

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPPLICATE*
(Other instructions on
reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

070 Farmington, NM

b. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER

SINGLE ZONE ☐

MULTIPLE ZONE ☒

2. NAME OF OPERATOR

XT0 Energy Inc.

3. ADDRESS AND TELEPHONE NO.

2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

775' FNL & 1,555' FEL Sec 19, T27N, R08W

At proposed prod. zone

2,125' FNL x 825' FE1 Sec 19, T27N, R08W

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

Approx 24 air miles south down Largo Canyon from the Blanco NM Post Office

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any) 825'

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,

OR APPLIED FOR, ON THIS LEASE, FT. 50'

16. NO. OF ACRES IN LEASE

2400.96

17. NO. OF ACRES ASSIGNED

TO THIS WELL

320 DK & MV, 160 Chacra

19. PROPOSED DEPTH

7,200' MD

20. ROTARY OR CABLE TOOLS

0'-7,200' w/Rotary Tools

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

6,095' Ungraded Ground Level

22. APPROX. DATE WORK WILL START*

Winter 2004

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	9-5/8", J-55	36#	265'	150 sx Type III
8-3/4"	7", J-55	20#	2,500'	400 sx Type III cement
6-1/4"	4-1/2", J-55	10.5#	7,200'	350 sx Premium Lite cement

XT0 Energy Inc. plans to drill the above mentioned well as described in the enclosed Surface Use Program.

An El Paso Field Services welltie plat is also included for ROW.

This permit is subject to technical and
production review pursuant to 43 CFR 3165.3
and appeal pursuant to 43 CFR 3165.4

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

HOLD C104 FOR

Directional Survey

APD/ROW

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

JW Patten

TITLE

Drilling Engineer

DATE

10/31/03

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

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:

DEC 30 2003

APPROVED BY

/s/ Charlie Beecham

TITLE

*See Instructions On Reverse Side

DATE

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any Federal or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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
P.O. 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

¹ API Number 30045-31896	² Pool Code 71599	³ Pool Name Basin Dakota
⁴ Property Code 22608	⁵ Property Name FLORANCE	⁶ Well Number 72
⁷ OGRID No. 1107067	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 6095

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
B	19	27-N	8-W		775	NORTH	1555	EAST	SAN JUAN

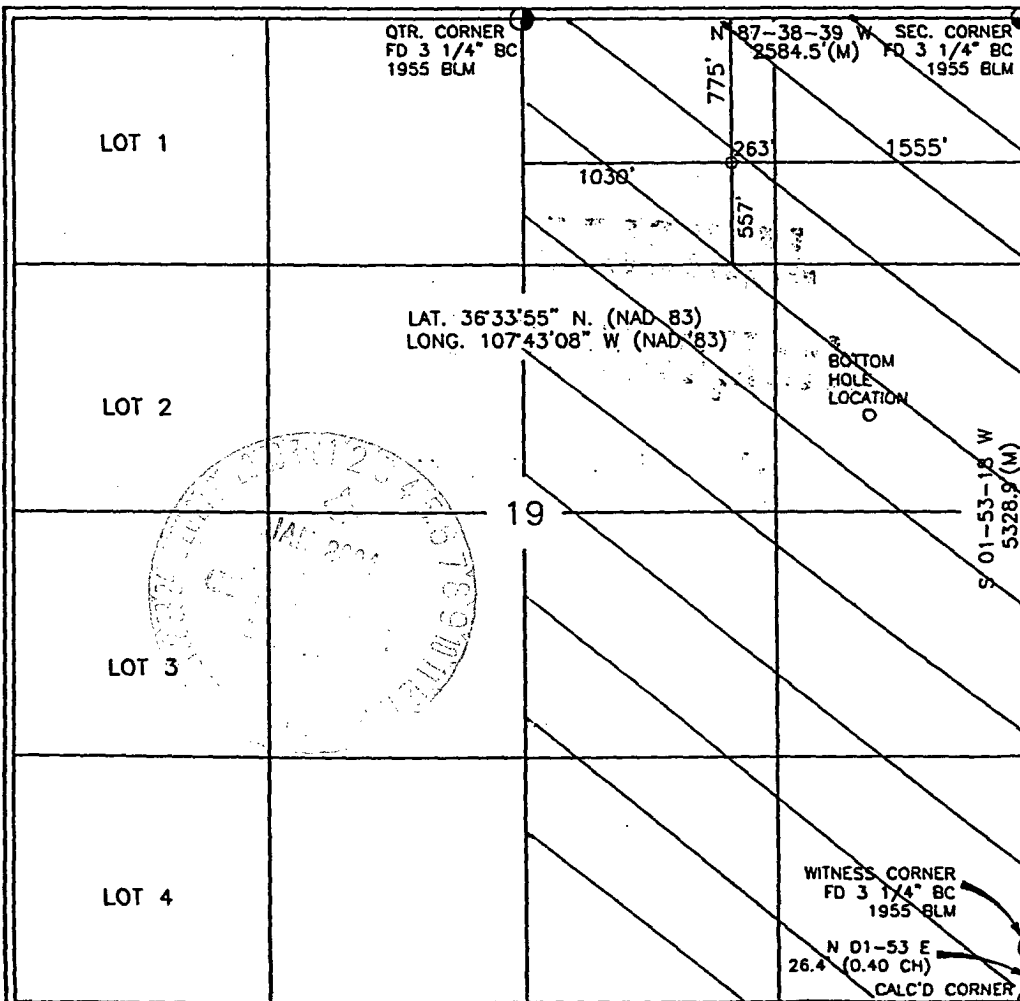
¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	19	27-N	8-W		2125	NORTH	825	EAST	SAN JUAN

