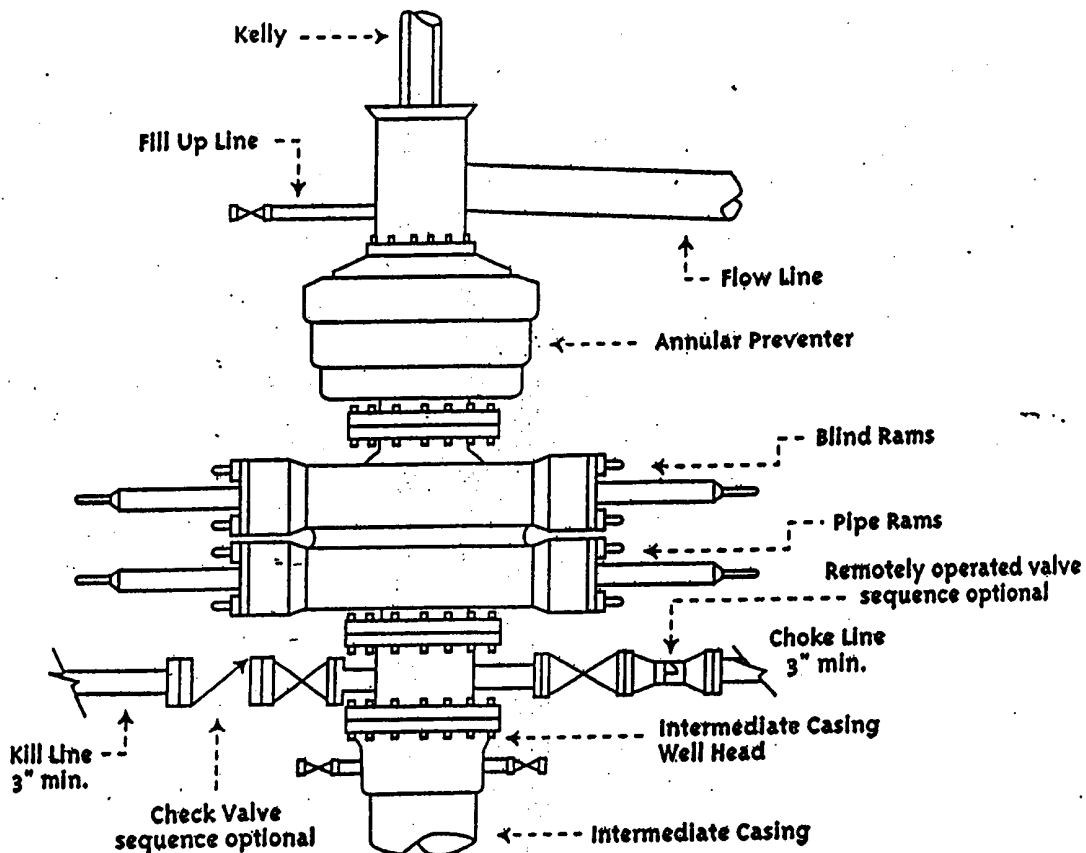
copy for reference

(Travel way, top width, driving surface, and travel surface are synonymous.)

