

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0136  
Expires January 31, 2004

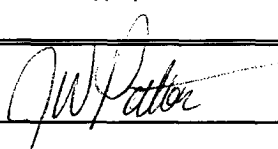
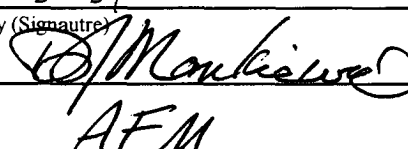
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. <b>NMSF - 077383-A</b>
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
2. Name of Operator <b>XTO Energy Inc.</b>		7. Unit or CA Agreement Name and No.
3a. Address <b>2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM</b>		8. Lease Name and Well No. <b>Kutz Federal #14Y</b>
3b. Phone No. (include area code)		9. API Well No. <b>30-045-32227</b>
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface <b>1,765' FNL x 945' FWL in sec 21, T28N, R10W</b> At proposed prod. zone <b>2,630' FNL x 945' FWL in Sec 21, T28N, R10W</b>		10. Field and Pool, or Exploratory <b>Basin Dakota</b>
14. Distance in miles and direction from nearest town or post office* <b>This well is located about 9 miles southeast of the Bloomfield, NM</b>		11. Sec., T., R., M., or Blk. and Survey or Area <b>Esec 21, T28N, R10W</b>
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) <b>965'</b>	16. No. of Acres in lease <b>1280.00</b>	17. Spacing Unit dedicated to this well <b>320 W/2</b>
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. <b>20'</b>	19. Proposed Depth <b>6,975' MD</b>	20. BLM/BIA Bond No. on file
21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>5,922' Ground Level</b>	22. Approximate date work will start* <b>4/1/04</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. |

25. Signature 	Name (Printed/Typed) <b>Jeffrey W. Patton</b>	Date <b>3/10/04</b>
Title <b>Drilling Engineer</b>		
Approved by (Signature) 	Name (Printed/Typed) <b>AFM</b>	Date <b>5-28-04</b>
Title <b>FFO</b>		

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.

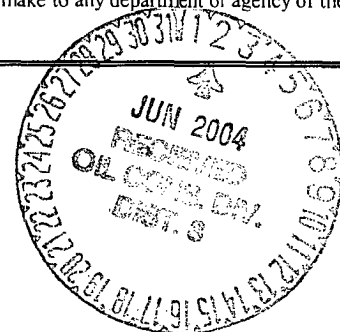
\*(Instructions on Reverse)

HOLD C104 FOR Directional Survey

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

NMOCD

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  
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

<sup>1</sup> API Number 30-045-32227		<sup>2</sup> Pool Code 71599		<sup>3</sup> Pool Name BASIN DAKOTA	
<sup>4</sup> Property Code 22756		<sup>5</sup> Property Name KUTZ FEDERAL			<sup>6</sup> Well Number 14Y
<sup>7</sup> OGARD No. 167067		<sup>8</sup> Operator Name XTO ENERGY INC.			<sup>9</sup> Elevation 5922

<sup>10</sup> Surface Location

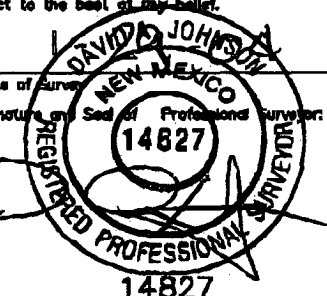
UL or lot no.	Section	Township	Range	Lot 10n	Feet from the	North/South line	Feet from the	East/West line	County
E	21	28-N	10-W		1765	NORTH	945	WEST	SAN JUAN

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 10n	Feet from the	North/South line	Feet from the	East/West line	County
E	21	28N	10W		2630'	NORTH	945'	WEST	SAN JUAN