¹² Dedicated Acres 320 212	¹³ Joint or Infill I	¹⁴ Consolidation Code	¹⁵ 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

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: Kelly K Small
Printed Name: Kelly K Small
Title: Drilling Assistant
Date: 8/5/03

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey: 8/5/03
Signature and Seal of Professional Surveyor: [Seal with number 14827]
Certificate Number: 14827

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 3045-31896	² Pool Code 72319	³ Pool Name Blanco Mesaverte
⁴ Property Code 22608	⁵ Property Name FLORANCE	⁶ Well Number 72
⁷ GRID No. 167007	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 6095

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
B	19	27-N	8-W		775	NORTH	1555	EAST	SAN JUAN

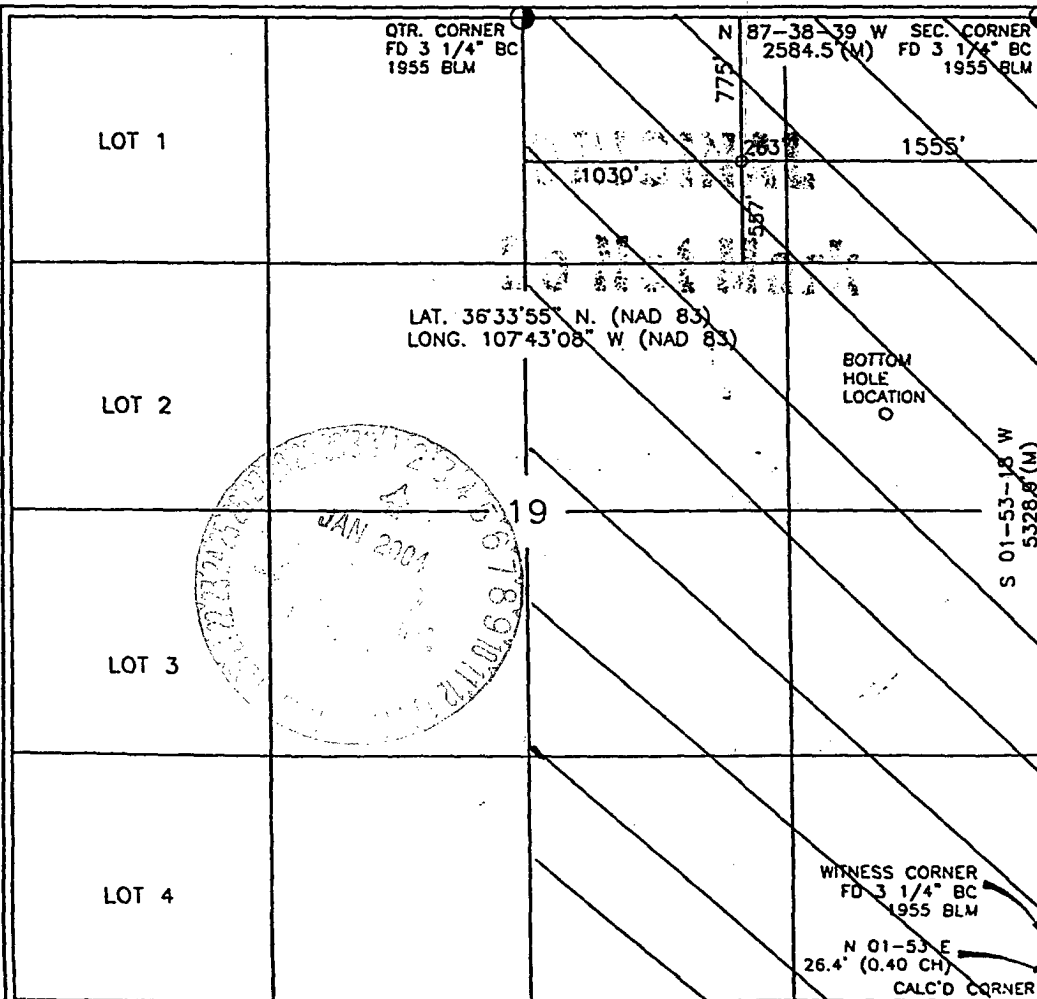
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UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	19	27-N	8-W		2125	NORTH	825	EAST	SAN JUAN

