

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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
XTO Energy Inc. (505) 324-1090

3. ADDRESS AND TELEPHONE NO.
2700 Farmington Av, Bldg K, Ste 1, Farmington, NM 87401

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface 1950' FSL & 1190' FWL
At proposed prod. zone Same

5. LEASE DESIGNATION AND SERIAL NO.
NMSF-078863

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
N/A

7. UNIT AGREEMENT NAME
22755 N/A

8. FARM OR LEASE NAME, WELL NO.
Krause WN Fed. 1 R

9. API WELL NO.
30-045-30702

10. FIELD AND POOL OR WILDCAT
Kutz Gall. & Bas. Dak.

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
L 32-28n-11w NMPM

12. COUNTY OR PARISH
San Juan

13. STATE
NM

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
8 air miles SSW of Bloomfield

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
1,950'

16. NO. OF ACRES IN LEASE
2,560

17. NO. OF ACRES ASSIGNED TO THIS WELL
N/A, SW 1/4 & 320 1/2

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
977'

19. PROPOSED DEPTH
6,850'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
6,026' - ungraded

22. APPROX. DATE WORK WILL START*
Dec. 1, 2001

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	J-55 8-5/8"	24	300'	~248 cu. ft. & to surface
7-7/8"	J-55 4-1/2"	10.5	6,850'	~2,035 cu. ft. & to surface

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

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

Effective June 1, 2001 Cross Timbers Operating Company has merged into its parent company, Cross Timbers Oil Company, and Cross Timbers Oil Company has changed its name to XTO Energy Inc.

cc: BIA, BLM, NAPI, OCD (via BLM), Patton, Tribe

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 [Signature] TITLE Consultant (505) 466-8120 DATE 6-14-01

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE 1/17/02

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:

APPROVED BY [Signature] TITLE AFM DATE 1/17/02

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

State of New Mexico
Energy, Minerals & Natural Resources Department

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

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

OIL CONSERVATION DIVISION

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

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

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

2001 JUN 18 PM 1:15 ☐ AMENDED REPORT

30-045-30702 WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 36550 & 71599	³ Pool Name KUTZ GALLUP & BASIN DAKOTA
⁴ Property Code 22955	⁵ Property Name KRAUSE WN FEDERAL	⁶ Well Number 1R
⁷ OGRID No. 167067	⁸ Operator Name XTO Energy Inc.	⁹ Elevation 6026'

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
L	32	28-N	11-W		1950'	SOUTH	1190'	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

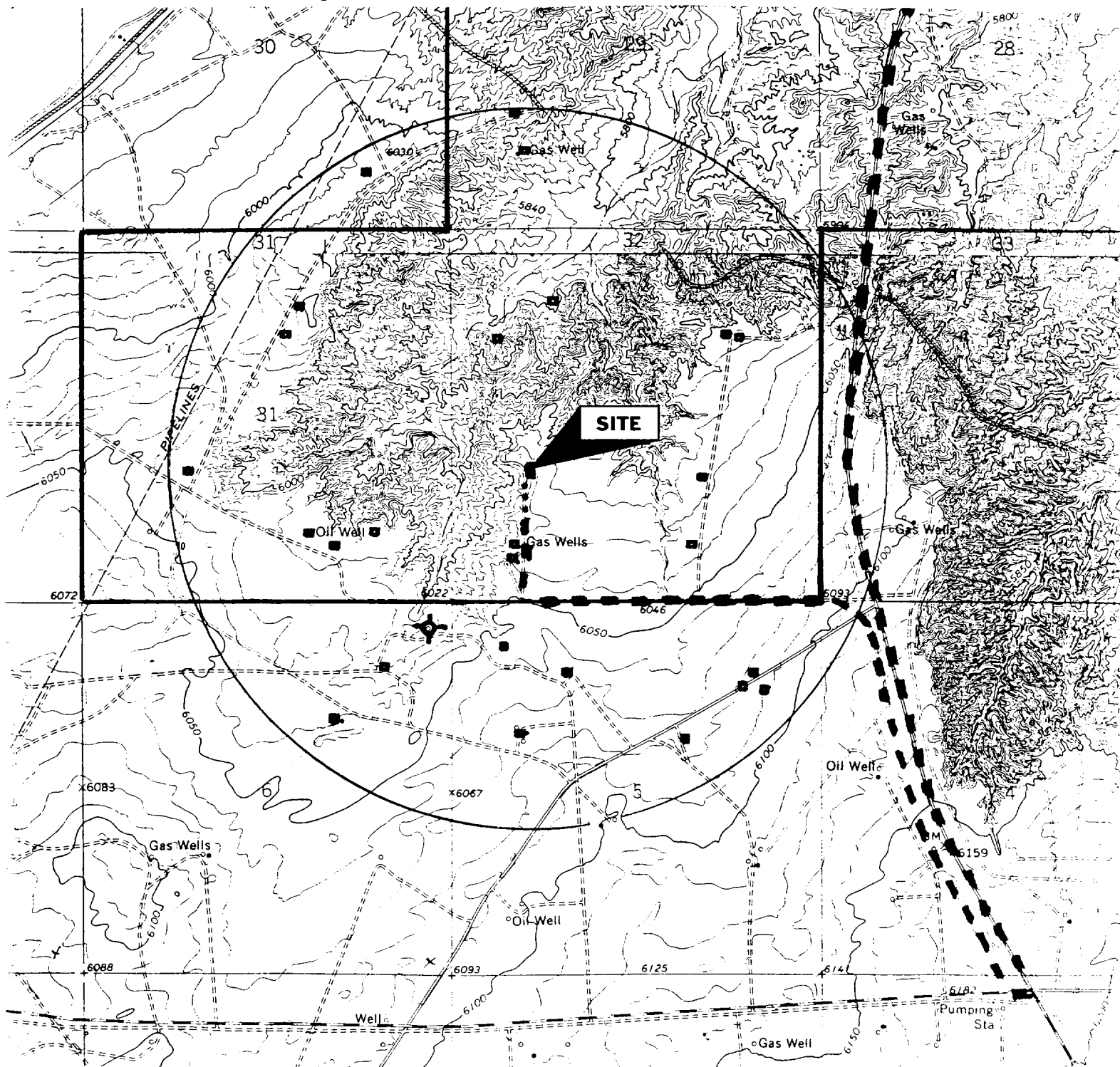
¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No. NSL-4625
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>16</p> <p>QTR. CORNER FD GLO BC 1913</p> <p>1190'</p> <p>690'</p> <p>130'</p> <p>1950'</p> <p>GALLUP</p> <p>DAKOTA</p> <p>32</p> <p>LAT: 36°37'01"N LONG: 108°01'56" W</p> <p>N 00-03 W 2640.00' (R)</p> <p>N 89-50 E 5280' (R)</p> <p>CALC'D SEC. CORNER</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p> Signature</p> <p>BRIAN WOOD Printed Name</p> <p>CONSULTANT Title</p> <p>JUNE 14, 2001 Date</p> <p>18 SURVEYOR CERTIFICATION</p> <p>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 and belief</p> <p>2-24-2001 Date of Survey</p> <p> Signature and Seal of Professional Surveyor</p> <p>8894 Certificate Number</p>
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XTO Energy Inc.
 Krause WN Federal 1 R
 1950' FSL & 1190' FWL
 Sec. 32, T. 28 N., R. 11 W.
 San Juan County, New Mexico

