RCVD FEB23'07
OIL CONS. DIV.
DIST. 3

Form 3160-3
(April 2004)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

2006 JAN 18 PM 1 51
RECEIVED
070 FARMINGTON NM

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: ☑ DRILL ☐ REENTER	5. Lease Serial No. NMSF-080382A
	6. If Indian, Allotee or Tribe Name N/A
	7. If Unit or CA Agreement, Name and No. N/A
1b. Type of Well: ☐ Oil Well ☑ Gas Well ☐ Other ☑ Single Zone ☐ Multiple Zone	8. Lease Name and Well No. SCHWERDTFEGER D 3 F
2. Name of Operator XTO ENERGY INC	9. API Well No. 30-045- 33536
3a. Address 2700 FARMINGTON AVE., BLDG. K-1 FARMINGTON, NM 87401 / 3b. Phone No. (include area code) (505) 324-1090	10. Field and Pool, or Exploratory BASIN DAKOTA
4. Location of Well (Report location clearly and in accordance with any State requirements.*) At surface 1105' FSL & 1050' FWL At proposed prod. zone SAME	11. Sec., T. R. M. or Blk. and Survey or Area M 21-27N-11W NMPM
14. Distance in miles and direction from nearest town or post office* 10 AIR MILES SOUTH OF BLOOMFIELD	12. County or Parish SAN JUAN / 13. State NM

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1,050'	16. No. of acres in lease 2,081.12	17. Spacing Unit dedicated to this well W2
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 241' (XTO's 21-1)	19. Proposed Depth 6,750'	20. BLM/BIA Bond No. on file ~~BLM NATIONWIDE 57 91 73~~ UTO6848
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6,273' GL	22. Approximate date work will start* 07/01/2006	23. Estimated duration 4 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.
2. A Drilling Plan.
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).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature [signature]	Name (Printed/Typed) BRIAN WOOD	Date 01/14/2006
Title CONSULTANT	PHONE: (505) 466-8120	FAX: (505) 466-9682
Approved by (Signature) [signature]	Name (Printed/Typed)	Date 2/22/07
Title AFM	Office FFO	

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)

NOTIFY AZTEC OCD 24 hrs IN TIME TO WITNESS Csg Cement

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

NMOCD

2/26/07

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

2006 JAN 18 PM 1

RECEIVED
070 FARMINGTON NM

☐ AMENDED REPORT

RCVD FEB23'07
OIL CONS. DIV.
DIST. 3

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30-045-33536	71599	BASIN DAKOTA

[4] Property Code	[5] Property Name	[6] Well Number
35855	SCHWERDTFEGER D	3F

[7] OGRID No.	[8] Operator Name	[9] Elevation
~~167067~~ 5380	XTO ENERGY INC.	6273

