

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0137  
Expires March 31, 2007

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMNM-48568 NMNM-0-48568	
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 N/A	
2. Name of Operator XTO ENERGY INC		7. If Unit or CA Agreement, Name and No. N/A	
3a. Address 2700 FARMINGTON AVE., BLDG. K-1 FARMINGTON, NM 87401		8. Lease Name and Well No. FEDERAL GAS COM J 2	
3b. Phone No. (include area code) (505) 324-1090		9. API Well No. 30-045-32695	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 1500 FNL & 1000 FEL At proposed prod. zone SAME		10. Field and Pool, or Exploratory BASIN FRUITLAND COAL	
11. Sec., T. R. M. or Blk. and Survey or Area H 24-27N-12W NMPM		12. County or Parish SAN JUAN	
13. State NM		14. Distance in miles and direction from nearest town or post office* 11 AIR MILES SSW OF BLOOMFIELD	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1,000'		16. No. of acres in lease 320	
17. Spacing Unit dedicated to this well N2 320		18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 398' (XTO's J 1)	
19. Proposed Depth 2,000'		20. BLM/BIA Bond No. on file BLM NATIONWIDE 57 91 73	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6,082' GL		22. Approximate date work will start* 05/01/2005	
23. Estimated duration 2 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:

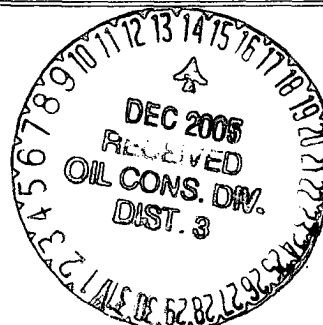
1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20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

25. Signature [Signature]	Name (Printed/Typed) BRIAN WOOD	Date 11/12/2004
Title CONSULTANT PHONE: (505) 466-8120 FAX: (505) 466-9682		
Approved by (Signature) JL	Name (Printed/Typed)	Date 12-9-05
Title Office		

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 page 2)



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

NMOC

This action is subject to technical and  
procedural review pursuant to 43 CFR 3165.4  
and appeal pursuant to 43 CFR 3165.5

DISTRICT I  
P.O. Box 1980, Hobbs, N.M. 88241-1980

DISTRICT II  
P.O. Drawer DD, Artesia, N.M. 88211-0719

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

DISTRICT IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, NM 87504-2088

Form C-102

Revised February 21, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number <b>30-045-32095</b>		*Pool Code <b>71629</b>	*Pool Name <b>BASIN FRUITLAND COAL</b>
*Property Code <b>22709</b>	*Property Name <b>FEDERAL GAS COM J</b>		*Well Number <b>2</b>
*GRID No. <b>167067</b>	*Operator Name <b>XTO ENERGY INC.</b>		*Elevation <b>6082</b>

<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
H.	24	27-N	12-W	.	1500	NORTH	1000	EAST	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
*Dedicated Acres <b>320</b>		*Joint or Infill		*Consolidation Code <b>C</b>		*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

SEC. CORNER FD 2 1/2" BC GLO 1911	N 89°53'34" W 2643.1' (M)	QTR. CORNER FD 2 1/2" BC GLO 1911	N 89°53'34" W 2641.0' (M)	CALC. CORNER	17
<p>LAT: 36°33'50" N. (NAD 27) LONG: 108°03'24.5" W. (NAD 27)</p> <p>1500'</p> <p>1000'</p> <p>S 00°01'32" W 2642.1' (M)</p> <p>24</p> <p>QTR. CORNER FD 2 1/2" BC GLO 1911</p> <p>S 00°01'32" W 2642.2' (M)</p> <p>SEC. CORNER FD 3 1/2" BC GLO 1911</p>					<b>OPERATOR CERTIFICATION</b>
					I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief
					Signature <b>BRIAN WOOD</b>
					Printed Name <b>CONSULTANT</b>
					Date <b>NOV. 12, 2004</b>
					<b>18 SURVEYOR CERTIFICATION</b>
					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 of Survey <b>10-02-03</b>
					Signature and Seal of Professional Surveyor <b>DAVID A. JOHNSON</b> <b>14827</b>
					Certificate Number <b>14827</b>

XTO Energy Inc.  
Federal Gas Com J 2  
1500' FNL & 1000' FEL  
Sec. 24, T. 27 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>Sub sea Elevat</u>
Nacimiento Formation	000'	5'	+6,082'
Ojo Alamo Sandstone	517'	522'	+5,565'
Fruitland Coal	917'	922'	+5,165'
Pictured Cliffs Ss	1,662'	1,667'	+4,420'
Lewis Shale	1,967'	1,972'	+4,115'
Total Depth (TD)*	2,000'	2,005'	+4,082'

