Form 3160-3
(September 2001)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0136
Expires January 31, 2004

RECEIVED
2004 MAR 16 AM 11: 27
070 Farmington, NM

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: [X] DRILL [ ] REENTER	5. Lease Serial No.: SF - 079319
1b. Type of Well: [ ] Oil Well [X] Gas Well [ ] Other [ ] Single Zone [X] Multiple Zone	6. If Indian, Allotee or Tribe Name:
2. Name of Operator: XTO Energy Inc.	7. Unit or CA Agreement Name and No.:
3a. Address: 2700 Farmington Ave., Bldg. K, Ste 1 Farmington, NM	3b. Phone No. (include area code): 505-324-1099
	8. Lease Name and Well No.: Schwerdtfeger "A" #24
	9. API Well No.: 30 045 32231
4. Location of Well (*Report location clearly and in accordance with any State equirements*)* At surface: 2070' FNL x 1345' FWL sec 8, T27N, R08W At proposed prod. zone: 2420' FNL x 1490' FWL sec 8, T27N, R08W	10. Field and Pool, or Exploratory: Basin Dakota / Blanco Mesaverd 11. Sec., T., R., M., or Blk. and Survey or Area: F Sec 8, T27N, R08W
14. Distance in miles and direction from nearest town or post office*: This well location is approx 25 southeast of Bloomfield, NM.	12. County or Parish: San Juan; 13. State: NM

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any)	16. No. of Acres in lease	17. Spacing Unit dedicated to this well
1345'	2516.33	320 W/2 (DK & MV)
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	**19. Proposed Depth**	**20. BLM/BIA Bond No. on file**
1023'	7,200' MD	
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	**22. Approximate date work will start***	**23. Estimated duration**
6,196' GL	Summer 2004	3 weeks

24. Attachments

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

25. Signuature	Name (*Printed/Typed*)	Date
J W Patton	Jeffrey W. Patton	3/12/04
Title: Drilling Engineer		
Approved by (Signautre): D J Mankiewicz	Name (*Printed/Typed*)	Date: 6-8-04
Title: AFM	Office: FFO	

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.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowlingly 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 Reverse)

HOLD C104 FOR Directional Survey

APD/ROW

ALL OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS".

NMOCD

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

DISTRICT I
P.O. Box 1980, Hobbs, N.M. 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, N.M. 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2 Pool Code	3 Pool Name
30-045-32231	71599	Basin Dakota

4 Property Code	5 Property Name	6 Well Number
22634	SCHWERDTFEGER A	24

7 OGRID No.	8 Operator Name	9 Elevation
167067	XTO ENERGY INC.	6196

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	8	27-N	8-W		2070	NORTH	1345	WEST	SAN JUAN

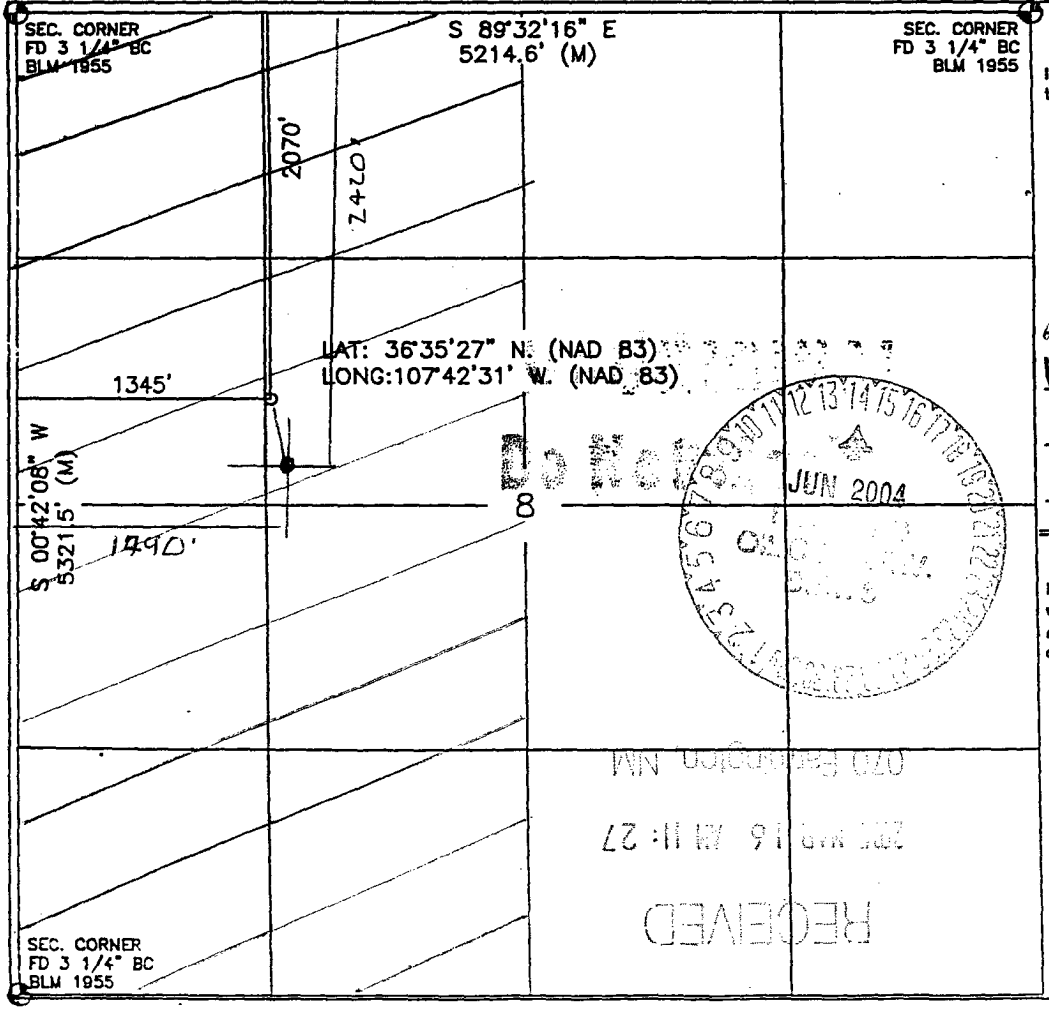
11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	8	27 N	8W		2420	NORTH	1490	WEST	SAN JUAN

