

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMMN-0 028226	
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name N/A	
2. Name of Operator XTO Energy Inc.		7. If Unit or CA Agreement, Name and No. N/A	
3a. Address 2700 Farmington Ave., Bldg K-1 Farmington, NM 87401		8. Lease Name and Well No. Bell Federal 11 3	
3b. Phone No. (include area code) (505) 324-1090		9. API Well No. 30-045- 32460	
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 1025' FNL & 1835' FEL At proposed prod. zone Same		10. Field and Pool, or Exploratory Basin Fruitland Coal	
14. Distance in miles and direction from nearest town or post office* 4 air miles N of Farmington, NM		11. Sec., T., R., M., or Blk. and Survey or Area B 11-30n-13w NMPM	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 295'	16. No. of Acres in lease 80	17. Spacing Unit dedicated to this well N2 = 320 acres	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 940'	19. Proposed Depth 2,200'	20. BLM/BIA Bond No. on file BLM nation wide: 57 91 73	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5,896' ungraded	22. Approximate date work will start* Upon Approval	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. |

Comments

*295' to closest lease line & 1,025' to closest communitization line

**XTO's Bell Federal Gas Com B 1 (Dakota well)

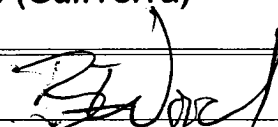
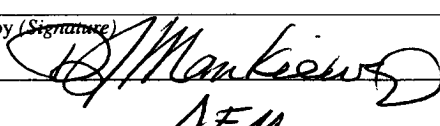
Will plug XTO's Bell Federal 11 #1 (Fruitland well).

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

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

APD/ROW (GulfTerra)

cc: BLM (& OCD), Patton

25. Signature 	Name (Printed/Typed) Brian Wood	Date 7-5-04
Title Consultant	Phone: 505 466-8120	FAX: 505 466-9682
Approved by (Signature) 	Name (Printed/Typed) AFM	Date 7-21-04
Title AFM	Office FFO	

Application approval does not warrant or certify the 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.

HOLD CTR FOR Change in Status NMOC
TO BLM Local 11 #1

DISTRICT I
1625 N. Fench Dr., Hobbs, N.M. 88240

DISTRICT II
1301 W. Grand Avenue, 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 87504-2088

Form C-102

Revised June 10, 2003

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 30-045-32460		² Pool Code 71629		³ Pool Name BASIN FRUITLAND LOCAL	
⁴ Property Code 27786		⁵ Property Name BELL FEDERAL 11			⁶ Well Number 3
⁷ GRID No. 167067		⁸ Operator Name XTO ENERGY INC.			⁹ Elevation 5896

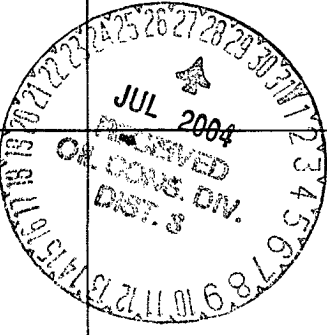

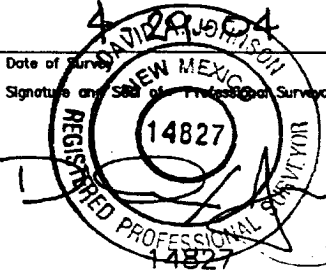
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	11	30-N	13-W		1025	NORTH	1835	EAST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

