

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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. SF-077383		
1b. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other			6. If Indian, Allottee or Tribe Name N/A		
2. Name of Operator XTO Energy Inc.			7. Unit or CA Agreement Name and No. N/A		
3a. Address 2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM			8. Lease Name and Well No. 22758 Kurtz Deep Gas Com D #1F		
3b. Phone No. (include area code) 505-324-1090			9. API Well No. 30-045-33458		
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface 2245' ENL x 775' FEL in Sec 27, T28N, R10W At proposed prod. zone SAME			10. Field and Pool, or Exploratory Basin Dakota 71599		
14. Distance in miles and direction from nearest town or post office* Approx 8 miles Southeast of Bloomfield, NM post office			11. Sec., T., R., M., or Blk. and Survey or Area (H) Sec 27, T28N, R10W		
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 775'		16. No. of Acres in lease 1280		17. Spacing Unit dedicated to this well E/2 320	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1250'		19. Proposed Depth 6800'		20. BLM/BIA Bond No. on file UTB-000138	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5852' Ground Elevation		22. Approximate date work will start* winter 2005		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 <i>Kyla Vaughan</i>	Name (Printed/Typed) Kyla Vaughan	Date 11/21/05
Title Regulatory Compliance Tech		
Approved by (Signature) <i>Jim Lovel</i>	Name (Printed/Typed)	Date 1/27/06
Title Asst. Dir.		

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)

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

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



APD/ROW

NMOCD

DISTRICT 1
1625 N. French Dr., Hobbs, N.M. 88400

DISTRICT II
1801 W. Grand Ave., Artesia, N.M. 88210

DEFECT #1
1000 E. Duran Rd., Aztec, N.M. 87410

DISTRICT IV
1720 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

RECEIVED
070 FARMINGTON

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

LOCATION AND AVERAGE DEDICATION PLAT			
*API Number	*Pool Code	*Post Name	
30-045-33458	71599	Basin Dakota	
*Property Code	*Property Name	*Well Number	
28758	KUTZ DEEP GAS COM D	1F	
*UCED No.	*Operator Name	*Elevation	
1167007	XTO ENERGY INC.	5852	