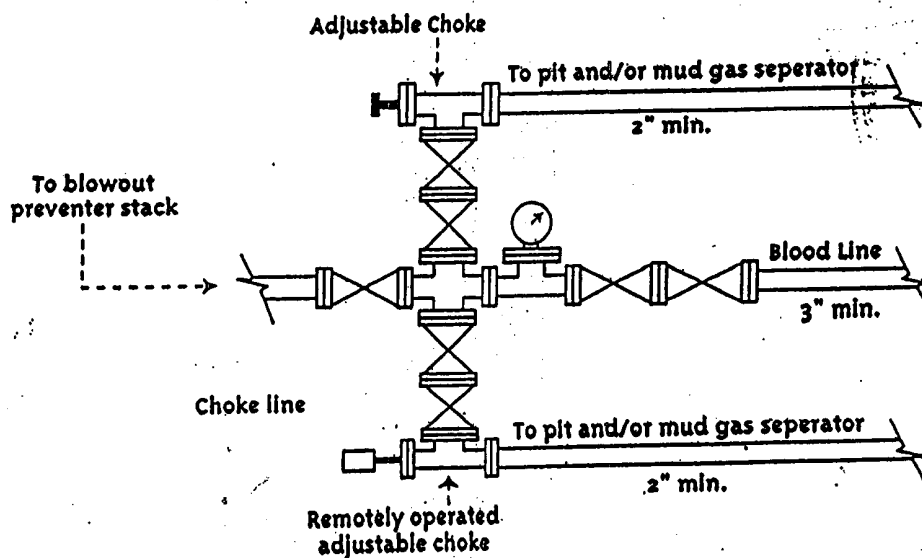




Typical 5,000 psi Pressure System Schematic Annular Double Ram Preventer Stack



Typical 3,000 psi choke manifold assembly with at least these minimum features



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 and Natural Resources Department

OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

*as per BLM
moved location*

WELL LOCATION AND ACREAGE DEDICATION PLAT

☒ AMENDED REPORT

API Number 30 025	Pool Code 59945; 53818	Pool Name Triste Draw, West Delaware Sand Dunes, Bone Springs South
Property Code 15704	Property Name SDE 31	Well Number 17
OGRID No. 80	Operator Name XTO ENERGY, Inc.	Elevation 3596'

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	31	23-S	32-E		1900	NORTH	2310	EAST	LEA

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

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40			

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>LOT 1</p> <p>46.48 AC</p> <p>LOT 2</p> <p>46.46 AC</p> <p>LOT 3</p> <p>46.46 AC</p> <p>LOT 4</p> <p>46.44 AC</p>			<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>[Signature]</i> 7-28-06 Signature Date</p> <p>Ann E. Ritchie Printed Name</p>	
	<p>GEODETTIC COORDINATES NAD 27 NME</p> <p>Y=459903.7 N X=692002.3 E</p> <p>LAT.=32.262865° N LONG.=103.712187° W</p>			<p>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>JULY 24, 2006 ✓ Date Surveyed</p> <p>REV:07/26/06 Signature & Seal of Professional Surveyor MR</p>
	<p>06.11.1217</p>			
	<p>Certificate No. GARY EIDSON 12641 RONALD J. EIDSON 3239</p>			

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, 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-144
June 1, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☒

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: <u>XTO Energy, Inc.</u> Telephone: <u>432 684-6381/682-8873</u> e-mail address: <u>ann.ritchie@wtor.net</u>		
Address: <u>c/o Box 953, Midland, TX 79702</u>		
Facility or well name: <u>SDE "31" Federal, #17</u> API #: <u>30-025-³⁸⁰⁸⁸pending</u> U/L or Qtr/Qtr <u>G</u> Sec <u>31</u> T <u>23S</u> R <u>32E</u>		
County: <u>Lea</u> Latitude <u>32.161865</u> Longitude <u>103.712187</u> NAD: 1927 X 1983 <input type="checkbox"/>		
Surface Owner: Federal <input checked="" type="checkbox"/> State <input type="checkbox"/> Private <input type="checkbox"/> Indian <input type="checkbox"/>		
Pit Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness <u>12</u> mil Clay <input type="checkbox"/> Pit Volume <u>16000</u>	Below-grade tank Volume: <u> </u> bbl Type of fluid: <u> </u> Construction material: <u> </u> Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not: <u> </u>	
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet	(20 points)
	50 feet or more, but less than 100 feet	(10 points)
	100 feet or more X	(0 points)
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes	(20 points)
	No X	(0 points)
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet	(20 points)
	200 feet or more, but less than 1000 feet	(10 points)
	1000 feet or more X	(0 points)
Ranking Score (Total Points)		0

If this is a pit closure: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if you are burying in place) onsite ☐ offsite ☐ If offsite, name of facility . (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface ft. and attach sample results.

(5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments:

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒, a general permit ☐, or an (attached) alternative NMOCD approved plan ☐.

Date: 8-9-06

Printed Name/Title Ann E. Ritchie Signature [Signature]

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:

Printed Name/Title PETROLEUM ENGINEER

Signature [Signature]

Date:

AUG 25 2006

XTO Energy, Inc.