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PROPOSED WELL: ■ ROAD & PIPELINE WORK: . . .
 EXISTING WELL: ■ EXISTING ROAD: — — —
 P&A WELL: ⊕ LEASE: └

PERMITS WEST INC.
 PROVIDING PERMITS TO LAND USERS

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Casing head will be Larkin Fig 92 or its equivalent, 9" nominal, 2000 psi WP, (4000 psi test) with 8-5/8" 8 rounded thread on bottom, and 11-3/4" 8 rounded thread on top.

Tubing head will be Larkin Fig 612 or its equivalent, 2000 psi WP (4000 psi test), 4-1/2" 8 rounded female thread on bottom, and 8-5/8" rounded thread on top.

Surface casing will be cemented to surface with ≈ 185 sx Type III cement with 2% CaCl_2 + 1/4 pound per sack cello flake mixed with 6.33 gallons of water per sack. Weight = 14.8 pounds/gallon. Density = 1.34 cubic feet/sack. Total volume = 248 cubic feet based on 100% excess.

Production casing will be cemented to surface in two stages. DV tool will be set at $\approx 4,500'$. Total first stage volume = 705 cubic feet. Total second stage volume = 1,330 cubic feet. Volumes to be based on caliper log + 30% excess.

First stage lead will be ≈ 280 sx 65/35 Class H with 6% gel + 1/4 pound per sack cello flake + 3% NaCl + 0.5% fluid loss additive + 0.2% dispersant mixed with 10.59 gallons of water per sack. Weight = 12.5 pounds/gallon. Density = 2.08 cubic feet/sack.

First stage tail will be cemented with ≈ 105 sx Class H + 1/4 pound per sack cello flake + 0.5% fluid loss additive mixed with 5.23 gallons of water per sack. Weight = 15.6 pounds per gallon. Volume = 1.18 cubic feet per sack.

Second stage lead will be cemented with ≈ 395 sx Class H with 3% extender + 1/4 pound per sack cello flake mixed with 10.19 gallons of water per sack. Weight = 11.2 pounds per gallon. Volume = 3.07 cubic feet per sack.

Second stage tail will be cemented with ≈ 105 sx Class H with 1/4 pound per sack cell flake + 0.5% fluid loss additive mixed with 5.23 gallons of water per sack. Weight = 15.6 pounds per gallon. Volume = 1.18 cubic feet per sack.

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).

