

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

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

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-080382A	
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. 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. Schwerdtfeger S 16	
3b. Phone No. (include area code) (505) 324-1090		9. API Well No. 30-045- 3 2651	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 825 FNL & 1740 FNL At proposed prod. zone Same 2135 FNL		10. Field and Pool, or Exploratory Basin Fruitland Coal	
14. Distance in miles and direction from nearest town or post office* 10 air miles SSW of Bloomfield, New Mexico		11. Sec., T., R., M., or Blk. and Survey or Area C16-27n-11w NMPM	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 900'	16. No. of Acres in lease 2,081.12	17. Spacing Unit dedicated to this well W2 (320 acres)	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 138'*	19. Proposed Depth 2,100'	20. BLM/BIA Bond No. on file BLM nation wide: 57 91 73	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6,232' 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:

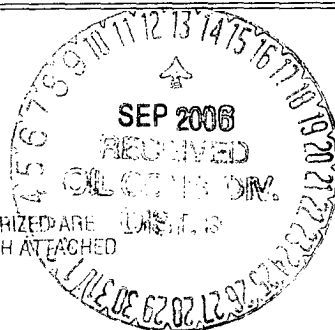
- | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|
| 1. Well plat certified by a registered surveyor. | 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

*XTO's Schwerdtfeger #10 which is a Pictured Cliffs well

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and approval 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 	Name (Printed/Typed) Brian Wood	Date 1-24-04
Title Consultant	Phone: 505 466-8120	FAX: 505 466-9682
Approved by (Signature) 	Name (Printed/Typed) AFM	Office FFD
Title AFM		Date 9/17/06

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

HOLD TO NSL

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.

NSL

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

2005 NOV 14 PM 1 40

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

RECEIVED
070 FARMINGTON NM

¹ API Number 30-045-32151		² Pool Code 71629		³ Pool Name BASIN FRUITLAND COAL	
⁴ Property Code 30341		⁵ Property Name SCHWERTFEGER S		⁶ Well Number 16	
⁷ OGRID No. 167067		⁸ Operator Name XTO ENERGY INC.		⁹ Elevation 6232'	

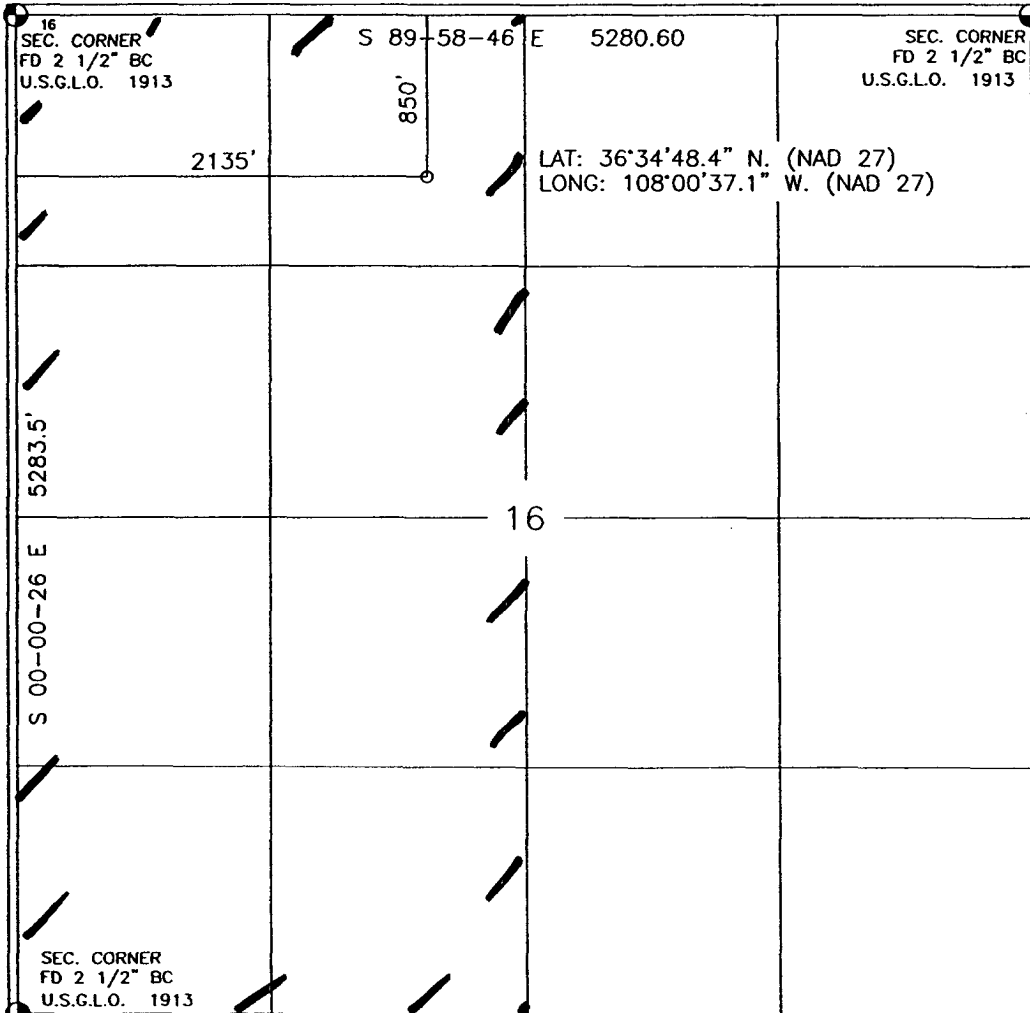
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	16	27-N	11-W	.	850	NORTH	2135	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									
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