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
320 W/2	I		

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

16



17 OPERATOR CERTIFICATION

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

Signature: Kelly K Small

Printed Name: Kelly K Small

Title: Drilling Assistant

Date: 8/1/03

18 SURVEYOR CERTIFICATION

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.

Date of Survey: 4-11-03

Signature and Seal of Professional Surveyor:

DAVID A. JOHNSON
NEW MEXICO
14827
REGISTERED PROFESSIONAL SURVEYOR

Certificate Number 14827

DISTRICT I
P.O. Box 1980, Hobbs, N.M. 88241-1980

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2 Pool Code	3 Pool Name
30-045-32231	72319	BLANCO MESAVERDE

4 Property Code	5 Property Name	6 Well Number
22634	SCHWERDTFEGER A	24

7 OGRID No.	8 Operator Name	9 Elevation
167067	XTO ENERGY INC.	6196

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	8	27-N	8-W		2070	NORTH	1345	WEST	SAN JUAN

11 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
F	8	27N	RW		2420'	NORTH	1490'	WEST	SAN JUAN

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
320 W/2	I		

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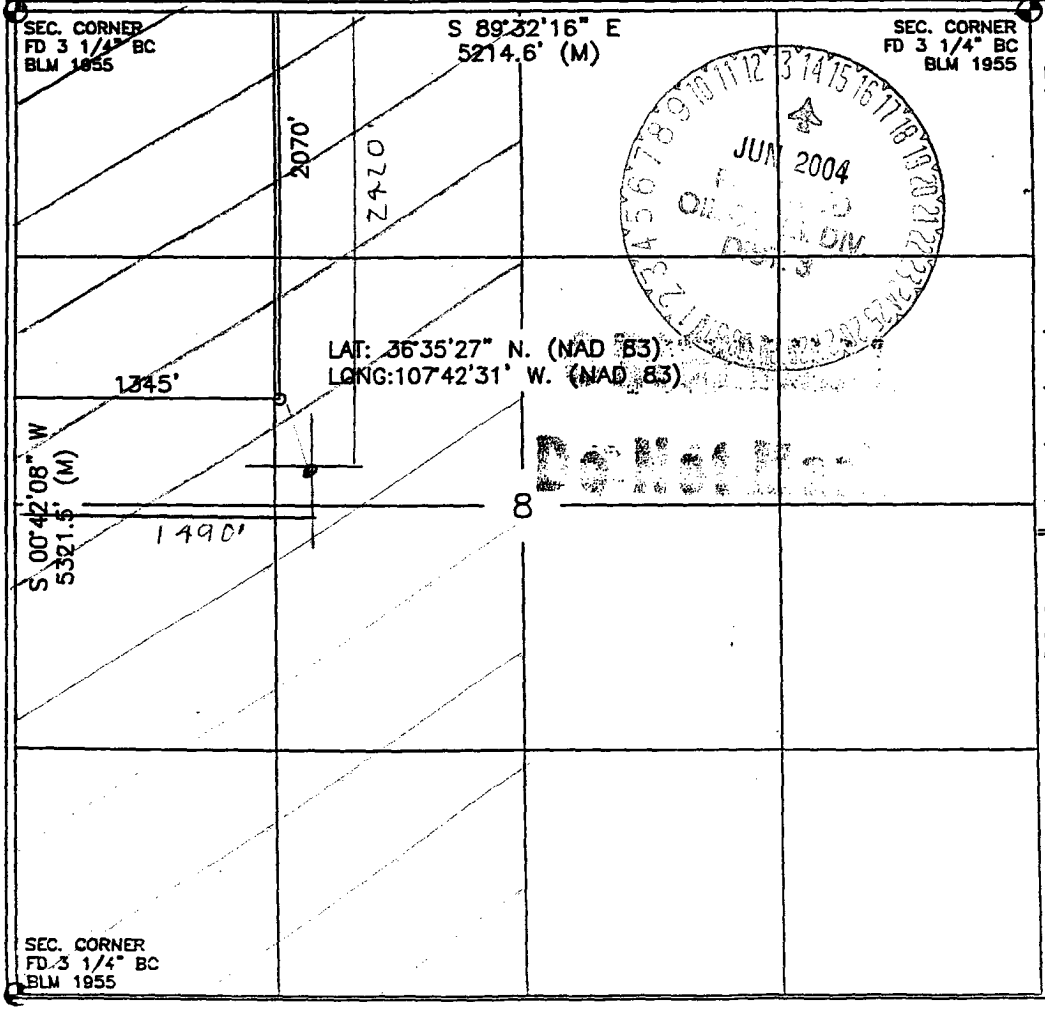


17 OPERATOR CERTIFICATION

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

Signature: Kelly K Small

Printed Name: Kelly K Small

Title: Drilling Assistant

Date: 2/1/03

