

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

RECEIVED

5. Lease Serial No. **NMSF-081239**6. If Indian, Allottee or Tribe Name **N/A**7. If Unit or CA Agreement, Name and No. **N/A**8. Lease Name and Well No. **Little Stinker 3**9. API Well No. **30-045-32305**10. Field and Pool, or Exploratory **Blanco Mesa Verde & Basin Dakota**11. Sec., T., R., M., or Blk. and Survey or Area
I 11-30n-12w NMPM12. County or Parish **San Juan** 13. State **NM**14. Distance in miles and direction from nearest town or post office*
2 air miles NE of Flora Vista Post Office15. Distance from proposed*
location to nearest
property or lease line, ft.
(Also to nearest drig. unit line, if any) **650' to lease line
660' to CA line**16. No. of Acres in lease
2,410.2417. Spacing Unit dedicated to this well
**SA 319.23 MV
E2 (320 acres) 317.11 Dakota**18. Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease, ft. **1,258'**19. Proposed Depth
7,000'20. BLM/BIA Bond No. on file
BLM nation wide: 57 91 7321. Elevations (Show whether DF, KDB, RT, GL, etc.)
5,807' ungraded22. Approximate date work will start*
Upon Approval23. Estimated duration
6 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.
2. A Drilling Plan.
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).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized officer.

Comments

***to XTO's Little Stinker 1, a Fruitland coal gas well
APD/ROW (GulfTerra)**

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

cc: BLM (& OCD), Patton

25. Signature **B. Wood** Name (Printed/Typed) **Brian Wood** Date **4-12-04**Title **Consultant** Phone: **505 466-8120** FAX: **505 466-9682**Approved by (Signature) **B. Manke** Name (Printed/Typed) **AFM** Date **5-17-04**Title **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.

NMOCD

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240

DISTRICT II
1301 W. Grand Ave., 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 87505

Form C-102

Revised June 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30.045-32305	² Pool Code 72319 & 71599	³ Pool Name BLANCO MESA VERDE & BASIN DAKOTA
⁴ Property Code 2-8816	⁵ Property Name LITTLE STINKER	⁶ Well Number 3
⁷ OGRID No. 167067	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 5807

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	11	30-N	12-W		1970	SOUTH	660	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 319.23 MV 320 317.11 OK	¹³ Joint or Infill		¹⁴ Consolidation Code C		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

<p>16</p> <p>LOT 4</p> <p>LOT 3</p> <p>LOT 2</p> <p>LOT 1</p> <p>LOT 5</p> <p>LOT 6</p> <p>LOT 7</p> <p>LOT 8</p> <p>LAT: 36°49'30" N. (NAD 27) LONG: 108°03'37" W. (NAD 27)</p> <p>QTR. CORNER FD 3 1/4" BC BLM 1976</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><i>Brian Wood</i></p> <p>Signature BRIAN WOOD</p> <p>Printed Name CONSULTANT</p> <p>Title APR. 12, 2004</p> <p>Date</p>
<p>11</p> <p>LOT 10</p> <p>LOT 9</p> <p>660'</p> <p>1970'</p> <p>MV</p> <p>SEC. CORNER FD 3 1/4" BC BLM 1976</p> <p>QTR. CORNER FD 3 1/4" BC BLM 1976</p> <p>S 89-26-34 W 2598.91' (M)</p> <p>N 01-00-20 E 2634.11' (M)</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>3-12-04</p> <p>Date of Survey</p> <p><i>David A. Johnson</i></p> <p>Signature and Seal of Professional Surveyor</p> <p>NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR 14827</p> <p>Certificate Number</p>

