

1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, 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-101
May 27, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

| | | |
|--|--|---|
| ¹ Operator Name and Address XTO ENERGY INC 2700 FARMINGTON AVE. BLDG K, STE 1 FARMINGTON, NM 87401 | | ² OGRID Number 167067 |
| ³ Property Code 34232 | | ⁴ API Number 30 - 001 - 20010 |
| ⁵ Property Name ARMUO TRUST "27" | | ⁶ Well No. #1 |
| ⁹ Proposed Pool 1 WILDCAT MORRISON | | ¹⁰ Proposed Pool 2 |

⁷ Surface Location

| UL or lot no. P | Section 27 | Township 10N | Range 01W | Lot Idn | Feet from the 800' | North/South line SOUTH | Feet from the 800' | East/West line EAST | County BERNALILLO |
|--------------------|---------------|-----------------|--------------|---------|-----------------------|---------------------------|-----------------------|------------------------|----------------------|
|--------------------|---------------|-----------------|--------------|---------|-----------------------|---------------------------|-----------------------|------------------------|----------------------|

⁸ Proposed 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|

Additional Well Information

| | | | | |
|---|--|---|---|---|
| ¹¹ Work Type Code N | ¹² Well Type Code G | ¹³ Cable/Rotary R | ¹⁴ Lease Type Code P (FEE) | ¹⁵ Ground Level Elevation 5,342' GROUND LEVEL |
| ¹⁶ Multiple NO | ¹⁷ Proposed Depth 6,080' | ¹⁸ Formation MORRISON | ¹⁹ Contractor UNITED DRILLING | ²⁰ Spud Date WITHIN 30 DAYS |
| Depth to Groundwater GREATER THAN 100' | | Distance from nearest fresh water well OVER 1 MILE | | Distance from nearest surface water OVER 3 MILES |
| Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12_mils thick Clay <input type="checkbox"/> Pit Volume: _____ bbls Drilling Method: ROTARY DRILLING WITH MUD | | | | |
| Closed-Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/> | | | | |

²¹ Proposed Casing and Cement Program

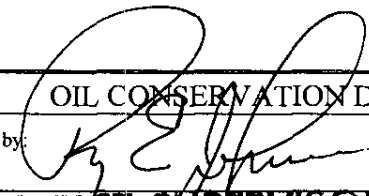
| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
|-----------|-------------|--------------------|---------------|-----------------|---------------|
| 12-1/4" | 9-5/8" | 36.0#/FT | 360' KB | 200 SX | SURFACE |
| 7-7/8" | 5-1/2" | 17.0#/FT | 6,080' KB | 800 SX | SURFACE |
| | | | | | |
| | | | | | |
| | | | | | |

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Drill to 360' KB. Run new 9-5/8" casing. Cement casing w/±200 sx Type III cement w/2% CC & 1/4#/sx cello (mixed at 14.5 ppg & 1.41 cuft/sx). Continue to pump cement to surface until cement is circ to surface. Disp cement with fresh water. NU BOPE. Mix mud. Drill ahead with 7-7/8" open hole.

Drill to 6,080' KB (TD). Log well. Run new 5-1/2", 17.0#, J-55, LT&C casing to bottom. Cement casing with (lead) ±650 sx Premium Lite cement with 6% gel, dispersant, fluid loss & 1/4#/sx celloflake (mixed at 12.5 ppg & 2.07 cuft/sx) followed by (tail) 150 sx Class "H" cement with dispersant, fluid loss and bonding additives (mixed at 15.6 ppg & 1.18 cuft/sx). Attempt to circ cement to surface.

See enclosed drawing for BOP stack configuration.

| | | | |
|--|-----------------------|--|--|
| ²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input checked="" type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> . | | OIL CONSERVATION DIVISION | |
| Printed name: Jeffrey W. Patton | | Approved by:  | |
| Title: Drilling Engineer | | Title: DISTRICT SUPERVISOR | |
| E-mail Address: Jeff_Patton@xtoenergy.com | | Approval Date: 8/25/04 Expiration Date: 8/25/05 | |
| Date: 8/23/04 | Phone: (505) 324-1090 | Conditions of Approval Attached <input type="checkbox"/> COLLECT AND SACK SAMPLES FOR NEW MEXICO BUREAU OF MINES, SOCORRO AT AT LEAST TEN FOOT INTERVALS | |

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State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, NM 87505

Revised June 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|-----------------------|--|------------------------------------|--|---------------------------------|---------------------|
| 1 API Number | | 2 Pool Code | | 3 Pool Name WILDCAT MORRISON | |
| 4 Property Code | | 5 Property Name ARMIJO TRUST 27 | | | 6 Well Number 1 |
| 7 OGRID No. 167067 | | 8 Operator Name XTO ENERGY INC. | | | 9 Elevation 5342 |

