

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

2004 NOV 30

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

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-077383
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 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	3b. Phone No. (include area code) (505) 324-1090	8. Lease Name and Well No. FEDERAL GAS COM 4
4. Location of Well (Report location clearly and in accordance with any State requirements) At surface 1975 FSL & 1980 FWL At proposed prod. zone SAME		9. API Well No. 30-045- 32710
14. Distance in miles and direction from nearest town or post office* 8 AIR MILES SOUTHEAST OF BLOOMFIELD		10. Field and Pool, or Exploratory OTERO CHACRA, BASIN DAK.
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 660'		11. Sec. T. R. M. or Blk. and Survey or Area K-27-28N-10W NMPM
16. No. of acres in lease 1,280		12. County or Parish SAN JUAN
17. Spacing Unit dedicated to this well CHACRA: SW4 & DAKOTA: W2		13. State NM
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1,173' (Noe Com 27-2)		19. Proposed Depth 6,950'
20. BLM/BIA Bond No. on file BLM NATIONWIDE 57 91 73		
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5,886' GL		22. Approximate date work will start* 12/15/2004
23. Estimated duration 6 WEEKS		

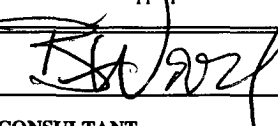
procedural review pursuant to 43 CFR 3165.3
and appeal pursuant to 43 CFR 3165.4

24. Attachments

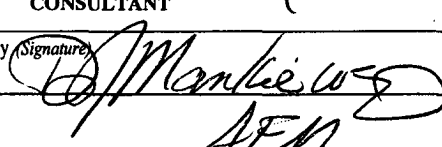
The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

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

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature 	Name (Printed/Typed) BRIAN WOOD	Date 11/16/2004
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Title CONSULTANT	PHONE: (505) 466-8120	FAX: (505) 466-9682
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Approved by (Signature) 	Name (Printed/Typed) AFM	Date 12/17/04
Title AFM	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 page 2)

NMOC

DISTRICT I
1625 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

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 APL Number 30-045-32710	² Pool Code 82329 & 71599	³ Pool Name OTERO CHACRA & BASIN DAKOTA
⁴ Property Code 22703	⁵ Property Name FEDERAL GAS OOM	⁶ Well Number 4
⁷ OGRID No. 167067	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 5886'

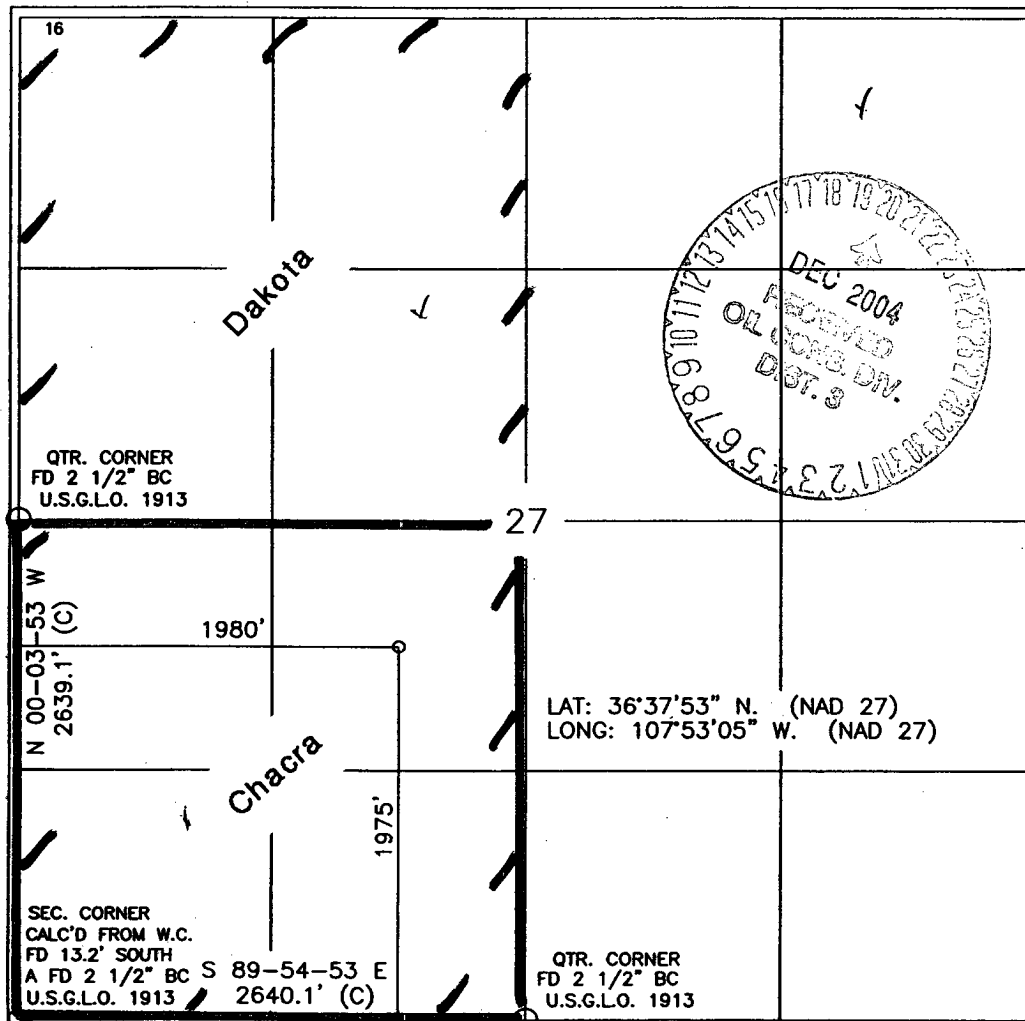
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	27	28-N	10-W		1975	SOUTH	1980	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 160 (CH) & 320 (DK)					¹³ Joint or Infill		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