[10] Surface Location

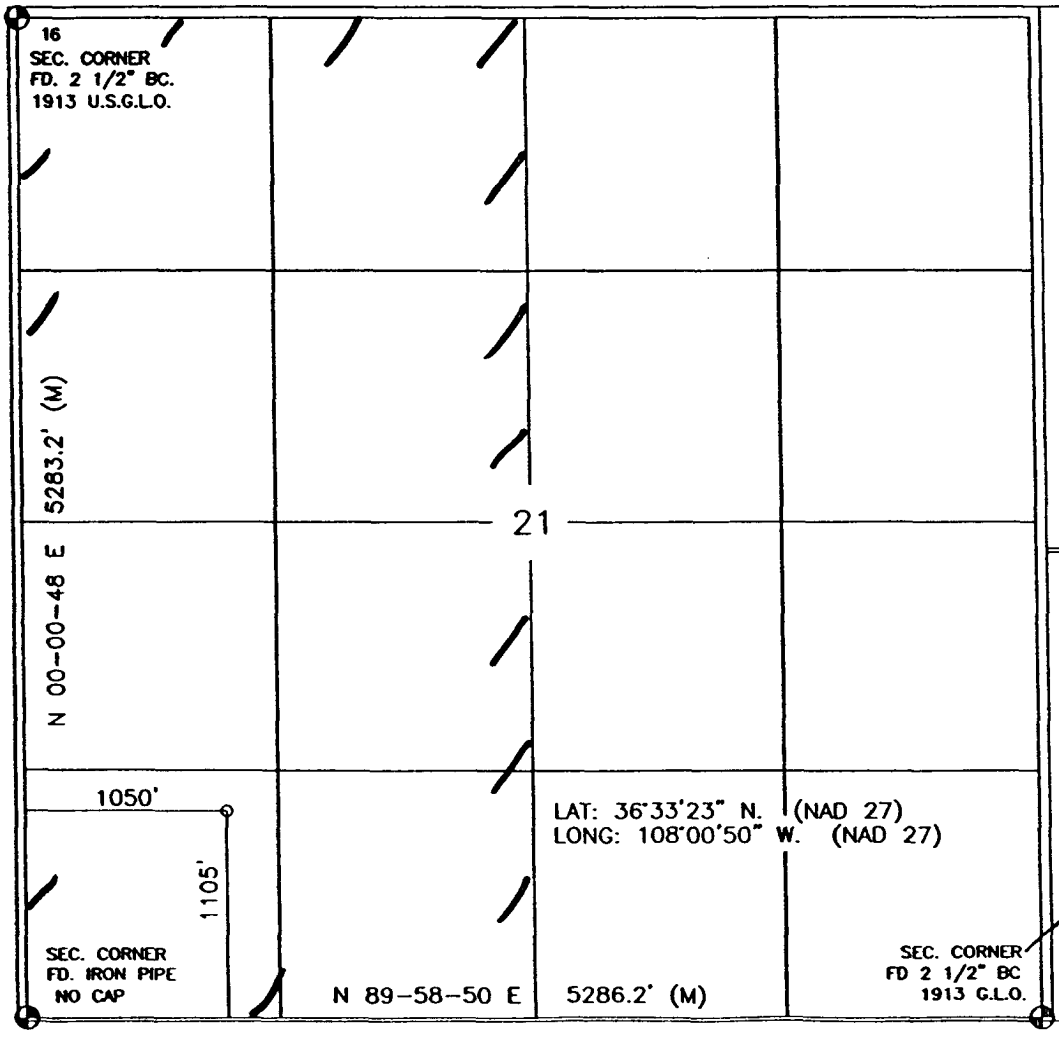
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	21	27-N	11-W		1105	SOUTH	1050	WEST	SAN JUAN

[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	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
320			

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

Signature

BRIAN WOOD
Printed Name

CONSULTANT
Title

JAN. 14, 2006
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.

APRIL 9, 2004
Date of Survey

Signature and Seal of Professional Surveyor:

JOHN A. VUKONICH
NEW MEXICO
14831
REGISTERED PROFESSIONAL SURVEYOR

14831
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

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

Form C-103
May 27, 2004

WELL API NO. 30-045-33536

5. Indicate Type of Lease STATE ☐ FEE ☐

6. ~~State~~ Oil & Gas Lease No. NMSF-080382A

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.)

7. Lease Name or Unit Agreement Name: SCHWERDTFEGER D

1. Type of Well: Oil Well ☐ Gas Well ☒ Other

8. Well Number 3 F

2. Name of Operator: XTO ENERGY INC.

9. OGRID Number 167067

3. Address of Operator: 2700 FARMINGTON AVE., BLDG. K-1, FARMINGTON, NM 87401

10. Pool name or Wildcat: BASIN DAKOTA

4. Well Location
Unit Letter M : 1105 feet from the SOUTH line and 1050 feet from the WEST line
Section 21 Township 27N Range 11W NMPM County SAN JUAN

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)* 6,273' GL

Pit or Below-grade Tank Application ☒ or Closure ☐

Pit type DRILLING Depth to Groundwater >250' Distance from nearest fresh water well >1 mi Distance from nearest surface water ~200'

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:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK ☐	PLUG AND ABANDON ☐	REMEDIAL WORK ☐	ALTERING CASING ☐
TEMPORARILY ABANDON ☐	CHANGE PLANS ☐	COMMENCE DRILLING OPNS. ☐	P AND A ☐
PULL OR ALTER CASING ☐	MULTIPLE COMPL ☐	CASING/CEMENT JOB ☐	
OTHER: DRILLING PIT ☒		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 _____ TITLE CONSULTANT DATE 1-14-06

