

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

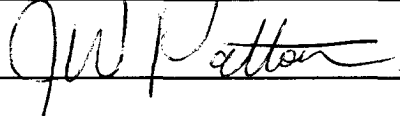
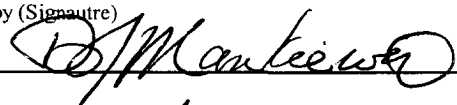
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMSF 0078266
1b. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee 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		8. Lease Name and Well No. Martinez Gas Com "G" #1F
3b. Phone No. (include area code)		9. API Well No. 30045 32383
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface 660' FNL x 2,375' FNL sec 24, T29N, R10W At proposed prod. zone		10. Field and Pool, or Exploratory Blanco MV / Basin DK
11. Sec., T., R., M., or Blk. and Survey or Area (Sec 24, T29N, R10W		12. County or Parish San Juan
13. State NM		14. Distance in miles and direction from nearest town or post office* The well location is 3 miles west of the Blanco NM Post office
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 308'	16. No. of Acres in lease 670.16	17. Spacing Unit dedicated to this well N/2 320 Acre MV & DK
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 900'	19. Proposed Depth 6,950'	20. BLM/BIA Bond No. on file
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5,692' Ground level	22. Approximate date work will start* in 30 - 60 days	23. Estimated duration 2 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. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan | 5. Operator certification. |
| 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). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature 	Name (Printed/Typed) Jeffrey W. Patton	Date 5/28/04
Title Drilling Engineer		
Approved by (Signature) 	Name (Printed/Typed) AEM	Date 7-16-04
Title AEM	Office FEO	

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 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 Reverse)

APD/ROW

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

NMOC

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

DISTRICT I
1825 N. French Dr., Hobbs, N.M. 88240

DISTRICT II
1301 W. Grand Ave., Artesia, N.M. 88210

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

DISTRICT IV
1220 South St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, NM 87505

REC'D / SAN JUAN

070 Farrington, NM

MAR 26 2004

Form C-102

Revised June 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-32383	² Pool Code 72319	³ Pool Name Blanco mesa verde
⁴ Property Code 22624	⁵ Property Name MARTINEZ GAS COM G	⁶ Well Number 1F
⁷ OCRED No. 1670607	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 5692

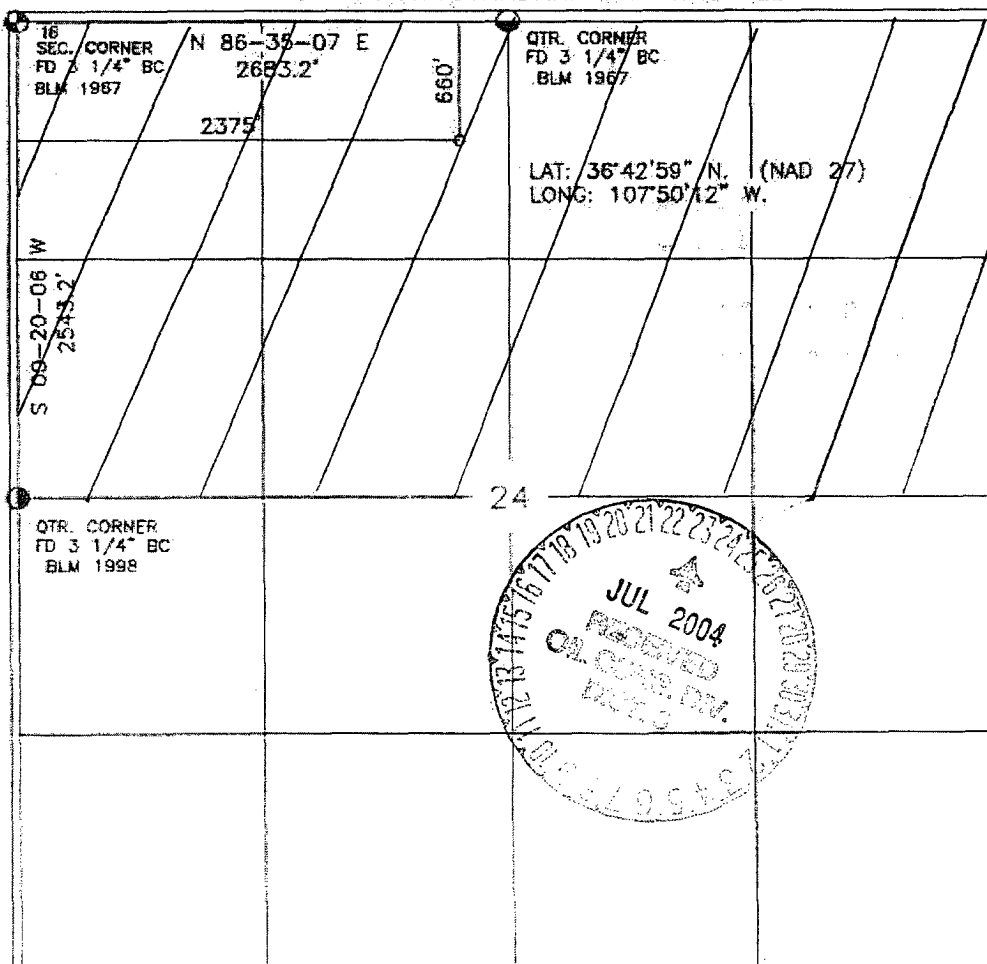
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	24	29-N	10-W		660	NORTH	2375	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
¹² Dedicated Acres 320.012			¹³ Joint or Infill I		¹⁴ Consolidation Code		¹⁵ Order No.		

