

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 077383A**
6. If Indian, Allottee or Tribe Name **N/A**
7. If Unit or CA Agreement, Name and No. **N/A**

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 **1775' FSL & 340' FEL**
At proposed prod. zone **Same**

14. Distance in miles and direction from nearest town or post office*
8 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)

340'

16. No. of Acres in lease

1,280

17. Spacing Unit dedicated to this well

**Chacra = SE4 (160 acres)
Dakota = E2 (320 acres)**

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

1,527'

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.)

6,111' 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:

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).

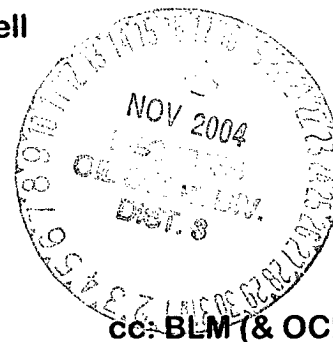
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized officer.

Comments

***to Burlington's Kutz Deep Test 1, a Fruitland coal gas well**

APD/ROW (Williams)

HOLD C104 FOR NSL



cc: BLM (& OCD), Patton

25. Signature

Brian Wood

Name (Printed/Typed)

Brian Wood

Date

8-9-04

Title

Consultant

Phone: 505 466-8120

FAX: 505 466-9682

Approved by (Signature)

[Signature]
AFM

Name (Printed/Typed)

Office

PFO

Date

11/15/04

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.

This action is subject to technical and
procedural review pursuant to 43 CFR 3165.3
and appeal pursuant to 43 CFR 3165.4

NMOCD

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

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

RECEIVED

AUG 11 2004

Bureau of Land Management
Farmington Field Office

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 30-045-32538	Pool Code 82329 & 71599	Pool Name OTERO CHACRA & BASIN DAKOTA
Property Code 22680	Property Name DAVIDSON GAS COM G	Well Number 2
167067	Operator Name XTO ENERGY INC.	Elevation 6111

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	21	28-N	10-W		1775	SOUTH	340	EAST	SAN JUAN

11 Bottom Hole Location If Different From Surface

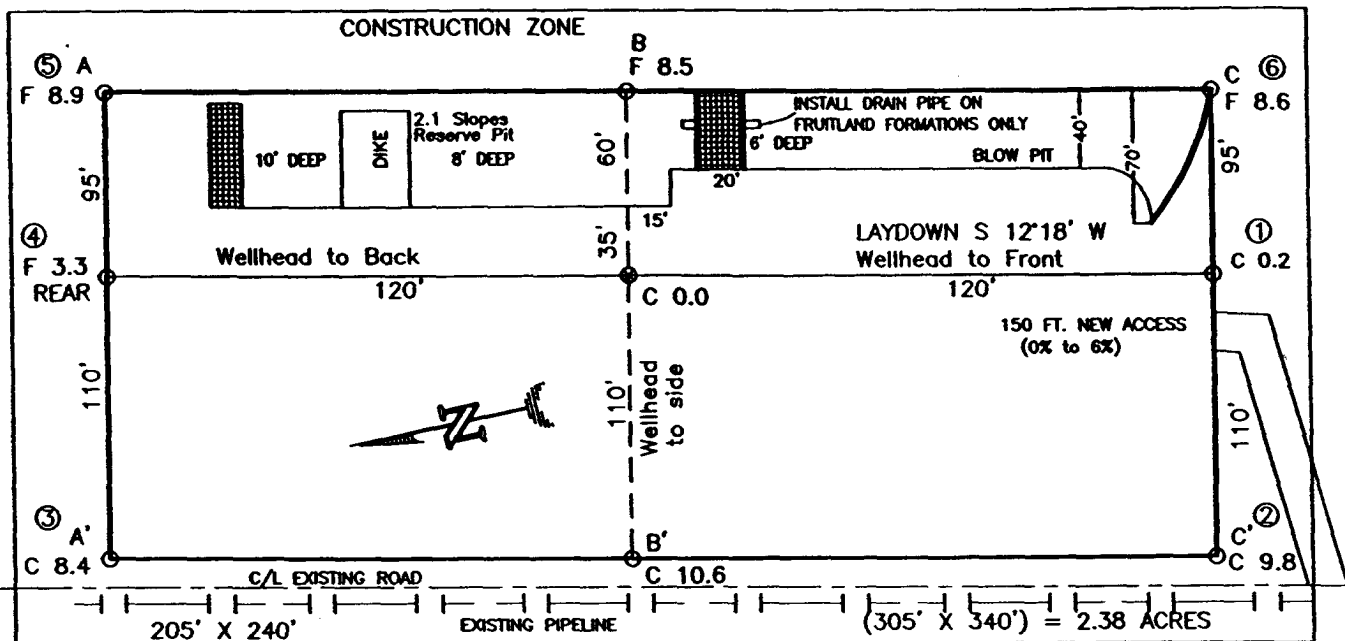
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 160 (CH) & 320 (DK)					Joint or Infill		Consolidation Code C		Order No.

