

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires March 31, 2007

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work ☒ DRILL ☐ REENTER

1b. Type of Well ☐ Oil Well ☒ Gas Well ☐ Other ☐ Single Zone ☒ Multiple Zone

2. Name of Operator
XTO Energy Inc.

3a. Address
2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM

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 **665' FSL x 1860' FEL in Sec 6, T27N, R10W**
At proposed prod. zone **same**

5. Lease Serial No.
NMSF-077384

6. If Indian, Allottee or Tribe Name
N/A

7. Unit or CA Agreement Name and No.
N/A

8. Lease Name and Well No.
Rutz J Federal #2G

9. API Well No.
30-645-32697

10. Field and Pool, or Exploratory
Basin Dakota/Basin Mancos

11. Sec., T., R., M., or Blk. and Survey or Area
Sec 6, T27N, R10W

12. County or Parish
San Juan

13. State
NM

14. Distance in miles and direction from nearest town or post office*
Approx 8.5 air miles SouthEast of the Bloomfield, NM Post Office

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any)
665'

16. No. of Acres in lease
320.51

17. Spacing Unit dedicated to this well
E/2 320.51 DK / 160 AC SE/4

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.
806'

19. Proposed Depth
6800'

20. BLM/BIA Bond No. on file

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
6001' Ground Level

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:

- Well plat certified by a registered surveyor.
- A Drilling Plan
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification.
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature **Kyla Vaughan** Name (Printed/Typed) **Kyla Vaughan** Date **11/19/04**

Title **Regulatory Compliance Tech**

Approved by (Signature) **[Signature]** Name (Printed/Typed) **[Blank]** Date **2-11-05**

Title **AFM** Office **FEO**

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 page 2)

APD/ROW

NMOCD

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

DISTRICT I
1625 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

1 API Number 30-045-32697		2 Pool Code 71999		3 Pool Name CASIAN DAKOTA	
4 Property Code 22757		5 Property Name KUTZ J FEDERAL			6 Well Number 2G
7 GRID No. 167067		8 Operator Name XTO ENERGY INC.			9 Elevation 6001

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
0	6	27-N	10-W		665	SOUTH	1860	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 320.51 E/L		13 Joint or Infill I		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				17 OPERATOR CERTIFICATION	
				I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
				Signature <u><i>Jeffrey W. Patton</i></u>	
				Printed Name <u>JEFFREY W. PATTON</u>	
				Title <u>DIRECTOR, ENGINEERING</u>	
18 SURVEYOR CERTIFICATION				19	
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.				JUNE 8, 2004	
Date of Survey				Signature and Seal of Professional Surveyor	
				Certificate Number <u>14831</u>	

LOT 4	LOT 3	LOT 2	LOT 1
LOT 5			N 00°05'20" W 5284.1' (M)
LOT 6			6 1860'
LOT 7			685' N 89°44'47" W 2641.4' (M)

SEC. CORNER
FD 2 1/2" BC
GLO 1913 BC

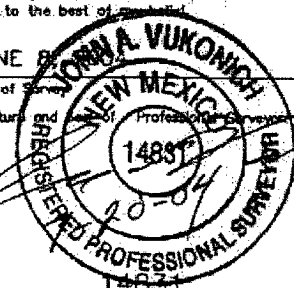
17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.


 Signature
 JEFFREY W. PATTON
 Printed Name
 DRILLING EQUIPMENT
 Title
 N.J. D-4
 Date

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plot 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.