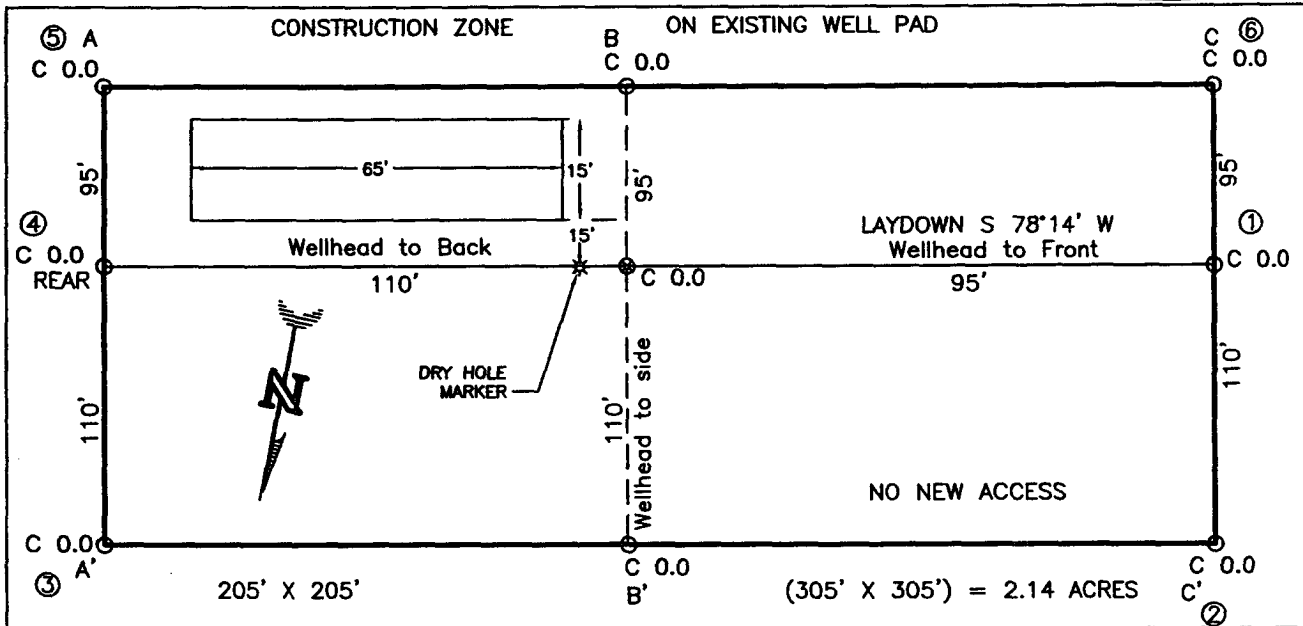
<sup>12</sup> Dedicated Acres 320 $\frac{W}{Z}$	<sup>13</sup> Joint or Infill I	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>SEC. CORNER FD 2 1/2" BC 1913 GLO</p> <p>S 00-01-09 W 2840.6'</p> <p>1765'</p> <p>945'</p> <p>945'</p> <p>QTR. CORNER FD 2 1/2" BC 1913 GLO</p>	<p>S 89-49-12 E 5269.6'</p>	<p>SEC. CORNER FD 2 1/2" BC 1913 GLO</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 <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>3-12-04</u></p>
	<p>SURFACE LOC. LAT. 36°39'01" N. (NAD 27) LONG. 107°54'22" W (NAD 27)</p>	<p>21</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 belief.</p> <p>Signature and Seal of Professional Surveyor   </p> <p>Certificate Number <u>14827</u></p>

XTO ENERGY INC.  
 KUTZ FEDERAL No. 14Y, 1765 FNL 945 FWL  
 SECTION 21, T28N, R10W, N.M.P.M., SAN JUAN COUNTY, N. M.  
 GROUND ELEVATION: 5922, DATE: JANUARY 27, 2004

LAT. = 36°39'01" N  
 LONG. = 107°54'22" W  
 (NAD 27)



RESERVE PIT DIKE: TO BE 8' ABOVE DEEP SIDE (OVERFLOW - 3' WIDE AND 1' ABOVE SHALLOW SIDE).  
 BLOW PIT: OVERFLOW PIPE HALFWAY BETWEEN TOP AND BOTTOM AND TO EXTEND OVER PLASTIC LINER AND INTO BLOW PIT.

