

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions on
reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

b. TYPE OF WELL

OIL
WELL ☐

GAS
WELL ☒

OTHER

SINGLE
ZONE ☐

MULTIPLE
ZONE ☒

2. NAME OF OPERATOR

XT0 Energy Inc.

3. ADDRESS AND TELEPHONE NO.

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

505-324-1099

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

2485' FNL & 925' FWL Sec 21, T27N, R08W

At proposed prod. zone

same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

Approx 24 air miles south down Largo Canyon from the Blanco NM Post Office

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any) 184'

16. NO. OF ACRES IN LEASE

2516.33

17. NO. OF ACRES ASSIGNED
TO THIS WELL

320 MV / 160 CH

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

1250'

19. PROPOSED DEPTH

5,600'

20. ROTARY OR CABLE TOOLS

0'-5,600' w/Rotary Tools

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

6,712' GL

22. APPROX. DATE WORK WILL START*

Winter 2004

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8", J-55	24#	360'	210 sx Type III
7-7/8"	4-1/2", J-55	10.5#	5,600'	700 sx Premium Lite cement

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

XT0 Energy Inc. plans to drill the above mentioned well as described in the enclosed Surface Use Program.

An El Paso Field Services welltie plat is also included for ROW.

PROPOSED OPERATIONS WITH WHICH ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS".

HOLD C104 FOR

NSL

APD/ROW

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

JWP Patton

TITLE Drilling Engineer

DATE 9/23/03

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

FEB 20 2004

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:

/s/ David J. Mankiewicz

APPROVED BY

TITLE

DATE

FEB 20 2004

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes 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.

NMOC

DISTRICT I
P.O. Box 1980, Hobbs, N.M. 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, N.M. 88211-0719

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

DISTRICT IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-31913		² Pool Code 72319	³ Pool Name Bianco mesaverde
⁴ Property Code 22634	⁵ Property Name SCHWERDTFEGER A		⁶ Well Number 25
⁷ GRID No. 1107067	⁸ Operator Name XTO ENERGY INC.		⁹ Elevation 6712

¹⁰ Surface Location

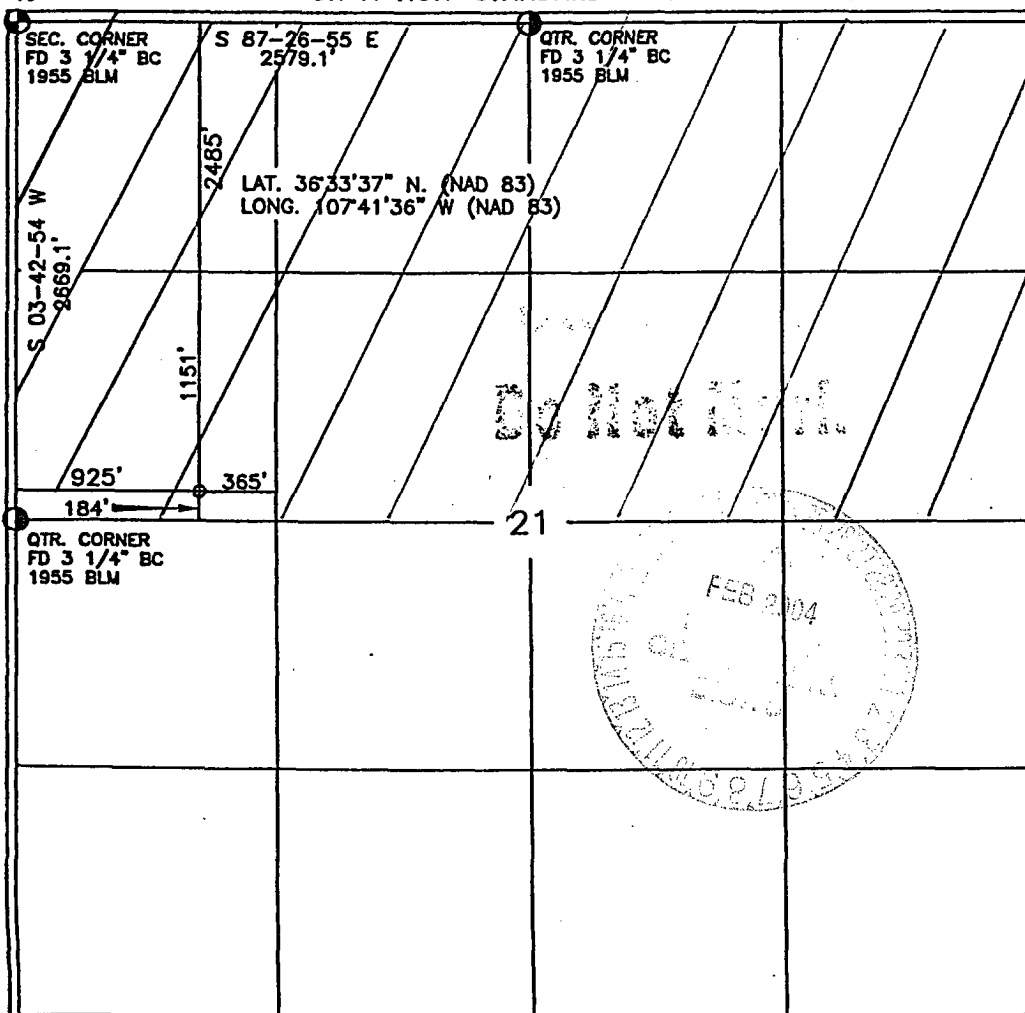
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	21	27-N	8-W		2485	NORTH	925	WEST	SAN JUAN