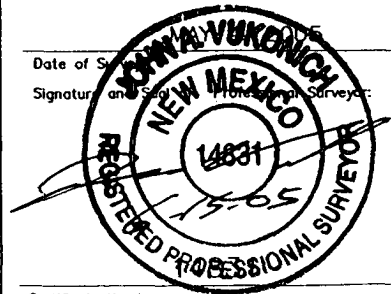
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Brian Wood
Signature
BRIAN WOOD
Printed Name
CONSULTANT
Title
NOV. 12, 2005
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 belief.

Date of Survey
Signature and Seal of Professional Surveyor



Certificate Number

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 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

Form C-103
 May 27, 2004

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

WELL API NO.	30-045-32151
5. Indicate Type of Lease	STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	NMSF-080382A
7. Lease Name or Unit Agreement Name	SCHWERDTFEGER S
8. Well Number	16
9. OGRID Number	167067
10. Pool name or Wildcat	BASIN FRUITLAND COAL GAS

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-1, FARMINGTON, NM 87401

4. Well Location
 Unit Letter C : 850 feet from the NORTH line and 2135 feet from the WEST line
 Section 16 Township 27N Range 11W NMPM County SAN JUAN

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
 6,232' GL

Pit or Below-grade Tank Application or Closure

Pit type DRILLING Depth to Groundwater >100' Distance from nearest fresh water well >1 mi Distance from nearest surface water >300'

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

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

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK
- TEMPORARILY ABANDON
- PULL OR ALTER CASING
- PLUG AND ABANDON
- CHANGE PLANS
- MULTIPLE COMPL

OTHER: DRILLING PIT

SUBSEQUENT REPORT OF:

- REMEDIAL WORK
- COMMENCE DRILLING OPNS.
- CASING/CEMENT JOB
- ALTERING CASING
- P AND A

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.

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 Brian Wood TITLE CONSULTANT DATE 11-12-05

