

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

RECEIVED

2004 JAN 28 AM 10:41

070 Farmington, NM

1a. Type of Work: ☒ DRILL ☐ REENTER		5. Lease Serial No. NMSF-080382A
1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☒ Single Zone ☐ 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., K-1 Farmington, NM 87401	3b. Phone No. (include area code) (505) 324-1090	8. Lease Name and Well No. Schwerdtfeger 5 #2
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 1610' FSL & 905' FEL At proposed prod. zone Same		9. API Well No. 30-045-32148
14. Distance in miles and direction from nearest town or post office* 8 air miles S of Bloomfield, New Mexico		10. Field and Pool, or Exploratory Basin Fruitland Coal
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 905'	16. No. of Acres in lease 2,081.12	11. Sec., T., R., M., or Bk. and Survey or Area I5-27n-11w NMPM
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 93'*	19. Proposed Depth 2,100'	12. County or Parish San Juan
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6,114' ungraded	22. Approximate date work will start* Upon Approval	13. State NM
17. Spacing Unit dedicated to this well E2 (320.54 acres)		20. BLM/BIA Bond No. on file BLM nation wide: 57 91 73
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:

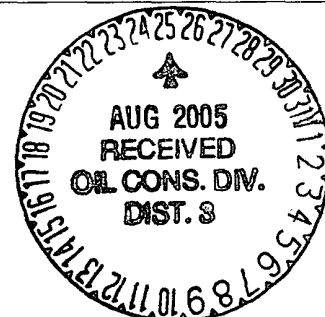
- | | |
|---|--|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification. |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the 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

*XTO's Schwerdtfeger #14 which is a Pictured Cliffs well

This action is subject to technical and procedural review pursuant to 43 CFR 3165.8 and appeal pursuant to 43 CFR 3165.4

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



cc: BLM (& OCD), NAPI, Patton, Tribe

25. Signature <i>B. Wood</i>	Name (Printed/Typed) Brian Wood	Date 1-21-04
Title Consultant	Phone: 505 466-8120	FAX: 505 466-9682
Approved by (Signature) <i>Wayne Townsend</i>	Name (Printed/Typed) Wayne Townsend	Date 8/19/05
Title Acting AFM	Office FPO	

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.

NMOCD

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

DISTRICT II
811 South First, Artesia, N.M. 88210

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

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 15, 2000

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
.	71629	BASIN FRUITLAND COAL
⁴ Property Code	⁵ Property Name	⁶ Well Number
30339	SCHWERTFEGER 5	2
⁷ OCRID No.	⁸ Operator Name	⁹ Elevation
167067	XTO ENERGY INC.	6114'

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
1.	5	27-N	11-W	.	1610	SOUTH	905	EAST.	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

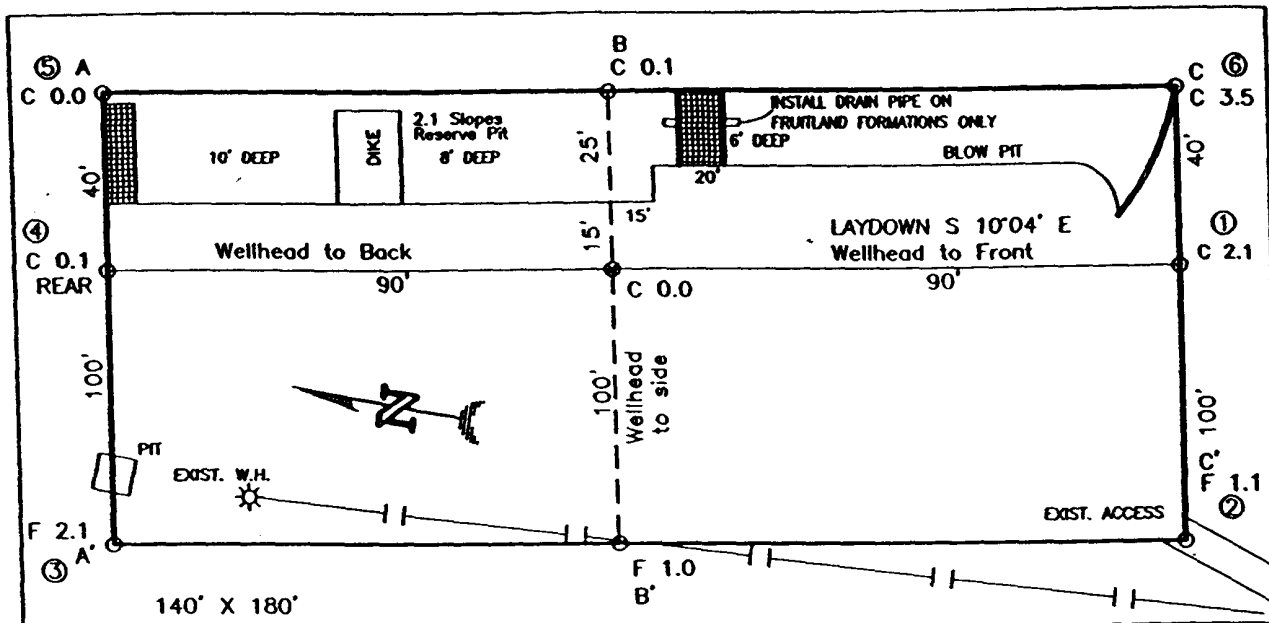
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres			¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.		
320.56									

