

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

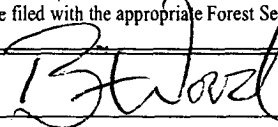
FORM APPROVED  
OMB No. 1004-0137  
Expires March 31, 2007

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. <b>NMSF-078641</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 N/A
2. Name of Operator <b>XTO ENERGY INC</b>		7. If Unit or CA Agreement, Name and No. N/A
3a. Address <b>2700 FARMINGTON AVE., BLDG. K-1 FARMINGTON, NM 87401</b>	3b. Phone No. (include area code) <b>(505) 324-1090</b>	8. Lease Name and Well No. <b>BERGER 7</b>
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface <b>1910 FSL &amp; 1130 FWL</b> At proposed prod. zone <b>SAME</b>		9. API Well No. <b>30-045-32969</b>
14. Distance in miles and direction from nearest town or post office* <b>16 AIR MILES SOUTH OF BLOOMFIELD</b>		10. Field and Pool, or Exploratory <b>Basin Fruitland Coal</b>
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) <b>1,274'</b>	16. No. of acres in lease <b>1,600</b>	11. Sec., T. R. M. or Blk. and Survey or Area <b>L 22-26N-11W NMPM</b>
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. <b>140' (XTO's 3-E)</b>	19. Proposed Depth <b>2,100'</b>	12. County or Parish <b>SAN JUAN</b>
21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>6,265' GL</b>	22. Approximate date work will start* <b>10/10/2005</b>	13. State <b>NM</b>
20. BLM/BIA Bond No. on file <b>BLM NATIONWIDE 57 91 73</b>		
23. Estimated duration <b>2 WEEKS</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. |

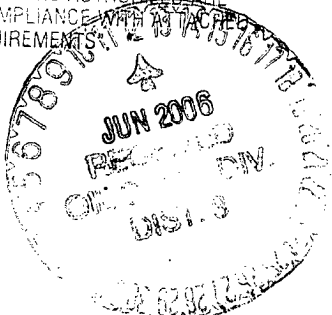
25. Signature 	Name (Printed/Typed) <b>BRIAN WOOD</b>	Date <b>04/16/2005</b>
Title <b>CONSULTANT</b>		
PHONE: (505) 466-8120 FAX: (505) 466-9682		
Approved by (Signature) <b>Original Signed: Stephen Mason</b>	Name (Printed/Typed)	Date <b>JUN 09 2006</b>
Title	Office	

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



This action is subject to technical and procedural review pursuant to 43 CFR 3155.4 and appeal pursuant to 43 CFR 3165.4

NMOCD

RECEIVED  
JUN 19 PM 4 23  
FARMINGTON NM

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

**SUBMIT IN TRIPLICATE- Other instructions on reverse side.**

1. Type of Well  
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator **XTO ENERGY INC.**

3a. Address  
**2700 FARMINGTON AVE., K-1, FARMINGTON, NM 87401**

3b. Phone No. (include area code)  
**505 324-1090**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

**1910' FSL & 1130' FWL 22-27N-11W**

*26W*

5. Lease Serial No.

**NMSF-078641**

6. If Indian, Allottee or Tribe Name

**N/A**

7. If Unit or CA/Agreement, Name and/or No.

**N/A**

8. Well Name and No

**BERGER 7**

9. API Well No.

**30-045-329169**

10. Field and Pool, or Exploratory Area

**BASIN FRUITLAND COAL GAS**

11. County or Parish, State

**SAN JUAN COUNTY, NM**

**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

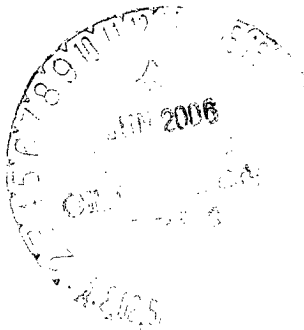
TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <b>Change dedication</b>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Spacing unit dedicated to well was formerly W2.