XTO Energy Inc.
Little Stinker 3
1970' FSL & 660' FEL
Sec. 11, T. 30 N., R. 12 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>
Nacimiento	000'	12'	+5,807'
Ojo Alamo Sandstone	657'	669'	+5,150'
Kirtland Shale	757'	769'	+5,050'
Fruitland Coal	1,807'	1,819'	+4,000'
Pictured Cliffs Ss	2,132'	2,144'	+3,675'
Lewis Shale	2,182'	2,194'	+3,625'
Mesa Verde Sandstone	3,732'	3,744'	+2,075'
Mancos Shale	4,807'	4,819'	+1,000'
Gallup Sandstone	5,757'	5,769'	+50'
Greenhorn Limestone	6,507'	6,519'	-700'
Dakota Sandstone	6,607'	6,619'	-800'
Morrison	6,857'	6,869'	-1,050'
Total Depth*	7,000'	7,012'	-1,193'

* all elevations reflect the ungraded ground level of 5,807'

2. NOTABLE ZONES

Gas or Oil Zones

Fruitland
Pictured Cliffs
Mesa Verde
Dakota

Water Zones

Nacimiento
Ojo Alamo
Fruitland

Coal or Uranium Zones

Fruitland
Menefee
Morrison

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.

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3. PRESSURE CONTROL

The drilling contract has not yet been awarded, thus the exact BOP system to be used is not yet known. A typical 2,000 psi stack, manifold, and test procedures are on PAGE 3.