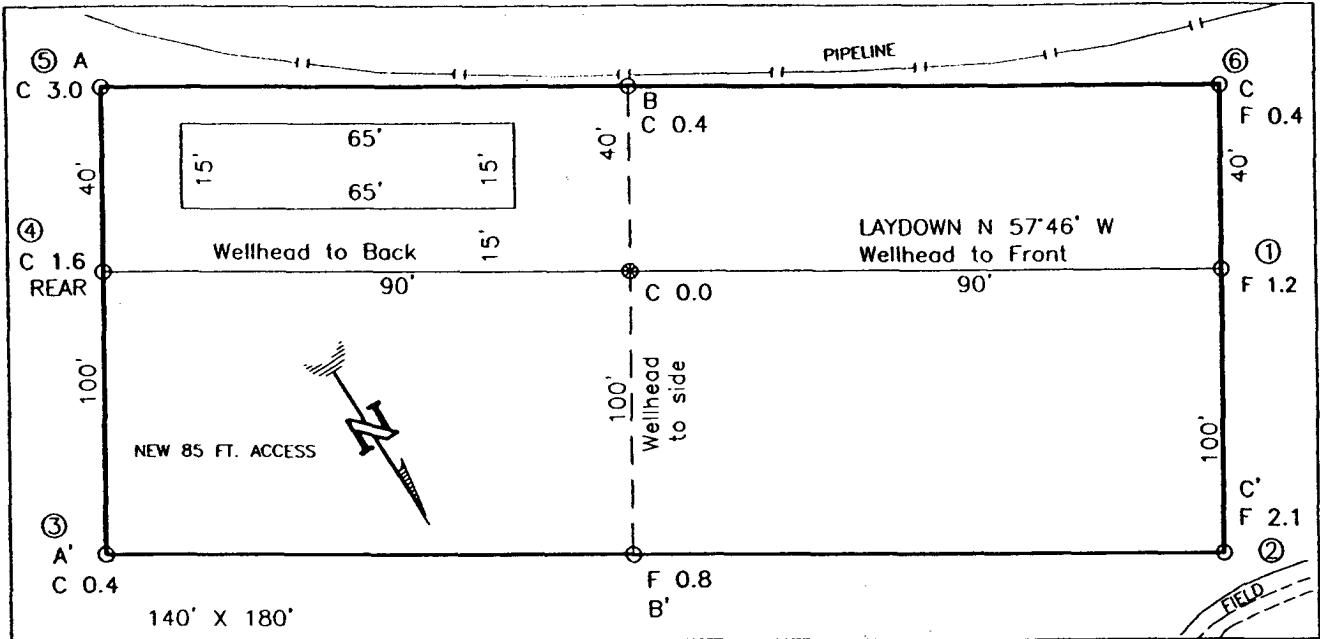
Type or print name BRIAN WOOD E-mail address: brian@permitswest.com Telephone No. (505) 466-8120

APPROVED BY: [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. # DATE SEP 13 2006

Conditions of Approval (if any):

XTO ENERGY INC.
 SCHWERTFEGER S No. 16, 850' FNL 2135' FWL
 SECTION 16, T27N, R11W, N.M.P.M., SAN JUAN COUNTY, N. M.
 GROUND ELEVATION: 6236', DATE: MAY 4, 2005

LAT. = 36°34'48.4" N.
 LONG. = 108°00'37.1" 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.

ELEV. A-A' C/L

6240				
6230				
6220				
6210				

ELEV. B-B' C/L

6240				
6230				
6220				
6210				

ELEV. C-C' C/L

6240				
6230				
6220				
6210				

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	B.L.
BESTAKE WELL LOC.	5/23/05		
Daggett Enterprises, Inc. Surveying and Oil Field Services P. O. Box 15068 • Farmington, NM 87401 Phone (505) 326-1772 • Fax (505) 326-6019 NEW MEXICO P.L.S. No. 14831 COUPLE CR187CFB			
DRAWN BY	B.L.	DATE	07/31/03
POW	CR:BT		



XTO Energy Inc.
Schwerdtfeger S #16
885' FSL & 1740' FWL
Sec. 16, T. 27 N., R. 11 W.
San Juan County, New Mexico

PAGE 1

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'	+6,232'
Ojo Alamo Ss	807'	812'	+5,425'
Kirtland Shale	957'	962'	+5,275'
Fruitland Coal	1,707'	1,712'	+4,525'
Pictured Cliffs Ss	1,932'	1,937'	+4,300'
Lewis Shale	2,032'	2,037'	+4,200'
Total Depth (TD)*	2,100'	2,105'	+4,132'

* all elevations reflect the ungraded ground level of 6,232'

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 S #16
 885' FSL & 1740' FWL
 Sec. 16, T. 27 N., R. 11 W.
 San Juan County, New Mexico

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	ST & C	160'
6-1/4"	4-1/2"	10.5	K-55	New	ST & C	2,100'

Surface casing will be cemented to the surface with \approx 50 cubic feet (\approx 43 sacks) Class B + 1/4 lb/sk cello-flake + 2% CaCl₂. 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 \approx 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 \approx 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.