Brian Wood

Signature **BRIAN WOOD**

Printed Name **CONSULTANT**

Title **NOV. 16, 2004**

Date

18 SURVEYOR CERTIFICATION

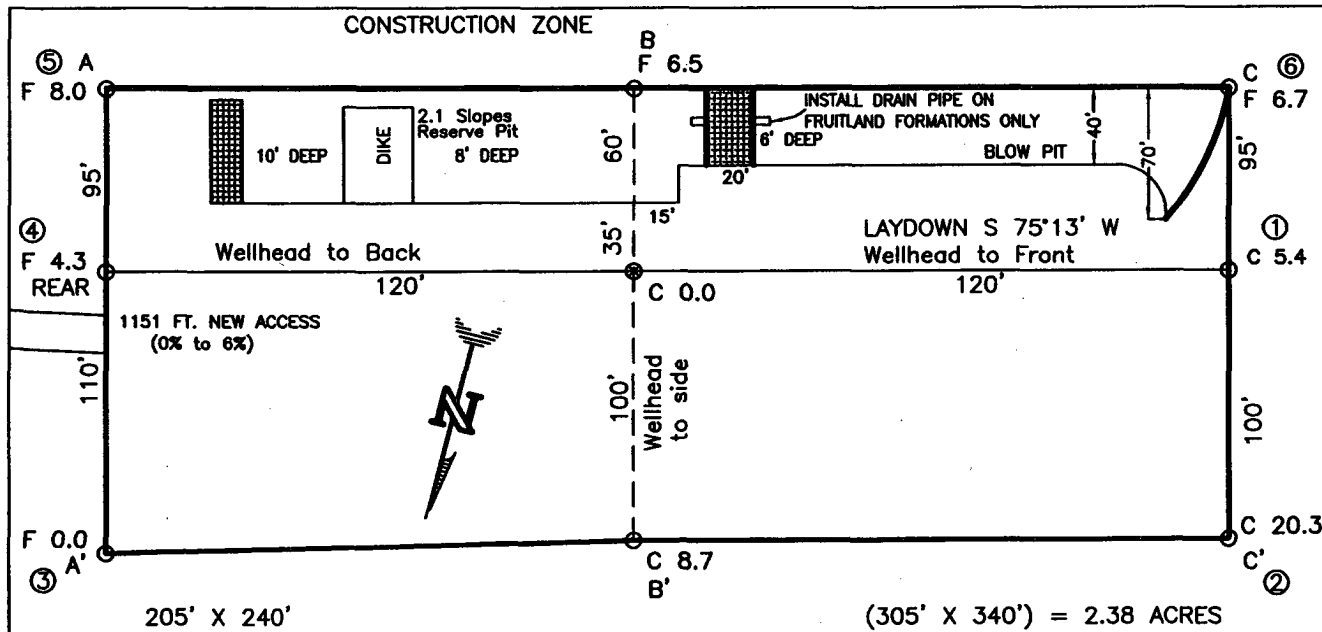
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief