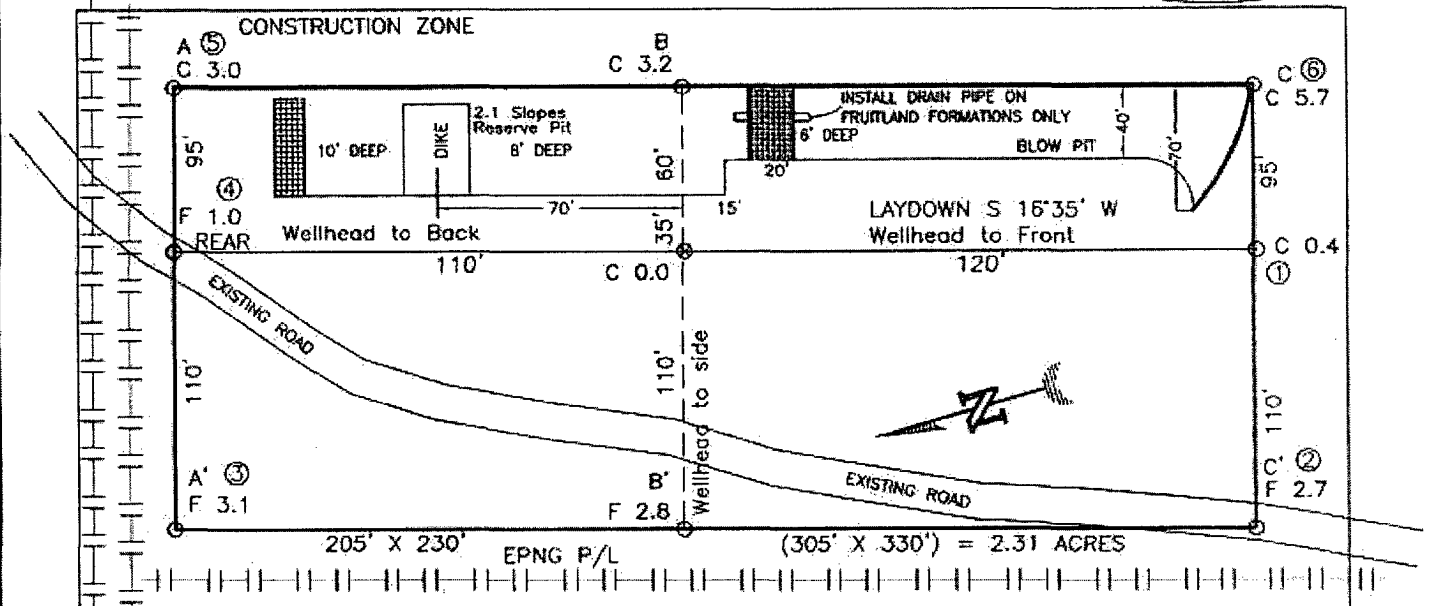
JUNE 8, 2004
 Date of Survey
 Signature and Seal of Professional Surveyor

 Certificate Number

SEC. CORNER
FD 2 1/2" BC
1913 GLO

SEC. CORNER
FD 2 1/2" BC
1913 GLO

XTO ENERGY INC.
KUTZ J FEDERAL No. 2G, 665 FSL 1860 FEL
SECTION 6, T27N, R10W, N.M.P.M., SAN JUAN COUNTY, N. M.
GROUND ELEVATION: 6001, DATE: JUNE 8, 2004

LAT: 36°35'56" N.
LONG: 107°56'01" W.
NAD 27



ELEV. A-A'

C/L

6010					
6000					
5990					
5980					

ELEV. B-B'

C/L

6010					
6000					
5990					
5980					

ELEV. C-C'

C/L

6010					
6000					
5990					
5980					

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.

Daggett Enterprises, Inc.

Surveying and Oil Field Services

P. O. Box 15068 • Farmington, NM 87401

Phone (505) 326-1772 • Fax (505) 326-6019

NEW MEXICO L.S. No. 14831



DATE: 06/18/04

EXHIBIT D

XTO ENERGY INC.