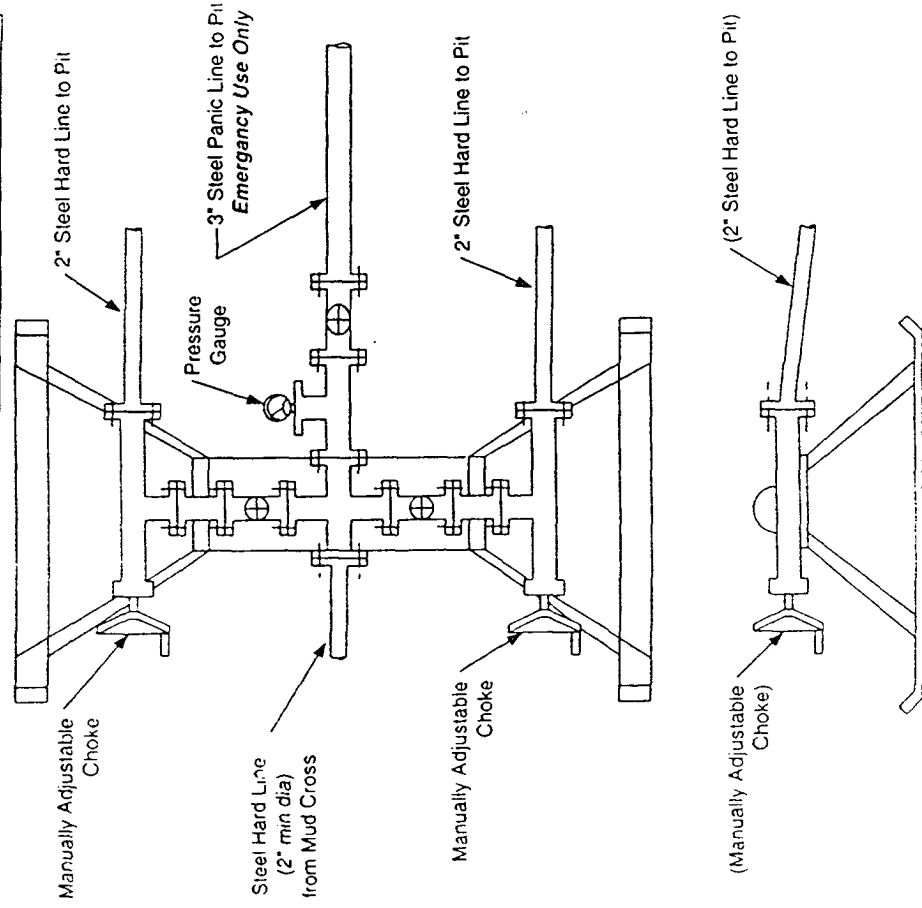
5. MUD PROGRAM

<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.