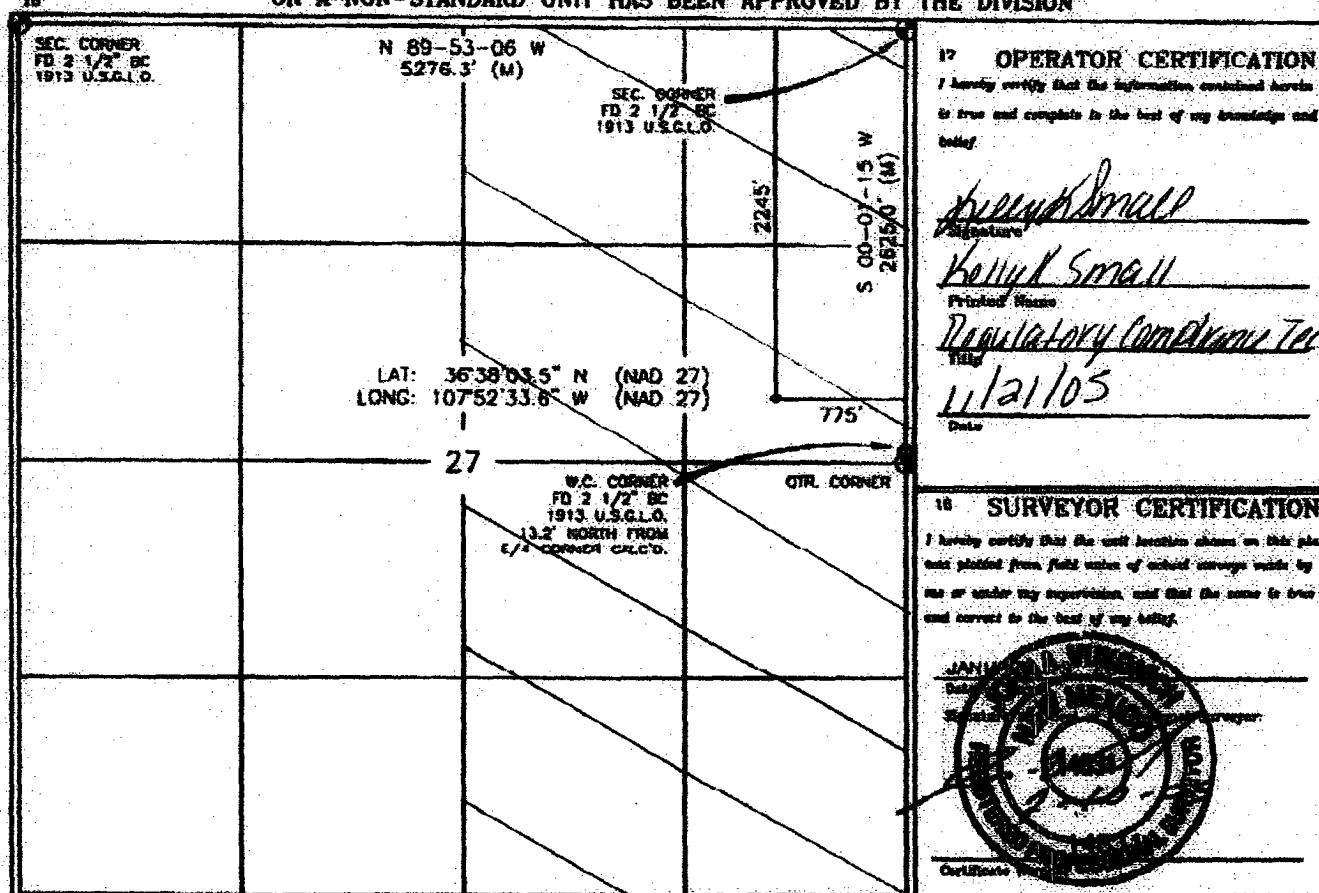
10 Surface Location

U.L. or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
H	27	28-N	10-W		2245	NORTH	775	EAST	SAN JUAN

"Bottom Hole Location If Different From Surface

UL or lot no.		Section	Township	Range	Lot 1st	Feet from line	North/South line	Feet from the	East/West line	County
Dedicated Acres				Total or Infill		Consolidation Code		Order No.		
320 E/2										

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



Submit 3 Copies To Appropriate District Office

District I

1625 N. French Dr., Hobbs, NM 87240

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

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

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103

May 27, 2004

WELL API NO 30-045-33458

5. Indicate Type of Lease

STATE ☐ FEE ☐

6. State Oil & Gas Lease No.

SF-077383

7. Lease Name or Unit Agreement Name:

Kurtz Deep Gas Com D

8. Well Number

#1F

9. OGRID Number

167067

10. Pool name or Wildcat

Basin Dakota

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:

Oil Well ☐ Gas Well ☒ Other

2. Name of Operator

XTO Energy Inc.

3. Address of Operator

2700 Farmington Ave., Bldg. K, Ste 1 Farmington, NM 87401

4. Well Location

Unit Letter H : 2245 feet from the North line and 775 feet from the East line

Section 27 Township 28N Range 10W NMPM NMPM County SAN JUAN

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

5852' Ground Elevation

Pit or Below-grade Tank Application ☒ or Closure ☐

Pit type DRILL Depth to Groundwater >100 Distance from nearest fresh water well >1000 Distance from nearest surface water >1000

Pit Liner Thickness: 12 mil Below-Grade Tank: Volume 8000 bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐ CHANGE PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐

OTHER: PIT ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

XTO Energy intends to install a pit on location for drilling.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒ , a general permit ☐ or an (attached) alternative OCD-approved plan ☐

