

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

5. Lease Serial No. **NMSF-0 047039B**

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. **J F Day E 2**

9. API Well No. **30-045- 32528**

10. Field and Pool, or Exploratory **Otero Chacra & Basin Dakota**

11. Sec., T., R., M., or Blk. and Survey or Area
N 17-28n-10w NMPM

12. County or Parish **San Juan** ✓ 13. State **NM**

1a. Type of Work: ☒ DRILL ☐ REENTER

1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☐ Single Zone ☒ Multiple Zone

2. Name of Operator **XTO Energy Inc.**

3a. Address **2700 Farmington Ave., Bldg K-1 Farmington, NM 87401** 3b. Phone No. (include area code) **(505) 324-1090**

4. Location of Well (Report location clearly and in accordance with any State requirements. *)

At surface **855' FSL & 1860' FWL**

At proposed prod. zone **Same**

14. Distance in miles and direction from nearest town or post office*
6 air miles SE of Bloomfield

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) **855'**

16. No. of Acres in lease **1,343.85**

17. Spacing Unit dedicated to this well
**Chacra = SW4 (160 acres)
Dakota = W2 (320 acres)**

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. **228****

19. Proposed Depth **6,950'**

20. BLM/BIA Bond No. on file
BLM nation wide: 57 91 73

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
5,970' ungraded

22. Approximate date work will start*
Upon Approval

23. 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:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification.
- Such other site specific information and/or plans as may be required by the authorized officer.

Comments

***to XTO's J F Day B 1 R, a Pictured Cliffs gas well
APD/ROW (Williams)**



cc: BLM (& OCD), Patton

25. Signature Name (Printed/Typed) **Brian Wood** Date **8-8-04**

Title **Consultant** Phone: **505 466-8120** FAX: **505 466-9682**

Approved by (Signature) Name (Printed/Typed) **AFM** Date **11/19/04**

Title **AFM** Office **FFO**

Application approval does not warrant or certify 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.

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
State District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

RECEIVED

AUG 11 2004

Bureau of Land Management
Farmington Field Office
AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-32528		² Pool Code 82329 & 71599		³ Pool Name OTERO CHACRA & BASIN DAKOTA	
⁴ Property Code 22616		⁵ Property Name JF DAY E		⁶ Well Number 2	
⁷ GRID No. 167067		⁸ Operator Name XTO ENERGY INC.		⁹ Elevation 5970	

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
N	17	28-N	10-W		855	SOUTH	1860	WEST	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 160 (CH) & 320 (DK)					¹³ Joint or Infill		¹⁴ Consolidation Code		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>SEC. CORNER FD 2 1/2" BC GLO 1913 BC</p> <p>N 00-00-25 E 5277.4' (M)</p> <p>Dakota</p> <p>Chacra</p> <p>1860'</p> <p>855'</p> <p>LAT: 36°39'27" N. (NAD 27) LONG: 107°55'16" W. (NAD 27)</p> <p>SEC. CORNER FD 2 1/2" BC 1913 GLO</p> <p>S 89-55-46 E 2643.4' (M)</p> <p>QTR. CORNER FD 5/8" REBAR & SET STONE</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 AUG. 8, 2004</p> <p>Date</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>Date of Sign: NOV 2004</p> <p>Signature and Seal of Professional Surveyor: <i>[Signature]</i></p> <p>NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR 14831</p> <p>Certificate Number</p>	
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XTO Energy Inc.
J F Day E 2
855' FSL & 1860' FWL
Sec. 17, T. 28 N., R. 10 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 Fm	000'	12'	+5,970'
Ojo Alamo Sandstone	875'	887'	+5,095'
Kirtland Shale	1,050'	1,062'	+4,920'
Fruitland Coal	1,710'	1,722'	+4,260'
Pictured Cliffs Ss	2,015'	2,027'	+3,955'
Lewis Shale	2,190'	2,202'	+3,780'
Chacra Sandstone	2,990'	3,002'	+2,980'
Menefee Shale	3,700'	3,712'	+2,270'
Pt. Lookout Sandstone	4,345'	4,357'	+1,625'
Mancos Shale	4,740'	4,752'	+1,230'
Gallup Sandstone	5,560'	5,572'	+410'
Greenhorn Limestone	6,335'	6,347'	-365'
Graneros Shale	6,390'	6,402'	-420'
Dakota Sandstone	6,420'	6,432'	-450'
Morrison	6,770'	6,782'	-800'
Total Depth (TD)*	6,950'	6,962'	-980'