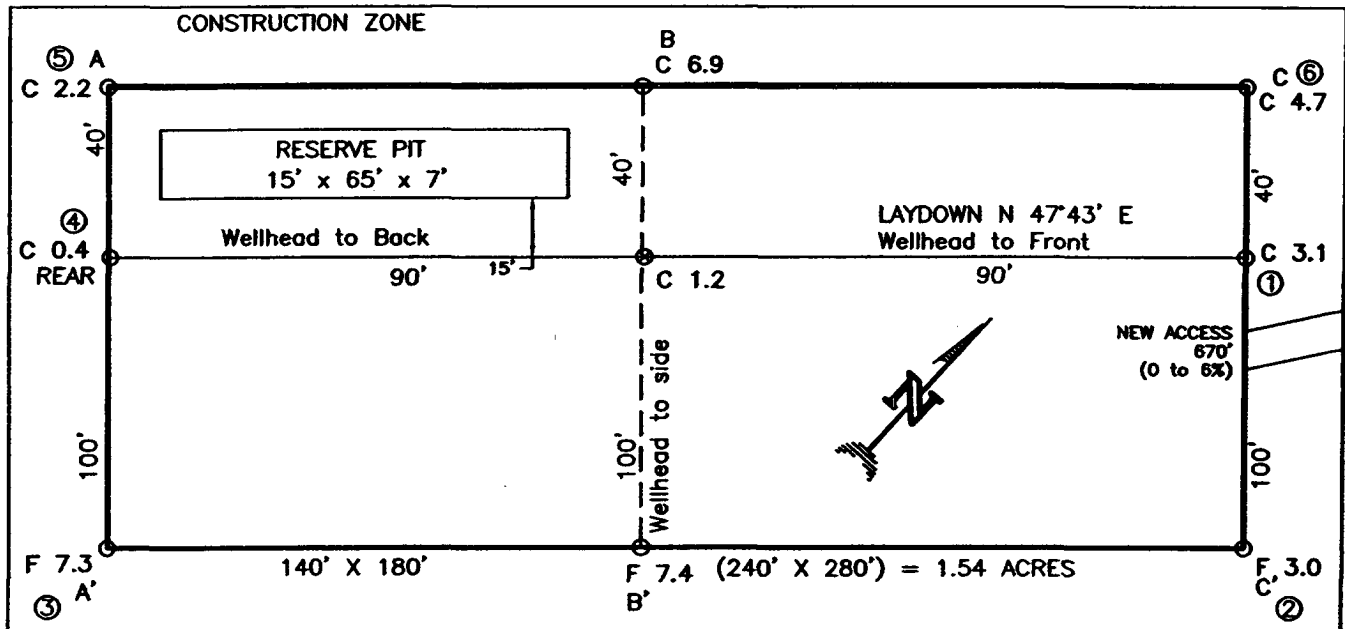
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 320 N/2					¹³ Joint or Infill I		¹⁴ Consolidation Code		¹⁵ Order No.

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

<div>16</div> <div>QTR. CORNER FD 3 1/4" BLM 1952 BC</div> <div>S 89-55-42 W 2667.6' (M)</div> <div>SEC. CORNER FD 3 1/4" BLM 1952 BC</div> <div>LAT: 36°49'55" N. (NAD 27) LONG: 108°10'15" W. (NAD 27)</div> <div>1025'</div> <div>1835'</div> <div>N 01-31-12 E 2608.3' (M)</div> <div>11</div> <div>QTR. CORNER FD 3 1/4" BLM 1952 BC</div> <div></div>	<div>17 OPERATOR CERTIFICATION</div> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <div>Signature </div> <div>Printed Name JEFFREY W. PATTON</div> <div>Title DRILLING ENGINEER</div> <div>Date 7-28-04</div>
	<div>18 SURVEYOR CERTIFICATION</div> <p>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.</p> <div>Date of Survey 7-28-04</div> <div>Signature and Seal of Professional Surveyor </div> <div>Certificate Number 14827</div>

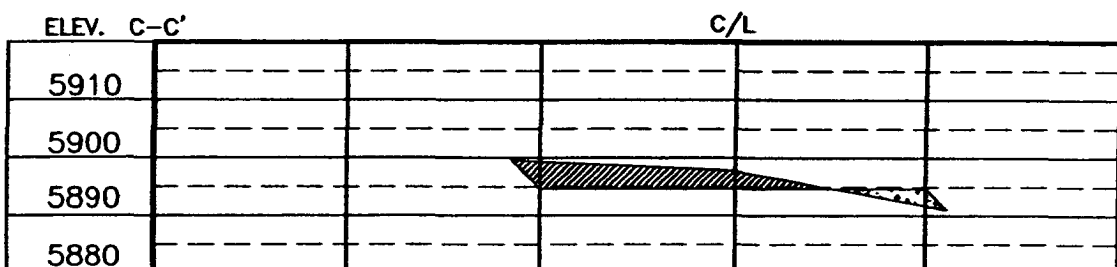
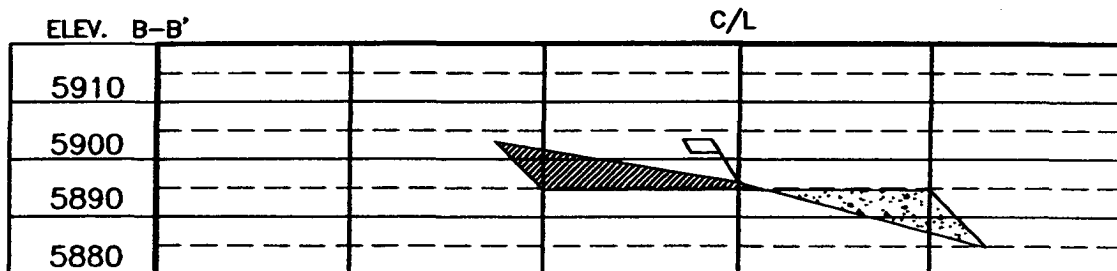
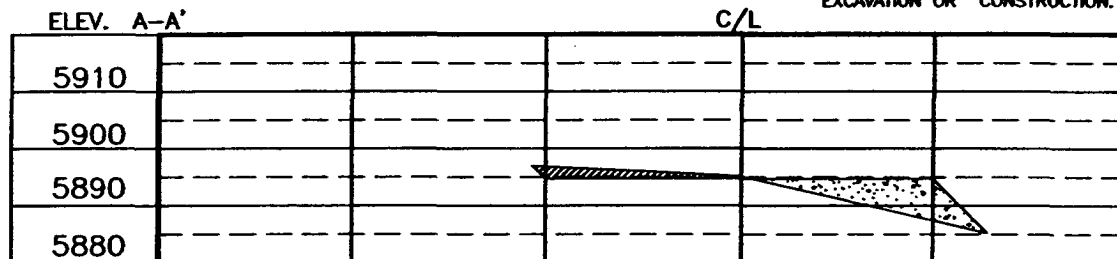
XTO ENERGY INC.
 BELL FEDERAL 11 No. 3, 1025 FNL 1835 FEL
 SECTION 11, T30N, R13W, N.M.P.M., SAN JUAN COUNTY, N. M.
 GROUND ELEVATION: 5896, DATE: APRIL 20, 2004

