

RECEIVED

MAR 27 2008

RCVD APR 2 '08  
OIL CONS. DIV.  
DIST. 3

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
Bureau of Land Management  
Farmington Field Office

APPLICATION FOR PERMIT TO DRILL OR REENTER

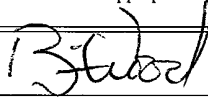
1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. <b>NMSF-080382A</b>
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name <b>N/A</b>
2. Name of Operator <b>XTO ENERGY INC.</b>		7. If Unit or CA Agreement, Name and No. <b>N/A</b>
3a. Address <b>382 ROAD 3100 AZTEC, NM 87410</b>		8. Lease Name and Well No. <b>SCHWERDTFEGER 9 R</b>
3b. Phone No. (include area code) <b>(505) 333-3159</b>		9. API Well No. <b>30-045- 34665</b>
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface <b>1030' FNL &amp; 1635' FEL</b> At proposed prod. zone <b>SAME</b>		10. Field and Pool, or Exploratory <b>KUTZ PICTURED CLIFFS, WEST</b>
14. Distance in miles and direction from nearest town or post office* <b>8 AIR MILES SOUTH OF BLOOMFIELD</b>		11. Sec., T. R. M. or Blk. and Survey or Area <b>6 17-27N-11W NMPM</b>
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) <b>1,005'</b>	16. No. of acres in lease <b>2,081.12</b>	17. Spacing Unit dedicated to this well <b>NE4 (= 160 ACRES)</b>
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. <b>248' (17 1-E)</b>	19. Proposed Depth <b>2,100'</b>	20. BLM/BIA Bond No. on file <b>BLM NATIONWIDE 57-91-73</b>
21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>6,193' GL</b>	22. Approximate date work will start* <b>07/01/2008</b>	23. Estimated duration <b>2 WEEKS</b>

24. Attachments

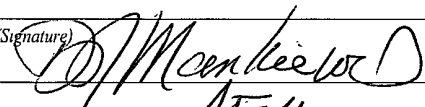
The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- |   |  |
|---|--|
| 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. |

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

25. Signature 	Name (Printed/Typed) <b>BRIAN WOOD</b>	Date <b>03/20/2008</b>
---	---	---------------------------

Title **CONSULTANT** PHONE: (505) 466-8120 FAX: (505) 466-9682

Approved by (Signature) 	Name (Printed/Typed)	Date <b>4/1/09</b>
---	----------------------	--------------------

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.

A COMPLETE C-144 MUST BE SUBMITTED TO AND APPROVED BY THE NMOC FOR: A PIT, CLOSED LOOP SYSTEM, BELOW GRADE TANK, OR PROPOSED ALTERNATIVE METHOD, PURSUANT TO NMOC PART 19.15.17, PRIOR TO THE USE OR CONSTRUCTION OF THE ABOVE APPLICATIONS.

APR 07 2009



BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS  
NOTIFY AZTEC OCD 24 HRS.  
PRIOR TO CASING & CEMENT

NMOC

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

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 October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-045-34665	<sup>2</sup> Pool Code 79680	<sup>3</sup> Pool Name KUTZ PICTURED CLIFFS, WEST
<sup>4</sup> Property Code 30335	<sup>5</sup> Property Name SCHWERTFEGER	<sup>6</sup> Well Number 9R
<sup>7</sup> GRID No 5380	<sup>8</sup> Operator Name XTO ENERGY INC.	<sup>9</sup> Elevation 6193

<sup>10</sup> Surface Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	17	27-N	11-W		1030	NORTH	1635	EAST	SAN JUAN

<sup>11</sup> 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
<sup>12</sup> Dedicated Acres NE 1/4 160			<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> Order No OIL CONS. DIV.		

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

FD. 2 1/2" BC. 1913 G.L.O.	S 89-56-25 W 5279.19' (M)	U.S.G.L.O.
LAT: 36.57962° N. (NAD 83) LONG: 108.02377° W. (NAD 83) LAT: 36°34'46.6" N. (NAD 27) LONG: 108°01'23.3" W. (NAD 27)		
17		
S 00-00-26 E 5283.51' (M)		
FD. 2 1/2" BC. 1913 G.L.O.		