¹² Dedicated Acres 320 E12	¹³ Joint or Infill I	¹⁴ Consolidation Code	¹⁵ Order No.
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17 OPERATOR CERTIFICATION

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

Signature
Holly K Small
Printed Name
Drilling Assistant
Title
815103
Date

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true correct to the best of my belief.

Date of Survey
Signature and Seal of Professional Surveyor
14827
Certificate Number

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-3896	² Pool Code 22329	³ Pool Name OTERO CHACRA
⁴ Property Code 22608	⁵ Property Name FLORANCE	⁶ Well Number 72
⁷ OGRID No. 167067	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 6095

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
B	19	27-N	8-W		775	NORTH	1555	EAST	SAN JUAN

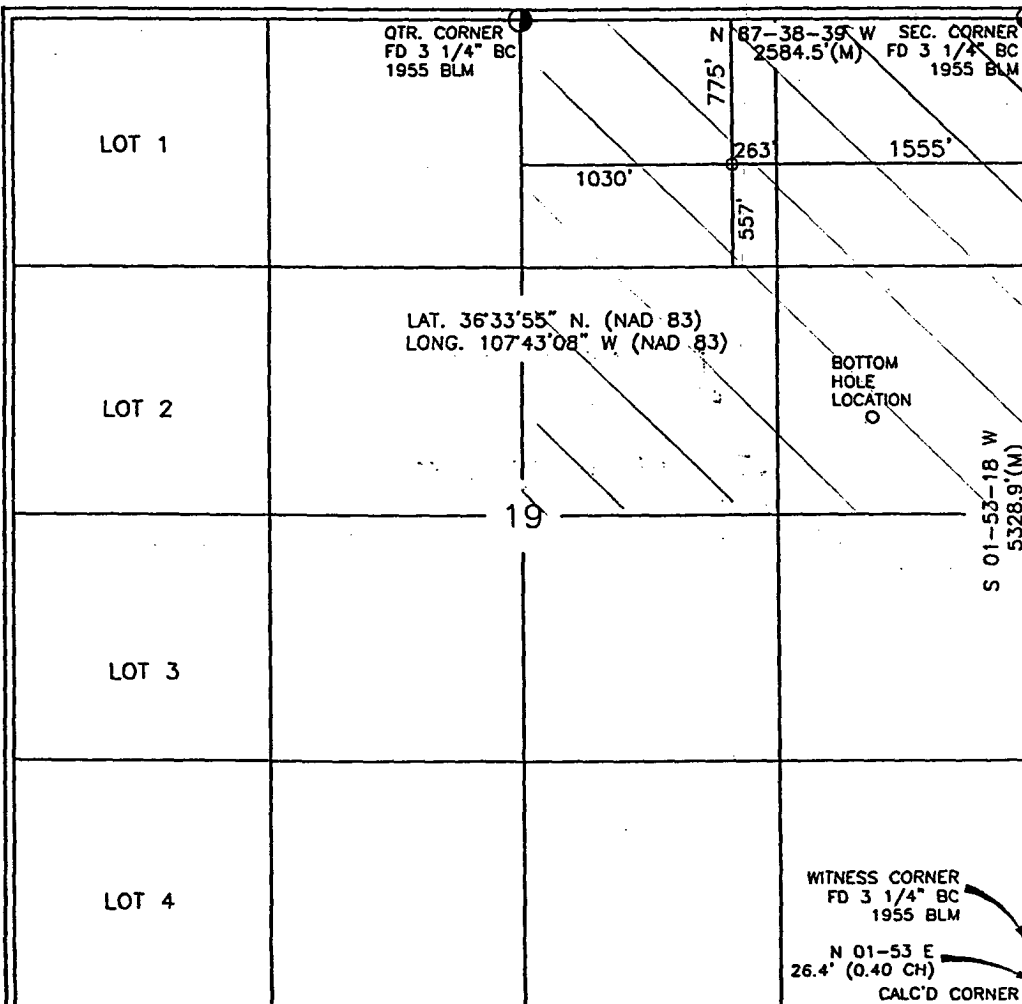
¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	19	27-N	8-W		2125	NORTH	825	EAST	SAN JUAN