* all elevations reflect the ungraded ground level of 5,970'

2. NOTABLE ZONES

Gas & Oil Zones

Fruitland
Pictured Cliffs
Cliff House
Menefee
Pt. Lookout
Dakota

Water Zones

Nacimiento
Kirtland
Fruitland

Coal Zones

Fruitland
Menefee

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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.

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 200 psi and then to 2,000 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

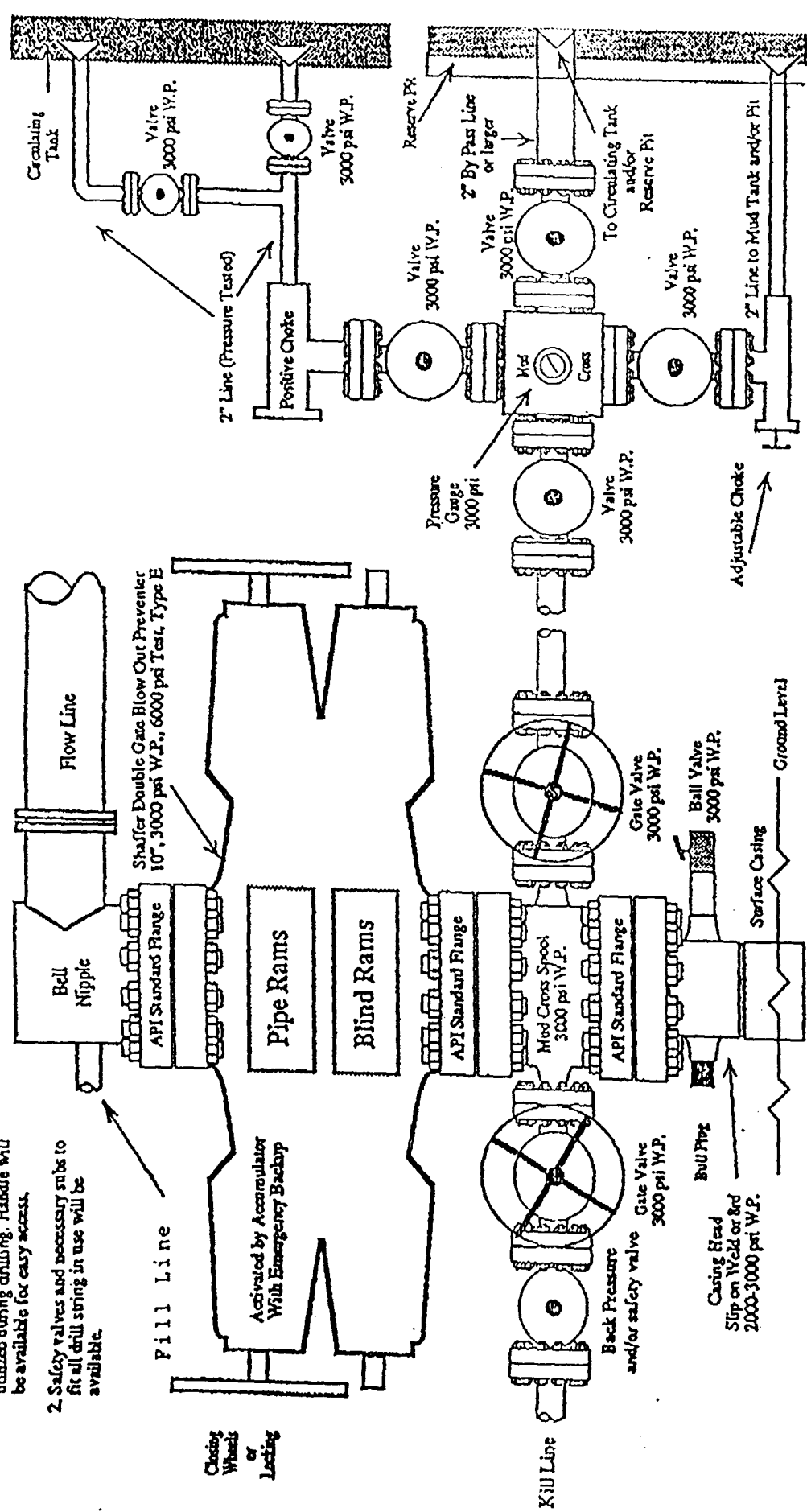
BOP systems will be consistent with API RP 53. Blowout preventers will be installed and tested before drilling surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated daily to ensure good mechanical working order and this inspection recorded on the daily drilling report. Preventers and casing will be pressure tested before drilling casing cement plugs. Maximum expected bottom hole pressure is \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>GL Setting Depth</u>
12-1/4"	8-5/8"	24	J-55	New	8rd, S T & C	325'
7-7/8"	4-1/2"	11.6	K-55	New	8rd, L T & C	6,950'