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



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: 3/29/04

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: 3/29/04
Signature and Seal of Professional Surveyor: [Signature]
Registration Number: 14827
Certificate Number: 14827

DISTRICT I
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REC'D / SAN JUAN

070 Farmington, NM

MAR 26 2004

Form C-102
Revised June 10, 2003

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 71599	³ Pool Name Basin Dakota
⁴ Property Code	⁵ Property Name MARTINEZ GAS COM G	⁶ Well Number 1F
⁷ OGRI No. 1167067	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 5692

¹⁰ Surface Location

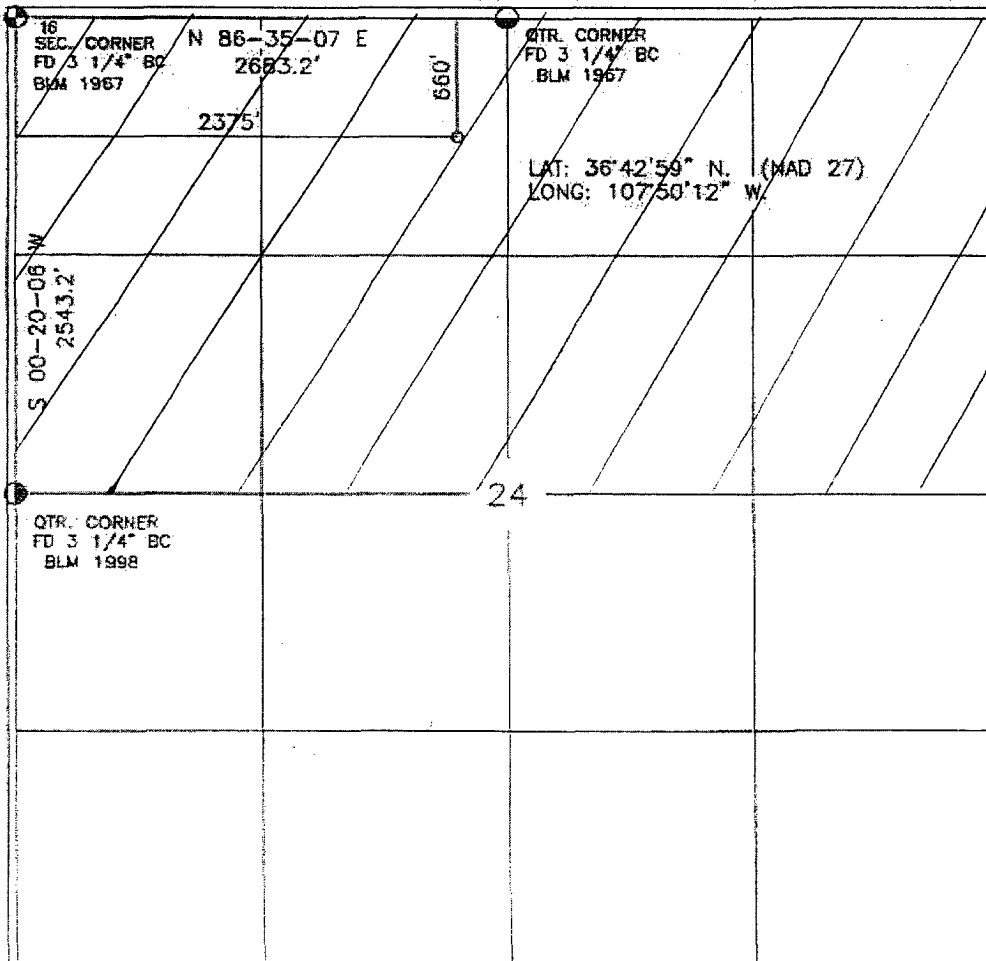
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C	24	29-N	10-W		660	NORTH	2375	WEST	SAN JUAN

