

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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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 ☐

Document Number:

400058858

Plugging Bond Surety

20020116

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: HEIN Well Number: 1-2

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

9. Proposed Total Measured Depth: 3315

WELL LOCATION INFORMATION

10. QtrQtr: NWSW Sec: 1 Twp: 32N Rng: 7W Meridian: N

Latitude: 37.043090 Longitude: -107.565570

Footage at Surface: 1520 FNL/FSL FSL 955 FEL/FWL FWL

11. Field Name: IGNACIO BLANCO Field Number: 38300

12. Ground Elevation: 6287 13. County: LA PLATA

14. GPS Data:

Date of Measurement: 07/03/2007 PDOP Reading: 6.0 Instrument Operator's Name: Randy D. Russell

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

Footage at Top of Prod Zone: FNL/FSL 2203 FSL 1775 FEL/FWL FWL Bottom Hole: FNL/FSL 2310 FSL 1929 FEL/FWL FWL
Sec: 1 Twp: 32N Rng: 7W Sec: 1 Twp: 32N Rng: 7W

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: 1600 ft

18. Distance to nearest property line: 197 ft 19. Distance to nearest well permitted/completed in the same formation: 820 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.)
FRUITLAND COAL	FRLDC	112-185	320	W/2
PICTURED CLIFFS	PCCF		320	W/2

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#: 20020116

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):
SEC 1: NW/4, N/2 SW/4. SEC 2: NESE, W/2 SE/4, E/2 SW/4. SEC 11: NENW

25. Distance to Nearest Mineral Lease Line: 711 ft 26. Total Acres in Lease: 480

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 27 or 28 are yes, is this location in a sensitive area (Rule 903)? ☐ Yes ☐ No If 28, 29, or 30 are "Yes" a pit permit may be required.

31. Mud disposal: ☐ Offsite ☒ Onsite

Method: ☐ Land Farming ☐ Land Spreading ☐ Disposal Facility Other: CLOSED LOOP MUD SYST

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	Weight Per Foot	Setting Depth	Sacks Cement	Cement Bottom	Cement Top
SURF	12+1/4	8+5/8	24	225	134	225	0
1ST	7+7/8	5+1/2	15.5	3,315	418	3,315	0

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

33. Comments PROPOSED WELL WILL BE DRILLED FROM THE EXISTING HEIN #1-1 LOCATION. XTO IS THE SURFACE OWNER.

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 KARDOS

Title: SR. PERMITTING TECH Date: 4/30/2010 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: 5/25/2010

API NUMBER

05 067 09816 00

Permit Number: _____ Expiration Date: 5/24/2012

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 spud to COGCC field inspector Leslie Melton (970) 375-6419 or les.melton@state.co.us
- 2) Set at least 240' of surface casing per Rule 317 (f) (h); cement to surface
- 3) Provide cement coverage of production casing from TD to surface. Verify cement coverage with Cement Bond Log.
- 4) Run and submit Directional Survey from TD to kick-off point
- 5) The operator shall comply with Rule 321, and it shall be the operator's responsibility to ensure that the well bore complies with setback requirements in Commission orders and/or rules prior to producing the well.
- 6) Sample and test two closest water wells within 1/2 mile swath of the directional wellbore intercepting Fruitland Coal (horizontal dimension - top to bottom of pay).
- 7) Operators are required to obtain a bottom hole pressure utilizing a bottom hole gauge after a minimum 48 hour shut-in period following completion and prior to sales
- 8) Comply with all applicable provisions of Order 112-185

Attachment Check List

Att Doc Num	Name	Doc Description
1857130	SELECTED ITEMS REPORT	LF@2473597 1857130
400058858	FORM 2 SUBMITTED	LF@2462447 400058858
400058874	WELL LOCATION PLAT	LF@2462448 400058874
400058875	TOPO MAP	LF@2462449 400058875
400058876	SURFACE AGRMT/SURETY	LF@2462450 400058876
400058877	CONSULT NOTICE	LF@2462451 400058877
400058878	DEVIATED DRILLING PLAN	LF@2462452 400058878
400058879	P&A ASSESSMENT	LF@2462453 400058879

Total Attach: 8 Files