

FORM
2
Rev
12/05

State of Colorado
Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109



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| DE | ET | OE | ES |
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Document Number:

400144175

Plugging Bond Surety

20100210

APPLICATION FOR PERMIT TO:

1. ☒ Drill, ☐ Deepen, ☐ Re-enter, ☐ Recomplete and Operate

2. TYPE OF WELL

OIL ☐ GAS ☐ COALBED ☒ OTHER _____
SINGLE ZONE ☐ MULTIPLE ZONE ☒ COMMINGLE ZONE ☐

Refiling ☐
Sidetrack ☐

3. Name of Operator: XTO ENERGY INC 4. COGCC Operator Number: 100264
5. Address: 382 CR 3100
City: AZTEC State: NM Zip: 87410
6. Contact Name: Kelly Kardos Phone: (505)333-3145 Fax: (505)213-0546
Email: kelly_kardos@xtoenergy.com
7. Well Name: APACHE CANYON Well Number: 20-07
8. Unit Name (if appl): _____ Unit Number: _____
9. Proposed Total Measured Depth: 2125

WELL LOCATION INFORMATION

10. QtrQtr: SWNE Sec: 20 Twp: 34S Rng: 67W Meridian: 6
Latitude: 37.070223 Longitude: -104.908926

Footage at Surface: 2471 feet FNL/FSL FNL 1967 feet FEL/FWL FEL

11. Field Name: PURGATOIRE RIVER Field Number: 70830

12. Ground Elevation: 7605 13. County: LAS ANIMAS

14. GPS Data:

Date of Measurement: 01/25/2011 PDOP Reading: 6.0 Instrument Operator's Name: GARY TERRY

15. If well is ☐ Directional ☐ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL _____ FEL/FWL _____ Bottom Hole: FNL/FSL _____ FEL/FWL _____

Sec: _____ Twp: _____ Rng: _____ Sec: _____ Twp: _____ Rng: _____

16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No

17. Distance to the nearest building, public road, above ground utility or railroad: 10560 ft

18. Distance to nearest property line: 1 mi 19. Distance to nearest well permitted/completed in the same formation: 1225 ft

20. LEASE, SPACING AND POOLING INFORMATION

| Objective Formation(s) | Formation Code | Spacing Order Number(s) | Unit Acreage Assigned to Well | Unit Configuration (N/2, SE/4, etc.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| RATON | RTON | | | |
| VERMEJO | VRMJ | | | |

21. Mineral Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian Lease #: _____

22. Surface Ownership: ☐ Fee ☒ State ☐ Federal ☐ Indian

23. Is the Surface Owner also the Mineral Owner? ☐ Yes ☒ No Surface Surety ID#: _____

23a. If 23 is Yes: Is the Surface Owner(s) signature on the lease? ☐ Yes ☐ No

23b. If 23 is No ☒ Surface Owners Agreement Attached or ☐ \$25,000 Blanket Surface Bon ☐ \$2,000 Surface Bond ☐ \$5,000 Surface Bond

24. Using standard QtrQtr, Sec, Twp, Rng format enter entire mineral lease description upon which this proposed wellsite is located (attach separate sheet/map if you prefer):
SEE ATTACHED

25. Distance to Nearest Mineral Lease Line: 1 mi 26. Total Acres in Lease: 22317

DRILLING PLANS AND PROCEDURES

27. Is H2S anticipated? ☐ Yes ☒ No If Yes, attach contingency plan.

28. Will salt sections be encountered during drilling? ☐ Yes ☒ No

29. Will salt (>15,000 ppm TDS CL) or oil based muds be used during drilling? ☐ Yes ☒ No

30. If questions 28 or 29 are yes, is this location in a sensitive area (Rule 901.e)? ☐ Yes ☐ No

31. Mud disposal: ☒ Offsite ☐ Onsite

Method: ☐ Land Farming ☐ Land Spreading ☐ Disposal Facility Other: BURY/HAUL

Note: The use of an earthen pit for Recompletion fluids requires a pit permit (Rule 905b). If air/gas drilling, notify local fire officials.