LAT: 36°49'55" N.
 LONG: 108°10'15" W.
 NAD 27



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	REVISION	DATE	BY
	4/28/04	BL			
<p>Daggett Enterprises, Inc. Surveying and Oil Field Services P. O. Box 15068 • Farmington, NM 87401 Phone (505) 328-1772 • Fax (505) 328-6019 NEW MEXICO L.S. No. 14827</p>					
<p>CR281</p>					

XTO Energy Inc.
Bell Federal 11 3
1025' FNL & 1835' FEL
Sec. 11, T. 30 N., R. 13 W.
San Juan County, New Mexico

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Drilling Program

1. ESTIMATED FORMATION TOPS

<u>Formation Name</u>	<u>GL Depth</u>	<u>KB Depth</u>	<u>Sub Sea Elevati</u>
Ojo Alamo Ss	000'	5'	+5,896'
Kirtland shale	446'	451'	+5,450'
Fruitland	1,396'	1,401'	+4,500'
Pictured Cliffs Ss	1,946'	1,951'	+3,950'
Lewis Shale	2,171'	2,176'	+3,725'
Total Depth (TD)*	2,200'	2,205'	+3,696'

* all elevations reflect the ungraded ground level of 5,896'

2. NOTABLE ZONES

<u>Gas & Oil Zones</u>	<u>Water Zones</u>	<u>Coal Zone</u>
Fruitland	Ojo Alamo	Fruitland
Pictured Cliffs	Fruitland	

Water zones will be protected with casing, cement, and weighted mud. Fresh water found while drilling will be recorded. Oil or gas shows will be tested for commercial potential based on the geologist's recommendations.

3. PRESSURE CONTROL

The drilling contract has not yet been awarded, thus the exact BOP system to be used is not yet known. A typical 2,000 psi stack, manifold, and testing procedures are on Page 3.

XTO Energy Inc.
Bell Federal 11 3
1025' FNL & 1835' FEL
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4. CASING & CEMENT

<u>Hole Size</u>	<u>O. D.</u>	<u>Weight (lb/ft)</u>	<u>Grade</u>	<u>Age</u>	<u>Connection</u>	<u>GL Setting De</u>
8-3/4"	7"	20	K-55	New	S T & C	160'
6-1/4"	4-1/2"	10.5	K-55	New	S T & C	2,200'

Surface casing will be cemented to the surface with ≈ 50 cubic feet (≈ 43 sacks) Class B + 1/4 lb/sk cello-flake + 2% CaCl_2 . Yield = 1.18 cubic feet per sack. Weight = 15.2 pounds per gallon. Volume: $\geq 100\%$ excess. A guide shoe and insert float will be used. W. O. C. = 12 hours. Surface casing will be tested to 1,500 psi for 30 minutes.

Production casing will be cemented to the surface. Total cement: >460 cubic feet. Volumes are calculated at $>100\%$ excess. If cement does not circulate to surface, then a temperature survey will be run to determine the actual cement top as needed. W. O. C. = 12 hours. Test to 2,000 psi.

Lead cement will be ≈ 196 sacks Class B light cement (65% cement/35% Poz with 6% gel) with 5 #/sack gilsonite + 1/4 #/sack Flocele. Yield = 1.99 cu ft/sk. Weight = 12.4 #/gal.

Tail cement will be ≈ 50 sacks 50/50 Class B Poz with 2% gel + 1/4#/sack Flocele + 0.5% Halad-9. Yield = 1.38 cubic feet/sack. Weight = 13.5 #/gallon.