**17 OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Kyle Vaughan* 4/3/09  
Signature Date  
*Kyle Vaughan*  
Printed Name

**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.

AUGUST 15, 2007  
Date of Survey  
Signature and Seal of Professional Surveyor:  
*ROY A. RUSH*  
NEW MEXICO  
REGISTERED PROFESSIONAL LAND SURVEYOR  
8894  
Certificate Number

XTO Energy Inc.  
Schwerdtfeger 9 R  
1030' FNL & 1635' FEL  
Sec. 17, T. 27 N., R. 11 W.  
San Juan County, New Mexico

PAGE 1

## Drilling Program

### 1. ESTIMATED FORMATION TOPS

<u>Formation</u>	<u>GL Depth</u>	<u>KB Depth</u>	<u>Elevation</u>
Nacimiento Formation	000'	5'	+6,193'
Ojo Alamo Sandstone	763'	768'	+5,430'
Kirtland Shale	868'	873'	+5,325'
Fruitland Formation	1,698'	1,703'	+4,495'
Pictured Cliffs Sandstone	1,908'	1,913'	+4,285'
Lewis Shale	2,093'	2,098'	+4,100'
Total Depth (TD)	2,100'	2,105'	+4,093'

### 2. NOTABLE ZONES

<u>Gas &amp; Oil Zones</u>	<u>Water Zones</u>	<u>Coal Zone</u>
Fruitland	Nacimiento	Fruitland
Pictured Cliffs	Ojo Alamo	
	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 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  $\approx$ 200 psi and then to  $\approx$ 1,000 psi. Upper and lower

XTO Energy Inc.  
Schwerdtfeger 9 R  
1030' FNL & 1635' FEL  
Sec. 17, T. 27 N., R. 11 W.  
San Juan County, New Mexico

PAGE 2

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) 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 will be  $\leq 840$  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>Connection</u>	<u>Depth Set</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 pound per sack cello-flake + 2%  $\text{CaCl}_2$ . 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  $\approx 1,500$  psi for  $\approx 30$  minutes.

Production casing will be cemented to the surface. Total cement:  $\geq 431$  cubic feet. Volumes are calculated at  $>100\%$  excess. If cement does not circulate to the surface, then a temperature survey will be run to determine the actual cement top as needed. W. O. C. = 12 hours. Test to  $\approx 2,000$  psi.

XTO Energy Inc.  
Schwerdtfeger 9 R  
1030' FNL & 1635' FEL  
Sec. 17, T. 27 N., R. 11 W.  
San Juan County, New Mexico

PAGE 4

Lead cement will be  $\approx$ 182 sacks Class B light cement (65% cement/35% Poz with 6% gel) with 5 pounds per sack gilsonite + 1/4 pound per sack cello-flake. Yield = 1.99 cubic feet per sack. Weight = 12.4 pounds per gallon.

Tail cement will be  $\approx$ 50 sacks 50/50 Class B Poz with 2% gel + 1/4 pound per sack cello-flake + 0.5% Halad-9. Yield = 1.38 cubic feet per sack. Weight = 13.5 pounds per gallon.

Cement equipment will include a guide shoe, float collar, and approximately 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.

#### 7. DOWN HOLE CONDITIONS

No abnormal pressures, temperatures, or hydrogen sulfide are expected. Maximum expected bottom hole pressure will be  $\leq$ 840 psi.

#### 8. OTHER INFORMATION

The anticipated spud date is upon approval. It is expected it will take about 1 week to drill and about 1 week to complete the well.

XTO Energy Inc.  
Schwerdtfeger 9 R  
1030' FNL & 1635' FEL  
Sec. 17, T. 27 N., R. 11 W.  
San Juan County, New Mexico

PAGE 5

1. DIRECTIONS & EXISTING ROADS (See PAGES 9 & 10)

From Bloomfield ...

Go South 9 miles on US 550 to the equivalent of Milepost 143.2

Then turn right and go West 1.4 miles on Road 3003

Then turn left and go South 0.9 mile on a paved road

Then turn left and go East 0.6 mile on a dirt road onto the pad

Roads will be maintained to at least equal their present condition.

2. ROAD TO BE BUILT OR UPGRADED

No construction or upgrade is needed. The proposed pad overlaps an existing road and two existing XTO producing well sites.

3. EXISTING WELLS (See PAGE 10)

There are 21 oil or gas wells and 9 plugged wells within a mile radius. There are no water, injection, or disposal wells within a mile.