RIG -

Pit layout

First wall on reserve @
back of cellar on pump side

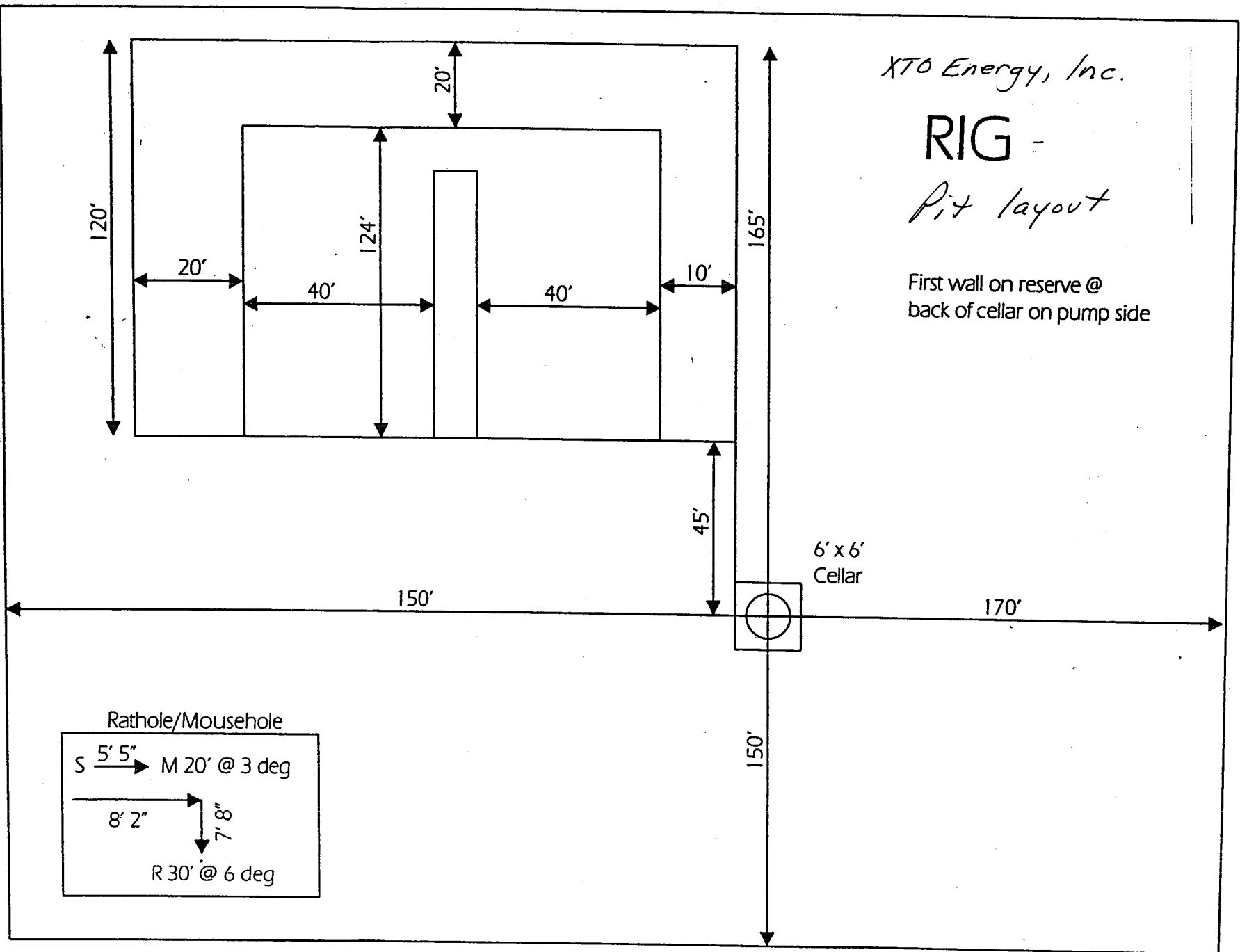


FIGURE 1: CROSS-SECTIONS AND PLANS FOR TYPICAL ROAD CONSTRUCTION
 REPRESENTATIVE OF BLM RESOURCE, AND HIGHER CLASS, ROADS.

Copy for reference

(Travel way, top width, driving surface, and travel surface are synonymous.)