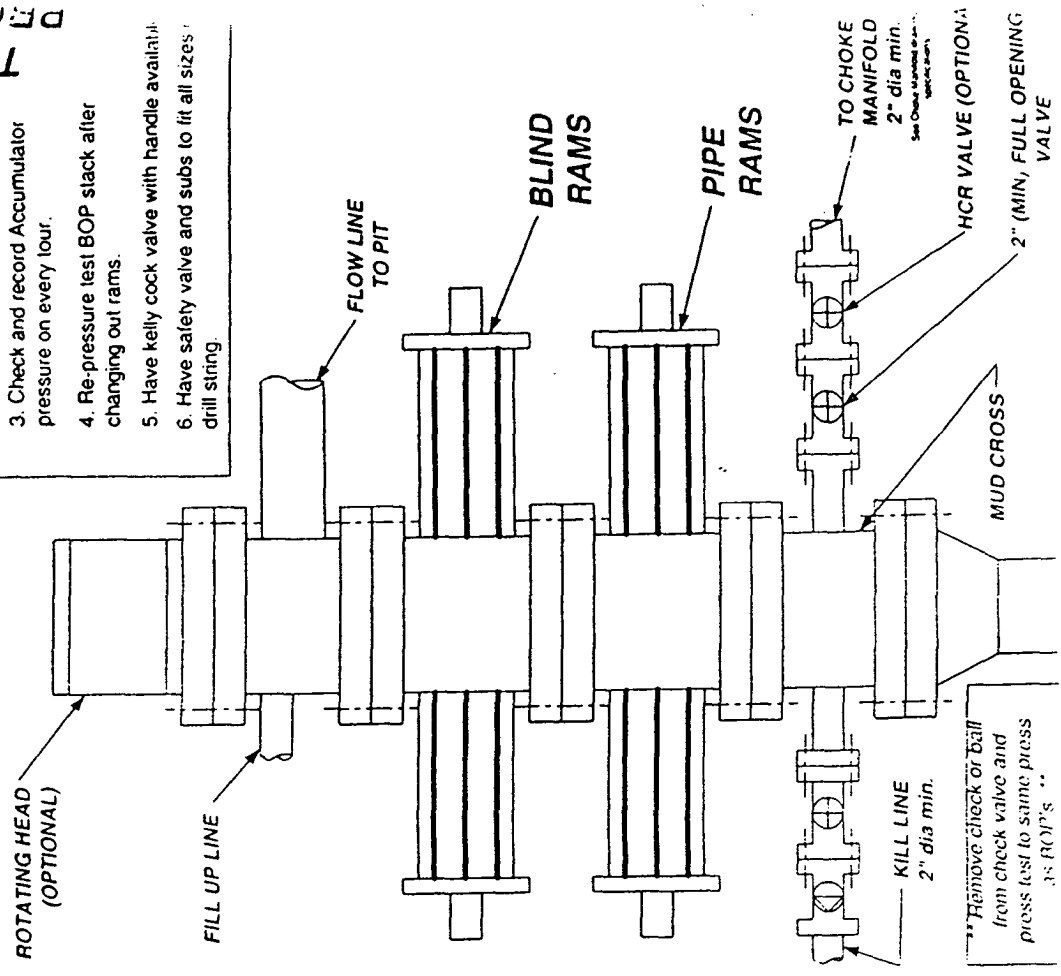
CHOKE MANIFOLD SCHEMATIC FOR DRILLING OPERATIONS CLASS 1 (2M) NORMAL PRESSURE

- #### TESTING PROCEDURE
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

- #### TESTING PROCEDURE
1. Pressure test BOP to 200-300 psig (low pressure) for 5 min.
 2. Test BOP to Working Press or to 70% internal yield of surf csg (10 min).
 3. Test operation of (both) rams on every trip.
 4. Check and record Accumulator pressure on every tour.
 5. Re-pressure test BOP stack after changing out rams.
 6. Have Kelly cock valve with handle available.
 7. Have safety valve and subs to fit all sizes of drill string.



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator **XTO ENERGY INC.**

3a. Address
2700 FARMINGTON AVE., K-1, FARMINGTON, NM 87401

3b. Phone No. (include area code)
505 324-1090

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
850' FNL & 2135' FWL 16-27N-11W

5. Lease Serial No.

NMSF-080382A

6. If Indian, Allottee or Tribe Name

N/A

7. If Unit or CA/Agreement, Name and/or No.

N/A

8. Well Name and No.

SCHWERDTFEGER S 16

9. API Well No.

30-045- 32151

10. Field and Pool, or Exploratory Area

Basin Fruitland Coal Gas

11. County or Parish, State

SAN JUAN COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION				
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off	
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity	
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____	
	<input checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon		
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal		

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Well has been moved 396' east-northeast from that shown in APD dated 1-24-04. Move was requested by NAPI to avoid a center pivot irrigation arm.



RECEIVED
 2005 NOV 14 PM 1 39
 070 FARMINGTON NM

cc: BLM, Vaughan

14. I hereby certify that the foregoing is true and correct
 Name (Printed/Typed)

BRIAN WOOD

(PHONE 505 466-8120)

Title **CONSULTANT**

(FAX 505 466-9682)

Signature

Date

11/12/2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

APM

Date

9/7/06

Conditions of approval, if any, are attached. Approval of this notice 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.

Office

FTD

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)

NMOCD