18 SURVEYOR CERTIFICATION

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.

Date of Survey: 4-11-03

Signature and Seal of Professional Surveyor:

DAVID A. JOHNSON
NEW MEXICO
14827
REGISTERED PROFESSIONAL SURVEYOR

Certificate Number

XTO ENERGY INC.

Schwerdtfeger "A" #24
APD Data
March 12, 2004

Surface Location: 2,040' FNL & 1,345' FWEL, Sec 8, T27N, R08W **County**: San Juan **State**: New Mexico

TOTAL DEPTH: ±7,200' MD
GR ELEV: 6,196'

OBJECTIVE: Dakota/Mesaverde
Est KB ELEV: 6,209' (13' AGL)

1. MUD PROGRAM:

INTERVAL	0' to 265'	265' to 4,000'	4,000' to TD
HOLE SIZE	12-1/4"	8-3/4"	6-1/4"
MUD TYPE	FW/Native Mud	FW/Polymer	LSND Mud
WEIGHT	8.6-8.8	8.6-9.0	8.8-9.0
VISCOSITY	28-32	29-34	34-60
WATER LOSS	NC	NC	8-10

Remarks: Use fibrous materials as needed to control seepage and lost circulation. Pump high viscosity sweeps as needed for hole cleaning.

2. CASING PROGRAM:

Surface Casing: 9-5/8" casing to be set at ± 265' in 8.6-8.8 ppg mud

Interval	Length	Wt	Gr	Cplg	Coll Rating (psi)	Burst Rating (psi)	Jt Str (M-lbs)	ID (in)	Drift (in)	SF Coll	SF Burst	SF Ten
0'-265'	265'	36.0#	J-55	STC	2020	3520	394	8.921	8.765	5.98	5.68	15.73

Intermediate Casing: 7" casing to be set at ±4,000' in 8.6-9.0 ppg mud.

Interval	Length	Wt	Gr	Cplg	Coll Rating (psi)	Burst Rating (psi)	Jt Str (M-lbs)	ID (in)	Drift (in)	SF Coll	SF Burst	SF Ten
0'-4,000'	4,000'	20.0#	J-55	STC	2270	3740	234	6.456	6.331	1.15	1.31	2.57