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 N/2		¹³ Joint or Infill I		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

16



17 OPERATOR CERTIFICATION

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

Heely K Small
Signature
Heely K Small
Printed Name
Drilling Assistant
Title
2/1/03
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 knowledge

DAVID A. JOHNSON
NEW MEXICO
Date of Survey
Signature and Seal of Professional Surveyor
14827
Certificate Number

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-31913		² Pool Code 82329		³ Pool Name OTERO CHACRA	
⁴ Property Code 22634		⁵ Property Name SCHWERTFEGER A			⁶ Well Number 25
⁷ OGRID No. 167067		⁸ Operator Name XTO ENERGY INC.			⁹ Elevation 6712

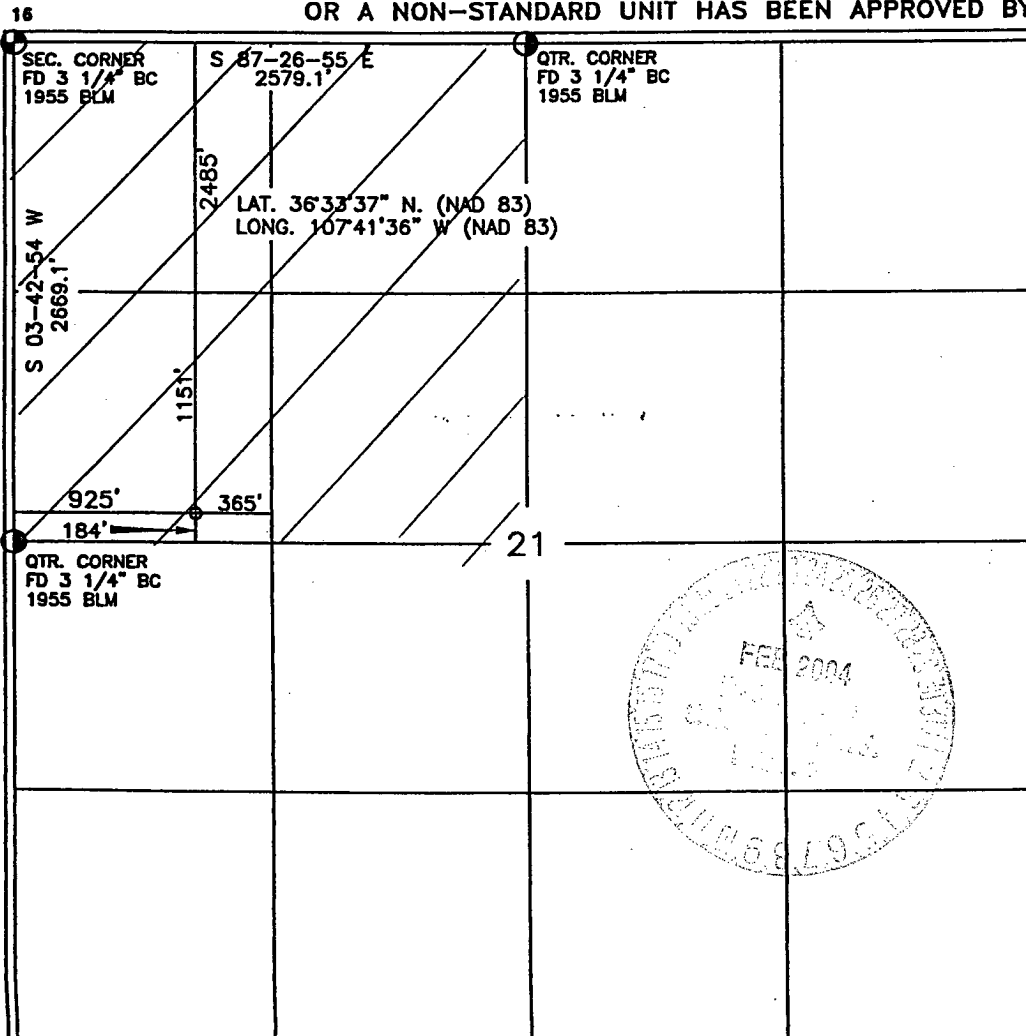
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	21	27-N	8-W		2485	NORTH	925	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 160 NW/4					¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
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17 OPERATOR CERTIFICATION