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

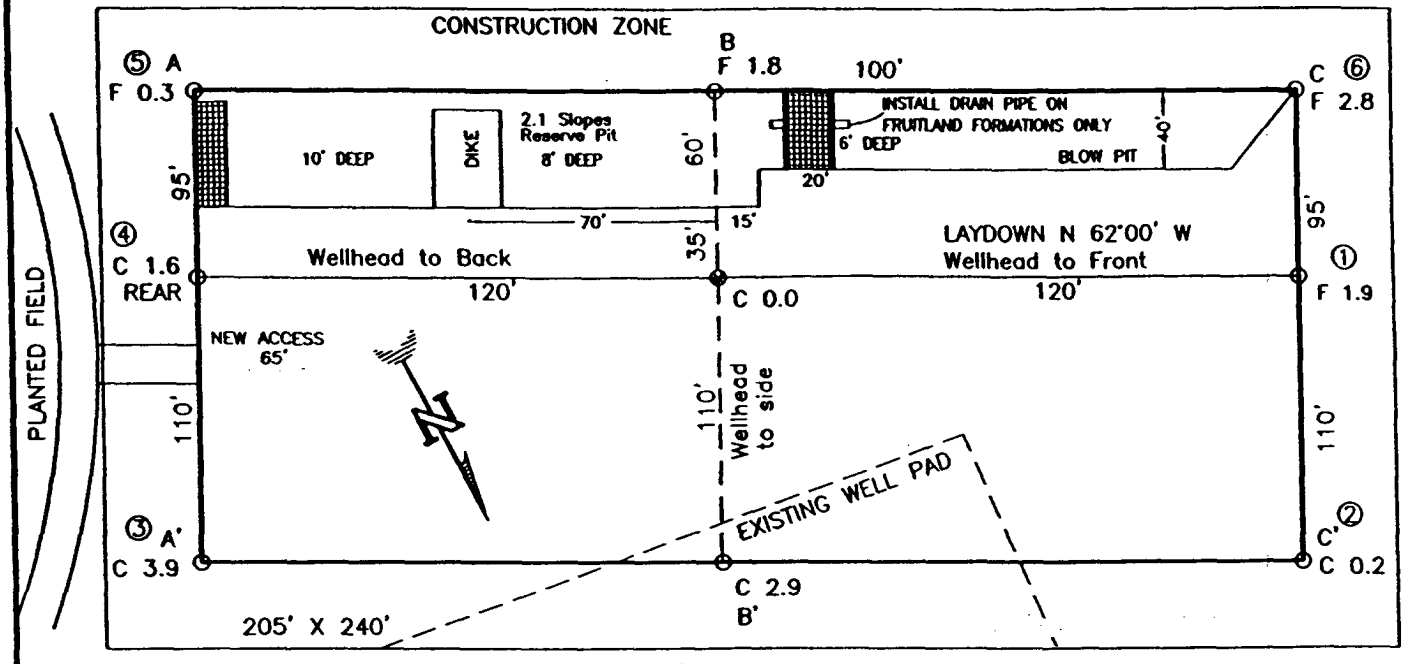
For State Use Only

APPROVED BY: _____ TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE FEB 26 2007

Conditions of Approval (if any):

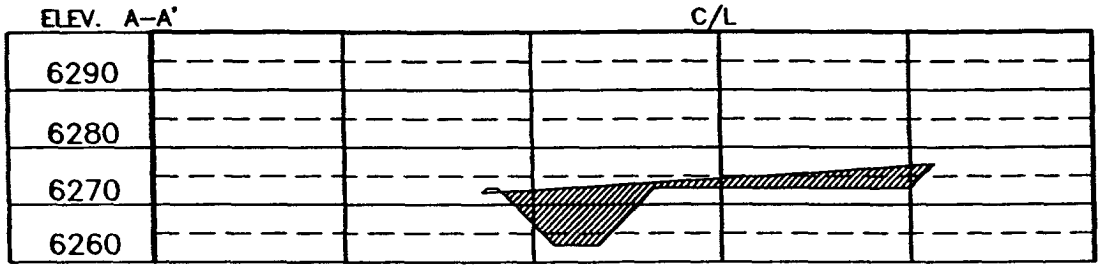
XTO ENERGY INC.
SCHWERDTFEGER D No.3F, 1105' FSL 1050' FWL
SECTION 21, T27N, R11W, N.M.P.M., SAN JUAN COUNTY, N. M.
GROUND ELEVATION: 6273', DATE: APRIL 9, 2004