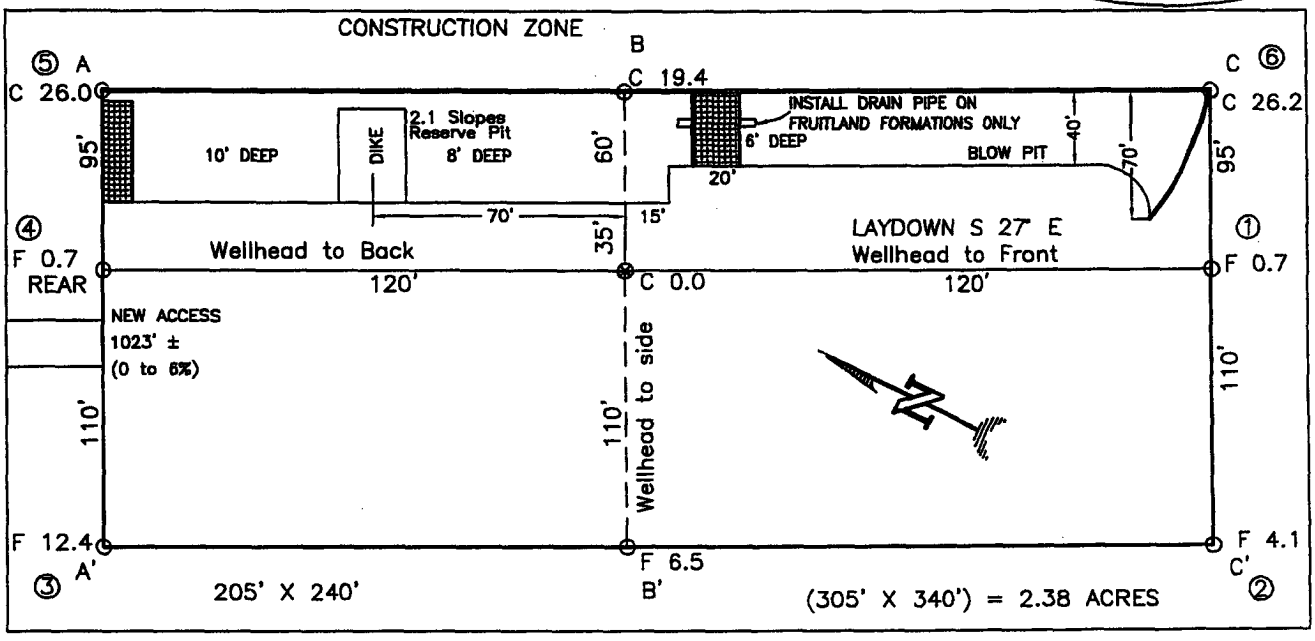
Production Casing: 4-1/2" casing to be set at 7,200' in 8.8-9.0 ppg mud.

Interval	Length	Wt	Gr	Cplg	Coll Rating (psi)	Burst Rating (psi)	Jt Str (M-lbs)	ID (in)	Drift (in)	SF Coll	SF Burst	SF Ten
0'-7,200'	7,200'	10.5#	J-55	STC	4010	4790	132	4.052	3.927	1.33	1.20	1.90

EXHIBIT E

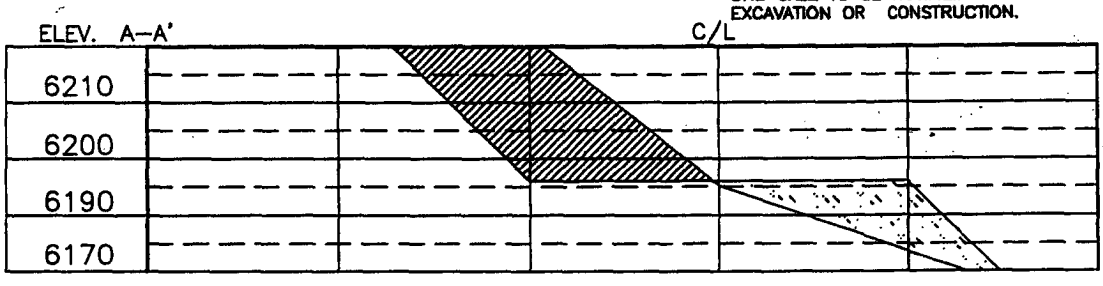
XTO ENERGY INC.
SCHWERDTFEGER A No. 24, 2070 FNL 1345 FWL
SECTION 8, T27N, R8W, N.M.P.M., SAN JUAN COUNTY, N. M.
GROUND ELEVATION: 6196, DATE: FEBRUARY 24, 2003