SIGNATURE Kyla Vaughan TITLE Regulatory Compliance Tech DATE 11/21/05

Type or print name Kyla Vaughan

E-mail address: kyla_vaughan@xtoenergy.com
Telephone No. 505-564-6726

For State Use Only

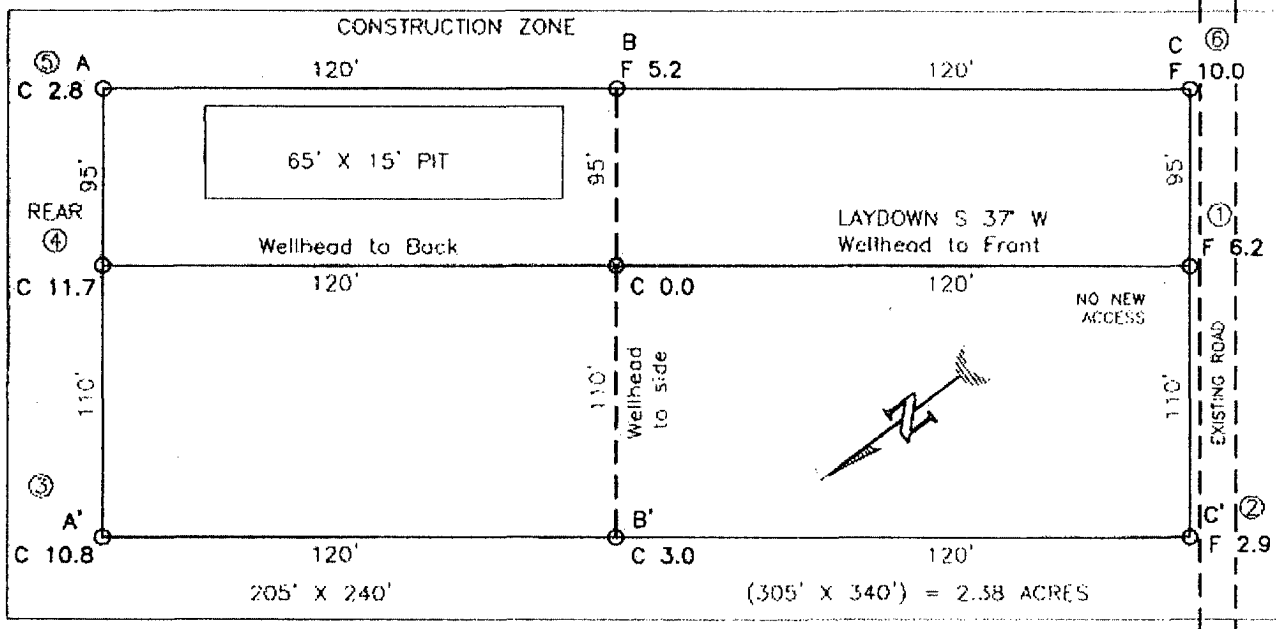
APPROVED BY [Signature] DEPUTY OIL & GAS INSPECTOR, DIST. 43 DATE JAN 30 2006

Conditions of Approval, if any:

EXHIBIT D

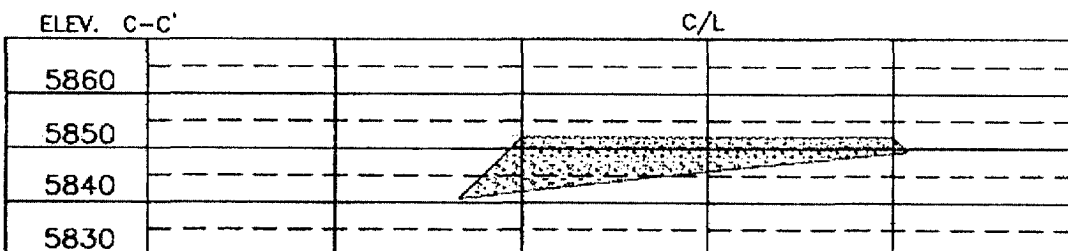
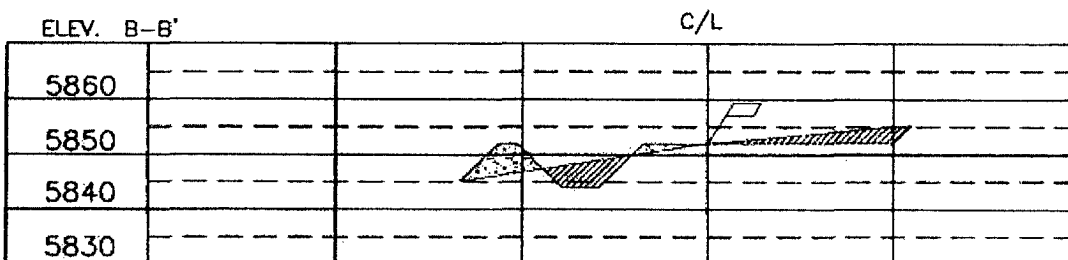
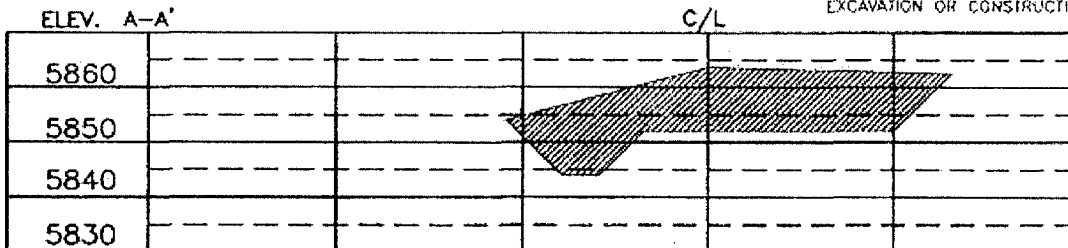
XTO ENERGY INC.
 KUTZ DEEP GAS COM D NO. 1F 2245' FNL 775' FEL
 SECTION 27, T28N, R10W, N.M.P.M., SAN JUAN COUNTY, N.M.
 GROUND ELEVATION: 5852', DATE: JANUARY 19, 2005

LAT. = 36°38'03.5" N
 LONG. = 107°52'33.6" 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	REVISED BY
Daggett Enterprises, Inc. Surveying and Oil Field Services P. O. Box 15068 - Farmington, NM 87401 Phone (505) 328-1772 Fax (505) 326-8019 NEW MEXICO L.S. No. 14837 DRAWN BY: G.V. DATE: 02/07/05 ROW: CRA05		

XTO ENERGY INC.

Kutz Deep Gas Com D #1F

APD Data

November 21, 2005

Location: 2245' FNL x 775' FEL Sec 27, T28N, R10W

County: San Juan

State: New Mexico

GREATEST PROJECTED TD: 6800'

OBJECTIVE: Basin Dakota

APPROX GR ELEV: 5852'

Est KB ELEV: 5864' (12' AGL)

1. MUD PROGRAM:

INTERVAL	0' to 360'	360' to 2500'	2500' to 6800
HOLE SIZE	12.25"	7.875"	7.875"
MUD TYPE	FW/Spud Mud	FW/Polymer	LSND / Gel Chemical
WEIGHT	8.6-9.0	8.4-8.8	8.6- 9.20
VISCOSITY	28-32	28-32	45-60
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. Raise viscosity at TD for logging. Reduce viscosity after logging for cementing purposes.

2. CASING PROGRAM:

Surface Casing: 8.625" casing to be set at $\pm 360'$ in a 12-1/4" hole filled with 9.20 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'-360'	360'	24.0#	J-55	ST&C	1370	2950	244	8.097	7.972	7.950	17.13	28.24

Production Casing: 5.5" casing to be set at TD ($\pm 6800'$) in 7-7/8" hole filled with 9.20 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'-6800	6800'	15.5#	J-55	ST&C	4040	4810	202	4.950	4.825	1.24	1.48	1.92

3. WELLHEAD:

- Casing Head: Larkin Fig 92 (or equivalent), 9" nominal, 2,000 psig WP (4,000 psig test) with 8-5/8" 8rnd thread on bottom and 11-3/4" 8rnd thread on top.
- Tubing Head: Larkin Fig 612 (or equivalent), 6.456" nominal, 2,000 psig WP (4,000 psig test), 5-1/2" 8rnd female thread on bottom (or slip-on, weld-on), 8-5/8" 8rnd thread on top.