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Signature: Kelly K Small
Printed Name: Kelly K Small
Title: Drilling Assistant
Date: 3/29/04

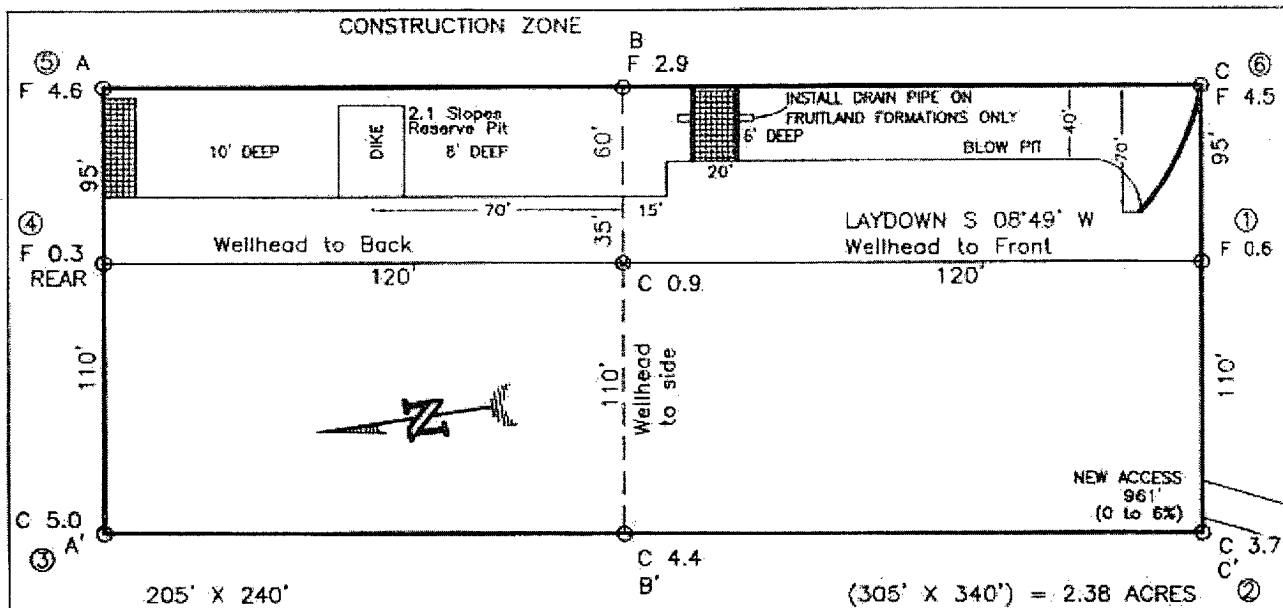
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Date of Survey: 3/29/04
Signature and Seal of Professional Surveyor: [Seal with number 14827]
Certificate number: 14827