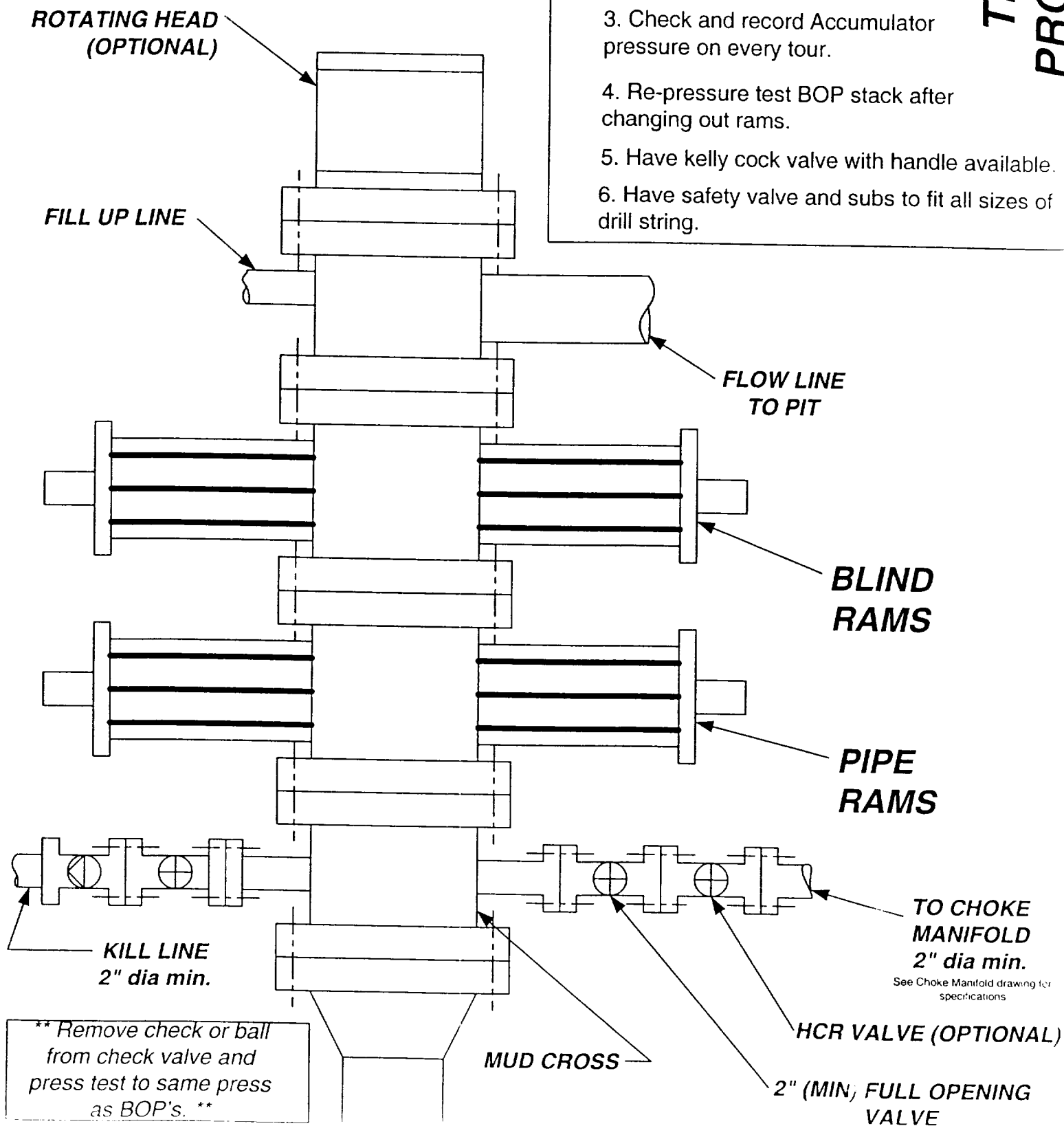
2. Test operation of (both) rams on every trip.

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.



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 Krause WN Federal 1 R
 1950' FSL & 1190' FWL
 Sec. 32, T. 28 N., R. 11 W.
 San Juan County, New Mexico

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Gas or Oil Zones
 Pictured Cliffs
 Cliff House
 Menefee
 Pt. Lookout
 Dakota

Water Zones
 Kirtland
 Fruitland

Coal or Uranium Zones
 Menefee
 Morrison

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 and manifold are on PAGES 3 and 4. Testing procedures are on the same pages.

4. CASING & CEMENT

	<u>Surface Casing</u>	<u>Production Casing</u>
Interval	0' - 300' 3 2-0'	0' - 6700'
Hole Diameter	12-1/4"	7-7/8"
Casing Diameter	8-5/8"	4-1/2"
Weight (pounds/foot)	24	10.5
Grade	J-55	J-55
Coupling	ST&C	ST&C
Collapse Rating (psi)	1370	4010
Burst Rating (psi)	2950	4790
Jt.-Str. (M-lbs)	244	132
I. D. (inches)	8.097	4.052
Drift (inches)	7.972	3.875
SF Coll	9.44	1.28
SF Burst	13.72	1.06
SF Ten	33.89	1.87
Centralizers	3-4	20