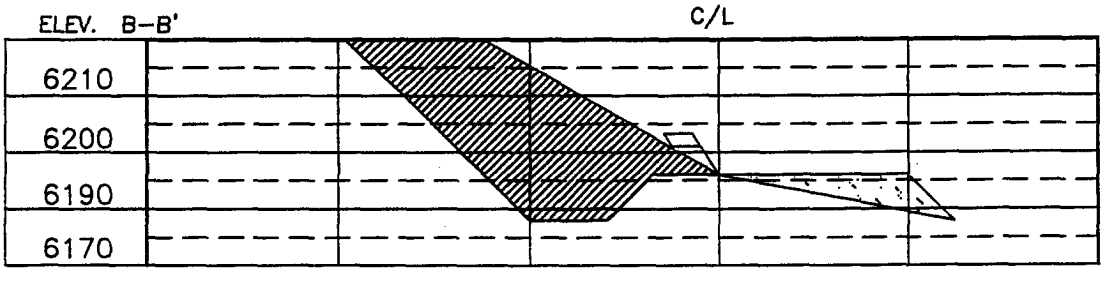
LAT. = 36°35'27" N
LONG. = 107°42'31" W
NAD 83

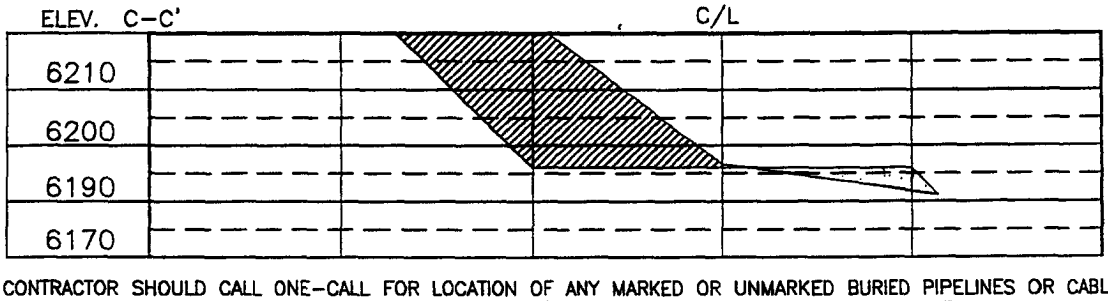


RESERVE PIT DIKE: TO BE 8' ABOVE DEEP SIDE (OVERFLOW – 3' WIDE AND 1' ABOVE SHALLOW SIDE).
BLOW PIT: OVERFLOW PIPE HALFWAY BETWEEN TOP AND BOTTOM AND TO EXTEND OVER PLASTIC LINER AND INTO BLOW PIT.

NOTE: DAGGETT ENTERPRISES, INC. IS NOT LIABLE FOR UNDERGROUND UTILITIES OR PIPELINES. NEW MEXICO ONE CALL TO BE NOTIFIED 48 HOURS PRIOR TO EXCAVATION OR CONSTRUCTION.







NOTE: CONTRACTOR SHOULD CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED BURIED PIPELINES OR CABLES ON WELL PAD AND OR ACCESS ROAD AT LEAST TWO (2) WORKING DAYS PRIOR TO CONSTRUCTION.

DRAWN BY: A.G. ROW#: CR149 CADFILE: CR149CF8 DATE: 06/09/02

Daggett Enterprises, Inc.
Surveying and Oil Field Services
P. O. Box 15068 Farmington, NM 87401
Phone (505) 326-1772 Fax (505) 326-6019

EXHIBIT D

3. WELLHEAD:

A. Bradenhead: 9-5/8" x 7" 2,000 psig WP (4,000 psig test).
Casinghead: 7" x 4-1/2" 3,000 psig WP (6,000 psig test).

4. CEMENT PROGRAM (Slurry design may change slightly, but the plan is to circulate cement to surface on both casing strings):

A. Surface: 9-5/8", 36.0#, J-55, STC casing to be set at ± 265'.

Lead: **150 sx** of Type III or equivalent cement containing accelerator and LCM typically mixed at 14.5 ppg, 1.39 ft^3/sk, & 6.30 gal wtr/sk.

Total slurry volume is 209 ft^3, 100% excess of calculated annular volume to 265'.

B. Intermediate: 7", 20.0#, J-55, STC casing to be set at ±4,000'.

Lead: **325 sx** of Type III or equivalent cement containing extender, accelerator and LCM typically mixed at 11.4 ppg, 3.03 ft^3/sk, 18.51 gal wtr/sx.

Tail: **150 sx** of Type III or equivalent cement containing accelerator and LCM typically mixed at 14.5 ppg, 1.41 ft^3/sk, 6.30 gal wtr/sx.

Total slurry volume is 1,196 ft^3, circulated to surface. This value is ±100% (excess) over gage hole volume.

C: Production: 4-1/2", 10.5#, J-55, STC casing to be set at ±7,200'.

