

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

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

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. <b>NMSF-078625</b>
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name <b>N/A</b>
2. Name of Operator <b>XTO ENERGY INC</b>		7. If Unit or CA Agreement, Name and No. <b>N/A</b>
3a. Address <b>2700 FARMINGTON AVE., BLDG. K-1 FARMINGTON, NM 87401</b>		8. Lease Name and Well No. <b>ELONCE 65M Florance</b>
3b. Phone No. (include area code) <b>(505) 324-1090</b>		9. API Well No. <b>30-045- 32984</b>
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface <b>2580 FSL &amp; 840 FWL</b> At proposed prod. zone <b>SAME</b>		10. Field and Pool, or Exploratory <b>BLANCO MESA V., BASIN DAK.</b>
14. Distance in miles and direction from nearest town or post office* <b>11 AIR MILES SOUTHEAST OF BLANCO</b>		11. Sec., T. R. M. or Blk. and Survey or Area <b>18-27N-8W NMPM</b>
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) <b>840'</b>	16. No. of acres in lease <b>160.74</b>	17. Spacing Unit dedicated to this well <b>321-70 MESA VERDE: W2 &amp; DAKOTA: W2</b>
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. <b>1,408' (Hot Soup 1)</b>	19. Proposed Depth <b>7,000'</b>	20. BLM/BIA Bond No. on file <b>BLM NATIONWIDE 57 91 73</b>
21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>6,049' GL</b>	22. Approximate date work will start* <b>04/10/2005</b>	23. Estimated duration <b>6 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 <b>B Wood</b>	Name (Printed/Typed) <b>BRIAN WOOD</b>	Date <b>03/12/2005</b>
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Title <b>CONSULTANT</b>	PHONE: (505) 466-8120	FAX: (505) 466-9682
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Approved by (Signature) <b>[Signature]</b>	Name (Printed/Typed)	Date <b>3-31-05</b>
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Title <b>AFM</b>	Office <b>PFO</b>
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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)

NMCCD

RECEIVED  
FARMINGTON NM  
21 PM 5 05

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

<sup>1</sup> API Number 30-045-32984	<sup>2</sup> Pool Code 72319 & 71599	<sup>3</sup> Pool Name BLANCO MESA VERDE & BASIN DAKOTA
<sup>4</sup> Property Code 22608	<sup>5</sup> Property Name FLORANCE	<sup>6</sup> Well Number 65M
<sup>7</sup> OCRID No. 167067	<sup>8</sup> Operator Name XTO ENERGY INC.	<sup>9</sup> Elevation 6049