EXHIBIT F

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

A. Surface: 8.625", 24.0#, J-55, ST&C casing to be set at $\pm 360'$ in 12-1/4" hole.

214 sx of Type III cement (or equivalent) typically containing accelerator and LCM, mixed at 14.5 ppg, 1.39 ft³/sk, & 6.70 gal wtr/sk.

Total slurry volume is 297 ft³, 100% excess of calculated annular volume to 360'.

B. Production: 5.5", 15.5#, J-55 (or K-55), ST&C casing to be set at $\pm 6800'$ in 7.875" hole.

LEAD:

± 706 sx of Premium Lite HS (Type III/Poz/Gel) with 2% salt, 1/4 pps cello, 0.2% dispersant, 0.5% fluid loss & 2% LCM mixed at 12.5 ppg, 2.01 ft³/sk, 10.55 gal wtr/sx.

TAIL:

150 sx Type III with 5% bonding additive, 1/4 pps cello, 2% LCM, 0.3% dispersant & 0.2% fluid loss mixed at 14.2 ppg, 1.54 cuft/sx, 8.00 gal/sx.

Total estimated slurry volume for the 5-1/2" production casing is 1649 ft³.

Note: The slurry design may change slightly based upon actual conditions. Final cement volumes will be determined from the caliper logs plus 40%. It will be attempted to circulate cement to the surface.

5. LOGGING PROGRAM:

A. Mud Logger: The mud logger will come on at 2,900' and will remain on the hole until TD. The mud will be logged in 10' intervals.

B. Open Hole Logs as follows: Run Array Induction/SFL/GR/SP fr/TD (6800') to the bottom of the surface csg. Run Neutron/Lithodensity/Pe/GR/Cal from TD (6800') to 3,000'.

6. FORMATION TOPS:

Est. KB Elevation: 5864'

FORMATION	Sub-Sea Elev.	WELL DEPTH	FORMATION	Sub-Sea Elev.	WELL DEPTH
Ojo Alamo SS	4996	868	Gallup Ss	464	5,400
Kirtland Shale	4858	1,006	Greenhorn Ls	-307	6,171
Farmington SS			Graneros Sh	-369	6,233
Fruitland Formation	4429	1,435	1 ST Dakota Ss*	-405	6,269
Lower Fruitland Coal			2 ND Dakota Ss*	-425	6,289
Pictured Cliffs SS	3977	1,887	3 RD Dakota Ss*	-488	6,352
Lewis Shale	3794	2,070	4 TH Dakota Ss*	-546	6,410
Chacra SS	3025	2,839	5 TH Dakota Ss*	-582	6,446
Cliffhouse SS	2368	3,496	6 TH Dakota Ss*	-620	6,484
Menefee	2290	3,574	Burro Canyon Ss*	-648	6,512
Point Lookout SS	1651	4,213	Morrison Fm	-676	6,540
Mancos Shale	1133	4,731	Total Depth	-936	6,800

* Primary Objective

** Secondary Objective

**** Maximum anticipated BHP should be <2,000 psig (<0.30 psi/ft) *****

7. COMPANY PERSONNEL:

Name	Title	Office Phone	Home Phone
Jeff Patton	Drilling Engineer	505-324-1090	505-632-7882
John Egelston	Drilling Engineer	505-564-6734	505-330-6902
Dennis Elrod	Drilling foreman	505-486-6460	505-326-2024
Red Meek	Project Geologist	817-885-2800	817-427-2475
Barry Voigt	Reservoir Engineer	817-885-2462	817-540-2092

JWP

11/21/05

EXHIBIT F

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~~¹⁰ min.

Test BOP to Working Press or
to 70% internal yield of surf csg
(10 min) or which ever is less.

