

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		2004 OCT 6 AM 11 39	
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		<input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone	
2. Name of Operator XTO Energy Inc.			
3a. Address 2700 Farmington Ave., Bldg K-1 Farmington, NM 87401		3b. Phone No. (include area code) (505) 324-1090	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 2250' FSL & 790' FEL At proposed prod. zone Same		7. If Unit or CA Agreement, Name and No. N/A	
14. Distance in miles and direction from nearest town or post office* 13 air miles SE of Blanco Post Office		8. Lease Name and Well No. Florance 74	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1,850'		9. API Well No. 30-045- 32607	
16. No. of Acres in lease 2,400.96		10. Field and Pool, or Exploratory Blanco PC South, Blanco Mesa Verde, & Basin Dakota	
17. Spacing Unit dedicated to this well SE4 (160 acres) & E2 (320 acres)		11. Sec., T., R., M., or Blk. and Survey or Arca I 19-27n-8w NMPM	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1,538'*		12. County or Parish San Juan ✓	
19. Proposed Depth 7,675'		13. State NM	
20. BLM/BIA Bond No. on file BLM nation wide: 57 91 73			
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6,754' ungraded		22. Approximate date work will start* Upon Approval	
23. Estimated duration 4 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

*to XTO's Florance 67
APD/ROW (GulfTerra)



cc: BLM (& OCD), Patton

25. Signature 	Name (Printed/Typed) Brian Wood	Date 10-3-04
Title Consultant	Phone: 505 466-8120	FAX: 505 466-9682
Approved by (Signature) 	Name (Printed/Typed) Wayne Townsend	Date 12/14/04
Title Acting 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.

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
1825 N. Fench Dr., Hobbs, N.M. 88240

DISTRICT II
1301 W. Grand Avenue, 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 87504-2088

Form C-102
Revised June 10, 2003
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30045-32607		*Pool Code 72439, 72319 & 71599	*Pool Name BLANCO PC SOUTH, BLANCO MESA VERDE, & BASIN DAKOTA
*Property Code 22608	*Property Name FLORANCE		*Well Number 74
*OGPD No. 167067	*Operator Name XTO ENERGY INC.		*Elevation 6754

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
1	19	27-N	8-W	.	2250	SOUTH	790	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
*Dedicated Acres 160 & 320		*Joint or Infill		*Consolidation Code		*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

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LOT 1		<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>Brian Wood</u></p> <p>Printed Name <u>BRIAN WOOD</u></p> <p>Title <u>CONSULTANT</u></p> <p>Date <u>OCT. 3, 2004</u></p>
LOT 2		<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 <u>John A. Vukobratovich</u></p> <p>Date of Survey <u>JAN 8 2004</u></p> <p>Certificate Number <u>14831</u></p>
LOT 3		
LOT 4		

SEC. CORNER
FD 3 1/4" BC
BLM 1955

QTR. CORNER
FD 3 1/4" BC
BLM 1955

WITNESS COR.
FD 3 1/4" BC
BLM 1955 BC

CALC'D COR.

LAT: 36°33'32" N. (NAD 27)
LONG: 107°42'57" W. (NAD 27)

N 87°14'02" W
2508.9' (M)

N 01°53'18" E
5302.5' (M)

790'

2250'