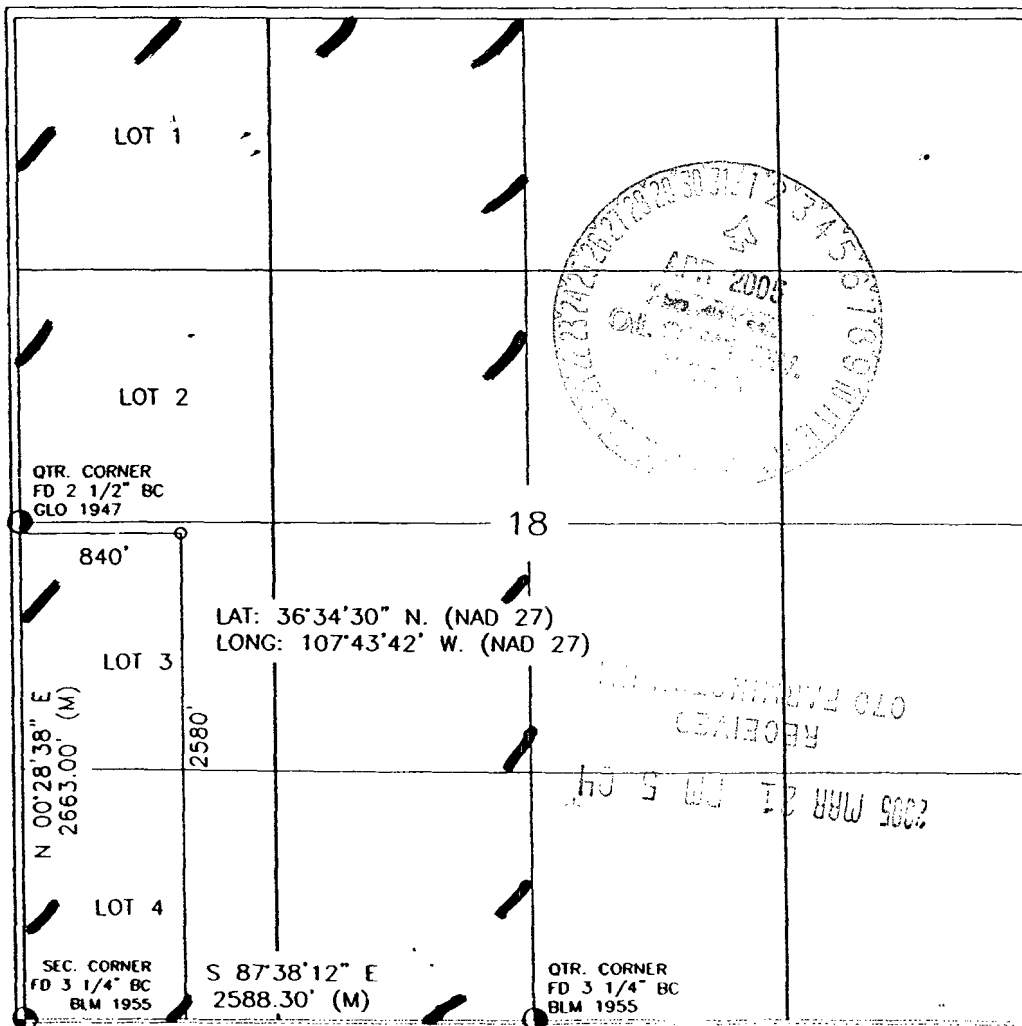
<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L*	18	27-N	8-W	*	2580	* SOUTH	840	* WEST	SAN JUAN

<sup>11</sup> 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
<sup>12</sup> Dedicated Acres 321.8870					<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code C		<sup>15</sup> Order No.

16 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



17 OPERATOR CERTIFICATION

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

*Brian Wood*

Signature **BRIAN WOOD**

Printed Name **CONSULTANT**

Title **MARCH 11, 2005**

Date

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  
14827

Certificate Number

Submit 3 Copies To Appropriate District  
Office  
District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Ave., Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., 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-103  
May 27, 2004

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-045-
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator XTO ENERGY INC.		6. State Oil & Gas Lease No. NMSF-078625
3. Address of Operator 2700 FARMINGTON AVE., BLDG. K-1, FARMINGTON, NM 87401		7. Lease Name or Unit Agreement Name FLORANCE
4. Well Location Unit Letter L : 2580 feet from the SOUTH line and 840 feet from the WEST line Section 18 Township 27N Range 8W NMPM County SAN JUAN		8. Well Number 65M
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6,049' GL		9. OGRID Number 167067
Pit or Below-grade Tank Application <input checked="" type="checkbox"/> or Closure <input type="checkbox"/>		
Pit type DRILLING Depth to Groundwater ~100' Distance from nearest fresh water well >1 mi Distance from nearest surface water ~100'		
Pit Liner Thickness: 12 mil Below-Grade Tank: Volume bbls Construction Material		

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: DRILLING PIT <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