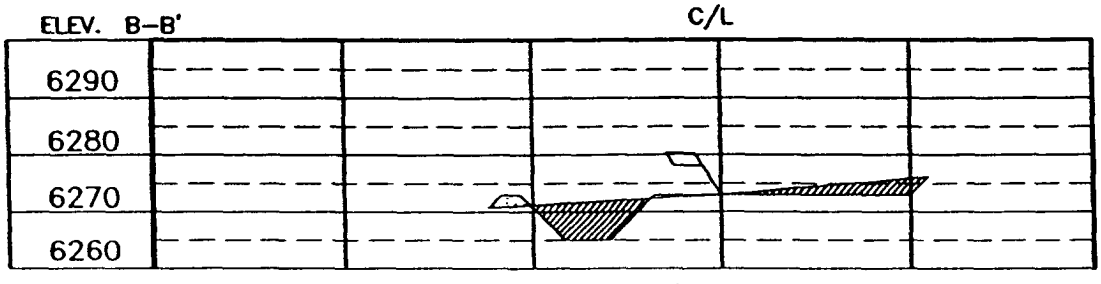
LAT. = 36°33'23" N.
LONG. = 108°00'50" W
NAD 1927

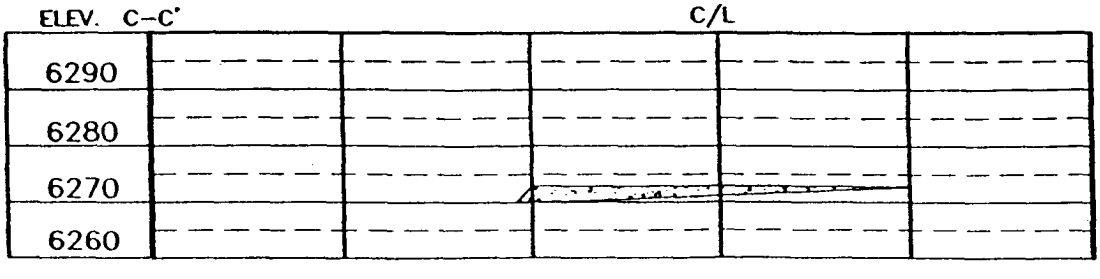


RESERVE PIT DIKE: TO BE 8' ABOVE DEEP SIDE (OVERFLOW – 3' WIDE AND 1' ABOVE SHALLOW SIDE).
BLOW PIT: OVERFLOW PIPE HALFWAY BETWEEN TOP AND BOTTOM AND TO EXTEND OVER PLASTIC LINER AND INTO BLOW PIT.

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 15068 · Farmington, NM 87401
Phone (505) 326-1772 · Fax (505) 326-8019
NEW MEXICO P.L.S. No. 14831

REVISED BY:
DATE:
REVISION:
DRAWN BY: B.L.
DATE: 04/15/04
NOVA CR297

XTO Energy Inc.
Schwerdtfeger D 3 F
1105' FSL & 1050' FWL
Sec. 21, T. 27 N., R. 11 W.
San Juan County, New Mexico

Drilling Program

1. ESTIMATED FORMATION TOPS

Formation Name	GL Depth	KB Depth	Elevation
Nacimiento	0'	12'	+6,273'
Ojo Alamo Sandstone	873'	889'	+5,400'
Kirtland Shale	903'	915'	+5,370'
Fruitland	1,683'	1,695'	+4,590'
Pictured Cliffs	1,848'	1,860'	+4,425'
Chacra Sandstone	2,748'	2,760'	+3,525'
Point Lookout	4,273'	4,285'	+2,000'
Mancos Shale	4,623'	4,635'	+1,650'
Gallup Sandstone	5,448'	5,660'	+825'
Greenhorn Limestone	6,323'	6,335'	-50'
Graneros Shale	6,373'	6,385'	-100'
Dakota Sandstone	6,473'	6,485'	-200'
Total Depth (TD)*	6,750'	6,762'	-477'

2. NOTABLE ZONES

Gas & Oil Zones	Water Zones	Coal Zones
Fruitland	Nacimiento	Fruitland
Pictured Cliffs	Ojo Alamo	
Gallup	Fruitland	
Dakota		

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 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 ≈2,800 psi. BOP and mud system will control pressure.