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

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 <u>Brian Wood</u> Printed Name <u>CONSULTANT</u> Title <u>AUG. 9, 2004</u> Date
		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 <u>Aug 11 2004</u> Signature <u>[Signature]</u> Surveyor and Seal of the State of New Mexico REGISTERED PROFESSIONAL SURVEYOR Certificate Number <u>14881</u>

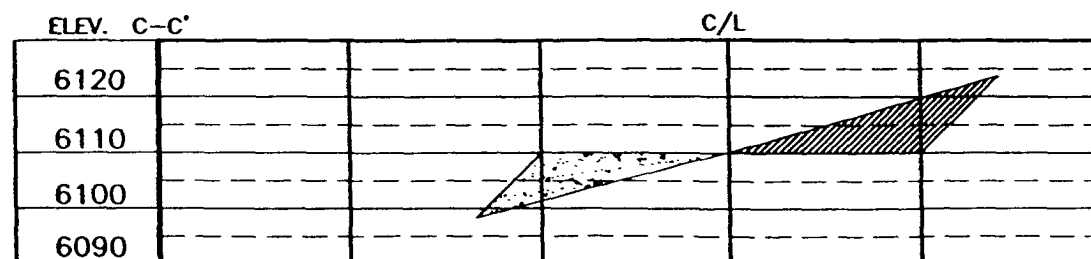
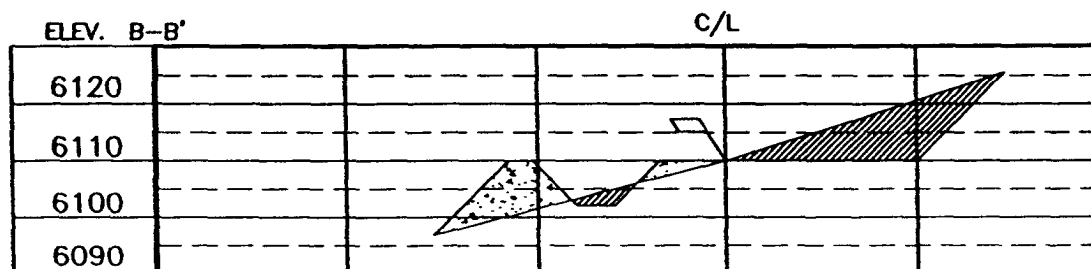
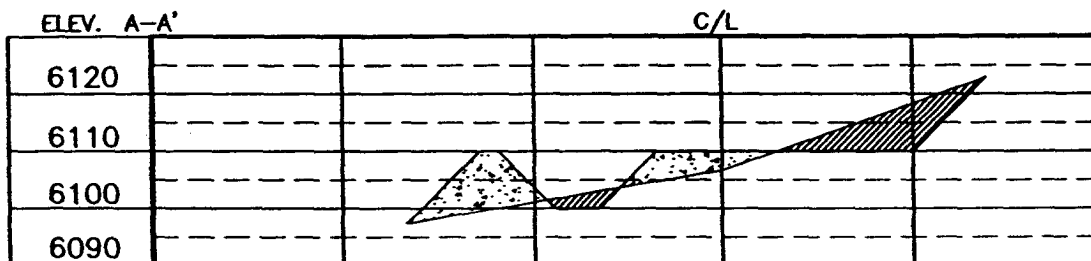
XTO ENERGY INC.
 DAVIDSON GAS COM G #2, 1775' FSL 340' FEL
 SECTION 21, T28N, R10W, N.M.P.M., SAN JUAN COUNTY, N. M.
 GROUND ELEVATION: 6111', DATE: APRIL 6, 2004

LAT. = 36°38'43" N.
 LONG. = 107°53'33" 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.



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.