John A. Vukovich
Date of Survey
Signature and Seal of Professional Surveyor
14831

Certificate Number

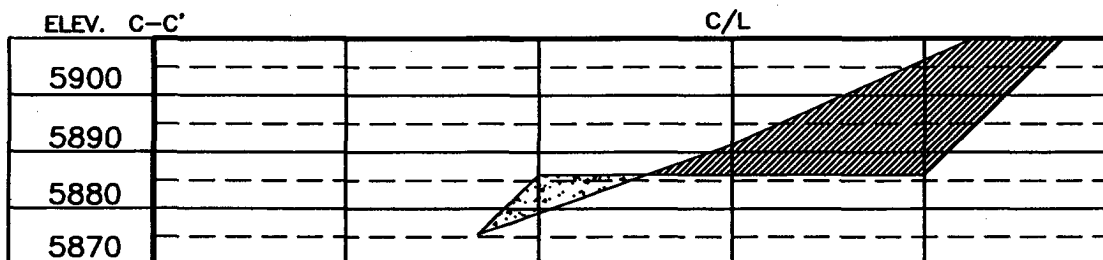
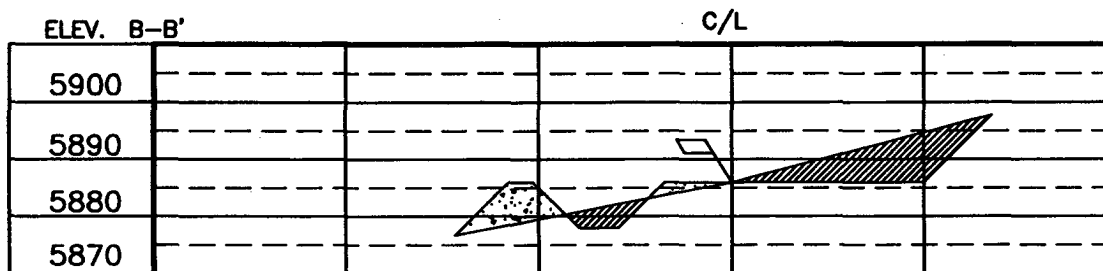
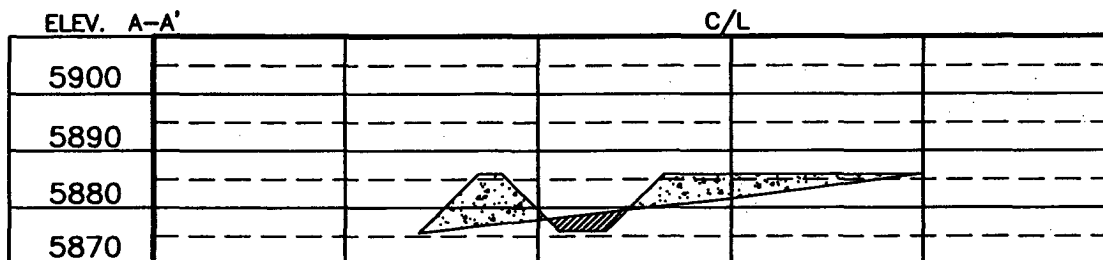
XTO ENERGY INC.
 FEDERAL GAS COM #4, 1975' FSL 1980' FWL
 SECTION 27, T28N, R10W, N.M.P.M., SAN JUAN COUNTY, N. M.
 GROUND ELEVATION: 5886', DATE: MARCH 2, 2004

LAT. = 36°37'53" N.
 LONG. = 107°53'05" 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.