| Casing Type | Size of Hole | Size of Casing | Wt/Ft | Csg/Liner Top | Setting Depth | Sacks Cmt | Cmt Btm | Cmt Top |
|-------------|--------------|----------------|------------|---------------|---------------|-----------|---------|---------|
| CONDUCTOR | 17+1/2 | 13+3/8 | 54 | 0 | 45 | 98 | 45 | 0 |
| SURF | 11 | 8+5/8 | 24 | 0 | 250 | 160 | 250 | 0 |
| 1ST | 7+7/8 | 5+1/2 | 15.5 | 0 | 2,125 | 100 | 2,125 | 1,432 |
| | | | Stage Tool | | 1,432 | 230 | 1,432 | 0 |

32. BOP Equipment Type: ☐ Annular Preventer ☐ Double Ram ☒ Rotating Head ☐ None

33. Comments THERE ARE NO WATER WELLS WITHIN ONE MILE OF THE PROPOSED LOCATION

34. Location ID: _____

35. Is this application in a Comprehensive Drilling Plan ? ☐ Yes ☐ No

36. Is this application part of submitted Oil and Gas Location Assessment ? ☒ Yes ☐ No

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: _____ Print Name: Kelly K. Kardos

Title: Sr. Permitting Tech Date: 3/18/2011 Email: kelly_kardos@xtoenergy.com

Based on the information provided herein, this Application for Permit-to-Drill complies with COGCC Rules and applicable orders and is hereby approved.

COGCC Approved: David S. Nesline Director of COGCC Date: 5/10/2011

API NUMBER

05 071 09863 00

Permit Number: _____ Expiration Date: 5/9/2013

CONDITIONS OF APPROVAL, IF ANY:

All representations, stipulations and conditions of approval stated in the Form 2A for this location shall constitute representations, stipulations and conditions of approval for this Form 2 Permit-to-Drill and are enforceable to the same extent as all other representations, stipulations and conditions of approval stated in this Permit-to-Drill.

- 1) Provide 48 hour notice of MIRU to John Duran at 719-846-4715 or email John.Duran@state.co.us.
2) Provide cement coverage of production casing from TD to 50' above surface casing shoe. Verify coverage with cement bond log.

Attachment Check List

| Att Doc Num | Name |
|-------------|----------------------|
| 400144175 | FORM 2 SUBMITTED |
| 400144179 | LEASE MAP |
| 400144180 | 30 DAY NOTICE LETTER |
| 400144181 | CORRESPONDENCE |
| 400144182 | PROPOSED BMPs |
| 400144183 | WELL LOCATION PLAT |
| 400144184 | TOPO MAP |
| 400144185 | WAIVERS |

Total Attach: 8 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|----------------|---------------------|
| | | |

Total: 0 comment(s)

BMP

| <u>Type</u> | <u>Comment</u> |
|--|--|
| Material Handling and Spill Prevention | Spill Prevention and Counter Measures (SPCC) for the Raton Basin is on file at the XTO Energy Inc. office. The Field SWMP and Site Specific SWMP each address SPCC during construction operations. |
| Storm Water/Erosion Control | A Field Wide Stormwater Management Plan (SWMP) for the Raton Basin is on file at the XTO Energy Inc. office. A Site Specific SWMP with a Site Plan will be developed for each location and can be found in: <ul style="list-style-type: none">• Appendix F- Apache Canyon Lease• Appendix G- Golden Eagle Lease• Appendix H- Hill Ranch Lease• Appendix I- New Elk Lease |
| Wildlife | Wildlife BMP required for Raton Basin utilize bear proof dumpsters and trash receptacles for food related trash at all facilities that generate such trash. |
| Construction | <p>Prior to construction perimeter controls will be installed utilizing cuttings from the clearing operations. Brush Barriers shall be placed down gradient of the disturbance. Once the well pad has been constructed a variety of B.M.P.'s shall be utilized for the site specific conditions. These devices may include but are not limited to:</p> <ul style="list-style-type: none">• Brush Barriers• Dirt Berm/Bar Ditch• Clean Water Run on Diversion• Seeding• Erosion Control Blankets• Mulch Tackifier• Rip-Rap <p>During construction each site will be inspected every 14 days and 72 hours after any major storm event. These inspections will be recorded and maintained at the XTO office.</p> <p>Repairs shall be completed within 7 days of the initial inspection. Any modifications shall be revised on the site plan and then implemented at the site.</p> |

Total: 4 comment(s)