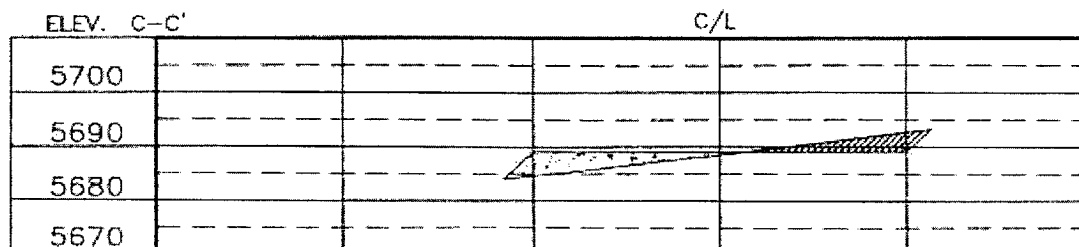
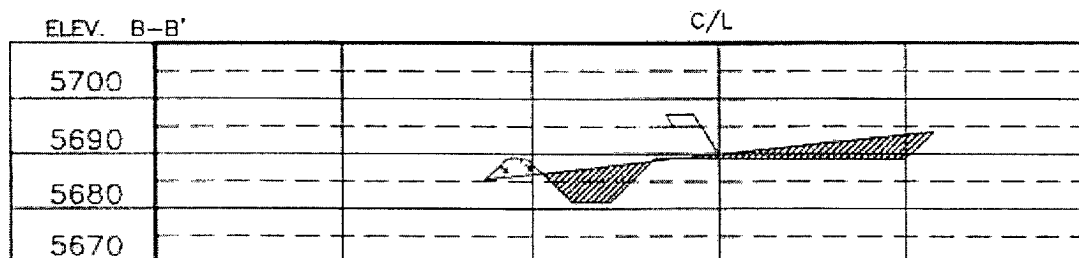
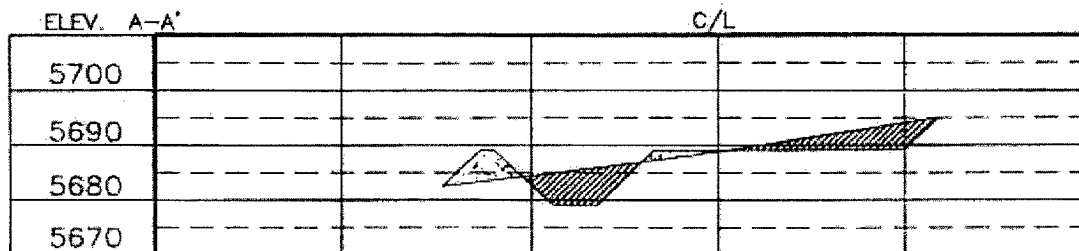
XTO ENERGY INC.
 MARTINEZ GAS COM G No. 1F, 665' FNL 2425' FWL
 SECTION 24, T29N, R10W, N.M.P.M., SAN JUAN COUNTY, N. M.
 GROUND ELEVATION: 5690', DATE: FEBRUARY 9, 2004

LAT. = 36°42'59" N.
 LONG. = 107°50'12" W
 NAD 1927



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.

REVISION	DATE	BY	DATE	BY
	02/13/04	B. LEBY		

RESTAKE LOCATION

Daggett Enterprises, Inc.
 Surveying and Oil Field Services
 P. O. Box 15065 • Farmington, NM 87401
 Phone (505) 326-1772 • Fax (505) 326-6019
 COLORADO L.S. No. 20883
 SCALE: CRT116CF8
 DRAWN BY: B.S.
 CHECKED BY: CR116

DATE: 12/05/02

EXHIBIT D

XTO ENERGY INC.
Martinez Gas Com "G" #1F
APD Data
May 28, 2004

Surface Location: 660' FNL & 2,375' FWL, Sec 24, T29N, R10W **County:** San Juan **State:** New Mexico

TOTAL DEPTH: ±6,950'
GR ELEV: 5,692'

OBJECTIVE: Dakota/Mesaverde
Est KB ELEV: 5,704' (12' AGL)

1. MUD PROGRAM:

INTERVAL	0' to 265'	265' to 2,250'	2,250' to TD
HOLE SIZE	12-1/4"	8-3/4"	6-1/4"
MUD TYPE	FW/Native Mud	FW/Polymer	Air/Foam
WEIGHT	8.6-8.8	8.6-9.0	
VISCOSITY	28-32	29-34	
WATER LOSS	NC	NC	

Remarks: Use fibrous materials as needed to control seepage and lost circulation. Pump high viscosity sweeps as needed for hole cleaning. RU air compressors after setting the intermediate csg. Drill with air or foam to TD.