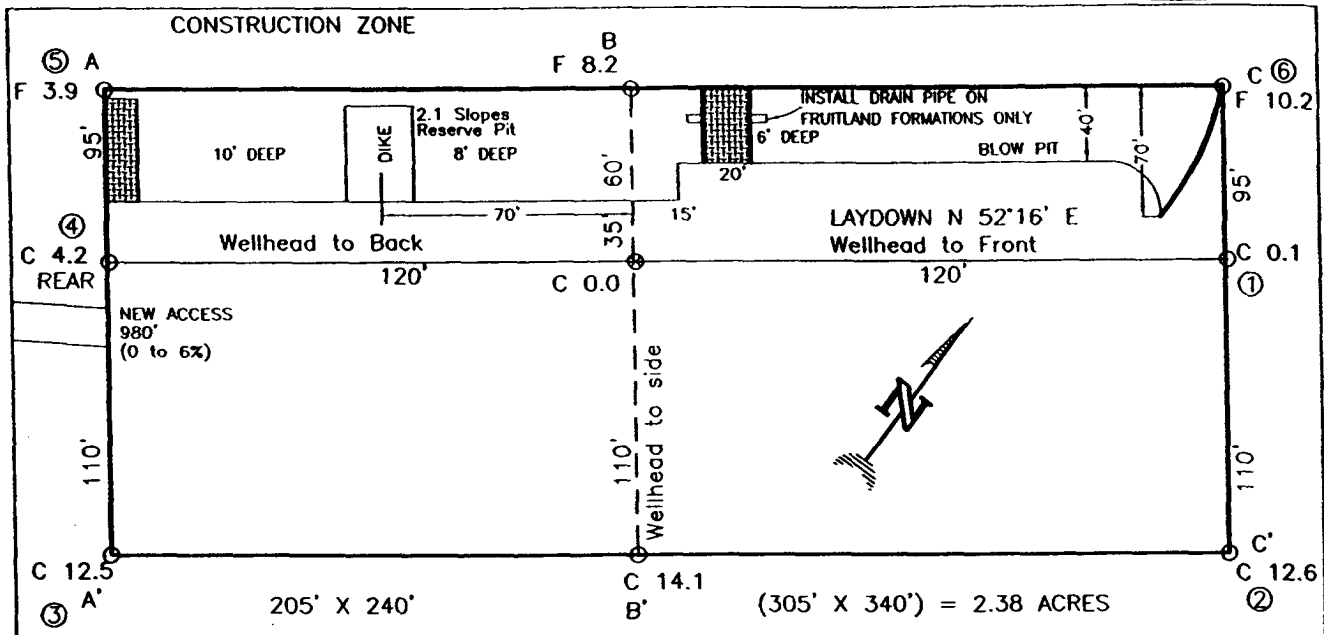
I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOC guidelines ☒ a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Brian Wood TITLE CONSULTANT DATE 3-12-05  
Type or print name BRIAN WOOD E-mail address: brian@permitswest.com Telephone No. (505) 466-8120  
For State Use Only

APPROVED BY: [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. DATE APR - 1 2005  
Conditions of Approval (if any):

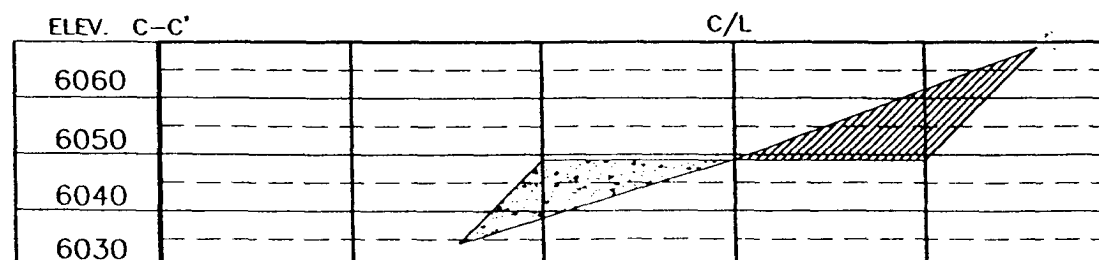
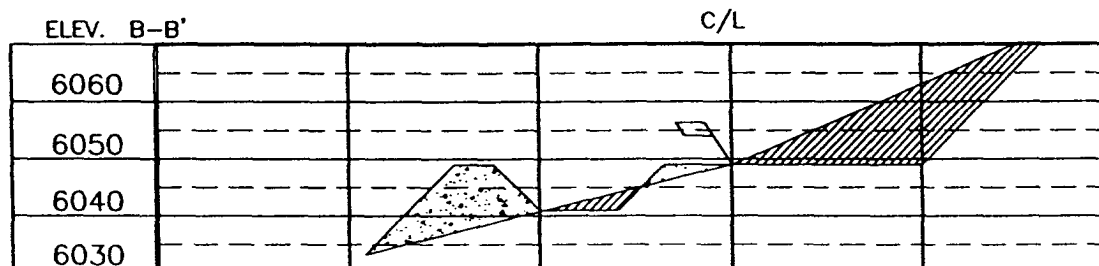
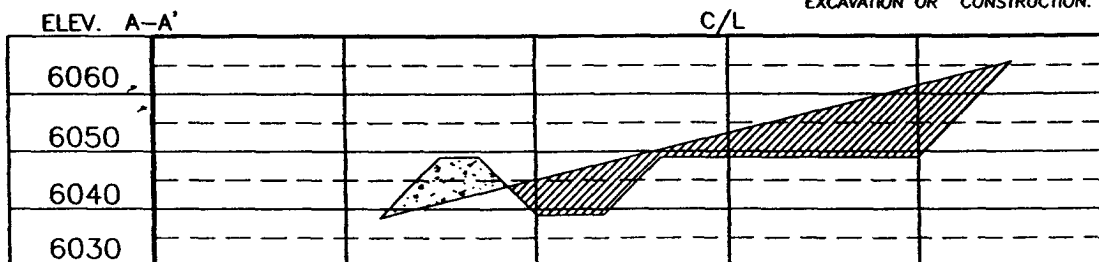
XTO ENERGY INC.  
 FLORANCE No. 65M, 2580 FSL 840 FWL  
 SECTION 18, T27N, R8W, N.M.P.M., SAN JUAN COUNTY, N. M.  
 GROUND ELEVATION: 6049, DATE: DECEMBER 18, 2003