¹² Dedicated Acres 160 NE / 4	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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 JEFFREY W PATTON
Title DRILLING ENGINEER
Date 10-31-03

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 10-31-03
Signature and Seal of Professional Surveyor

Certificate Number 14827

XTO ENERGY INC.

Florance #72

APD Data

October 31, 2003

Surface Location: 775' FSL & 1,555' FEL, Sec 19, T27N, R08W County: San Juan State: New Mexico

TOTAL DEPTH: ±7,200' MD

GR ELEV: 6,095'

OBJECTIVE: Dakota/Mesaverde/Chacra

Est KB ELEV: 6,108' (13' AGL)

1. MUD PROGRAM:

INTERVAL	0' to 265'	265' to 3,000'	3,000' to TD
HOLE SIZE	12-1/4"	8-3/4"	6-1/4"
MUD TYPE	FW/Native Mud	FW/Polymer	Air/Foam
WEIGHT	8.6-8.8	8.6-9.0	
VISCOSITY	28-32	29-34	
WATER LOSS	NC	NC	

Remarks: Use fibrous materials as needed to control seepage and lost circulation. Pump high viscosity sweeps as needed for hole cleaning. RU air compressors after setting the intermediate csg. Drill with air or foam to TD.

2. CASING PROGRAM:

Surface Casing: 9-5/8" casing to be set at ± 265' in 8.6 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'-265'	265'	36.0#	J-55	STC	2020	3520	394	8.921	8.765	5.98	5.68	15.73

Intermediate Casing: 7" casing to be set at ±3,000' 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'-3,000'	3,000'	20.0#	J-55	STC	2270	3740	234	6.456	6.331	1.15	1.31	2.57

Production Casing: 4-1/2" casing to be set at 7,200' in air.

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'-7,200'	7,200'	10.5#	J-55	STC	4010	4790	132	4.052	3.927	1.33	1.20	1.90

EXHIBIT E

3. WELLHEAD:

- A. Bradenhead: 9-5/8" x 7" 2,000 psig WP (4,000 psig test).
Casinghead: 7" x 4-1/2" 3,000 psig WP (6,000 psig test).

4. CEMENT PROGRAM (Slurry design may change slightly, but the plan is to circulate cement to surface on both casing strings):

- A. Surface: 9-5/8", 36.0#, J-55, STC casing to be set at $\pm 265'$.

Lead: 150 sx of Type III or equivalent cement containing accelerator and LCM typically mixed at 14.5 ppg, 1.39 ft³/sk, & 6.30 gal wtr/sk.

Total slurry volume is 209 ft³, 100% excess of calculated annular volume to 265'.

- B. Intermediate: 7", 20.0#, J-55, STC casing to be set at $\pm 3,000'$.

Lead: 250 sx of Type III or equivalent cement containing extender, accelerator and LCM typically mixed at 11.4 ppg, 3.03 ft³/sk, 18.51 gal wtr/sx.

Tail: 150 sx of Type III or equivalent cement containing accelerator and LCM typically mixed at 14.5 ppg, 1.41 ft³/sk, 6.30 gal wtr/sx.

Total slurry volume is 969 ft³, circulated to surface. This value is $\pm 100\%$ (excess) over gage hole volume.

- C. Production: 4-1/2", 10.5#, J-55, STC casing to be set at $\pm 7,200'$.

Lead: 200 sx of Class "H" Premium Lite High Strength (65/35/6) containing dispersant, fluid loss, salt and LCM typically mixed at 12.5 ppg, 2.01 ft³/sk, 10.12 gal wtr/sx.

Tail: 150 sx of Class "H" or equivalent cement containing extender, dispersant, fluid loss and LCM typically mixed at 14.2 ppg, 1.54 ft³/sk, 7.50 gal wtr/sx..

Total estimated slurry volume for the 4-1/2" production casing is 633 ft³ for 4,700' of fill. Est. TOC should be @ $\pm 2,500'$. 40% (excess) over gage hole volume has been added to the number of sacks indicated.