Daggett Enterprises, Inc.
 Surveying and Oil Field Services
 P. O. Box 15088 • Farmington, NM 87401
 Phone (505) 326-1772 • Fax (505) 326-6019
 NEW MEXICO L.S. No. 14831



DATE: 03/19/04
 REVISION: 03/05/04
 DRAWN BY: B.L.
 ROW: CR305

XTO Energy Inc.
Federal Gas Com 4
1975' FSL & 1980' FWL
Sec. 27, T. 28 N., R. 10 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>Elevation</u>
Nacimiento Fm	000'	12'	+5,886'
Ojo Alamo Sandstone	886'	898'	+5,000'
Kirtland Shale	986'	998'	+4,900'
Fruitland Coal	1,386'	1,398'	+4,500'
Pictured Cliffs Ss	1,896'	1,908'	+3,990'
Lewis Shale	1,936'	1,948'	+3,950'
Chacra Sandstone	2,886'	2,898'	+3,000'
Menefee Shale	3,586'	3,598'	+2,300'
Gallup Sandstone	5,436'	5,448'	+450'
Greenhorn Limestone	6,186'	6,198'	-300'
Graneros Shale	6,336'	6,348'	-450'
Dakota Sandstone	6,361'	6,373'	-475'
Morrison	6,686'	6,698'	-800'
Total Depth (TD)*	6,950'	6,962'	-1,064'

2. NOTABLE ZONES

<u>Gas & Oil Zones</u>	<u>Water Zones</u>	<u>Coal Zones</u>
Fruitland	Nacimiento	Fruitland
Pictured Cliffs	Kirtland	Menefee
Cliff House	Fruitland	
Menefee		
Point Lookout		
Dakota		

Water zones will be protected with casing, cement, and weighted mud. Fresh

XTO Energy Inc.
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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 model to be used is not yet known. (A typical 2,000 psi model is on PAGE 3.) An 8-5/8" x 11" 2,000 pound double ram BOP system with a choke manifold and mud cross will be tested to 200 psi and then to 1,000 psi. Upper and lower Kelly cocks with valve handle and subs to fit all drill string connections which are in use will be available on the rig floor.

Tests will be run when:

- 1) installed
- 2) anytime a pressure seal is broken (test only affected equipment)
- 3) at least every 30 days
- 4) blind & pipe rams will be activated each trip, but no more than daily

BOP systems will be consistent with API RP 53. Blowout preventers will be installed and tested before drilling surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated daily to ensure good mechanical working order and this inspection recorded on the daily drilling report. Preventers and casing will be pressure tested before drilling casing cement plugs. Maximum expected bottom hole pressure is \approx 2,800 psi. BOP and mud system will control pressure.

4. CASING & CEMENT

<u>Hole Size</u>	<u>O. D.</u>	<u>Weight (lb/ft)</u>	<u>Grade</u>	<u>Age</u>	<u>Connections</u>	<u>GL Setting Depth</u>
12-1/4"	8-5/8"	24	J-55	New	8rd, S T & C	325'
7-7/8"	5-1/2"	15.5	J-55	New	8rd, L T & C	6,950'

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San Juan County, New Mexico

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Surface casing will be cemented to surface with ²⁹² ~~≈270~~ cubic feet (≈230 sacks) Class B Neat + 1/4 pound per sack cello-flake + 2% CaCl₂. Yield = 1.27 cubic feet per sack. Weight = 15.2 pounds per gallon.

Conventional centralizers will be set on the bottom two joints and every fourth joint to surface.

Production casing hole will be cemented to surface as follows. DV @ ≈4,000'.

First stage Lead will be cemented to ≈4,000' with ≈640 cubic feet (≈464 sacks) 50:50 Poz + 5 pounds per sack gilsonite + 2% gel + 1/4 pounds per sack cello-flake, dispersant, and FLA. Yield = 1.38 cubic feet per sack. Weight = 13.5 pounds per gallon. Excess = 25%.