LAT: 36°34'30" N.  
 LONG: 107°43'42" 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: RESTAKE	DATE: 04/04/02	REVISION: BY: A.G.
REVISION: RESTAKE	DATE: 03/18/04	REVISION: BY: A.G.

**Daggett Enterprises, Inc.**  
 Surveying and Oil Field Services  
 P. O. Box 15088 • Farmington, NM 87401  
 Phone (505) 326-1772 • Fax (505) 326-6019  
 NEW MEXICO L.S. No. 14827

**CAPFILE: CR07SCFB**

DATE: 03/18/04

DRAWN BY: B.S.

XTO Energy Inc.  
 Florance 65M  
 2580' FSL & 840' FWL  
 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</u>	<u>GL Depth</u>	<u>KB Depth</u>	<u>Elevation</u>
Nacimiento Fm	0'	12'	+6,049'
Ojo Alamo Sandstone	1,174'	1,186'	+4,875'
Kirtland Shale	1,274'	1,286'	+4,775'
Fruitland Coal	1,799'	1,811'	+4,250'
Pictured Cliffs Ss	2,089'	2,101'	+3,960'
Chacra Sandstone	2,999'	3,011'	+3,050'
Mesa Verde Sandstone	3,649'	3,661'	+2,400'
Menefee Shale	3,759'	3,771'	+2,290'
Pt. Lookout Sandstone	4,349'	4,351'	+1,700'
Gallup Sandstone	5,549'	5,561'	+500'
Greenhorn Limestone	6,359'	6,371'	-310'
Dakota Sandstone	6,459'	6,471'	-410'
Morrison	6,799'	6,811'	-750'
Total Depth (TD)	7,000'	7,012'	-951'

### 2. NOTABLE ZONES

#### Gas & Oil Zones

Fruitland  
 Pictured Cliffs  
 Chacra  
 Mesa Verde  
 Dakota

#### Water Zones

Nacimiento  
 Kirtland  
 Fruitland

#### Coal Zones

Fruitland  
 Menefee

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

XTO Energy Inc.  
Florance 65M  
2580' FSL & 840' FWL  
Sec. 19, T. 27 N., R. 8 W.  
San Juan County, New Mexico

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commercial potential based on the geologist's recommendations.

### 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  $\approx 200$  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 will be  $\approx 2,800$  psi. BOP and mud system will control pressure.

