

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMNM-028226C
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single-Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name N/A
2. Name of Operator XTO Energy Inc.		7. If Unit or CA Agreement, Name and No. N/A
3a. Address 2700 Farmington Ave., Bldg K-1 Farmington, NM 87401		8. Lease Name and Well No. J F Bell #3
3b. Phone No. (include area code) (505) 324-1090		9. API Well No. 30-045- 3 23 25
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 1215' FNL & 895' FEL At proposed prod. zone Same		10. Field and Pool, or Exploratory Basin Fruitland Coal
11. Sec., T., R., M., or Blk. and Survey or Area A3-30n-13w NMPM		12. County or Parish San Juan
13. State NM		
14. Distance in miles and direction from nearest town or post office* 6 air miles N of Farmington, NM	15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 895'	16. No. of Acres in lease 759.60
17. Spacing Unit dedicated to this well E2 (319.60 acres)	18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 743'*	19. Proposed Depth 2,150'
20. BLM/BIA Bond No. on file BLM nation wide: 57 91 73	21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5,845' ungraded	22. Approximate date work will start* Upon Approval
23. Estimated duration 2 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. | 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. |

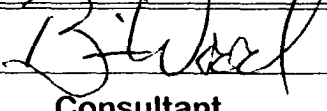
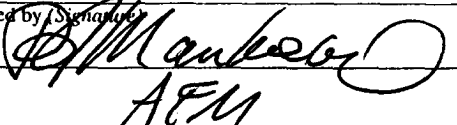
Comments

* XTO's J F Bell #2 (Dakota well)

APD/ROW (GulfTerra)

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

cc: BLM (& OCD), Patton

25. Signature 	Name (Printed/Typed) Brian Wood	Date 4-22-04
Title Consultant	Phone: 505 466-8120	FAX: 505 466-9682
Approved by (Signature) 	Name (Printed/Typed) B. Mankew	Date 5-17-04
Title AFM	Office FFO	

Application approval does not warrant or certify the 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.

NMOCD

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-32325		² Pool Code 71629	³ Pool Name BASIN FRUITLAND COAL
⁴ Property Code 22615	⁵ Property Name J. F. BELL		⁶ Well Number 3
⁷ OGRD No. 167067	⁸ Operator Name XTO ENERGY INC.		⁹ Elevation 5845


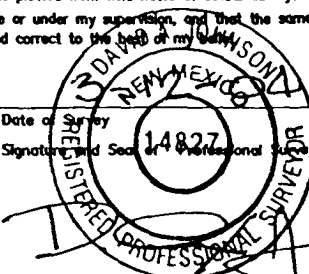
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	3	30-N	13-W	.	1215	NORTH	895	EAST	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 319.6					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 LOT 4 RECEIVED 2004 APR 27 AM 11:17 070 FARMINGTON NM	QTR. CORNER FD 3 1/4" BC BLM 1952	N 88-37-08 W 2658.5' (M)	SEC. CORNER FD 3 1/4" BC BLM 1952	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 APR. 22, 2004 Date	
	LOT 3	LOT 2	LOT 1		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
	LAT: 36°50'43" N. (NAD 27) LONG: 108°11'07" W. (NAD 27)				
	QTR. CORNER FD 3 1/4" BC BLM 1952				

XTO Energy Inc.
J F Bell 3
1215' FNL & 895' FEL
Sec. 3, T. 30 N., R. 13 W.
San Juan County, New Mexico

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Drilling Program

1. ESTIMATED FORMATION TOPS

<u>Formation Name</u>	<u>GL Depth</u>	<u>KB Depth</u>	<u>Sub Sea Elevati</u>
Ojo Alamo Ss	000'	5'	+5,845'
Kirtland Shale	100'	105'	+5,745'
Fruitland	1,545'	1,550'	+4,300'
Pictured Cliffs Ss	1,895'	1,900'	+3,950'
Lewis Shale	2,095'	2,100'	+3,750'
Total Depth (TD)*	2,150'	2,155'	+3,695'

* all elevations reflect the ungraded ground level of 5,845'

2. NOTABLE ZONES

Gas & Oil Zones

Fruitland
Pictured Cliffs

Water Zones

Ojo Alamo
Fruitland

Coal Zone

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 system to be used is not yet known. A typical 2,000 psi stack, manifold, and testing procedures are on Page 3.

XTO Energy Inc.
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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>GL Setting De</u>
8-3/4"	7"	20	K-55	New	S T & C	160'
6-1/4"	4-1/2"	10.5	K-55	New	S T & C	2,150'

Surface casing will be cemented to the surface with ≈ 50 cubic feet (≈ 43 sacks) Class B + 1/4 lb/sk cello-flake + 2% 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 1,500 psi for 30 minutes.

Production casing will be cemented to the surface. Total cement: ⁴⁴⁷~~437~~ cubic feet. Volumes are calculated at $>100\%$ excess. If cement does not circulate to surface, then a temperature survey will be run to determine the actual cement top as needed. W. O. C. = 12 hours. Test to 2,000 psi.