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 subs 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.

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San Juan County, New Mexico

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Surface casing will be cemented to surface with ≈ 270 cubic feet (≈ 230 sacks) Class B Neat + 1/4 pound per sack cello-flake + 2% CaCl_2 . 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 @ $\approx 4,000'$.

First stage Lead will be cemented to $\approx 4,000'$ with ≈ 840 cubic feet (≈ 609 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 $\approx 1,440$ cubic feet (≈ 500 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 $\approx 3,600'$ with ≈ 126 cubic feet (≈ 100 sacks) Class B or H Neat + 1/4 pounds per sack cello-flake + 2% CaCl_2 . 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 $\approx 6,000'$ and every fourth joint from $\approx 2,000'$ 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

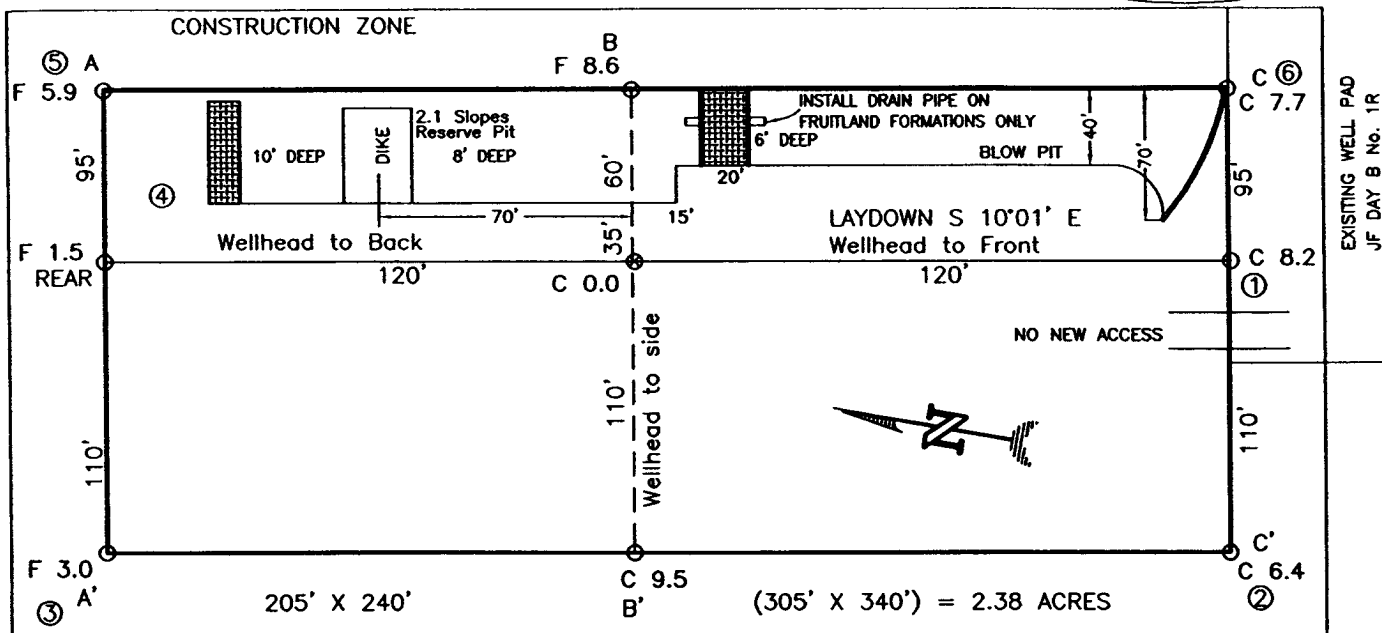
XTO ENERGY INC.