2. CASING PROGRAM:

Surface Casing: 9-5/8" casing to be set at ± 265' in 8.6 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	22.20	29	41.30

Intermediate Casing: 7" casing to be set at ±2,250' in 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'-2,250'	2,250'	20.0#	J-55	STC	2270	3740	234	6.456	6.331	2.16	3.55	3.71

Production Casing: 4-1/2" casing to be set at 6,950' in air.

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'-6,950'	6,950'	10.5#	J-55	STC	4010	4790	132	4.052	3.927	1.33	1.20	1.90

EXHIBIT E

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 $\pm 265'$.

Lead: 140 sx of Class "B" (Standard) cement containing 2% CaCl_2 , 1/4 pps celloflake, mixed at 15.6 ppg, 1.18 ft^3/sk , & 5.20 gal wtr/sk.

Total slurry volume is 166 ft^3 , 100% excess of calculated annular volume to 265'.

- B. Intermediate: 7", 20.0#, J-55, STC casing to be set at $\pm 2,250'$.

Lead: 150 sx of Type III cement containing $\pm 8\%$ gel, 1/4 pps celloflake and 2% CaCl_2 mixed at 11.4 ppg, 3.03 ft^3/sk , 18.51 gal wtr/sx.

Tail: 50 sx of Type III cement containing 1/4 pps celloflake and 2% CaCl_2 mixed at 14.5 ppg, 1.39 ft^3/sk , 6.80 gal wtr/sx.

Total slurry volume is 524 ft^3 , circulated to surface. This value is 50% (excess) over gage hole volume.

- C. Production: 4-1/2", 10.5#, J-55, STC casing to be set at $\pm 6,950'$.

We plan to cement the production casing in one stage. Prior to cementing, we will unload the hole with nitrogen. The top of cement is design to overlap into the 7" x 4-1/2" annulus between 200-500'.

Lead: 300 sx of Class "H" Premium Lite High Strength (65/35/6), 1/4 pps celloflake, 2% KCl, 0.5% fluidloss, 0.2% dispersant & 2% Phenoseal mixed at 12.5 ppg, 2.01 ft^3/sk , 10.55 gal wtr/sx.

Tail: 100 sx of Type III cement, 5% BA-10, 1/4 pps celloflake, 0.4% fluidloss, 0.3% dispersant & 2% Phenoseal 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 757 ft^3 for $\pm 5,200'$ of fill. Est. TOC should be @ $\pm 1,750'$. 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%.

EXHIBIT E

5. LOGGING PROGRAM:

- A. Mud Logger: A two man mud logging crew will come on the hole @ 2,900' 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 (@ ±2,250' MD). Run cased hole GR/CCL from TD to surface.

6. FORMATION TOPS:

Formation	Subsea Depth	Well Depth (MD)
Ojo Alamo SS	+4967'	737'
Kirtland Shale	+4900'	804'
Farmington Sanstone	+4747'	957'
Fruitland Formation	+4095'	1609'
Pictured Cliffs SS	+3620'	2084'
Lewis Shale	+3455'	2249'
Cliffhouse SS	+1978'	3726'
Menefee	+1893'	3811'
Point Lookout SS	+1345'	4359'
Mancos Shale	+973'	4731'
Gallup Sandstone	+128'	5576'
Greenhorn Limestone	-617'	6321'
Graneros Shale	-675'	6379'
1 st Dakota	-733'	6437'
3 rd Dakota	-796'	6500'
4 th Dakota		
5 th Dakota	-852'	6556'
6 th Dakota	-903'	6607'
Burro Canyon Ss	-1010'	6714'
Morrison	-1025'	6729'
Projected TD	-1246'	6950'

7. COMPANY PERSONNEL:

Name	Title	Office Phone	Home Phone
Jeff Patton	Drilling Engineer	505-324-1090	505-632-7882
Dennis Elrod	Drilling Foreman	505-486-6460 cell	505-326-2024
Glen Christiansen	Project Geologist	800-288-2900	
Barry Voigt	Reservoir Engineer	817-885-2462	817-540-2092