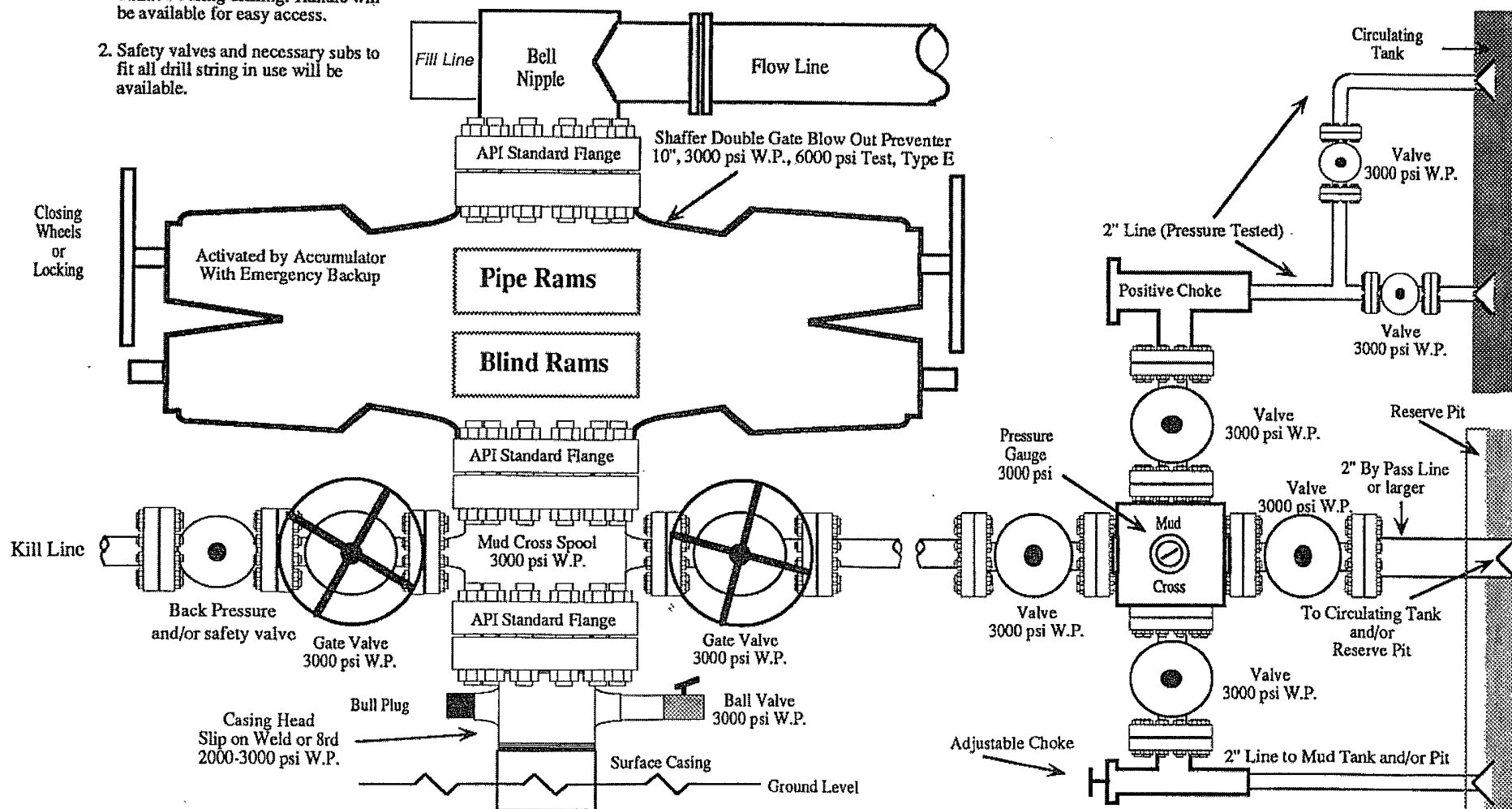
4. PROPOSED PRODUCTION FACILITIES (See PAGE 11)

A  $\approx$ 60 barrel fiberglass open top tank, meter run, and separator will be installed on the pad. All surface equipment will be painted a flat juniper green color. No pump, compressor, or power line is needed. Gas will flow under its own pressure. Enterprise will bury a 573.37' long steel  $\approx$ 4.5" O. D. gas pipeline. Wall thickness = 0.156". Enterprise will apply for its own 45' wide right-of-way.

# 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.