Kutz "J" Federal #2G

APD Data

November 19, 2004

Location: 665' FSL x 1,860' FEL Sec 6, T27N, R10W

County: San Juan

State: New Mexico

GREATEST PROJECTED TD: 6,800'
APPROX GR ELEV: 6,001'

OBJECTIVE: Basin Dakota / Basin Mancos
Est KB ELEV: 6,013' (12' AGL)

1. MUD PROGRAM:

INTERVAL	0' to 360'	360' to 4,000'	4,000' to TD
HOLE SIZE	12-1/4"	7-7/8"	7-7/8"
MUD TYPE	FW/Spud Mud	FW/Polymer	LSND / Gel Chemical
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 $\pm 360'$ in a 12-1/4" hole filled with 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'-360'	360'	24.0#	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 ($\pm 6,800'$) in 7-7/8" hole filled with 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	6,800'	15.5#	J-55	STC	4040	4810	222	4.950	4.825	1.22	1.45	2.02

202

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, 2,000 psig WP (4,000 psig test), 5-1/2" 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 $\pm 360'$ in 12-1/4" hole.

210 sx of Type III cement (or equivalent) typically containing accelerator and LCM, mixed at 14.5 ppg, 1.39 ft³/sk, & 6.70 gal wtr/sk.

Total slurry volume is 297 ft³, 100% excess of calculated annular volume to 360'.

B. Production: 5-1/2", 15.5#, J-55 (or K-55), STC casing to be set at $\pm 6,800'$ in 7-7/8" hole. DV Tool set @ $\pm 4,000'$

1st Stage

LEAD:

225 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 ft³/sk, 10.55 gal wtr/sx.

TAIL:

150 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.

2nd Stage

LEAD:

375 sx of Type III with 8% gel, 1/4 pps cello & 2% LCM mixed at 11.9 ppg, 2.54 ft³/sk, 15.00 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 1,775 ft³.

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 4,800' 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 (6,800') to the bottom of the surface csg. Run Neutron/Lithodensity/Pe/GR/Cal from TD (6,800') to 4,800'. Run an FMI log from TD (6,800') to 6,250'.

6. **FORMATION TOPS:**

Est. KB Elevation: 6,013'

Formation	Subsea Depth	Well Depth
Ojo Alamo SS	+5206'	810'
Kirtland Shale	+5088'	928'
Farmington SS	+5010'	1006'
Fruitland Formation	+4554'	1462'
Lower Fruitland Coal	+4174'	1842'
Pictured Cliffs SS	+4155'	1861'
Lewis Shale	+4005'	2011'
Chacra	+3250'	2766'
Cliffhouse SS	+2646'	3370'
Menefee	+2510'	3506'
Point Lookout SS	+1807'	4209'
Mancos Shale	+1475'	4541'
Gallup SS	+628'	5388'
Greenhorn Limestone	-161'	6177'
Graneros Shale	-220'	6236'
1 st Dakota SS	-249'	6265'
2 nd Dakota SS	-274'	6290'
3 rd Dakota SS	-329'	6345'
4 th Dakota SS	-380'	6396'
5 th Dakota SS	-411'	6427'
6 th Dakota SS	-453'	6469'
Burro Canyon SS	-528'	6544'
Morrison Shale	-593'	6609'
Project TD	-784'	6800'

7. **COMPANY PERSONNEL:**

Name	Title	Office Phone	Home Phone
Jeff Patton	Drilling Engineer	505-324-1090	505-632-7882
Dennis Elrod	Drilling foreman	505-486-6460	505-326-2024
Randy Hosey	Project Geologist	817-885-2398	817-427-2475
Barry Voigt	Reservoir Engineer	817-885-2462	817-540-2092

JWP
11/19/04

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 $\frac{8}{10}$ 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 on the rig floor and ready to go.

ROTATING HEAD
(OPTIONAL)

FILL UP LINE

FLOW LINE
TO PIT

PIPE
RAMS

BLIND
RAMS

KILL LINE
2" dia min.

TO CHOKE
MANIFOLD
2" dia min.

See Choke Manifold drawing for
specifications

HCR VALVE (OPTIONAL)

2" (MIN) FULL OPENING
VALVE

MUD CROSS

** Remove check or ball
from check valve and
press test to same press
as BOP's. **

EXHIBIT E

CHOKES 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