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. A-A'	C/L				
5930					
5920					
5910					
5900					

ELEV. B-B'	C/L				
5930					
5920					
5910					
5900					

ELEV. C-C'	C/L				
5930					
5920					
5910					
5900					

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.

DRAWN BY: A.G. ROW#: CR159 CADFILE: CR159CF8 DATE: 2/7/03

EXHIBIT D

Daggett Enterprises, Inc.  
 Surveying and Oil Field Services  
 P. O. Box 15068 Farmington, NM 87401  
 Phone (505) 326-1772 Fax (505) 326-6019

DATE: 01/28/04  
 BY: B.L.  
 REVISED: RESTAKE / NEW DRILL

# XTO ENERGY INC.

Kutz Federal #14Y

APD Data

March 10, 2004

Location: Surface: 1765' FNL & 945' FWL, Sec 21, T28N R10W County: San Juan State: New Mexico  
Btmhole: 2630' FSL & 945' FWL, Sec 21, T28N, R10W

GREATEST PROJECTED TD: 6,975' MD  
APPROX GR ELEV: 5,922'

OBJECTIVE: Basin Dakota  
Est KB ELEV: 5,934' (12' AGL)

## 1. MUD PROGRAM:

INTERVAL	0' to 600'	600' to 4,500'	4,500' 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. Pump high viscosity sweeps as needed for hole cleaning. Raise viscosity at TD for logging. Reduce viscosity after logging for cementing purposes.

## 2. CASING PROGRAM:

Surface Casing: 8-5/8" casing to be set at  $\pm$  600' 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'-600'	600'	24#	J-55	STC	1370	2950	244	8.097	7.972	7.32	7.95	29.39

Production Casing: 5-1/2" 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	6,975'	15.5#	J-55	LTC	4040	4810	217	4.950	4.825	1.29	1.53	2.00

## 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, 3,000 psig WP (6,000 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  $\pm 600'$ .

$\pm 360$  sx of Type III cement containing 2%  $\text{CaCl}_2$ , 1/4 pps celloflake, mixed at 14.5 ppg, 1.39  $\text{ft}^3/\text{sk}$ , & 6.30 gal wtr/sk.

*Total slurry volume is 500  $\text{ft}^3$ , 100% excess of calculated annular volume to 600'.*

B. Production: 5-1/2", 15.5#, J-55, STC casing to be set at  $\pm 6,975'$ . DV Tool set @ 3,950' MD.

1<sup>st</sup> Stage

LEAD:

290 sx of Premium Lite HS (Type III/Poz/Gel) with 2% salt, 1/4 pps cello, 0.2% dispersant, 0.5% fluid loss & 2% LCM mixed at 12.5 ppg, 2.01  $\text{ft}^3/\text{sk}$ , 10.55 gal wtr/sx.

TAIL:

100 sx Type III with 5% bonding additive, 1/4 pps cello, 2% LCM, 0.3% dispersant & 0.2% fluid loss mixed at 14.2 ppg, 1.54 cuft/sx, 8.00 gal/sx.

2<sup>nd</sup> Stage

LEAD:

415 sx of Type III with 8% gel, 1/4 pps cello & 2% LCM mixed at 11.4 ppg, 3.03  $\text{ft}^3/\text{sk}$ , 18.50 gal wtr/sx.

TAIL:

100 sx Type III neat mixed at 14.5 ppg, 1.39 cuft/sx, 6.3 gal/sx.

*Total estimated slurry volume for the 5-1/2" production casing is 2,133  $\text{ft}^3$ .*

*Note: The slurry design may change slightly based upon actual conditions. Final cement volumes will be determined from the caliper logs plus 40%. It will be attempted to circulate cement to the surface.*

**5. LOGGING PROGRAM:**

A. Mud Logger: The mud logger will come on at 5,200' and will remain on the hole until TD. The mud will be logged in 10' intervals.