JF DAY E No. 2, 855 FSL 1860 FWL

SECTION 17, T28N, R10W, N.M.P.M., SAN JUAN COUNTY, N. M.

GROUND ELEVATION: 5970, DATE: APRIL 6, 2004

LAT: 36°39'27" N.
LONG: 107°55'16" W.
NAD 27

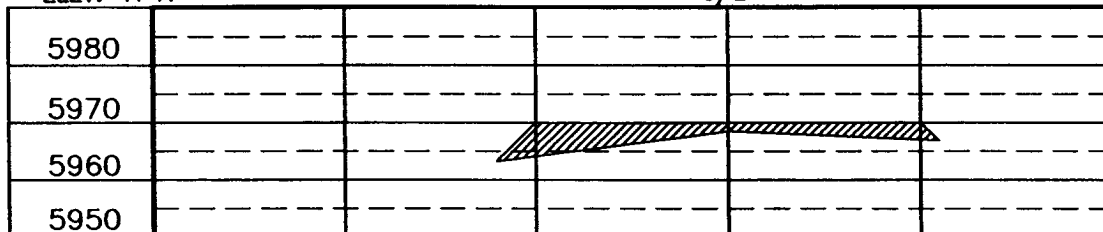


RESERVE PIT DIKE: TO BE 8' ABOVE DEEP SIDE (OVERFLOW - 3' WIDE AND 1' ABOVE SHALLOW SIDE).
BLOW PIT: OVERFLOW PIPE HALFWAY BETWEEN TOP AND BOTTOM AND TO EXTEND OVER PLASTIC LINER AND INTO BLOW PIT.

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.

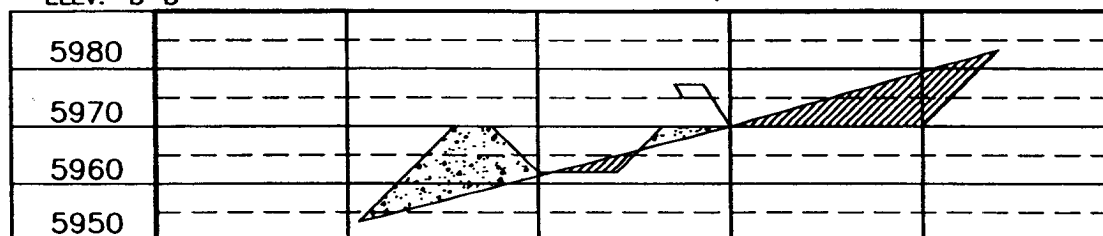
ELEV. A-A'

C/L



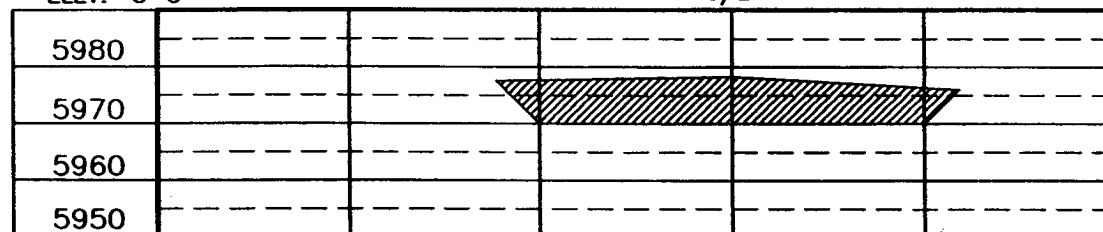
ELEV. B-B'

C/L



ELEV. C-C'

C/L



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.

Daggett Enterprises, Inc.
Surveying and Oil Field Services
P. O. Box 15088 • Farmington, NM 87401
Phone (505) 328-1772 • Fax (505) 328-6019
NEW MEXICO L.S. No. 14831



DATE: 04/14/04

DATE: 04/14/04