

District I
1025 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, 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-101
May 27, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

| | | |
|---|---|-------------------------------------|
| ¹ Operator Name and Address XTO Energy Inc. 2700 Farington Ave. Ste 1 Bldg K Farmington, NM 87401 | | ⁴ OGRID Number 167067 |
| ³ Property Code 22828 | ⁵ Property Name State Gas Com "M" | ⁶ Well No. #2 |
| ⁹ Proposed Pool 1 Basin Fruitland Coal | | ¹⁰ Proposed Pool 2 |

7 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 | 16 | 31N | 12W | | 1,225 | South | 1,200' | East | San Juan |

8 Proposed 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

Additional Well Information

| | | | | |
|---|--|--|--|--|
| ¹¹ Work Type Code N | ¹² Well Type Code G | ¹³ Cable/Rotary Rotary | ¹⁴ Lease Type Code State | ¹⁵ Ground Level Elevation 6,100' |
| ¹⁶ Multiple No | ¹⁷ Proposed Depth 2,600' | ¹⁸ Formation Fruitland Coal | ¹⁹ Contractor Stewart Brothers | ²⁰ Spud Date Fall 2004 |
| Depth to Groundwater >100 feet | | Distance from nearest fresh water well >1 mile | | Distance from nearest surface water >1 mile |
| Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12_mils thick Clay <input type="checkbox"/> Pit Volume: 1,000_bbls Drilling Method: Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/> | | | | |
| Closed-Loop System <input type="checkbox"/> | | | | |

21 Proposed Casing and Cement Program

| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
|-----------|-------------|--------------------|---------------|-----------------|---------------|
| 12-1/4" | 8-5/8" | 24.0#/ft | 225' | 150 sx | Surface |
| 7-7/8" | 5-1/2" | 15.5# | 2,600' | 325 sx | Surface |
| | | | | | |
| | | | | | |
| | | | | | |

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Surface: 150 sx Type III cement w/2% CC & 1/4# cello mixed @ 14.5 ppg, 1.41 cuft/sx. Circ cement to surf.

Production: 225 sx (lead) Type III cement w/8% gel, 1/4#/sx cello mixed @ 11.9 ppg, 2.54 cuft/sx followed by 100 sx (tail) Type III cement w/1% CC & 1/4# cello mixed @ 14.5 ppg, 1.41 cuft/sx. Circ cement to surf.

Final cement volumes will be 40% over open hole log volumes. Cement additives may change based on well conditions and availability of the additives. Cement densities will not be changed.

BOP diagram is attached.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines ☐, a general permit ☒, or an (attached) alternative OCD-approved plan ☐.

Printed name:

Title: Drilling Engineer

E-mail Address: Jeff_Patton@XTOEnergy.com

Date: 11/1/04

Phone: 505 - 324 - 1090

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

Conditions of Approval Attached ☐

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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

| | | |
|----------------------------|----------------------------------|-----------------------------------|
| API Number 30-015-32661 | Pool Code 71629 | Pool Name Basin Fruitland COAL |
| Property Code 22828 | Property Name STATE GAS COM M | Well Number 2 |
| OGRID No. 167067 | Operator Name XTO ENERGY INC. | Elevation 6100' |

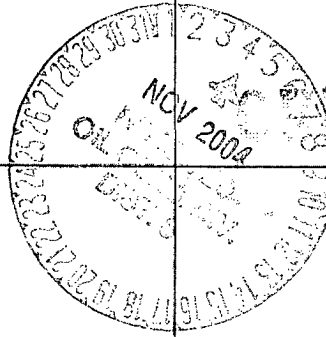
¹⁰ Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| 1 | 16 | 31-N | 12-W | | 1335 | SOUTH | 1200 | 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 |
|----------------------------|---------|----------|----------------------|---------|--------------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |
| Dedicated Acres 320 5/8 | | | Joint or Infill I | | Consolidation Code | | 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

| | | | |
|---|---|---|--|
| 18 |  | 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>Betty K Small</u> Printed Name: <u>Betty K Small</u> Title: <u>Drilling Assistant</u> Date: <u>10/13/04</u> |
| LAT. 36°53'43"N (NAD 27) LONG. 108°05'45"W (NAD 27) FD. 3 1/4" BC. B.L.M. 1952 | | 16 FD. 3 1/4" BC. B.L.M. 1951 | |
| 1335' | | 1200' | |
| N 0-12-19 E | | 2633.8' (M) | |
| M 86-27-04 W 2644.1' (M) | | FD. 3 1/4" BC. B.L.M. 1951 | |
| | | 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. Signature: <u>JOSE VUKOBRA</u> Title: <u>REGISTERED PROFESSIONAL SURVEYOR</u> Date: <u>10/13/04</u> Certificate Number: <u>14831</u> | |

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).