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 on the rig floor and ready to go.

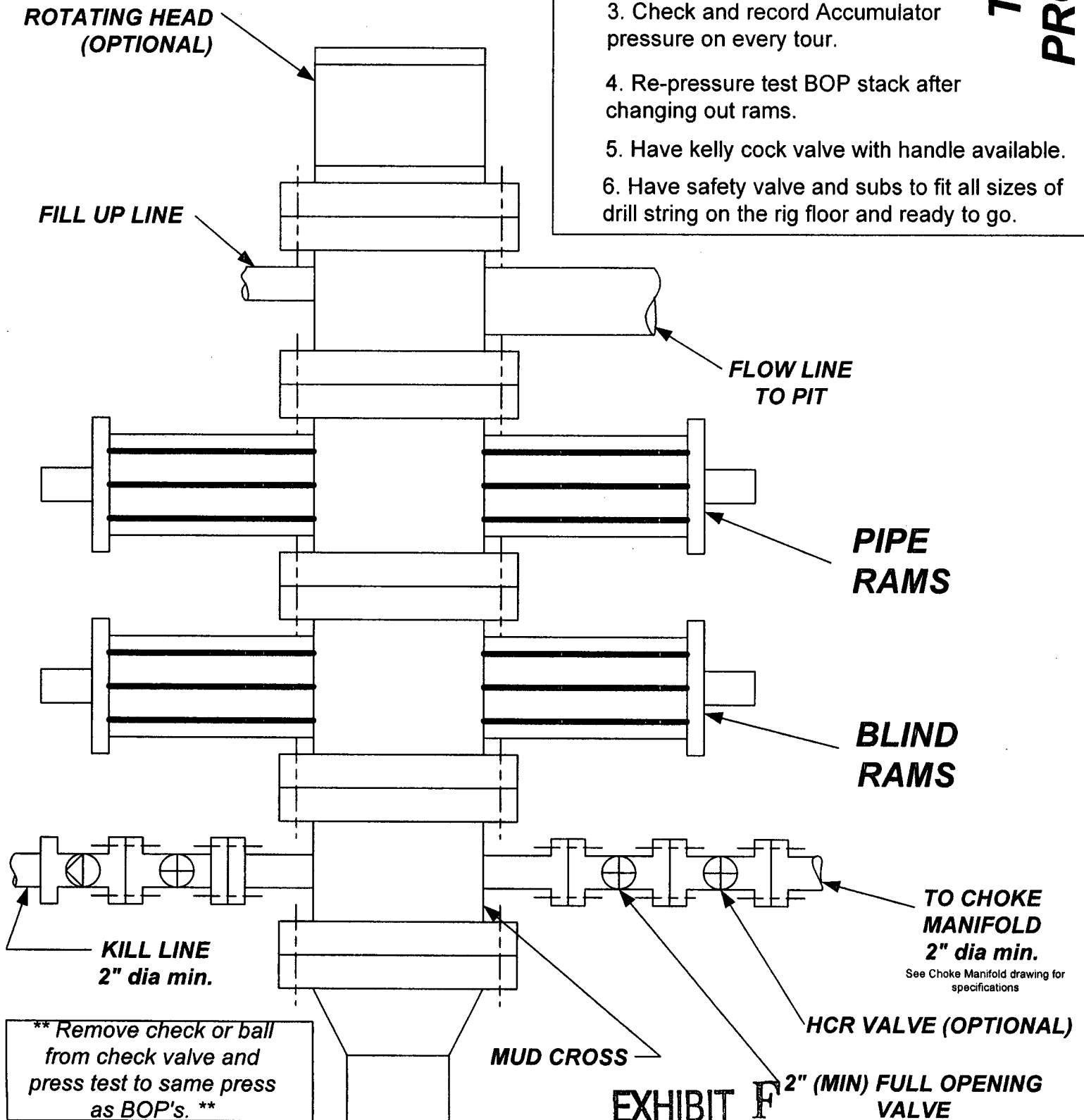


EXHIBIT F

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