Note: The slurry design may change slightly based upon actual conditions. Final cement volumes will be determined for the caliper logs plus 40%.

5. LOGGING PROGRAM:

- A. Mud Logger: A two man mud logging crew will come on the hole @ 2,900' and remain on the hole until TD.

- B. Open Hole Logs as follows: Run Dual Induction/MSFL/GR/CAL/SP/CNL/LDT (lithodensity) from TD to the bottom of the intermediate csg (@ $\pm 3,000'$ MD). Run cased hole GR/CCL from TD to surface.

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.

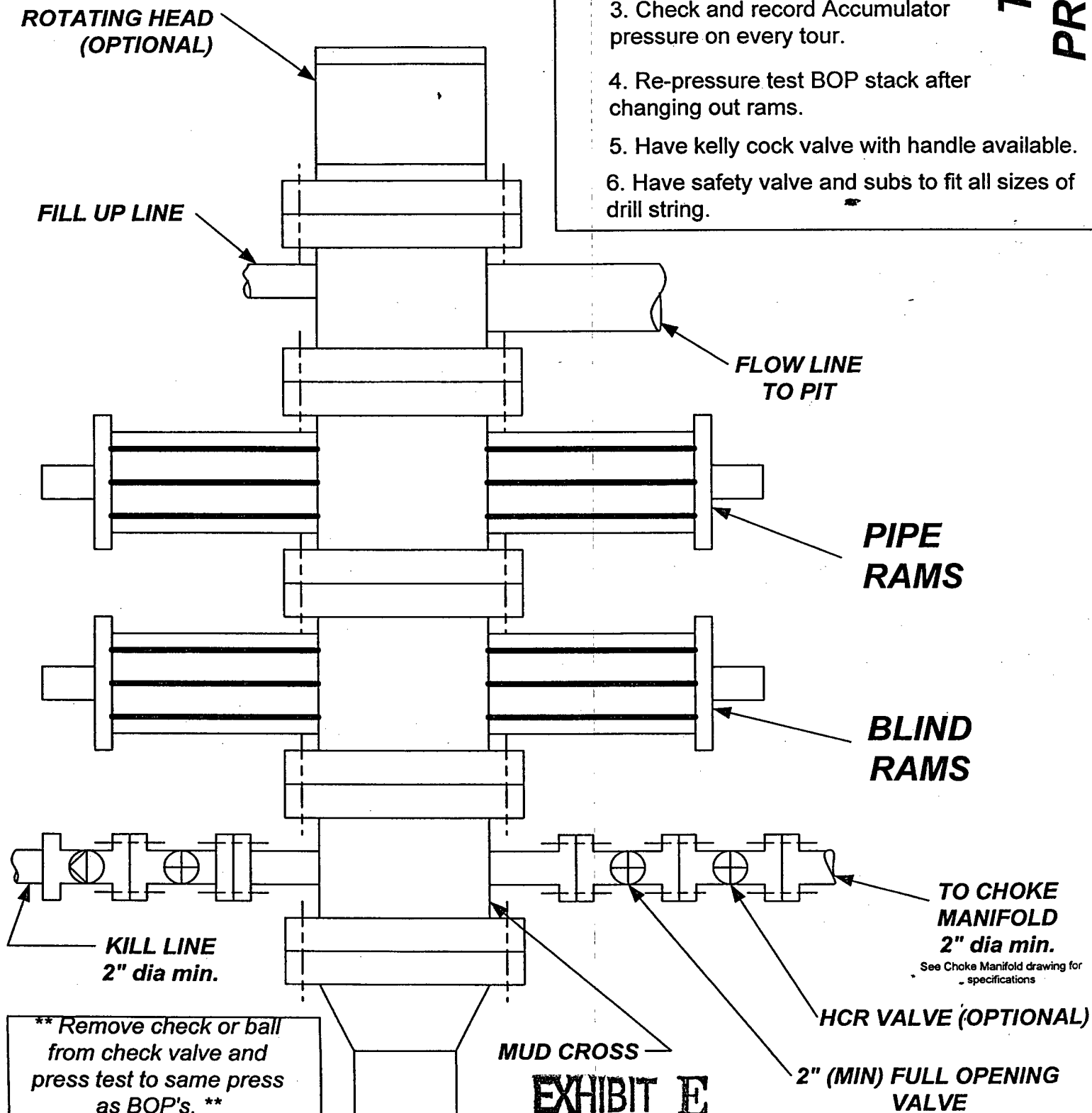


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