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

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

TESTING PROCEDURE

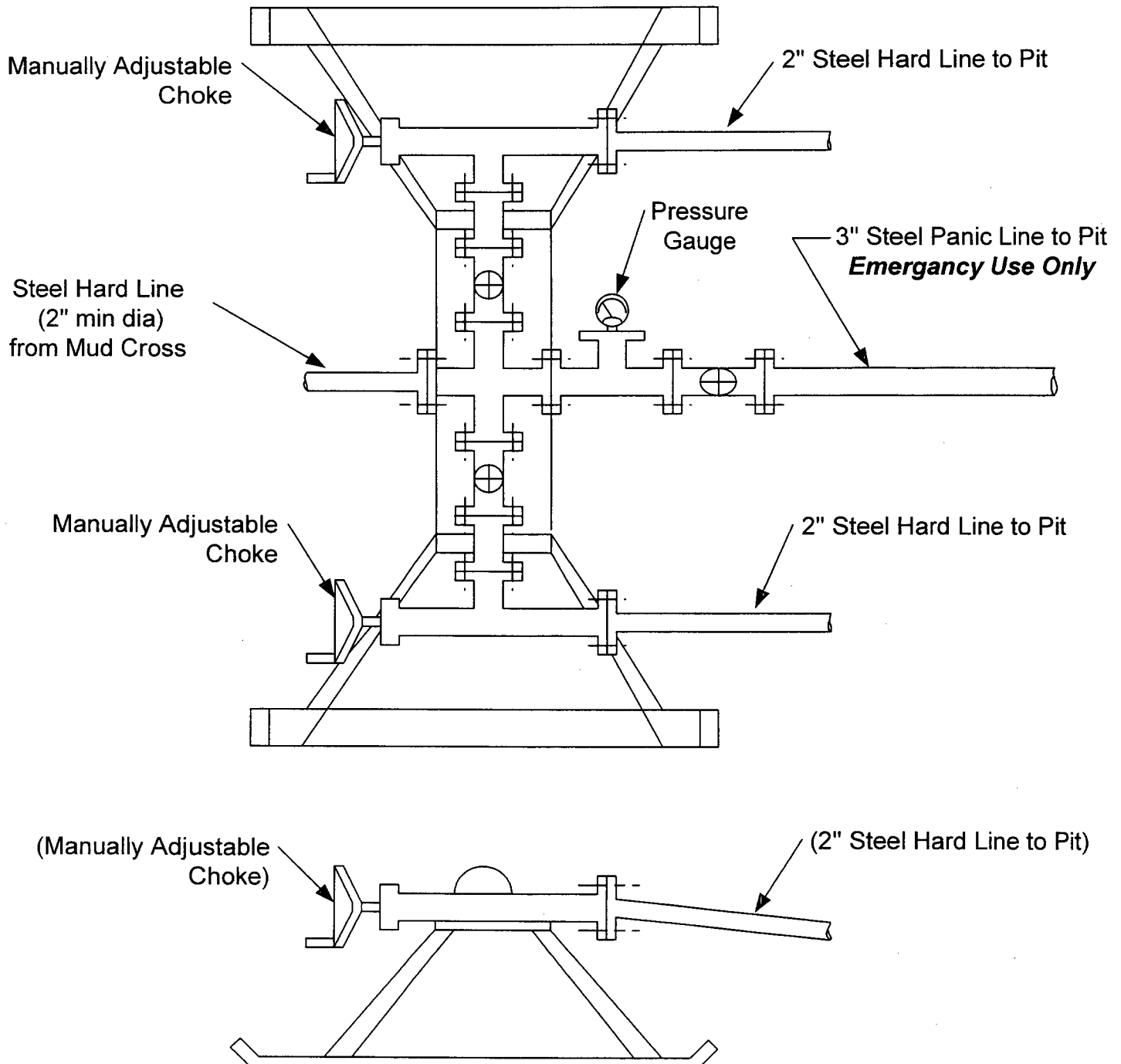


EXHIBIT E

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.