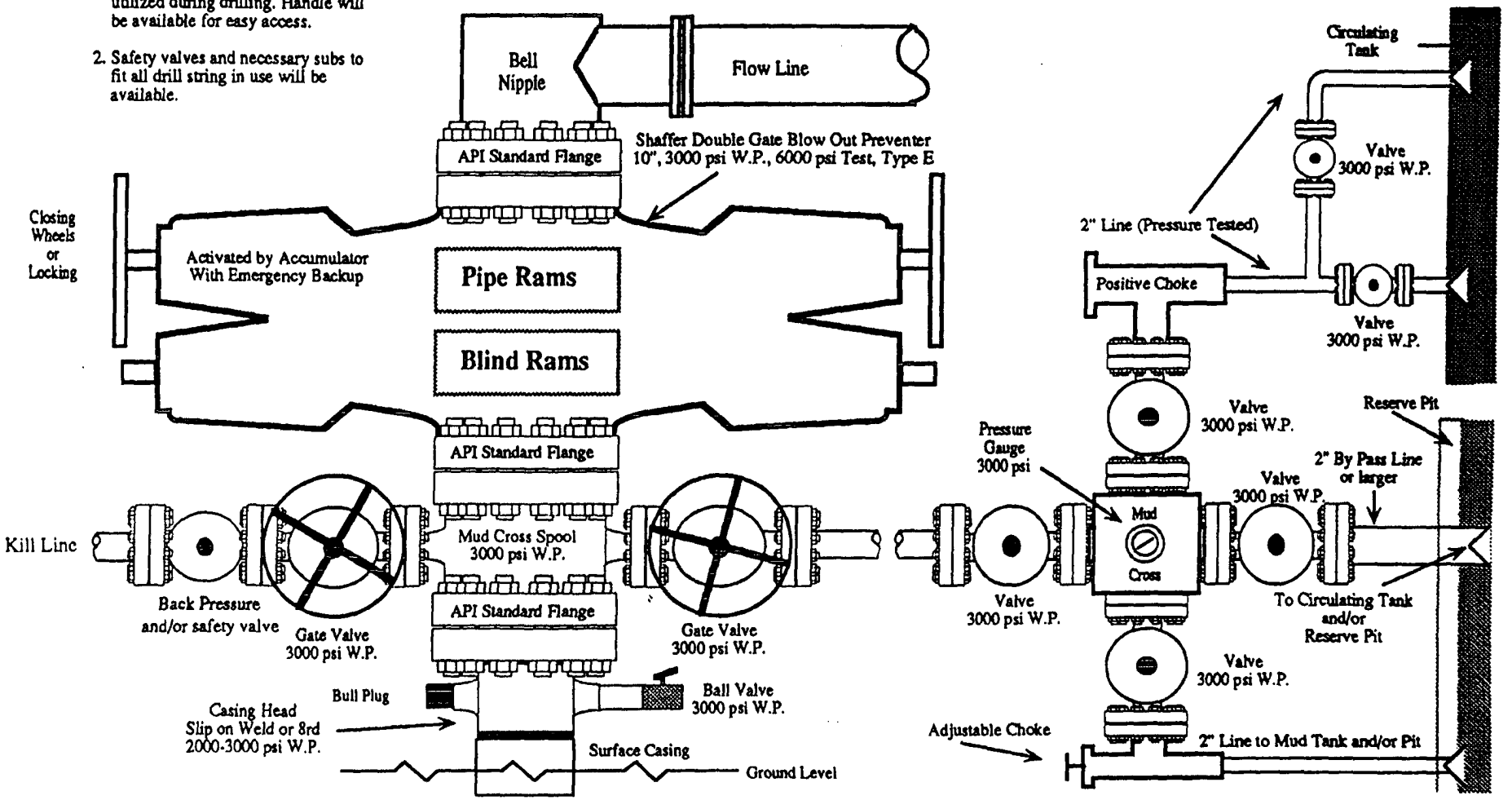
4. CASING & CEMENT

Hole Size	O. D.	Weight (lb/ft)	Grade	Age	Connections	Setting Depth
12-1/4"	8-5/8"	24	J-55	New	8 rd, S T & C	325'
7-7/8"	5-1/2"	15.5	K-55	New	8 rd, L T & C	6,750'

2,000 PSI BOP SYSTEM

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

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



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.

Surface casing will be cemented to surface with ≈~~270~~ 292 cubic feet (≈230 sacks) Class B Neat + 1/4 pound per sack cello-flake + 2% $CaCl_2$. 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 ≈1,095 cubic feet (≈380 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 ≈95 cubic feet (≈76 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

RANGE	MUD TYPE	WEIGHT	VISCOSITY	WATER LOSS	ADDITIVES
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

6. CORES, TESTS, & LOGS

No cores or drill stem tests are planned. Induction logs will be run from TD to ≈3,000'. Neutron density - GR logs will be run from TD to base of surface casing.

7. DOWN HOLE CONDITIONS

No abnormal pressures, temperatures, nor hydrogen sulfide are expected. Maximum bottom hole pressure will be ~~≤2,700~~ 2800 psi.

8. OTHER INFORMATION

The anticipated spud date is upon approval. It is expected it will take about four weeks to drill and complete the well.