\* all elevations reflect the ungraded ground level of 6,082'

### 2. NOTABLE ZONES

<u>Gas &amp; Oil Zones</u>	<u>Water Zones</u>	<u>Coal Zone</u>
Fruitland	Nacimiento	Fruitland
Pictured Cliffs	Ojo Alamo	
	Fruitland	

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 system to be used is not yet known. A typical 2,000 psi stack and manifold are on Page 3. BOP equipment and all accessories will meet or exceed BLM requirements in 43 CFR Part 3160 for a 2,000 psi system. A 2,000 psi double ram hydraulic BOP will be used. Accumulator system capacity will be

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sufficient to close all BOPE with a 50% safety factor. Fill, kill, and choke manifold lines will be 2" screw connections. Accessories will include upper and lower Kelly cocks with handles, stabbing valve to fit drill pipe on floor at all times, string float at bit, 2000 psi choke manifold with 2" adjustable choke with screw connections, and pressure gauge. BOPs will be tested every 24 hours. Tests will be recorded on an I. A. D. C. log.

#### 4. CASING & CEMENT

<u>Hole Size</u>	<u>O. D.</u>	<u>Weight (lb/ft)</u>	<u>Grade</u>	<u>Age</u>	<u>Connection</u>	<u>GL Setting Depth</u>
8-3/4"	7"	20	K-55	New	S T & C	160'
6-1/4"	4-1/2"	10.5	K-55	New	S T & C	2,000'

Surface casing will be cemented to the surface with  $\approx 50$  cubic feet ( $\approx 43$  sacks) Class B + 1/4 lb/sk cello-flake + 2% CaCl<sub>2</sub>. Yield = 1.18 cubic feet per sack. Weight = 15.2 pounds per gallon. Volume:  $\geq 100\%$  excess. A guide shoe and insert float will be used. W. O. C. = 12 hours. Surface casing will be tested to 1,500 psi for 30 minutes.

Production casing will be cemented to the surface. Total cement:  $\geq$  <sup>447</sup>~~367~~ cubic feet. Volumes are calculated at  $>100\%$  excess. If cement does not circulate to surface, then a temperature survey will be run to determine the actual cement top as needed. W. O. C. 12 hours. Test to 2,000 psi.

Lead cement will be  $\approx 200$  sacks Class B light cement (65% cement/35% Poz with 6% gel) with 5 #/sack gilsonite + 1/4 #/sack Flocele. Yield = 1.99 cu ft/sk. Weight = 12.4 #/gal.

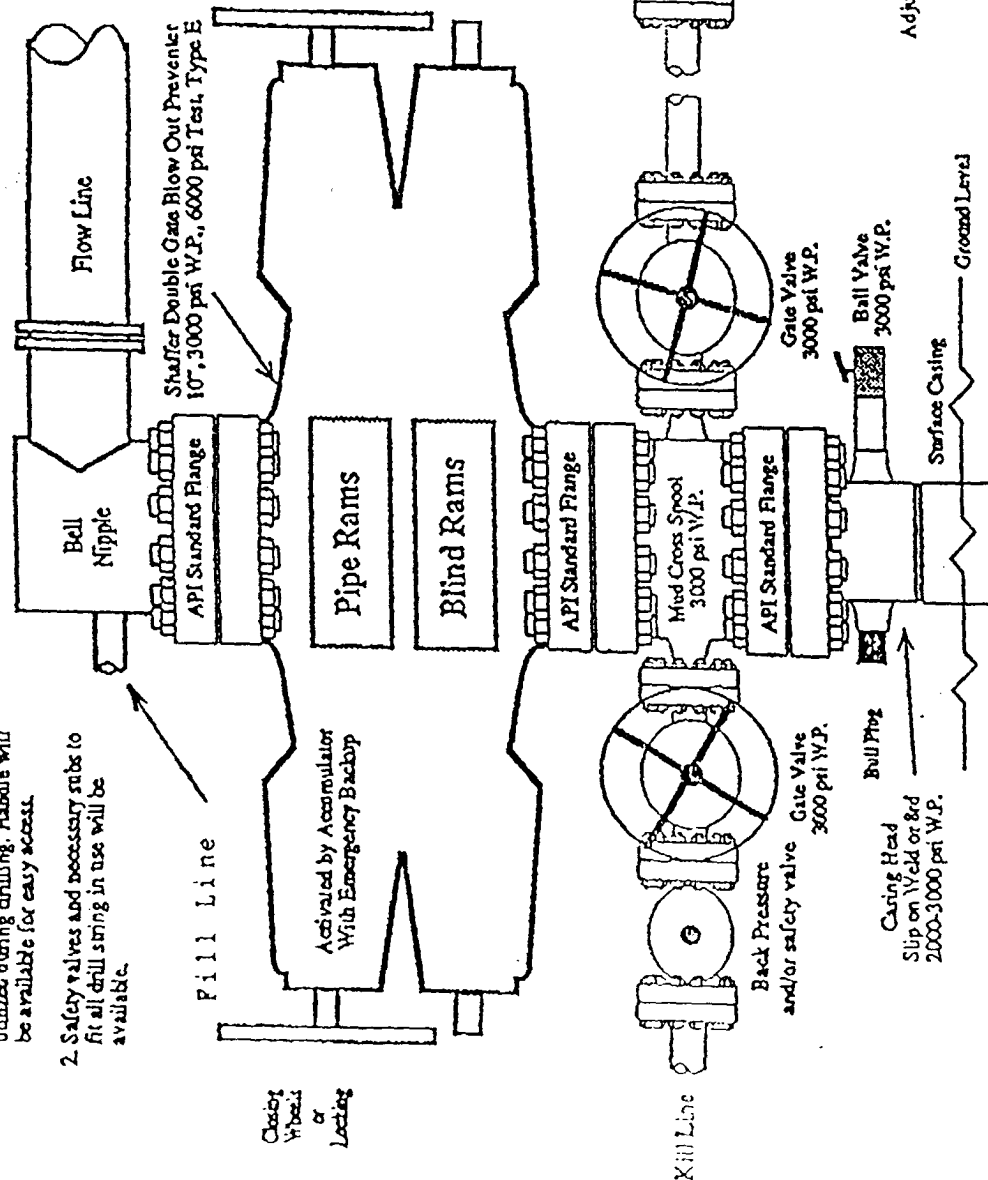
Tail cement will be  $\approx 50$  sacks 50/50 Class B Poz with 2% gel + 1/4 #/sack Flocele + 0.5% Halad-9. Yield = 1.38 cubic feet/sack. Weight = 13.5 #/gallon.