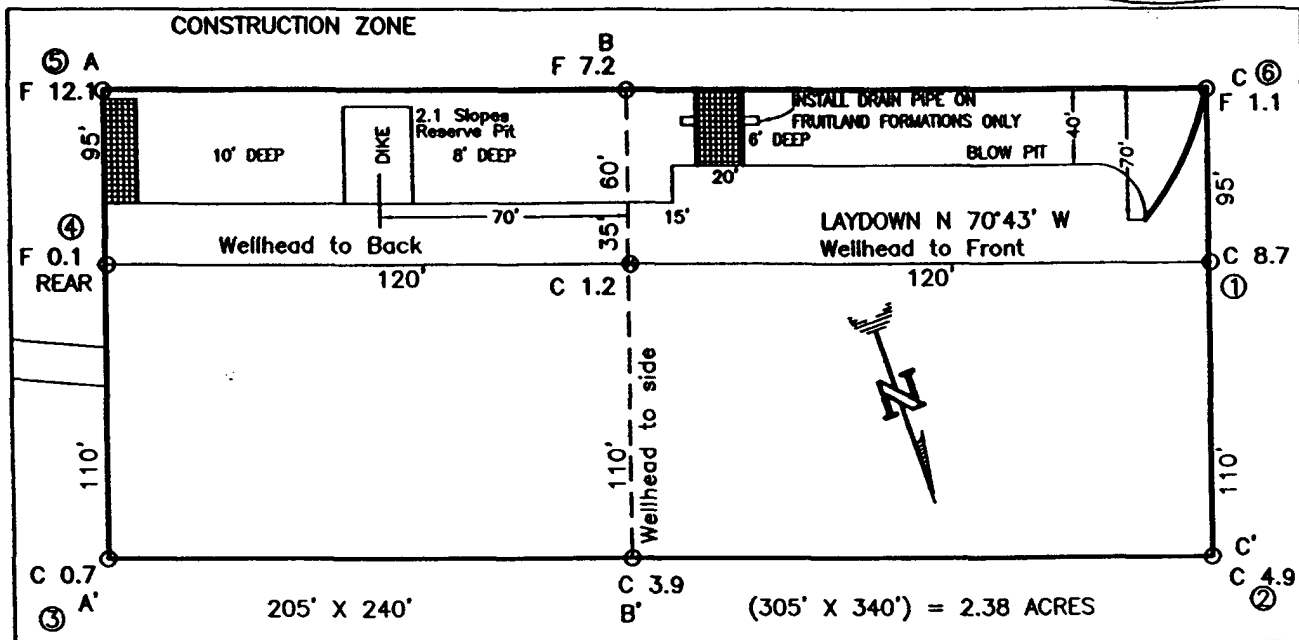
Mesa Verde

Pic. Cliff

Dakota

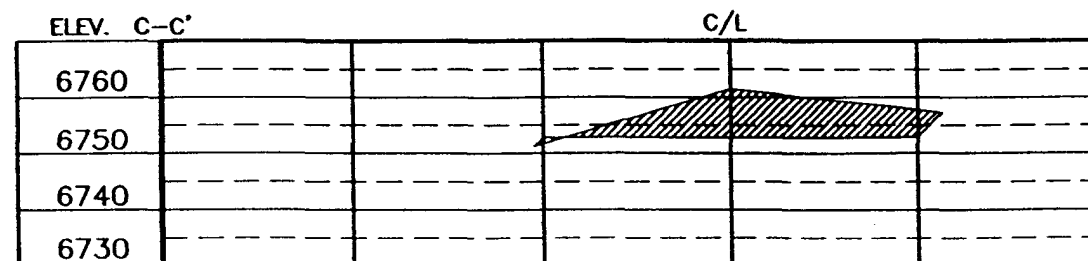
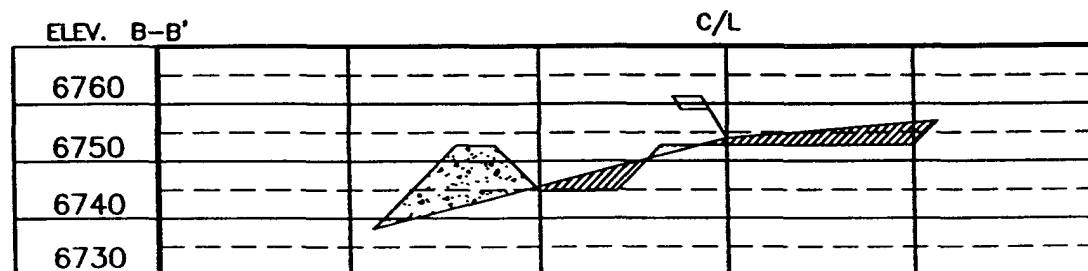
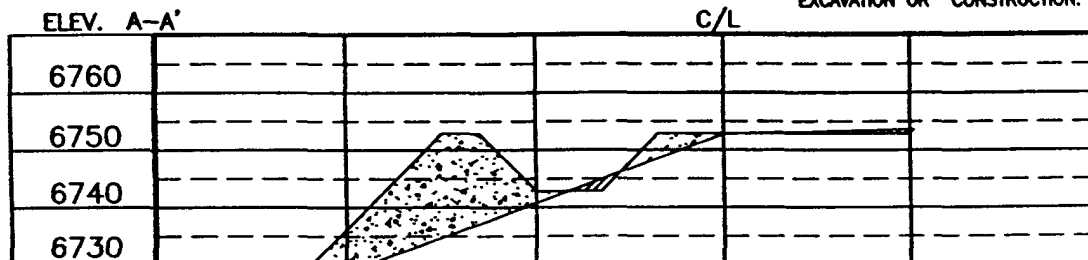
XTO ENERGY INC.
 FLORANCE No. 74, 2250 FSL 790 FEL
 SECTION 19, T27N, R8W, N.M.P.M., SAN JUAN COUNTY, N. M.
 GROUND ELEVATION: 6754, DATE: JANUARY 6, 2004

LAT: 36°33'32" N.
 LONG: 107°42'57" 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.