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

Signature

JEFFREY W PATTON

Printed Name

DRILLING ENGINEER

Title

9-23-03

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

14827

Certificate Number

XTO ENERGY INC.

Schwerdtfeger "A" #25

APD Data

September 23, 2003

Location: Surface: 2,485' FNL & 925' FWL, Sec 21, T27N, R08W County: San Juan State: New Mexico

PROJECTED TOTAL DEPTH: ±5,600' (MD)
GR ELEV: 6,712'

OBJECTIVE: Mesaverde / Chacra
Est KB ELEV: 6,724' (12' AGL)

1. MUD PROGRAM:

INTERVAL	0' to 370'	370' to 3,500'	3,500' to TD
HOLE SIZE	12-1/4"	7-7/8"	7-7/8"
MUD TYPE	FW/Spud Mud	FW/Polymer	LSND
WEIGHT	8.6-9.0	8.4-8.8	8.6-9.0
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. Pre-treat with 20% LCM @ 3,500'. Pump high viscosity sweeps as needed for hole cleaning. Raise viscosity (>85 sec) at TD for logging. Reduce viscosity after logging for cementing purposes.

2. CASING PROGRAM:

Surface Casing: 8-5/8" casing to be set at ± 360' in 8.8 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#	J-55	STC	1370	2950	244	8.097	7.972	7.32	7.95	29.39

Production Casing: 4-1/2" casing to be set at TD in 9.0 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'-TD	5,600'	10.5#	J-55	STC	4010	4790	132	4.052	3.875	1.66	1.33	2.44

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), 4-1/2" 8rnd female thread on bottom, 8-5/8" 8rnd thread on top.

EXHIBIT E

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

A. Surface: 8-5/8", 24#, J-55, STC casing to be set at $\pm 360'$.

Lead: 210 sx of Type III or equivalent cement containing accelerator and LCM typically mixed at 14.6 ppg, 1.41 ft³/sk, & 6.30 gal wtr/sk.

Total slurry volume is 296 ft³, $\pm 100\%$ excess of calculated annular volume to 360'.

B. Production: 4-1/2", 10.5#, J-55, STC casing to be set at $\pm 5,600'$ (MD).

Lead: 450 sx of Type III w/3% extender, 1/4#/sx celloflake & 2% Phenoseal (LCM) mixed at 11.4 ppg, 2.89 cuft/sx & 17.4 gals/sx water.

Tail: 250 sx Premium Lite HS (65%/35%/6%) w/2% KCl, 1/4#/sx cello, 0.35% dispersant, 0.25% fluidloss additive & 5 #/sx gilsonite mixed @ 12.5 ppg, 2.01 cuft/sx & 10.7 gals/sx water.

Total estimated slurry volume (including 40% excess) for the 4-1/2" production casing is 1,803 ft³.

Note: The slurry design may change slightly based upon actual conditions. Final cement volumes will be determined for the caliper logs plus 40%.

5. LOGGING PROGRAM:

A. Mud Logger: A 2-man mud logging unit will come on the hole @ 4,000' and will remain on the hole until TD.

B. Open Hole Logs as follows: Run Dual Induction/SFL/GR/SP fr/TD ($\pm 5,600'$) to the bottom of the surface csg. Run CNL/LDT (Lithodensity)/GR/Cal and Pe from TD to bottom of the surface casing.

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 min.

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

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.