Cement equipment will include a guide shoe, float collar, and  $\approx 9$  centralizers.

# 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 sub to fit all drill string in use will be available.



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.

Minimum 2" Choke Line.  
Minimum 2" Kill Line.  
At Least One 2" Minimum Kill Line Valve.

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1500' FNL & 1000' FEL  
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San Juan County, New Mexico

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#### 5. MUD PROGRAM

<u>RANGE</u>	<u>MUD TYPE</u>	<u>WEIGHT</u>
0' - 160'	Fresh-Spud	8.4
160' - TD	LSND	8.6

Lost circulation and absorption material will be on location.

#### 6. CORING, TESTING, & LOGGING

No cores or drill stem tests are planned. Open hole logs will include GR, Neutron-Density, and Induction. The Neutron Density will be run from TD to 500'. The other logs will be run from TD to the base of the surface casing.

#### 7. DOWN HOLE CONDITIONS

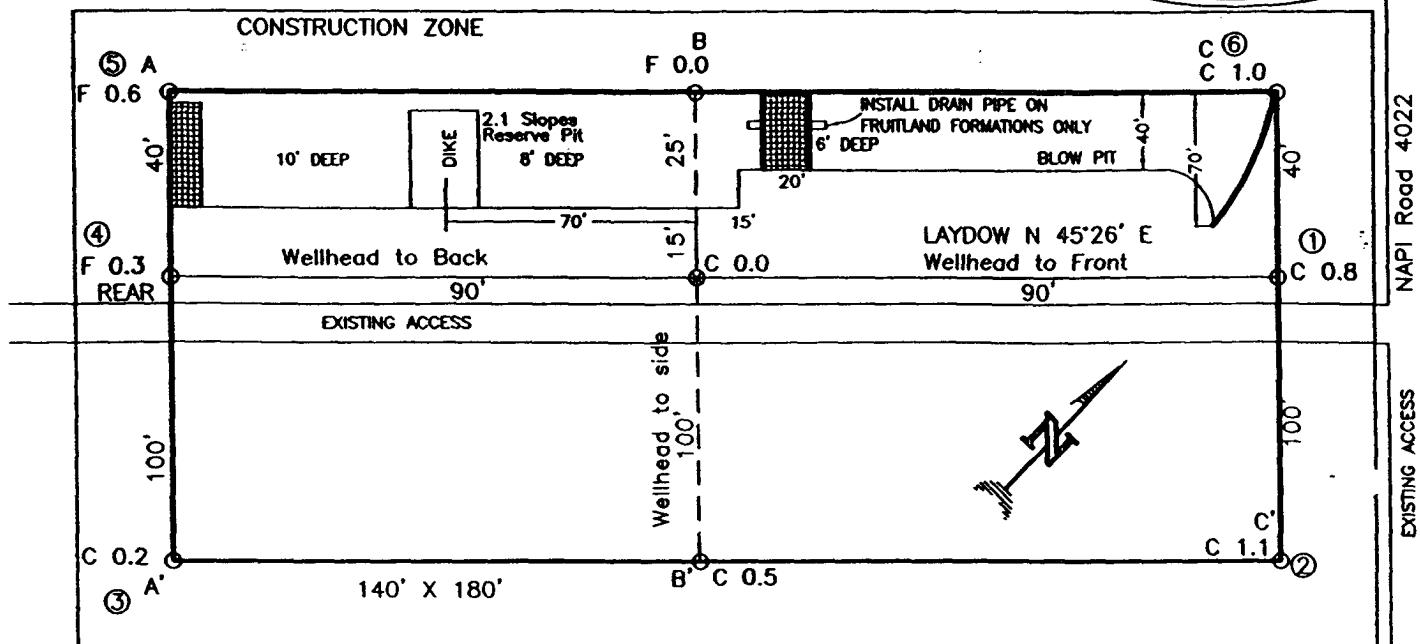
No abnormal pressures, temperatures, nor hydrogen sulfide are expected. Maximum pressure will be  $\leq 200$  psi.

