

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0136  
Expires January 31, 2004

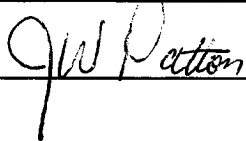

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. <b>NMM - 019414</b>
1b. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator <b>XTO Energy Inc.</b>		7. Unit or CA Agreement Name and No.
3a. Address <b>2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM</b>		8. Lease Name and Well No. <b>Federal Gas Com "1" #3</b>
3b. Phone No. (Include area code)		9. API Well No. <b>30045 32904</b>
4. Location of Well (Report location clearly and in accordance with any State requirements) At surface <b>1,090' FNL x 665' FWL in sec 20, T32N, R12W</b> At proposed prod. zone		10. Field and Pool, or Exploratory <b>Basin Fruitland Coal</b>
14. Distance in miles and direction from nearest town or post office* <b>This well is located 12 northeast of the La Plata, NM postoffice.</b>		11. Sec., T., R., M., or Blk. and Survey or Area <b>Sec 20, T32N, R12W</b>
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) <b>665'</b>	16. No. of Acres in lease <b>536.84</b>	12. County or Parish <b>San Juan</b>
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. <b>75'</b>	19. Proposed Depth <b>2,350'</b>	13. State <b>NM</b>
20. BLM/BIA Bond No. on file	21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>5,941' ungraded ground level</b>	22. Approximate date work will start* <b>Summer, 2004</b>
23. Estimated duration <b>1 week</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 	Name (Printed/Typed) <b>Jeffrey W. Patton</b>	Date <b>4/13/04</b>
Title <b>Drilling Engineer</b>		
Approved by (Signature) 	Name (Printed/Typed) <b>AEM</b>	Date <b>7-22-04</b>
Title <b>AEM</b>	Office <b>FFO</b>	

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 Reverse)

APD/ROW

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

NMOCGD

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. French Dr., Hobbs, N.M. 88240.

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised August 15, 2000

DISTRICT II  
811 South First, Artesia, N.M. 88210

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

DISTRICT III  
1000 Rio Brazos Rd., Aztec, N.M. 87410

OIL CONSERVATION DIVISION

2040 South Pacheco  
Santa Fe, NM 87505

DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30045-32304	<sup>2</sup> Pool Code 71129	<sup>3</sup> Pool Name Basin Fruitland Coal
<sup>4</sup> Property Code 22855	<sup>5</sup> Property Name FEDERAL GAS COM 1	<sup>6</sup> Well Number 3
<sup>7</sup> OGRID No. 167067	<sup>8</sup> Operator Name XTO ENERGY INC.	<sup>9</sup> Elevation 5941'

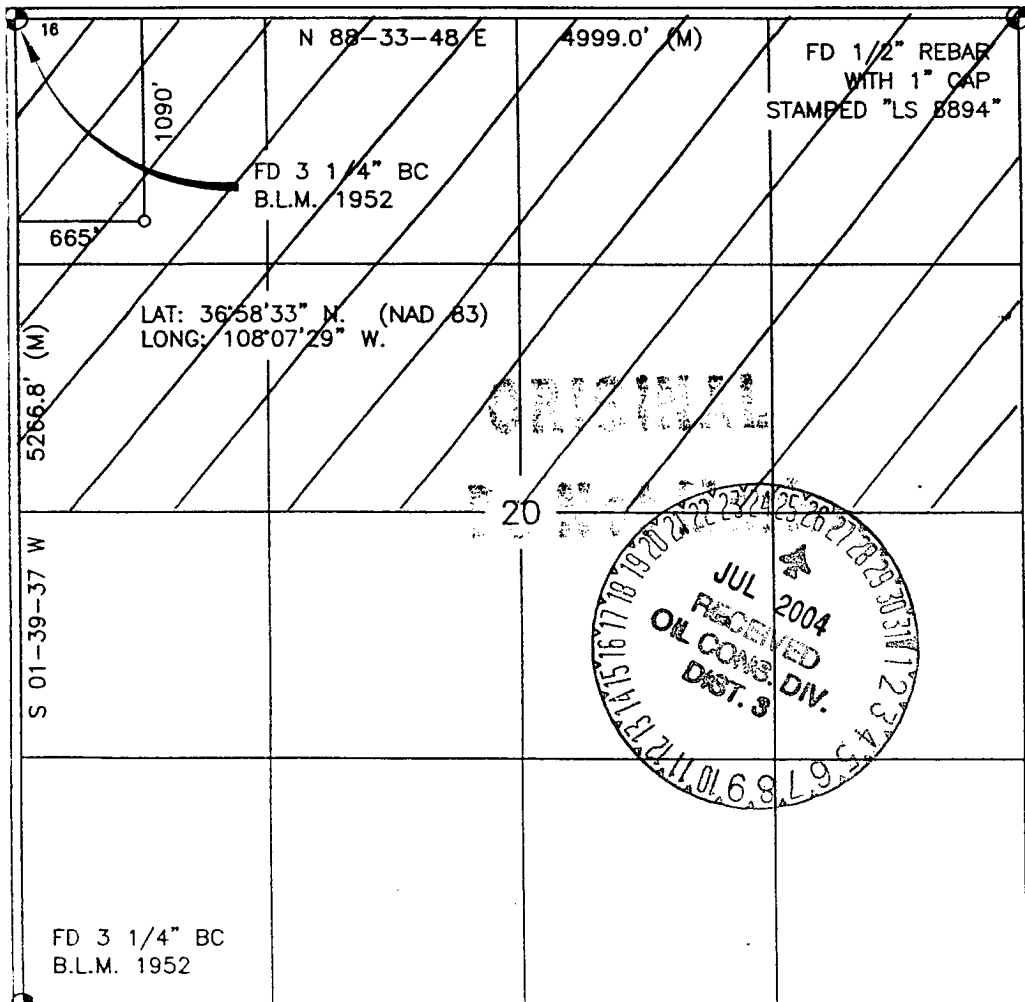
<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	20	32-N	12-W		1090'	NORTH	665'	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 320 N12			<sup>13</sup> Joint or Infill I		<sup>14</sup> Consolidation Code		<sup>15</sup> 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>FD 1 1/2" REBAR WITH 1" CAP STAMPED "LS 8894"</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><u>Kelly K Small</u> Signature <u>Kelly K Small</u> Printed Name <u>Drilling Assistant</u> Title <u>8/18/03</u> Date</p>
	<p>FD 3 1/4" BC B.L.M. 1952</p> <p>LAT: 36°58'33" N. (NAD 83) LONG: 108°07'29" W.</p> <p>FD 3 1/4" BC B.L.M. 1952</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><u>David A. Johnson</u> Date of Survey <u>14827</u> Signature and Seal of Professional Surveyor <u>14827</u> Certificate Number</p>