10 Surface Location

| | | | | | | | | | |
|--------------------|---------------|------------------|--------------|---------|----------------------|---------------------------|----------------------|------------------------|----------------------|
| UL or lot no. P | Section 27 | Township 10-N | Range 1-W | Lot Idn | Feet from the 800 | North/South line SOUTH | Feet from the 800 | East/West line EAST | County BERNALILLO |
|--------------------|---------------|------------------|--------------|---------|----------------------|---------------------------|----------------------|------------------------|----------------------|

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 | | 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

| | | | | |
|---|---------------------|--|--|---|
| 16 | PROJ'D. SEC. CORNER | | | 17 OPERATOR CERTIFICATION |
| <p>27</p> <p>LAT: 35°03'39.1" N. (NAD 27) LONG: 106°55'24.7" W. (NAD 27)</p> <p>PROJ'D. SEC. CORNER</p> <p>N 89-39-56 W 5291.82' (C)</p> <p>800'</p> <p>800'</p> <p>N 00-04-16 E 5203.71' (C)</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 <u>Jeffrey W. Patton</u></p> <p>Printed Name <u>JEFFREY W. PATTON</u></p> <p>Title <u>DRILLING ENGINEER</u></p> <p>Date <u>8-24-04</u></p> |
| | | | | 18 SURVEYOR CERTIFICATION |
| | | | | <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 belief.</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>Certificate Number</p> |


LAT. = 35°03'39.1" N.
LONG. = 106°55'24.7" W
NAD 27

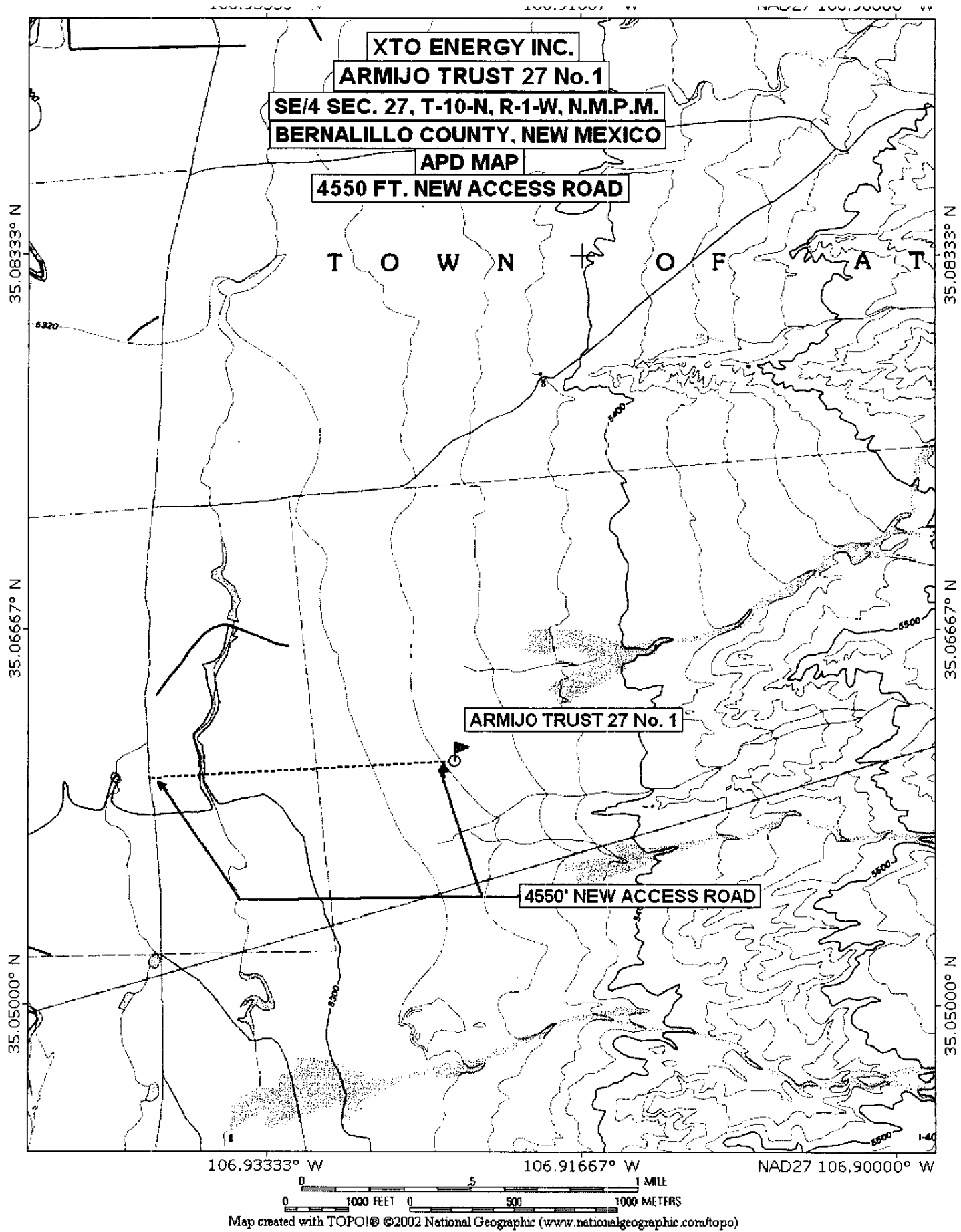


NOTE: DAGGETT ENTERPRISES, INC. IS NOT LIABLE FOR UNDERGROUND UTILITIES OR PIPELINES. NEW MEXICO ONE CALL TO BE NOTIFIED 48 HOURS PRIOR TO EXCAVATION OR CONSTRUCTION.