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	CALC'D. SEC. CORNER				17	OPERATOR CERTIFICATION	
LOT 4	LOT 3	LOT 2	LOT 1		I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief		
					Signature <u>Brian Wood</u>		
					Printed Name <u>BRIAN WOOD</u>		
					Title <u>CONSULTANT</u>		
					Date <u>JAN. 21, 2004</u>		
					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 <u>7/21/03</u>		
					Signature and Seal of Professional Surveyor:		
					14827		
					14827		
					Certificate Number		
SEC. CORNER FD 2 1/2" BC U.S.G.L.O. 1913	S 89-56-59 W	5284.10'		SEC. CORNER FD 2 1/2" BC U.S.G.L.O. 1913			

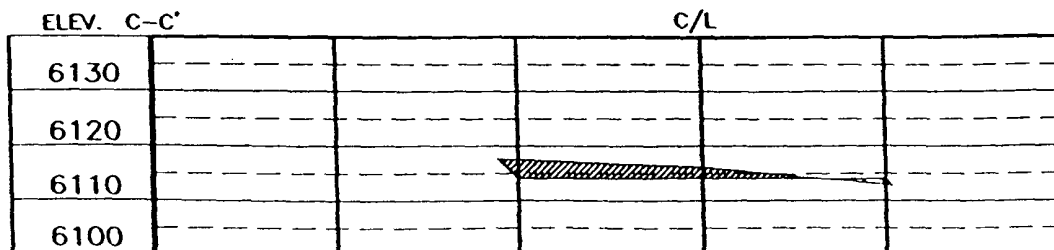
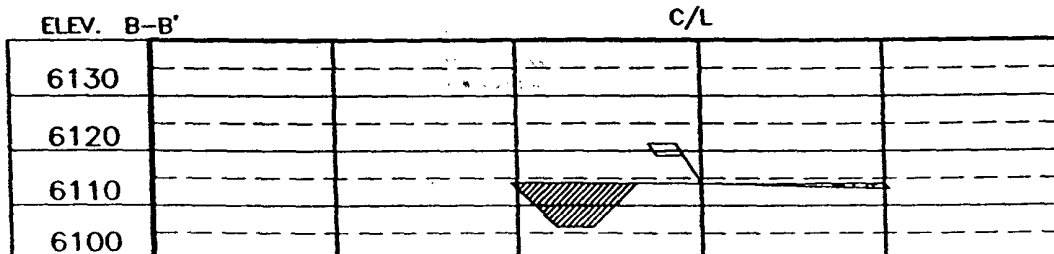
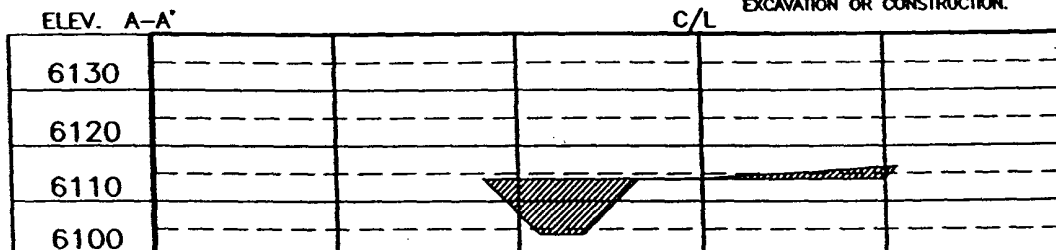
XTO ENERGY INC.
 SCHWERTDFEGER 5 #2, 1610' FSL 905' FEL
 SECTION 5, T27N, R11W, N.M.P.M., SAN JUAN COUNTY, N. M.
 GROUND ELEVATION: 6114', DATE: JULY 30, 2003