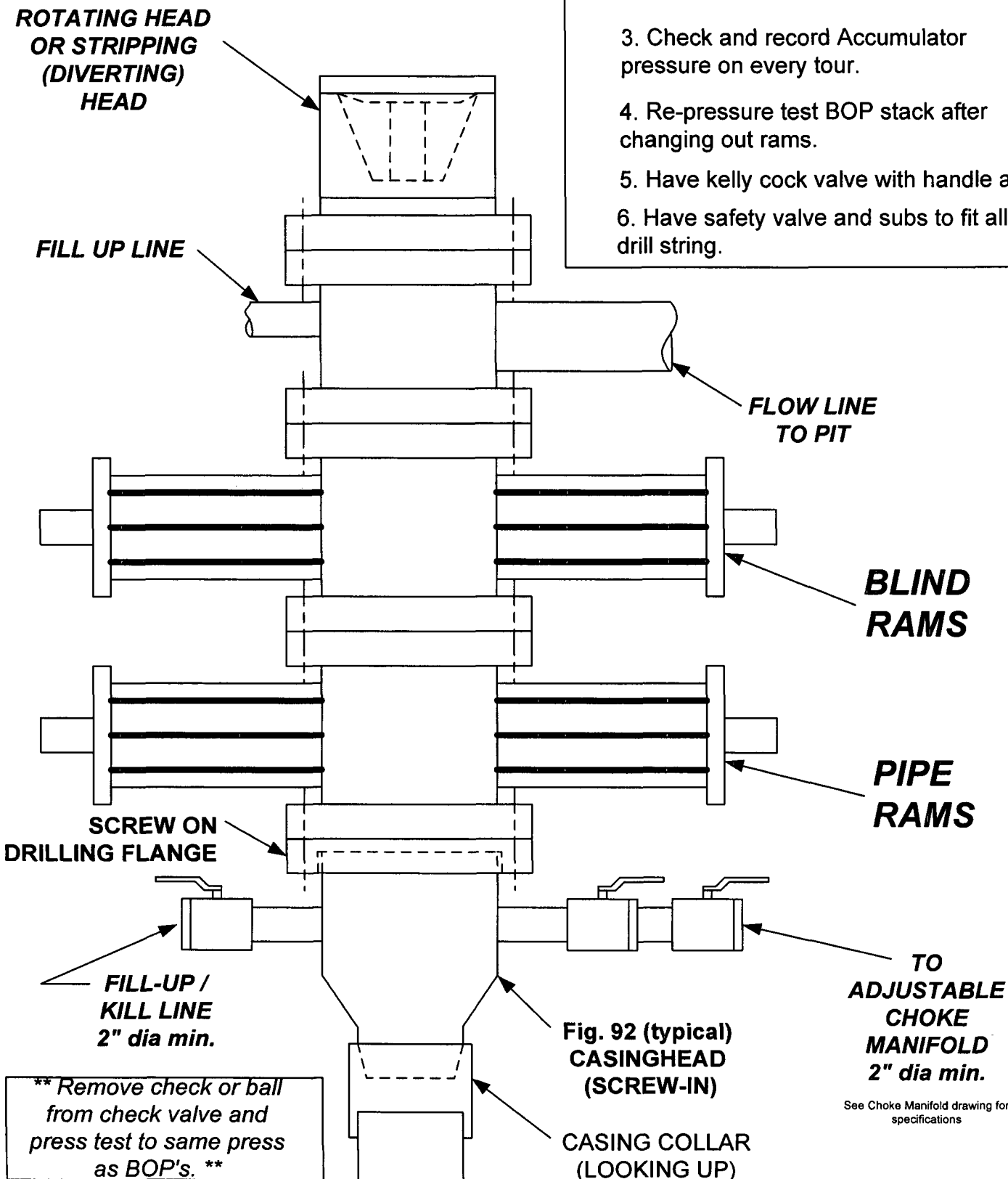
2. Test operation of (both) rams on every trip.

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.



See Choke Manifold drawing for
specifications

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