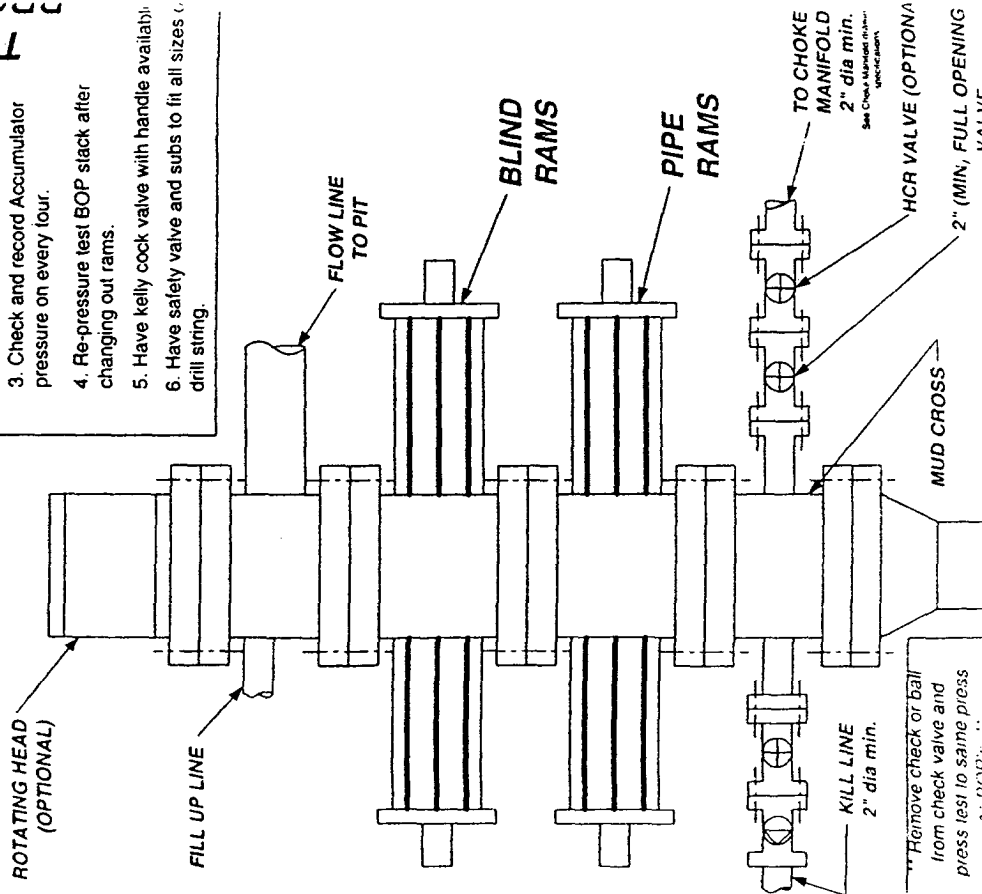
4. CASING & CEMENT

	<u>Surface Casing</u>	<u>Production Casing</u>
Interval	0' - 320'	0' - 7000'
Hole Diameter	12-1/4"	7-7/8"
Casing Diameter	8-5/8"	4-1/2"
Weight (pounds/foot)	24	10.5
Grade	J-55	J-55
Coupling	S T&C	S T&C
Collapse Rating (psi)	1370	4010
Burst Rating (psi)	2950	4790
Jt.-Str. (M-lbs)	244	132
I. D. (inches)	8.097	4.052
Drift (inches)	7.972	3.875
SF Coll	9.44	1.28
SF Burst	13.72	1.06
SF Ten	33.89	1.87
Centralizers	3-4	20

Casing head will be Larkin Fig 92 or its equivalent, 9" nominal 2,000 psi WP, (4,000 psi test) with 8-5/8" 8 rounded thread on bottom, and 11-3/4" 8 rounded thread on top.

Tubing head will be Larkin Fig 612 or its equivalent, 2000 psi WP (4,000 psi test), 4-1/2" 8 rounded female thread on bottom, and 8-5/8" rounded thread on top.

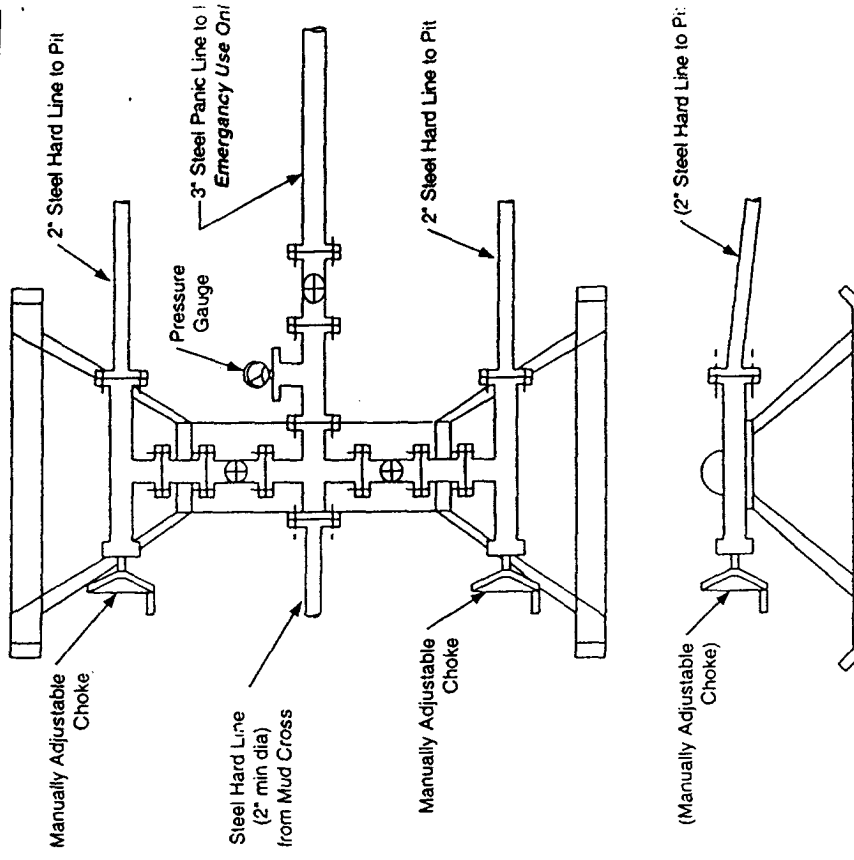
BOP SCHEMATIC FOR DRILLING OPERATIONS CLASS 1 (2M) NORMAL PRESSURE



1. Test BOP after installation:
Pressure test BOP to 200-300 psig (low pressure) for 5 min.
Test BOP to Working Pressure 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 four.
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.