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	DATE

Daggett Enterprises, Inc.
 Surveying and Oil Field Services
 P. O. Box 15068 • Farmington, NM 87401
 Phone (505) 328-1772 • Fax (505) 328-6019
 NEW MEXICO L.S. No. 14831
 DRAWN BY: A.G.
 DATE: 03/17/04
 00501E CR23-0078
 100001 00254

XTO Energy Inc.
Florance 74
2250' FSL & 790' FEL
Sec. 19, T. 27 N., R. 8 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>Elevation</u>
San Jose Sandstone	0'	12'	+6,754'
Nacimiento Fm	100'	112'	+6,654'
Ojo Alamo Sandstone	1,804'	1,816'	+4,950'
Kirtland Shale	2,004'	2,016'	+4,750'
Fruitland Coal	2,554'	2,566'	+4,200'
Pictured Cliffs Ss	2,779'	2,791'	+3,975'
Lewis Shale	2,904'	2,916'	+3,850'
Cliff House Sandstone	4,354'	4,366'	+2,400'
Mesa Verde Sandstone	5,054'	5,066'	+1,700'
Gallup Sandstone	6,254'	6,266'	+500'
Greenhorn Limestone	7,054'	7,066'	-300'
Dakota Sandstone	7,154'	7,166'	-400'
Morrison	7,429'	7,441'	-675'
Total Depth (TD)*	7,675'	7,687'	-921'

* all elevations reflect the ungraded ground level of 6,754'

2. NOTABLE ZONES

Gas & Oil Zones

Fruitland
Pictured Cliffs
Mesa Verde
Dakota

Water Zones

Ojo Alamo
Fruitland

Coal Zones

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.

XTO Energy Inc.
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3. PRESSURE CONTROL

The drilling contract has not yet been awarded, thus the exact BOP model to be used is not yet known. (A typical 2,000 psi model is on PAGE 3.) An 8-5/8" x 11" 2,000 pound double ram BOP system with a choke manifold and mud cross will be tested to 200 psi and then to $\approx 1,000$ psi. Upper and lower Kelly cocks with valve handle and subs to fit all drill string connections which are in use will be available on the rig floor.

Tests will be run when:

- 1) installed
- 2) anytime a pressure seal is broken (test only affected equipment)
- 3) at least every 30 days
- 4) blind & pipe rams will be activated each trip, but no more than daily

BOP systems will be consistent with API RP 53. Blowout preventers will be installed and tested before drilling surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated daily to ensure good mechanical working order and this inspection recorded on the daily drilling report. Preventers and casing will be pressure tested before drilling casing cement plugs. Maximum expected bottom hole pressure is $\approx 3,070$ psi. BOP and mud system will control pressure.

4. CASING & CEMENT

<u>Hole Size</u>	<u>O. D.</u>	<u>Weight (lb/ft)</u>	<u>Grade</u>	<u>Age</u>	<u>Connections</u>	<u>GL Setting Depth</u>
12-1/4"	8-5/8"	24	J-55	New	8 rd, S T & C	325'
7-7/8"	5-1/2"	15.5	K-55	New	8 rd, L T & C	7,675'

Surface casing will be cemented to surface with ≈ 270 cubic feet (≈ 230 sacks) Class B Neat + 1/4 pound per sack cello-flake + 2% CaCl_2 . Yield = 1.27 cubic feet per sack. Weight = 15.2 pounds per gallon. Centralizers will be set on the bottom two joints and every fourth joint to surface.

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San Juan County, New Mexico

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Production casing hole will be cemented to surface as follows. DV @ $\approx 4,000'$.

First stage Lead will be cemented to $\approx 4,000'$ with ≈ 800 cubic feet (≈ 580 sacks) 50:50 Poz + 5 pounds per sack gilsonite + 2% gel + 1/4 pounds per sack cello-flake, dispersant, and FLA. Yield = 1.38 cubic feet per sack. Weight = 13.5 pounds per gallon. Excess = 25%.

Second stage Lead will be cemented to surface with $\approx 1,100$ cubic feet (≈ 382 sacks) Class B or H + 10 pounds per sack gilsonite + 4% gel + 1/2 pounds per sack cello-flake + 3% Econolite. Yield = 2.88 cubic feet per sack. Weight = 11.4 pounds per gallon. Excess = 50%

Second stage Tail will be cemented to $\approx 3,600'$ with ≈ 95 cubic feet (≈ 75 sacks) Class B or H Neat + 1/4 pounds per sack cello-flake + 2% CaCl₂. Yield = 1.26 cubic feet per sack. Weight = 15.2 pounds per gallon. Excess = 10%.

Conventional centralizers will be set on the bottom two joints, every second joint to $\approx 6,000'$ and every fourth joint from $\approx 2,000'$ to surface.