REVISION	DATE	REVISION BY
Daggett Enterprises, Inc. Surveying and Oil Field Services P. O. Box 15088 • Farmington, NM 87401 Phone (505) 326-1772 • Fax (505) 326-6019 NEW MEXICO L.S. No. 14831 DAPPLE CR303058		
Drawn by: B.L.	DATE: 04/12/04	NOVA: CR303



XTO Energy Inc.
Davidson Gas Com G 2
1775' FSL & 340' FEL
Sec. 21, T. 28 N., R. 10 W.
San Juan County, New Mexico

PAGE 1

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'	+6,111'
Ojo Alamo Sandstone	1,096'	1,108'	+5,015'
Kirtland Shale	1,271'	1,283'	+4,840'
Fruitland Coal	1,896'	1,908'	+4,215'
Pictured Cliffs Ss	2,136'	2,148'	+3,975'
Lewis Shale	2,311'	2,323'	+3,800'
Chacra Sandstone	3,111'	3,123'	+3,000'
Menefee Shale	3,811'	3,823'	+2,300'
Gallup Sandstone	5,641'	5,653'	+470'
Greenhorn Limestone	6,416'	6,428'	-305'
Graneros Shale	6,516'	6,528'	-405'
Dakota Sandstone	6,606'	6,618'	-495'
Morrison	6,911'	6,923'	-800'
Total Depth (TD)*	6,950'	6,962'	-839'

* all elevations reflect the ungraded ground level of 6,111'

2. NOTABLE ZONES

<u>Gas & Oil Zones</u>	<u>Water Zones</u>	<u>Coal Zones</u>
Fruitland	Nacimiento	Fruitland
Pictured Cliffs	Kirtland	Menefee
Cliff House	Fruitland	
Menefee		
Point Lookout		
Dakota		

Water zones will be protected with casing, cement, and weighted mud. Fresh

XTO Energy Inc.

PAGE 2

Davidson Gas Com G 2

1775' FSL & 340' FEL

Sec. 21, T. 28 N., R. 10 W.

San Juan County, New Mexico

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

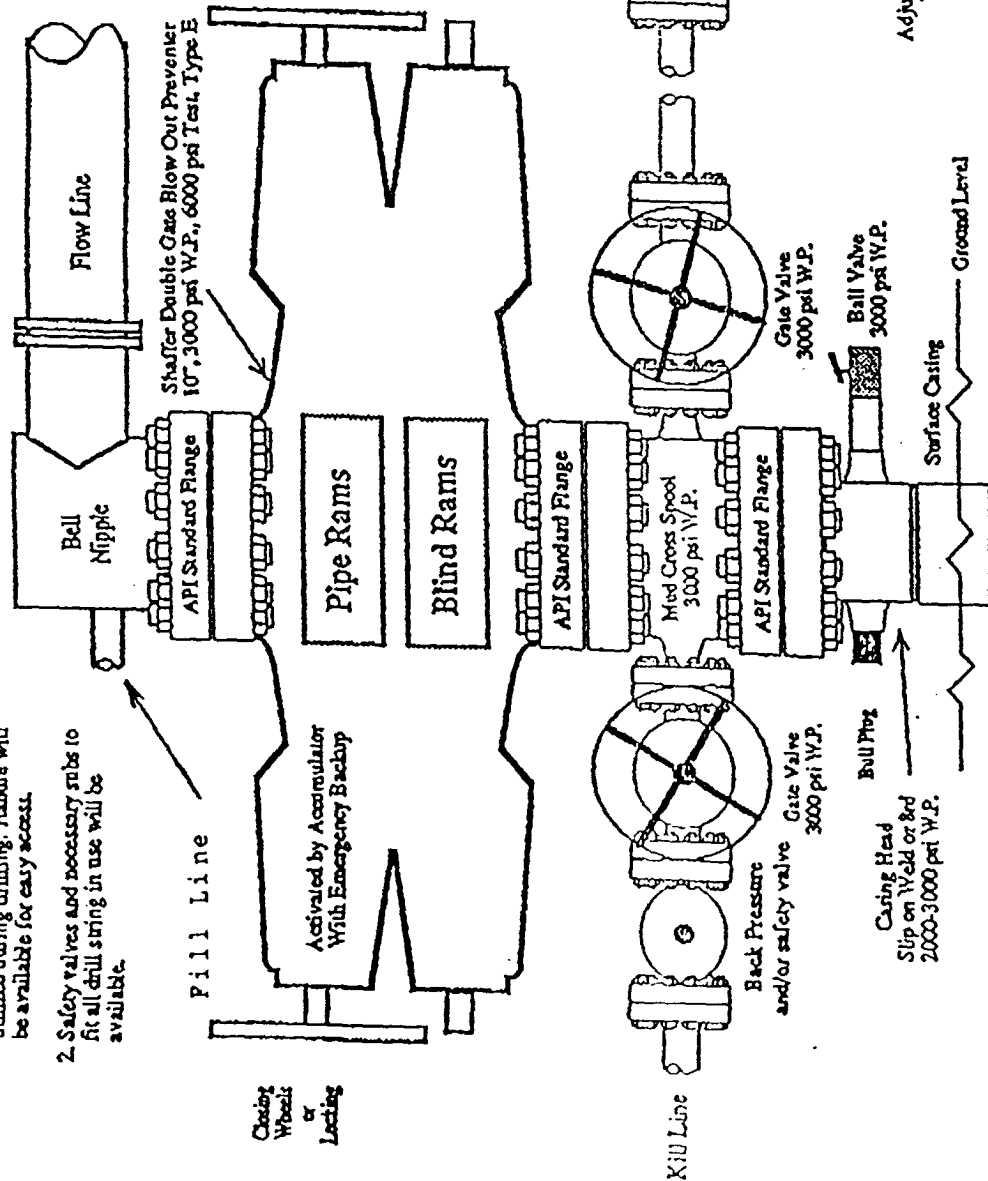
BOP systems will be consistent with API RP 53. Blowout preventers will be installed and tested before drilling surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated daily to ensure good mechanical working order and this inspection 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