# XTO ENERGY INC.

## DRILLING PROCEDURE

Federal Gas Com "1" #3

Basin Fruitland Coal

April 13, 2004

**Location:** 1,090' FNL & 665' FWL, Sec 20, T32N, R12W    **County:** San Juan    **State:** New Mexico

**PROJECTED TOTAL DEPTH:** 2,350'    **OBJECTIVE:** Fruitland Coal    **GR ELEV:** 5,941'

### 1. MUD PROGRAM:

INTERVAL	0'-200'	200'-TD
HOLE SIZE	8-3/4"	6-1/4"
MUD TYPE	FW/Native	FW/Polymer
MUD WEIGHT, ppg	8.6-9.0	8.6-9.1
VISCOSITY, sec/qt	28-32	28-33
WATER LOSS, cc	NC	NC

Remarks: Drill the surface hole with fresh water. Run and cement 7" surface casing, circulating cement to surface. NU and test BOP equipment, then drill out with fresh water. Use polymer sweeps as needed for hole cleaning. At TD, sweep the hole prior to TOH to log.

### 2. CASING PROGRAM:

Surface Casing:        7" casing to be set at  $\pm 200'$  in 8.8 ppg mud.

Interval	Length	Wt (ppf)	Gr	Cplg	Coll Rating (psi)	Burst Rating (psi)	Jt Str (M-lbs)	ID (in)	DD (in)	SF Coll	SF Burst	SF Tension
0'-200'	200'	20#	J-55	STC	2,270	3,740	234	6.456	6.331	9.99	4.59	58.5

Optimum makeup torque for 7" 20#, J-55, STC casing is **2,340 ft-lbs** (Min - 1,760 ft-lbs, Max - 2,930 ft-lbs).

Production Casing:    4-1/2" casing to be set at  $\pm 2,350'$  in 8.8 ppg mud.

Interval	Length	Wt (ppf)	Gr	Cplg	Coll Rating (psi)	Burst Rating (psi)	Jt Str (M-lbs)	ID (in)	DD (in)	SF Coll	SF Burst	SF Tension
0'-TD	2,350'	10.5#	J-55	STC	4,010	4,790	132	4.052	3.927	3.57	3.33	5.24

Optimum makeup torque for 4-1/2", 10.5#, J-55, casing is **1,320 ft-lbs** (Min - 990 ft-lbs, Max - 1,650 ft-lbs).

Capacity of 7", 20# casing is: 0.04048 bbl/ft

Capacity of 4-1/2", 10.5# casing is: 0.01595 bbl/ft

### 3. WELLHEAD:

Casinghead: Larkin Fig 92 (or equivalent) 2,000 psig WP (4,000 psig test) with 7", 8rd pin on bottom and 8-5/8" API Modified 8rd thread on top.