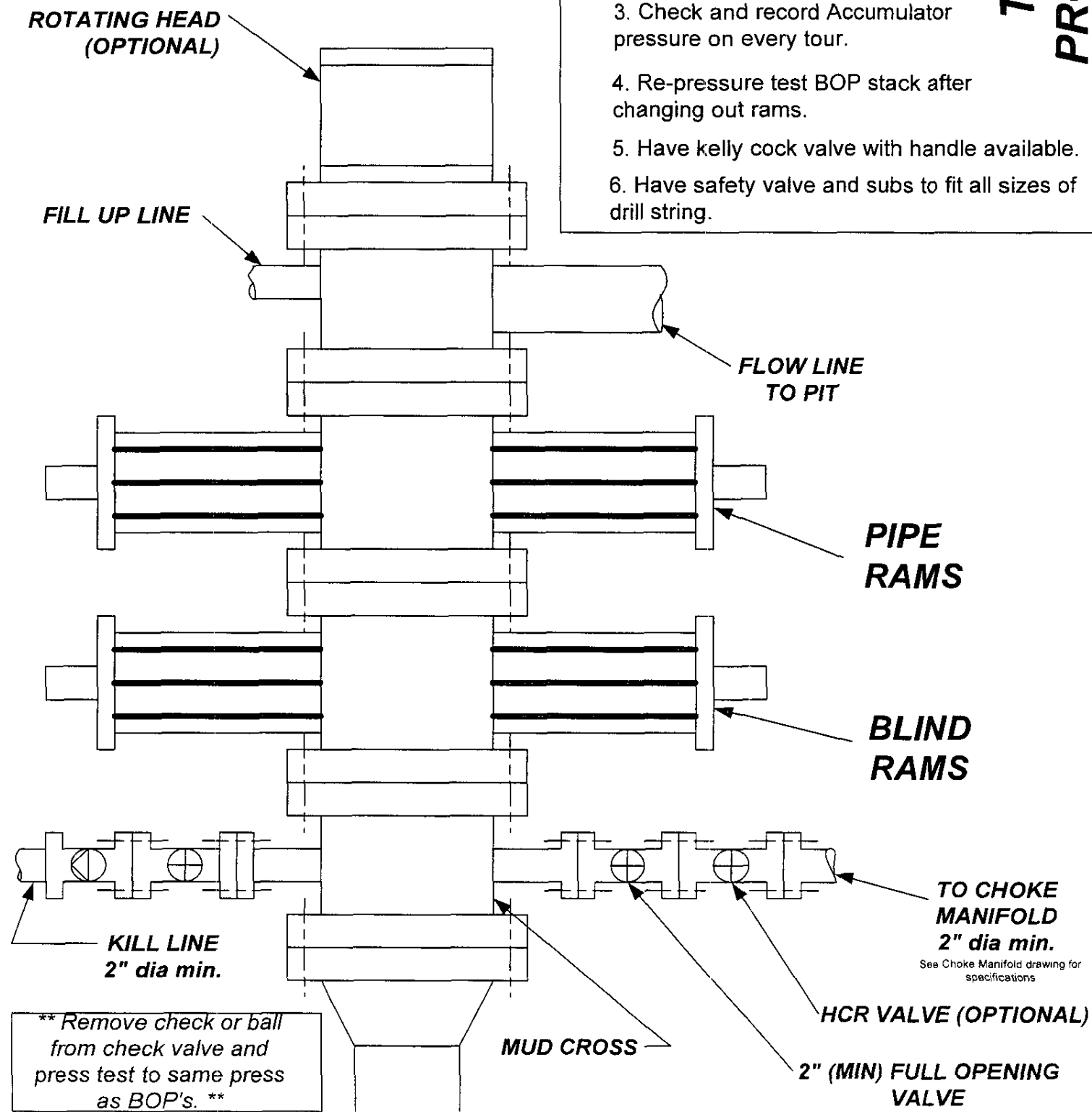
| ELEV. | C-C' | C/L |
|-------|------|-----|
| 5360 | | |
| 5350 | | |
| 5340 | | |
| 5330 | | |

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: | REVISION BY: |
|  | | |
| <p>Daggett Enterprises, Inc. Surveying and Oil Field Services P. O. Box 15068 • Farmington, NM 87401 Phone (505) 328-1772 • Fax (505) 328-8019</p> | | |
| NEW MEXICO U.S. No. 14031 | | DOWLE: CR311C/F8 DATE: 02/08/04 |
| DRAWN BY: BL | | SCALE: 1"=100' |



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



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.

TESTING PROCEDURE

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

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.

TESTING PROCEDURE