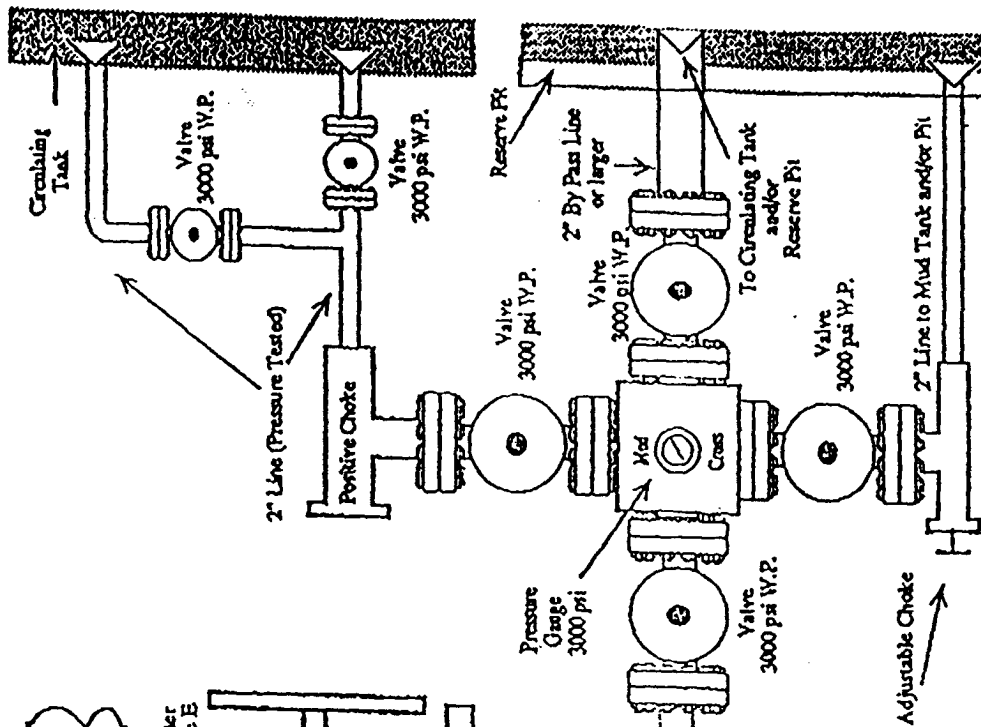
<u>Hole Size</u>	<u>O. D.</u>	<u>Weight (lb/ft)</u>	<u>Grade</u>	<u>Age</u>	<u>Connections</u>	<u>GL Setting Depth</u>
12-1/4"	8-5/8"	24	J-55	New	8rd, S T & C	325'
7-7/8"	4-1/2"	11.6	K-55	New	8rd, L T & C	6,950'

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.

XTO Energy Inc.
Davidson Gas Com G 2
1775' FSL & 340' FEL
Sec. 21, T. 28 N., R. 10 W.
San Juan County, New Mexico

PAGE 4

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