Lead: **175 sx** of Class "H" Premium Lite High Strength (65/35/6) containing dispersant, fluid loss, salt and LCM typically mixed at 12.5 ppg, 2.01 ft^3/sk, 10.12 gal wtr/sx.

Tail: **150 sx** of Class "H" or equivalent cement containing extender, dispersant, fluid loss and LCM typically mixed at 14.2 ppg, 1.54 ft^3/sk, 7.50 gal wtr/sx..

Total estimated slurry volume for the 4-1/2" production casing is 585 ft^3 for 3,700' of fill. Est. TOC should be @ ±3,500' (±500' inside the 7" intermediate casing). 40% (excess) over gage hole volume has been added to the number of sacks indicated.

Note: The slurry design may change slightly based upon actual conditions. Final cement volumes will be determined for the caliper logs plus 40%.

5. LOGGING PROGRAM:

A. Mud Logger: A two man mud logging crew will come on the hole @ 3,700' and remain on the hole until TD.

B. Open Hole Logs as follows: Run Dual Induction/MSFL/GR/CAL/SP/CNL/LDT (lithodensity) from TD to the bottom of the intermediate csg (@ ±4,000' MD). Run cased hole GR/CCL from TD to surface.

EXHIBIT E

6. FORMATION TOPS:

Formation	Subsea Depth	TVD Depth	Well Depth (MD)
Kick Off Point see COA's	+5211'	~~1000'~~	1000'
Ojo Alamo SS	+4830'	1381'	1382'
Kirtland Shale	+4712'	1499'	1500'
Farmington Sanstone	+4628'	1583'	1585'
Fruitland Formation	+4322'	1889'	1893'
Lower Fruitland Coal	+3956'	2255'	2265'
Pictured Cliffs SS	+3891'	2320'	2331'
Lewis Shale	+3761'	2450'	2464'
Chacra Sandstone	+2975'	3236'	3264'
Cliffhouse SS	+2325'	3886'	3917'
Menefee	+2210'	4001'	4032'
Point Lookout SS	+1617'	4594'	4625'
Mancos Shale	+1303'	4908'	4939'
Gallup Sandstone	+452'	5759'	5790'
Greenhorn Limestone	-312'	6523'	6554'
Graneros Shale	-369'	6580'	6611'
1st Dakota	-410'	6621'	6652'
2nd Dakota	-422'	6633'	6664'
3rd Dakota	-485'	6696'	6727'
4th Dakota	-542'	6753'	6784'
5th Dakota	-567'	6778'	6809'
6th Dakota	-618'	6829'	6860'
Burro Canyon Ss	-665'	6876'	6907'
Morrison	-706'	6917'	6948'
Projected TD	-958'	7169'	7200'

Maximum anticipated BHP for the Dakota Formation should 1,500-1,800 psig.

7. COMPANY PERSONNEL:

Name	Title	Office Phone	Home Phone
Jeff Patton	Drilling Engineer	505-324-1090	505-632-7882
Jim Onisko	Drilling Manager	505-324-1090	505-564-4935
Dennis Elrod	Drilling Foreman	505-486-6460 cell	505-326-2024
Randy Hosey	Project Geologist	817-885-2398	817-427-2475
Barry Voigt	Reservoir Engineer	817-885-2462	817-540-2092