5. MUD PROGRAM

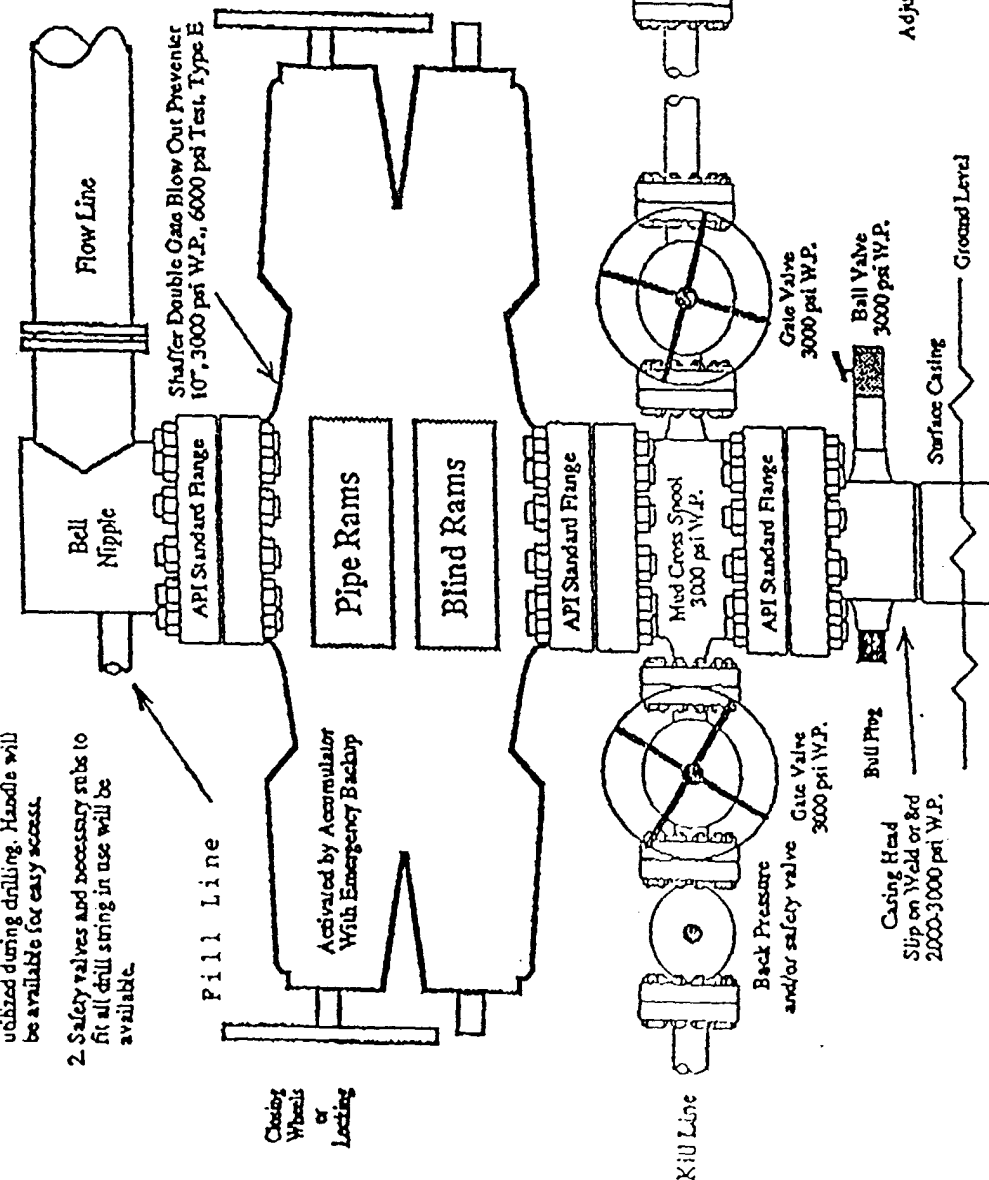
<u>RANGE</u>	<u>MUD TYPE</u>	<u>WEIGHT</u>	<u>VISCOSITY</u>	<u>WATER LOSS</u>	<u>ADDITIVES</u>
0' - 350'	Fresh-Spud	8.5-8.8	30	NC	Gel, lime
350' - 4,000'	Fresh Water	8.5-8.8	28	NC	Gel, lime sweeps
4,000' - TD	Fresh Water	8.5-8.8	35	10 cc	Gel, soda ash, LCM

6. CORING, TESTING, & LOGGING

No cores or drill stem tests are planned. Induction logs will be run from TD to $\approx 3,000'$. Neutron density - GR logs will be run from TD to base of surface casing.

Pressure Control Equipment

- Note: 1. An upper Kelly cock valve will be utilized during drilling. Handle will be available for easy access.
2. Safety valves and necessary subs to fit all drill string in use will be available.



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.

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