#### 8. OTHER INFORMATION

The anticipated spud date is upon approval. It is expected it will take about 1 week to drill and about 1 week to complete the well.

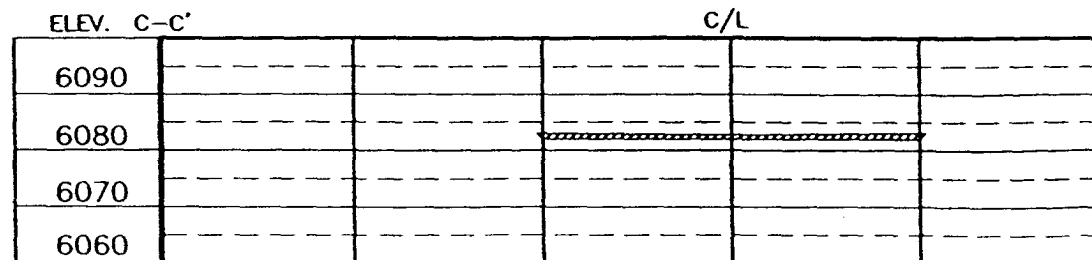
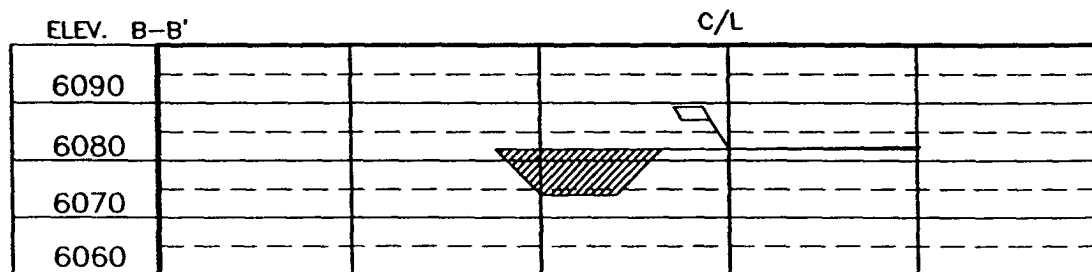
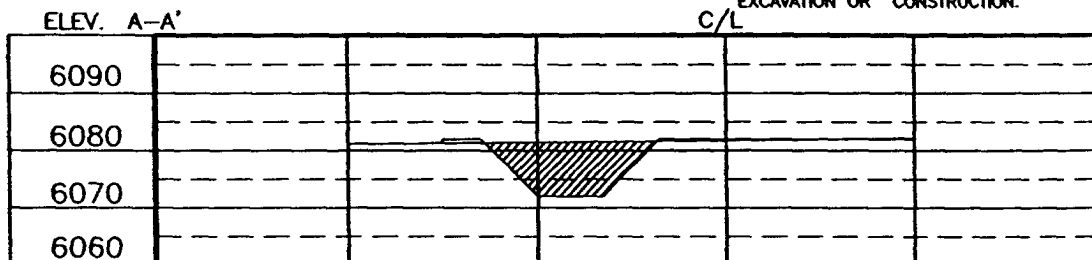
XTO ENERGY INC.  
 FEDERAL GAS COM J No. 2, 1500 FNL 1000 FEL  
 SECTION 24, T27N, R12W, N.M.P.M., SAN JUAN COUNTY, N. M.  
 GROUND ELEVATION: 6082, DATE: SEPTEMBER 22, 2003

LAT. = 36°33'50" N  
 LONG. = 108°03'24.5" 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.