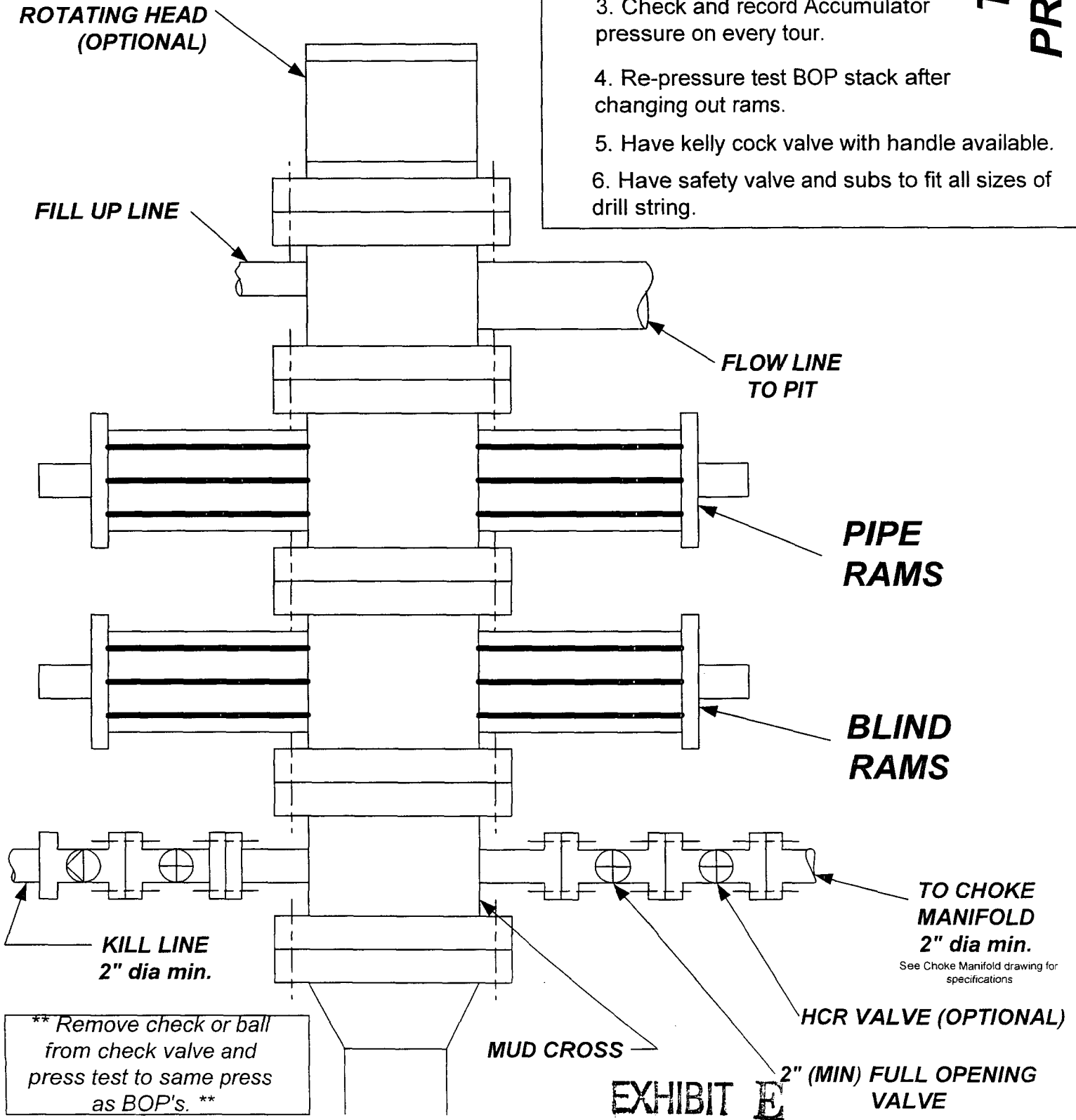
B. Open Hole Logs as follows: Run Array Induction/SFL/GR/SP fr/TD (6,975') to the bottom of the surface csg. Run Neutron/Lithodensity/Pe/GR/Cal from 6,975' to 5,000'.

**EXHIBIT E**

# 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.



# **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**