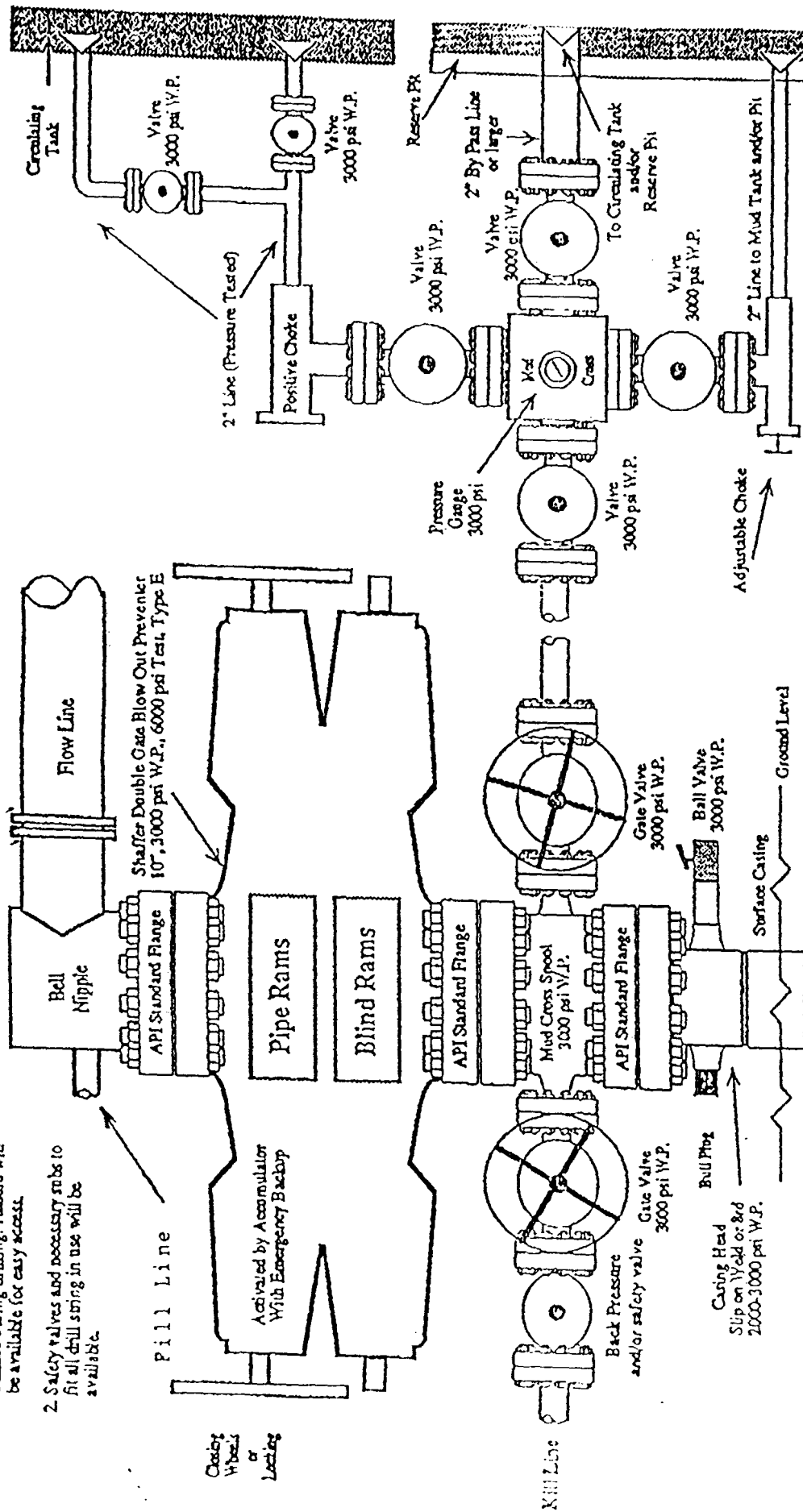
### 4. CASING & CEMENT

<u>Hole Size</u>	<u>O. D.</u>	<u>Weight (lb/ft)</u>	<u>Grade</u>	<u>Age</u>	<u>Connections</u>	<u>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	J-55	New	8 rd, L T & C	7,000'

# 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 tools to fit all drill string in use will be available.



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.

XTO Energy Inc.  
Florance 65M  
2580' FSL & 840' FWL  
Sec. 19, T. 27 N., R. 8 W.  
San Juan County, New Mexico

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Surface casing will be cemented to surface with <sup>292</sup> ~~≈270~~ cubic feet (≈230 sacks) Class B Neat + 1/4 pound per sack cello-flake + 2% CaCl<sub>2</sub>. Yield = 1.27 cubic feet per sack. Weight = 15.2 pounds per gallon.

Conventional centralizers will be set on the bottom two joints and every fourth joint to surface.

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

First stage Lead will be cemented to ≈4,000' with ≈655 cubic feet (≈475 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 <sup>972</sup> ~~≈1,440~~ cubic feet (≈327 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 ≈3,600' with ≈80 cubic feet (≈64 sacks) Class B or H Neat + 1/4 pounds per sack cello-flake + 2% CaCl<sub>2</sub>. 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 ≈6,000' and every fourth joint from ≈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