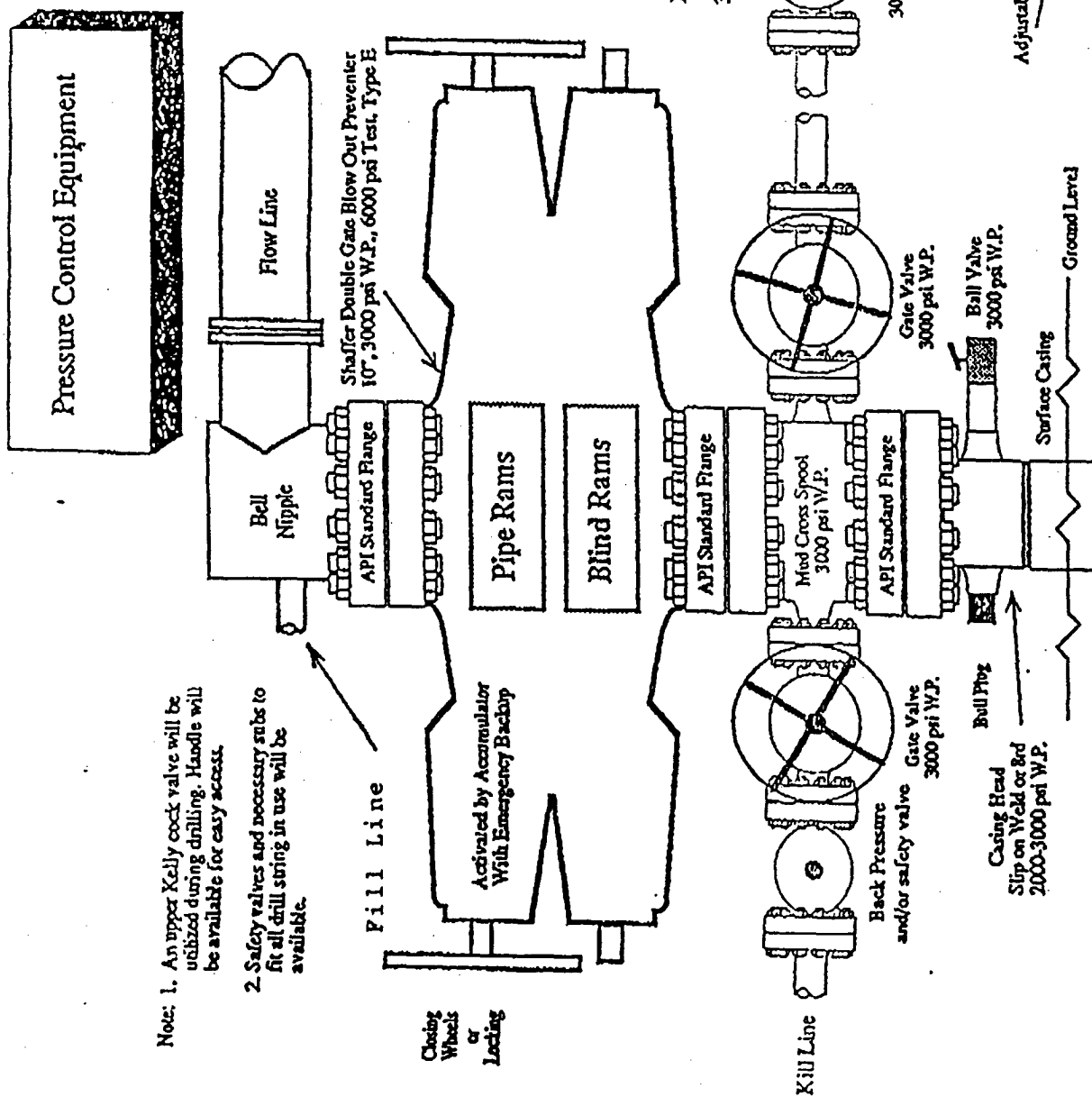
Second stage Lead will be cemented to surface with ⁹⁴² ~~≈1,440~~ cubic feet (≈327 sacks) Class B or H + 10 pounds per sack gilsonite + 4% gel + 1/2 pounds per sack cello-flake + 3% Econolite. Yield = 2.88 cubic feet per sack. Weight = 11.4 pounds per gallon. Excess = 50%

Second stage Tail will be cemented to ≈3,600' with ≈80 cubic feet (≈64 sacks) Class B or H Neat + 1/4 pounds per sack cello-flake + 2% CaCl₂. Yield = 1.26 cubic feet per sack. Weight = 15.2 pounds per gallon. Excess = 10%.

Conventional centralizers will be set on the bottom two joints, every second joint to ≈6,000' and every fourth joint from ≈2,000' to surface.

5. MUD PROGRAM

<u>RANGE</u>	<u>MUD TYPE</u>	<u>WEIGHT</u>	<u>VISCOSITY</u>	<u>WATER LOSS</u>	<u>ADDITIVES</u>
0' - 350'	Fresh-Spud	8.5-8.8	30	NC	Gel, lime
350' - 4,000'	Fresh Water	8.5-8.8	28	NC	Gel, lime sweeps
4,000' - TD	Fresh Water	8.5-8.8	35	10 cc	Gel, soda ash, LCM



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.