Spacing unit is now S2 to comply with NMOCD policy.

cc: BLM, Vaughan



2006 JUN 23 9P 2 15  
0707701100

14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

**BRIAN WOOD**

(PHONE 505 466-8120)

Title **CONSULTANT**

(FAX 505 466-9682)

Signature

*Brian Wood*

Date

**01/13/2006**

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by \_\_\_\_\_ Original Signed: **Stephen Mason**

Title

Date

**JUN 09 2006**

Conditions of approval, if any, are attached. Approval of this notice 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.

Office

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)

**NMOCD**

DISTRICT I  
1625 N. Fench Dr., Hobbs, N.M. 88240

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised June 10, 2003  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

DISTRICT II  
1301 W. Grand Avenue, Artesia, N.M. 88210

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

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87504-2088

DISTRICT IV  
1220 South St. Francis Dr., Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-045-32969	<sup>2</sup> Pool Code 71629	<sup>3</sup> Pool Name BASIN FRUITLAND COAL
<sup>4</sup> Property Code 22661	<sup>5</sup> Property Name BERGER	<sup>6</sup> Well Number 7
<sup>7</sup> GRID No. 167067	<sup>8</sup> Operator Name XTO ENERGY INC.	<sup>9</sup> Elevation 6265'

<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
L	22	26-N	11-W	.	1910	SOUTH	1130	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					<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.

16 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>QTR. CORNER FD 2 1/2" BC GLO 1930</p>		22		<p>1130'</p>		<p>LAT: 36°28'18" N. (NAD 27) LONG: 107°59'45" W. (NAD 27)</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 <b>BRIAN WOOD</b></p> <p>Printed Name <b>CONSULTANT</b></p> <p>Title <b>JAN. 13, 2006</b></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</p> <p>Signature of Professional Surveyor: <i>[Signature]</i></p> <p>14831</p> <p>REGISTERED PROFESSIONAL SURVEYOR</p> <p>Certificate Number</p>	
<p>SEC. CORNER FD 2 1/2" BC GLO 1930</p>		<p>N 89-58-23 E 2639.6' (M)</p>		<p>1910'</p>		<p>N 00-55-27 E 2607.7' (M)</p>			

Submit 3 Copies To Appropriate District Office  
District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Ave., Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., 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-103  
May 27, 2004

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-045-32969
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator XTO ENERGY INC.		6. State Oil & Gas Lease No. NMSF-078641
3. Address of Operator 2700 FARMINGTON AVE., BLDG. K-1, FARMINGTON, NM 87401		7. Lease Name or Unit Agreement Name BERGER
4. Well Location Unit Letter L : 1910 feet from the SOUTH line and 1130 feet from the WEST line Section 22 Township 26N Range 11W NMPM County SAN JUAN		8. Well Number 7
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6,265' GL		9. OGRID Number 167067
Pit or Below-grade Tank Application <input checked="" type="checkbox"/> or Closure <input type="checkbox"/>		
Pit type DRILLING Depth to Groundwater ~200' Distance from nearest fresh water well >1/2 mi Distance from nearest surface water ~500'		
Pit Liner Thickness: 12 mil Below-Grade Tank: Volume bbls Construction Material		

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: DRILLING PIT <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed & closed according to NMOCD guidelines ☒ a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

