

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



DE	ET	OE	ES
----	----	----	----

Document Number:

400129659

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 ☐

Refilling ☐

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: HILL RANCH Well Number: 02-08

8. Unit Name (if appl): _____ Unit Number: _____

9. Proposed Total Measured Depth: 2100

WELL LOCATION INFORMATION

10. QtrQtr: SENE Sec: 2 Twp: 35S Rng: 68W Meridian: 6

Latitude: 37.027258 Longitude: -104.958110

Footage at Surface: 2237 feet FNL/FSL FNL 702 feet FEL/FWL FEL

11. Field Name: PURGATOIRE RIVER Field Number: 70830

12. Ground Elevation: 8947 13. County: LAS ANIMAS

14. GPS Data:

Date of Measurement: 12/06/2010 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: 940 ft 19. Distance to nearest well permitted/completed in the same formation: 1450 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 Bond ☐ \$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: 940 ft 26. Total Acres in Lease: 19447

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 **If 28, 29, or 30 are "Yes" a pit permit may be required.**

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	48	98	48	0
SURF	11	8+5/8	24	0	250	160	250	0
1ST	7+7/8	5+1/2	15.5	0	2,100	90	2,100	1,438
			Stage Tool		1,438	230	1,438	0

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

33. Comments THERE ARE NO WATER WELLS WITHIN 1 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: 2/2/2011 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. Neslin Director of COGCC Date: 3/7/2011

API NUMBER 05 071 09850 00	Permit Number: _____ Expiration Date: <u>3/6/2013</u>
--------------------------------------	---

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.
- 3) Immediately cease operations and notify the COGCC in the event of any operational problem that could potentially impact water wells in the area.

Attachment Check List

Att Doc Num	Name
400129659	FORM 2 SUBMITTED
400129668	LEASE MAP
400129669	WAIVERS
400129670	PROPOSED BMPs
400129671	CONSULT NOTICE
400130512	WELL LOCATION PLAT
400130513	TOPO MAP

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Engineer	Line 33 comment not true. 2 WW's w/in 1 mile.	3/7/2011 11:27:35 AM
Permit	PERMITTING PASSED- JLV	3/1/2011 5:06:02 PM
Permit	Opr corrected. sf	2/4/2011 10:57:56 AM
Permit	push back to draft status application has plat and topo for another well site. kk	2/3/2011 3:04:14 PM

Total: 4 comment(s)

BMP

<u>Type</u>	<u>Comment</u>

Total: 0 comment(s)