Tubinghead: Larkin Model 612 (or equivalent) 2,000 psig WP (4,000 psig test) with 4-1/2", 8rd bottom thread and 8-5/8" 8rd API Modified top body thread, 4.090" minimum bore.

**EXHIBIT E**

- F. A trash trailer will be provided on each location. Keep trash picked up and the location as clean as possible. All drilling line, oil filters, etc., should be hauled away at the Drilling Contractor's expense. At the conclusion of the drilling operations, the contents of the trash trailer will be disposed of into a commercial landfill. The reserve pit will be lined with a 6 mil plastic liner in order to contain the drill cuttings and drilling fluids. At the conclusion of the drilling operation, all fluid in the reserve pits should be hauled away to a commercial disposal well. The contents of the reserve pit will be buried in place and the pit covered with the original topsoil as much as possible.

J.W. Patton  
4/13/04

# 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.

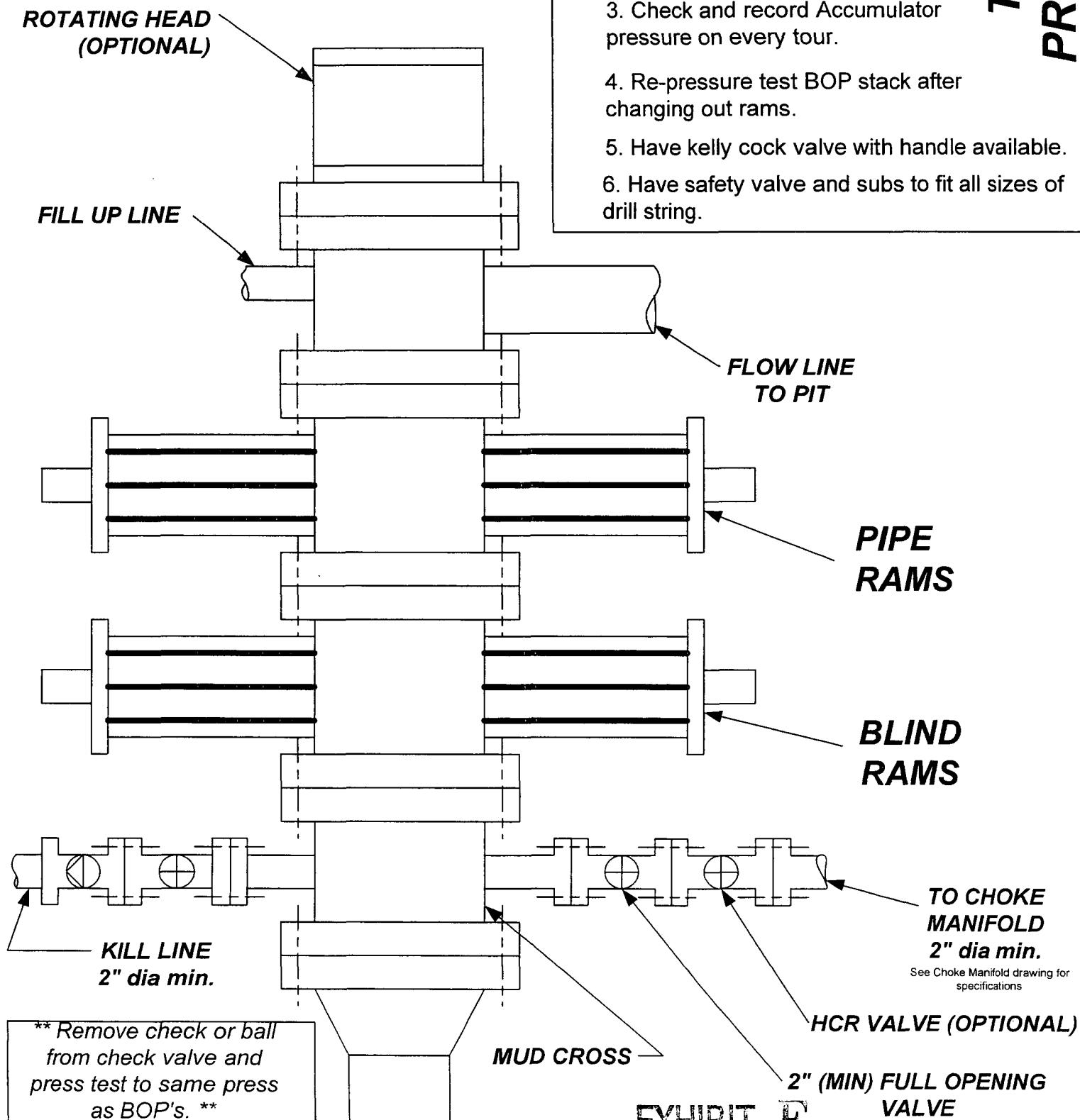


EXHIBIT E

# **CHOKE 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**