TESTING

CHOKES MANIFOLD SCHEMATIC FOR DRILLING OPERATIONS CLASS 1 (2M) NORMAL PRESSURE



TESTING PROCEDURE

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.

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Surface casing will be cemented to surface with ≈ 200 sacks Type III cement with 2% CaCl_2 + 1/4 pound per sack cello flake mixed with 6.33 gallons of water per sack. Weight = 14.8 pounds/gallon. Density = 1.34 cubic feet/sack. Total volume = 268 cubic feet based on 100% excess.

Production casing will be cemented to surface in two stages. DV tool will be set at $\approx 4,000'$. Total first stage volume = 890 cubic feet. Total second stage volume = 1,185 cubic feet. Volumes to be based on caliper log + 30% excess.

First stage lead will be ≈ 375 sacks 65/35 Class H with 6% gel + 1/4 pound per sack cello flake + 3% NaCl + 0.5% fluid loss additive + 0.2% dispersant mixed with 10.59 gallons of water per sack. Weight = 12.5 pounds/gallon. Yield = 2.08 cubic feet/sack.

First stage tail will be cemented with ≈ 100 sacks Class H + 1/4 pound per sack cello flake + 0.5% fluid loss additive mixed with 5.23 gallons of water per sack. Weight = 15.6 pounds per gallon. Yield = 1.18 cubic feet per sack.

Second stage lead will be cemented with ≈ 350 sacks Class H with 3% extender + 1/4 pound per sack cello flake mixed with 10.19 gallons of water per sack. Weight = 11.2 pounds per gallon. yield = 3.07 cubic feet per sack.

Second stage tail will be cemented with ≈ 100 sacks Class H with 1/4 pound per sack cell flake + 0.5% fluid loss additive mixed with 5.23 gallons of water per sack. Weight = 15.6 pounds per gallon. Yield = 1.18 cubic feet per sack.

5. MUD PROGRAM

<u>INTERVAL</u>	<u>MUD TYPE</u>	<u>WEIGHT</u>	<u>VISCOSITY</u>	<u>WATER LOSS</u>
0' - 320'	Fresh Water-Spud	8.6-9.0	28-32	NC
320' - 4,000'	Fresh Water-Polymer	8.4-8.8	28-32	NC
4,000' - TD	LSND	8.6-9.0	45-60	8-10 cc

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Fibrous material (e. g., cedar bark, cotton seed hulls) will be on site to control seepage and lost circulation. High viscosity sweeps will be used as needed for hole cleaning. Viscosity will be raised at TD for logging. Viscosity will be reduced after logging for cementing. A mud logging crew will be on site from $\approx 3,500'$ to TD.

6. CORES, TESTS, & LOGS

No cores or drill stem tests are planned. These logs will be run:

Array Induction/SFL/GR/SP from TD to bottom of surface casing
CNL/LDT(Lithodensity)/GR/Cal and PE from TD to $\approx 4,700'$
Formation Micro Imager (FMI) from TD to $\approx 6,150'$

7. DOWN HOLE CONDITIONS

No abnormal pressures, temperatures, nor hydrogen sulfide are expected. Maximum reservoir pressure will be $\approx 1,500$ psi.


8. OTHER INFORMATION

The anticipated spud date is upon approval. It is expected it will take about twelve days to drill and thirty days to complete the well.

LAT. = 36°49'30" N.
LONG. = 108°03'37" W
NAD 27



ELEV. C-C'	C/L			
5820				
5810				
5800				
5790				

REVISION:	DATE:	REVISED BY:
		
<p>Daggett Enterprises, Inc. Surveying and Oil Field Services P. O. Box 15068 • Farmington, NM 87401 Phone (505) 328-1772 • Fax (505) 328-4019 NEW MEXICO L.S. No. 14827</p>		
QUANT. BY: B.L.	TAPCODE: CR273CE8 DATE: 03/05/04	
NAME: CR273		