LAT. = 36°36'05" N.
 LONG. = 108°01'17" W



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: B.L. ROW#: CR178 CADFILE: CR178CF8 DATE: 07/31/03

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



XTO Energy Inc.
Schwerdtfeger 5 #2
1610' FSL & 905' FEL
Sec. 5, T. 27 N., R. 11 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>
Nacimiento Fm	000'	5'	+6,114'
Ojo Alamo Ss	764'	769'	+5,350'
Kirtland Shale	839'	844'	+5,275'
Fruitland Coal	1,614'	1,619'	+4,500'
Pictured Cliffs Ss	1,864'	1,869'	+4,250'
Lewis Shale	2,054'	2,059'	+4,060'
Total Depth (TD)*	2,100'	2,105'	+4,014'

* all elevations reflect the ungraded ground level of 6,114'

2. NOTABLE ZONES

Gas & Oil Zones

Fruitland
Pictured Cliffs

Water Zones

Nacimiento
Ojo Alamo
Fruitland

Coal Zone

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.
Schwerdtfeger 5 #2
1610' FSL & 905' FEL
Sec. 5, T. 27 N., R. 11 W.
San Juan County, New Mexico

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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	2,100'

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: > 437 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 ≈ 185 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.

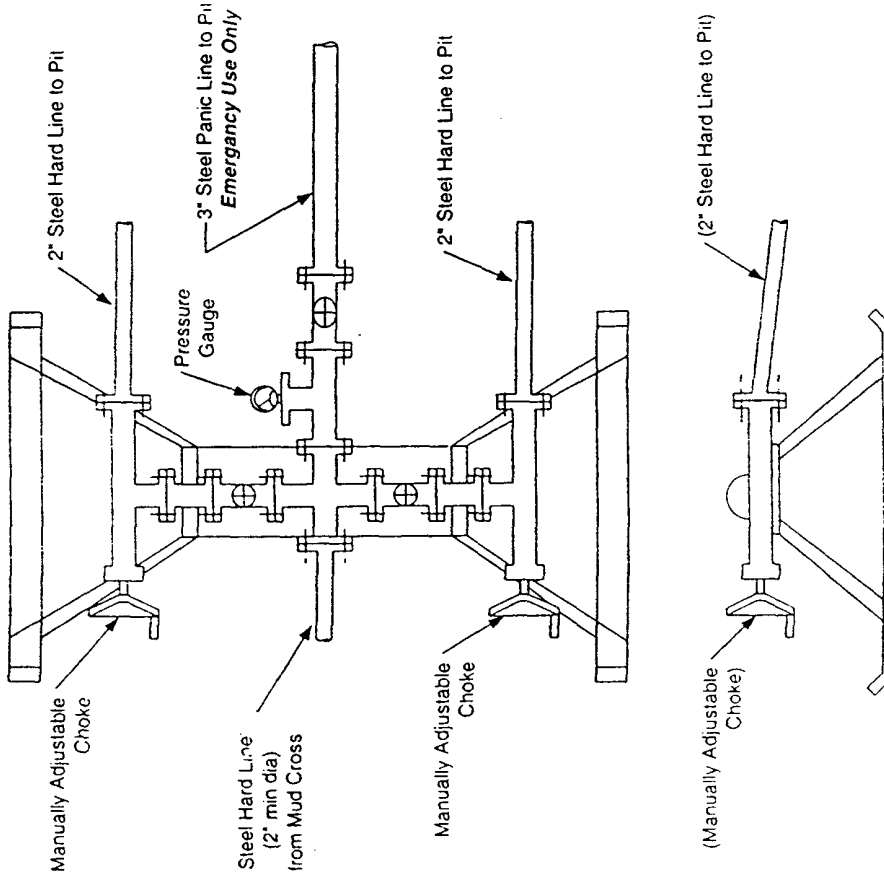
5. MUD PROGRAM

<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.

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.



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

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).
- Test operation of (both) rams on every trip.
- Check and record Accumulator pressure on every four.
- Re-pressure test BOP stack after changing out rams.
- Have kelly cock valve with handle available.
- Have safety valve and subs to fit all sizes of drill string.