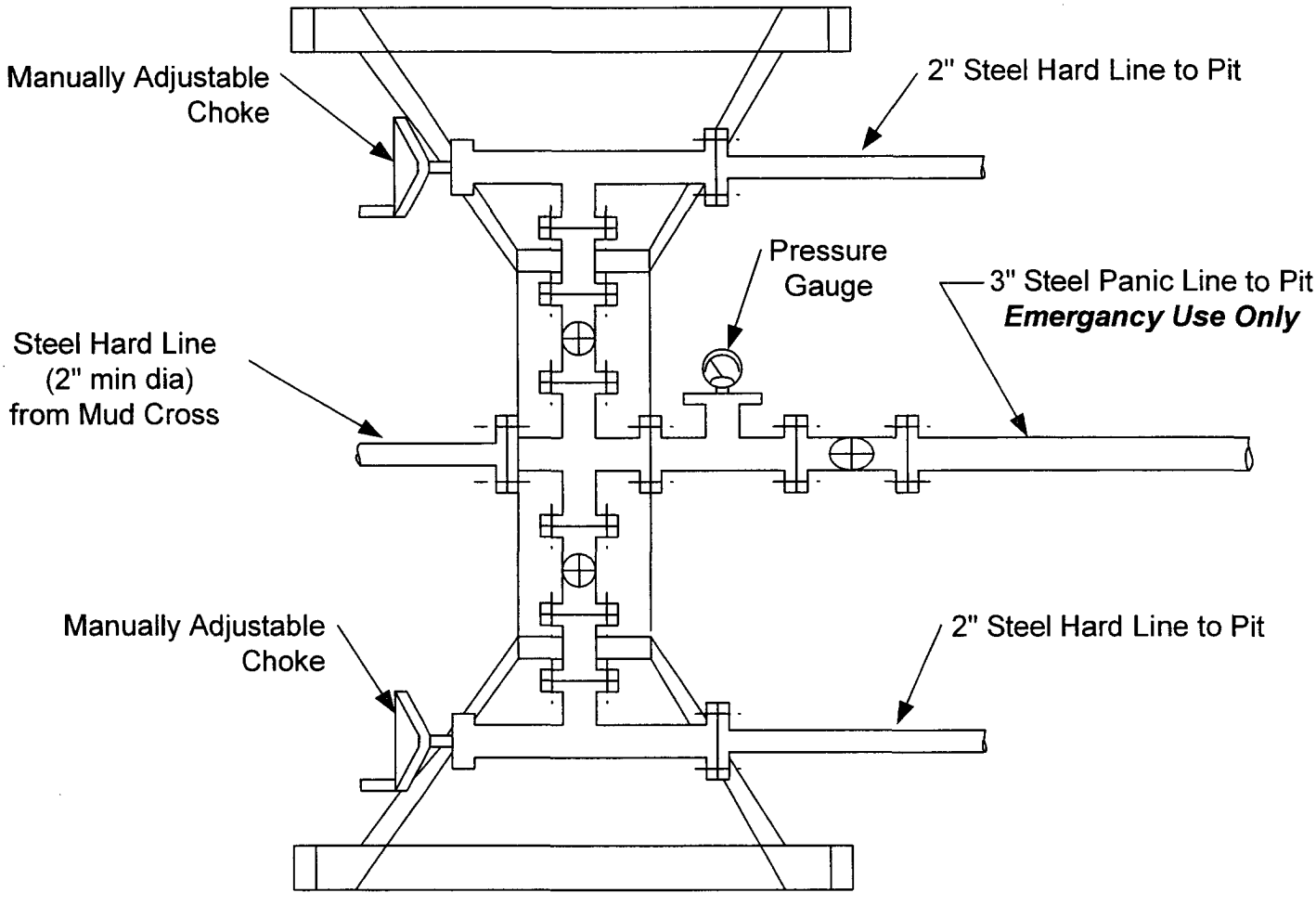
JWP
3/12/04

EXHIBIT E

CHOKE MANIFOLD
SCHEMATIC FOR DRILLING OPERATIONS
CLASS 1 (2M) NORMAL PRESSURE

TESTING PROCEDURE

1. Stake all lines from choke manifold to pit.
2. Pressure test choke monifold after installation.
3. Pressure test manifold at the same time with the BOP Stack. Test manifold to the same test pressures.