Cement equipment will include a guide shoe, float collar, and 10 centralizers.

5. MUD PROGRAM

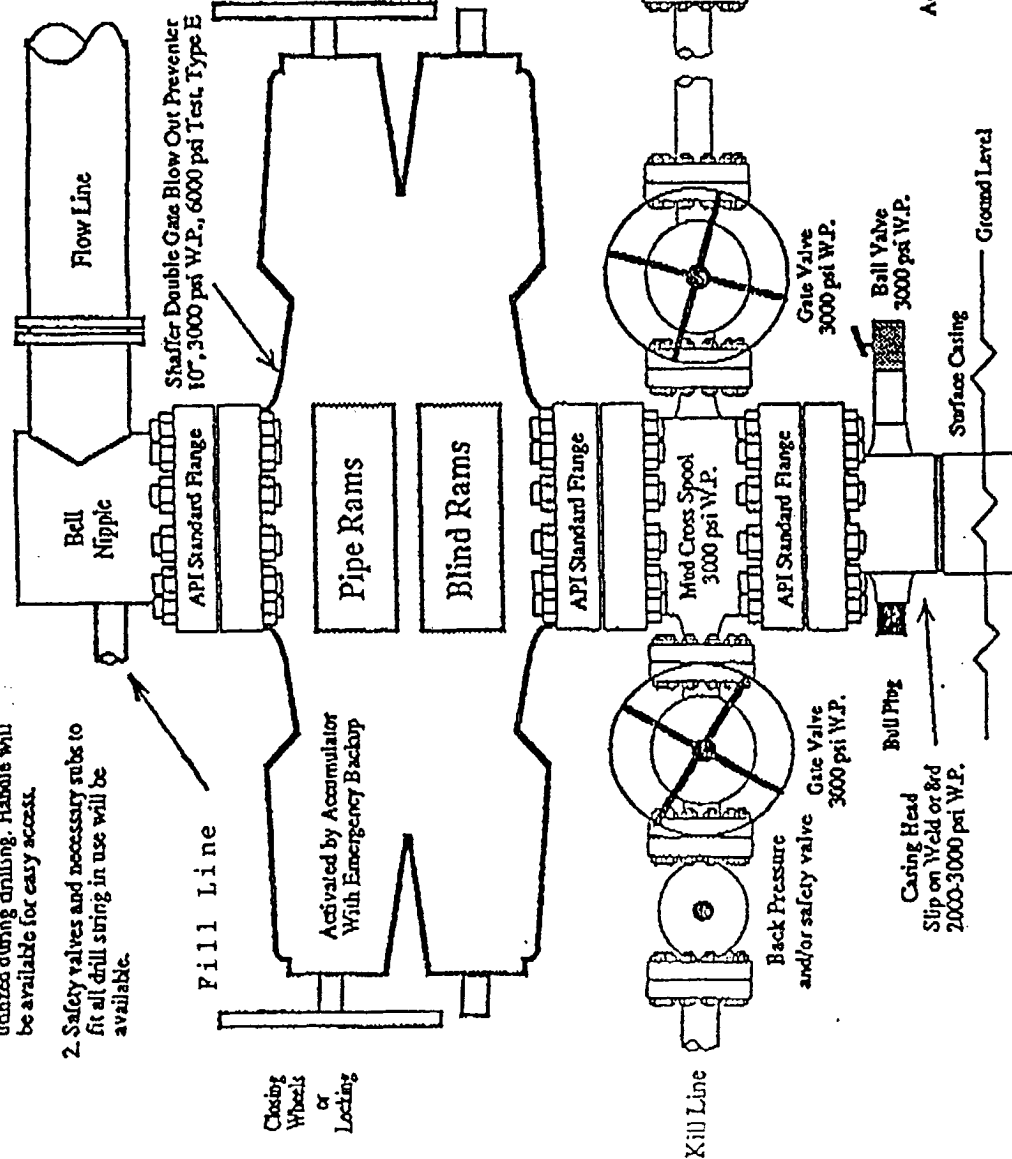
<u>Range</u>	<u>Mud Type</u>	<u>Weight</u>
0' - 160'	Fresh-Spud	8.4
160' - TD	LSND	8.6

Lost circulation and absorption material will be on location.

Pressure Control Equipment

Note: 1. An upper Kelly cock valve will be utilized during drilling. Handle will be available for easy access.

2. Safety valves and necessary sub to fit all drill string in use will be available.



Minimum 2" Choke Line.
Minimum 2" Kill Line.
At Least One 2" Minimum Kill Line Valve.

Note: This equipment is designed to meet requirements for a 2-M rating standard per 43 CFR part 3160 (amended). Proper operation and testing of equipment will be carried out per standard. 2,000 psi equipment can be substituted in the drawing to meet minimum requirements per standard.