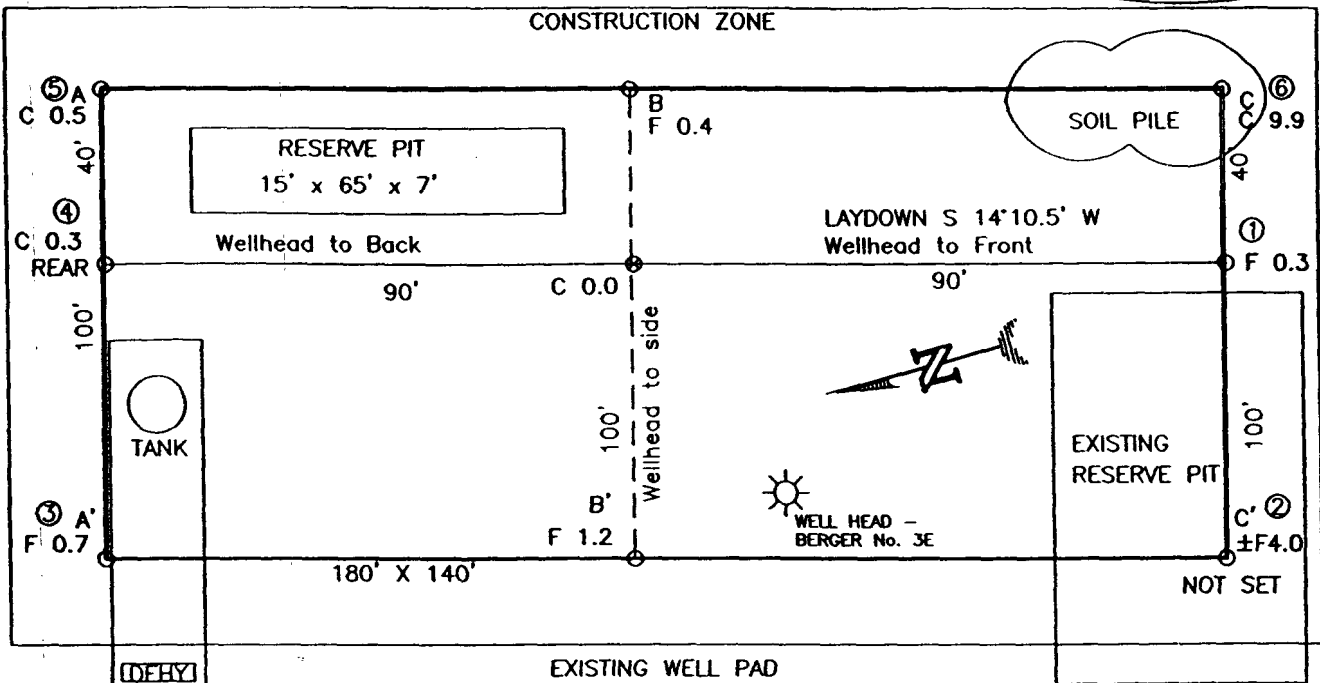
SIGNATURE Brian Wood TITLE CONSULTANT DATE 4-16-05

Type or print name BRIAN WOOD E-mail address: brian@permitswest.com Telephone No. (505) 466-8120  
For State Use Only

APPROVED BY: [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 2 DATE JUN 12 2006  
Conditions of Approval (if any):

XTO ENERGY INC.  
 BERGER No. 7, 1910 FSL 1130 FWL  
 SECTION 22, T26N, R11W, N.M.P.M., SAN JUAN COUNTY, N. M.  
 GROUND ELEVATION: 6265, DATE: JULY 12, 2004

LAT: 36°28'18" N.  
 LONG: 107°59'45" 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

6280					
6270					
6260					
6250					

ELEV. B-B'

C/L

6280					
6270					
6260					
6250					

ELEV. C-C'

C/L

6280					
6270					
6260					
6250					

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 15068 • Farmington, NM 87401  
 Phone (505) 326-1772 • Fax (505) 326-4019  
 NEW MEXICO L.S. No. 14831



DATE: 07/21/04  
 DRAWN BY: A.G.  
 CHECKED BY: CR3-46

XTO Energy Inc.  
Berger 7  
1910' FSL & 1130' FWL  
Sec. 22, T. 26 N., R. 11 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	0'	5'	+6,265'
Ojo Alamo	440'	445'	+5,825'
Farmington	605'	610'	+5,660'
Fruitland Coal	1,045'	1,050'	+5,220'
Pictured Cliffs	1,485'	1,490'	+4,780'
Lewis Shale	1,865'	1,870'	+4,400'
Total Depth (TD)*	2,100'	2,105'	+4,164'

### 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, manifold, and testing procedures are on Page 3.

XTO Energy Inc.

PAGE 2

Berger 7

1910' FSL & 1130' FWL

Sec. 22, T. 26 N., R. 11 W.

San Juan County, New Mexico

#### 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>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	2,100'

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%  $\text{CaCl}_2$ . 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:  $> 437$  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  $\approx 185$  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 10 centralizers.

#### 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.

XTO Energy Inc.

PAGE 4

Berger 7

1910' FSL & 1130' FWL

Sec. 22, T. 26 N., R. 11 W.

San Juan County, New Mexico

#### 6. CORES, TESTS, & LOGS

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  $\approx 200$  psi.