Lead cement will be ≈ 190 sacks Class B light cement (65% cement/35% Poz with 6% gel) with 5 #/sack gilsonite + 1/4 #/sack Flocele. Yield = 1.99 cu ft/sk. Weight = 12.4 #/gal.

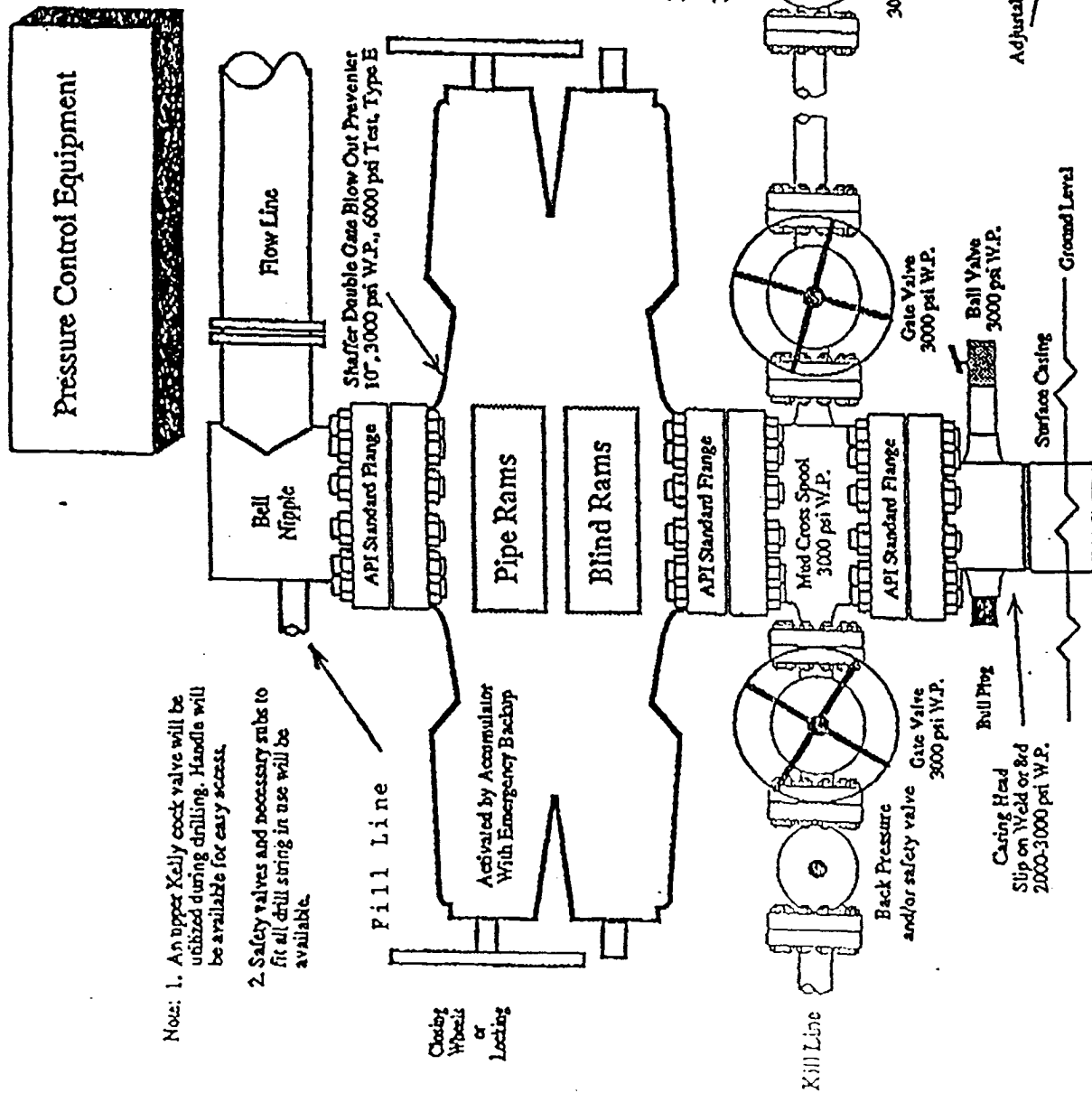
Tail cement will be ≈ 50 sacks 50/50 Class B Poz with 2% gel + 1/4#/sack Flocele + 0.5% Halad-9. Yield = 1.38 cubic feet/sack. Weight = 13.5 #/gallon.

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



Minimum 2" Choke Line.
Minimum 2" Kill Line.
At Least One 2" Minimum Kill Line Valve.


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.

LAT. = 36°50'43" N.
LONG. = 108°11'07" W
NAD 27



ELEV. C-C'	C/L				
5860					
5850					
5840					
5830					

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.

REVISED BY:	DATE:	REVISED BY:	DATE:
		Daggett Enterprises, Inc. Surveying and Oil Field Services P. O. Box 15008 • Farmington, NM 87401 Phone (505) 326-1772 • Fax (505) 326-4019 NEW MEXICO L.S. No. 14827	
DRAWN BY: B.L. SCALE: CR276	CHECKED BY: B.L. SCALE: CR276CF8 DATE: 03/05/04		