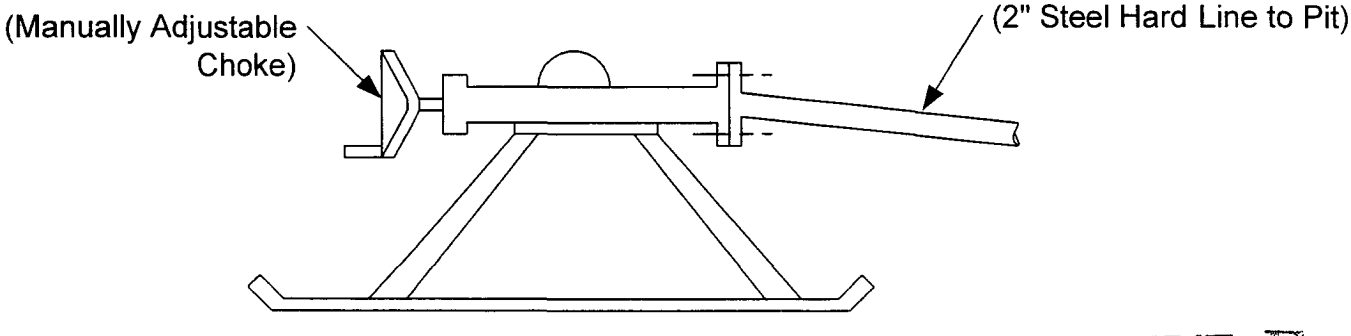
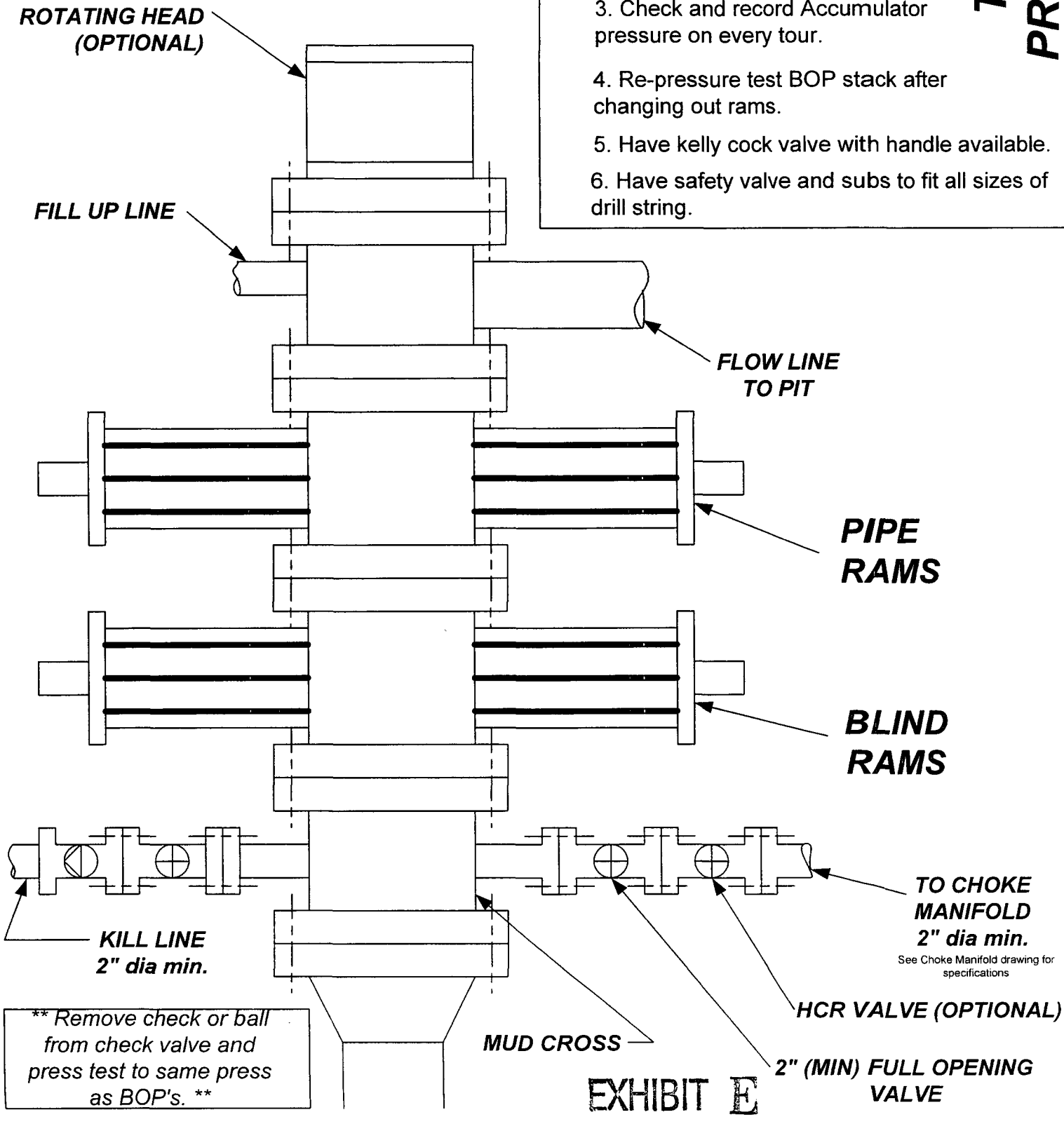


EXHIBIT E

BOP SCHEMATIC FOR DRILLING OPERATIONS CLASS 1 (2M) NORMAL PRESSURE

TESTING PROCEDURE

1. Test BOP after installation:
   Pressure test BOP to 200-300 psig (low pressure) for 5 min.
   Test BOP to Working Press or to 70% internal yield of surf csg (10 min).
2. Test operation of (both) rams on every trip.
3. Check and record Accumulator pressure on every tour.
4. Re-pressure test BOP stack after changing out rams.
5. Have kelly cock valve with handle available.
6. Have safety valve and subs to fit all sizes of drill string.



** Remove check or ball from check valve and press test to same press as BOP's. **

EXHIBIT E