#### 8. OTHER INFORMATION

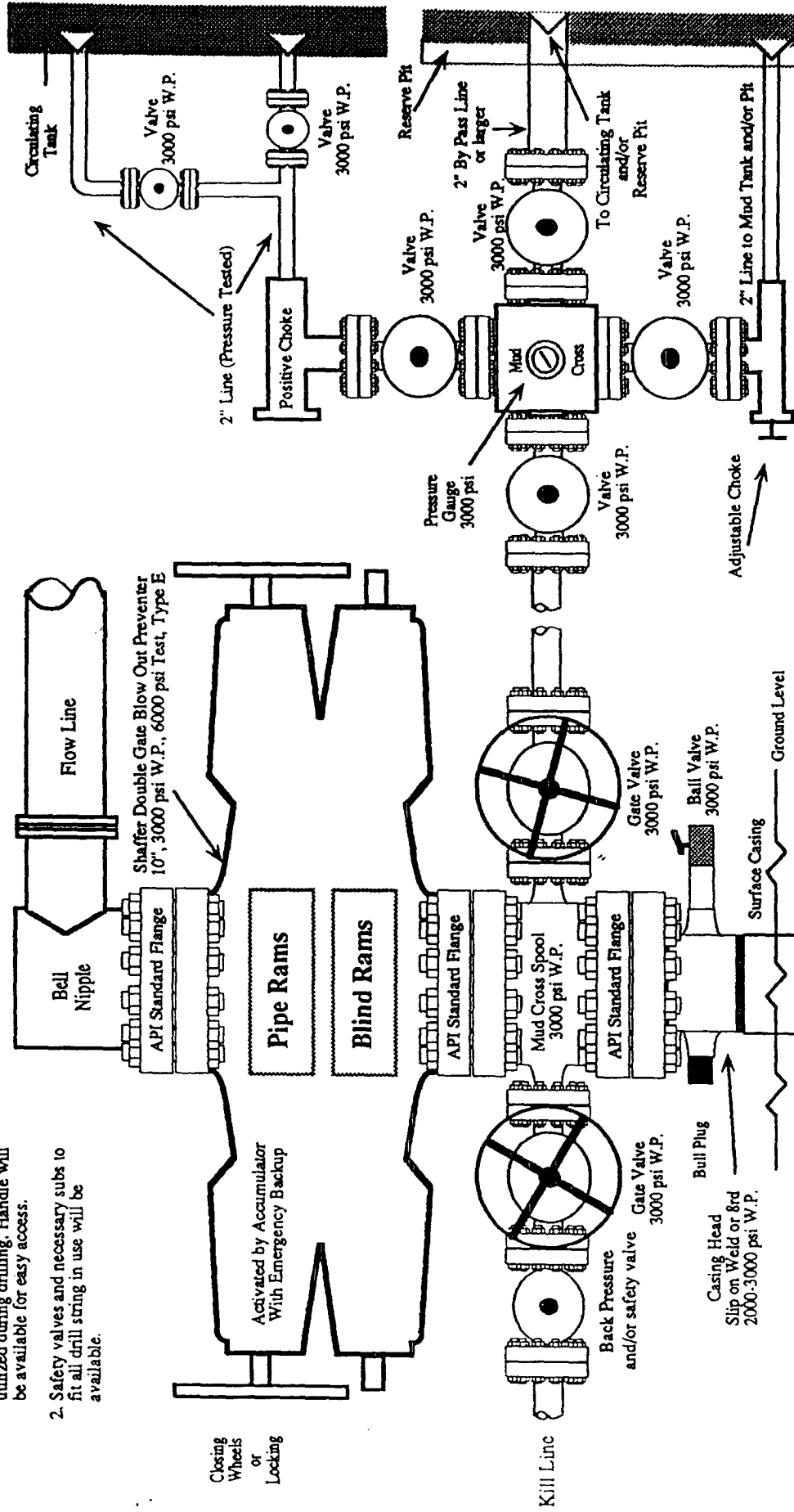
The anticipated spud date is upon approval. It is expected it will take about 1 week to drill and about 1 week to complete the well.



# 2,000 PSI BOP SYSTEM

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.



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.