

APPLICATION FOR PERMIT TO DRILL OR REENTER

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

5. Lease Serial No.
NMSF-080382A

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.
SCHWERTFEGER D 3 R

9. API Well No
30-045- 33216

10. Field and Pool, or Exploratory BASIN DAKOTA

11. Sec., T. R. M. or Blk. and Survey or Area

21-27N-11W NMPM

12. County or Parish SAN JUAN	13. State NM
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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 725 FNL & 1405 FWL

At proposed prod. zone SAME

14. Distance in miles and direction from nearest town or post office*
10 AIR MILES SOUTH OF BLOOMFIELD

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1405'

16. No. of acres in lease
2.081.12

17. Spacing Unit dedicated to this well

W2

18. Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease, ft. 919' (XTO's 21-2)

19. Proposed Depth
6,750'

20. BLM/BIA Bond No. on file
BLM NATIONWIDE-57-91-73 W-10848

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
6.275' GL

22. Approximate date work will start*
12/01/2005

23. Estimated duration	4 WEEKS
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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 	Name (Printed/Typed) BRIAN WOOD	Date 06/30/2005
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Title **CONSULTANT** PHONE: (505) 466-8120 FAX: (505) 466-9682

Approved by (Signature) 	Name (Printed/Typed)	Date 7/21/0
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Title	AFM	Office	FPO
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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)**

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

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

NMOCB

DISTRICT I
625 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
Santa Fe, NM 87504-2088

Form C-102

Revised June 10, 2003

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

RECEIVED

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-33210		*Pool Code 71599	*Pool Name BASIN DAKOTA
*Property Code 35855	*Property Name SCHWERTFEGER D		*Well Number 3R
*OGRIID No. 167067	*Operator Name XTO ENERGY INC.		*Elevation 6275

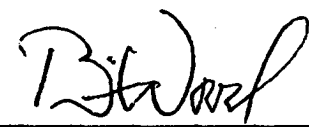

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	21	27-N	11-W	.	725	NORTH	1405.	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
*Dedicated Acres 320		*Joint or Infill		*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

16 SEC. CORNER FD 2 1/2" BC 1913 GLO 1405' S 00°00'48" W 5283.2' (M) SEC. CORNER FD IRON PIPE	725' N 89-59-57 E 5277.5' (C) LAT: 36°33'57" N. (NAD 27) LONG: 108°00'46" W. (NAD 27) 21	CALC'D COR. DEB. PROP.	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief  Signature BRIAN WOOD Printed Name CONSULTANT Title JUNE 30, 2005 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 knowledge and belief  Date of Survey Signature and Seal of Professional Surveyor 14831 Certificate Number	

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

WELL API NO.	30-045-33216
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>	
6. State Oil & Gas Lease No. NMSF-080382A	
7. Lease Name or Unit Agreement Name SCHWERTFEGER D	
8. Well Number	3 R
9. OGRID Number	167067
10. Pool name or Wildcat BASIN DAKOTA	

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.)

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

2. Name of Operator
XTO ENERGY INC.

3. Address of Operator 2700 FARMINGTON AVE., BLDG. K-1,
FARMINGTON, NM 87401

4. Well Location
Unit Letter C : 725 feet from the NORTH line and 1405 feet from the WEST line
Section 21 Township 27N Range 11W NMPM County SAN JUAN

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6,275' GL

Pit or Below-grade Tank Application ☒ or Closure ☐

Pit type DRILLING Depth to Groundwater >250' Distance from nearest fresh water well >1 mi Distance from nearest surface water ~300'

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:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: DRILLING PIT ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

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 6-30-05

Type or print name BRIAN WOOD

For State Use Only

E-mail address: brian@permitswest.com Telephone No. (505) 466-8120


APPROVED BY: [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 4 DATE JUL 24 2006

Conditions of Approval (if any):

LAT: 36°33'57" N.
LONG: 108°00'46" W.
NAD 27



MOBILE	DATE	RECEIVED BY
PAD INFORMATION	10/27/94	A.G.
INSTRUCTIONS	9/21/94	A.G.



Daggett Enterprises, Inc.
 Surveying and Oil Field Services
 P. O. Box 15068 • Farmington, NM 87401
 Phone (505) 328-1772 • Fax (505) 328-6019

NEW MEXICO	L.S. No. 14831
DATE	04/19/04
DATE	04/19/04

DATE	04/19/04
DATE	04/19/04

XTO Energy Inc.
Schwerdtfeger D 3 R
725' FNL & 1405' FWL
Sec. 21, T. 27 N., R. 11 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'	+6,275'
Ojo Alamo Sandstone	865'	877'	+5,410'
Kirtland Shale	925'	937'	+5,350'
Fruitland Coal	1,675'	1,687'	+4,600'
Pictured Cliffs Ss	1,885'	1,897'	+4,390'
Chacra Sandstone	2,825'	2,837'	+3,450'
Gallup Sandstone	5,480'	5,492'	+795'
Greenhorn Limestone	6,340'	6,352'	-65'
Graneros Shale	6,400'	6,412'	-125'
Dakota Sandstone	6,500'	6,512'	-225'
Total Depth (TD)*	6,750'	6,762'	-475'

2. NOTABLE ZONES

Gas & Oil Zones

Fruitland
Pictured Cliffs
Gallup
Dakota

Water Zones

Nacimiento
Ojo Alamo
Fruitland

Coal Zones

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.

XTO Energy Inc.
Schwerdtfeger D 3 R
725' FNL & 1405' FWL
Sec. 21, T. 27 N., R. 11 W.
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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 1,000 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 $\approx 2,700$ 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>Set Depth</u>
12-1/4"	8-5/8"	24	J-55	New	8 rd, S T & C	325'
7-7/8"	5-1/2"	15.5	K-55	New	8 rd, L T & C	6,750'

XTO Energy Inc.
Schwerdtfeger D 3 R
725' FNL & 1405' FWL
Sec. 21, T. 27 N., R. 11 W.
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 2 joints + every 4th 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 ≈ 605 cubic feet (≈ 438 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 $\approx 1,095$ cubic feet (≈ 380 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 ≈ 95 cubic feet (≈ 76 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

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6. CORES, TESTS, & LOGS

No cores or drill stem tests are planned. Induction logs will be run from TD to $\approx 3,000'$. Neutron density - GR logs will be run from TD to base of surface casing.

7. DOWN HOLE CONDITIONS

No abnormal pressures, temperatures, nor hydrogen sulfide are expected. Maximum bottom hole pressure will be $\approx 2,700$ psi.

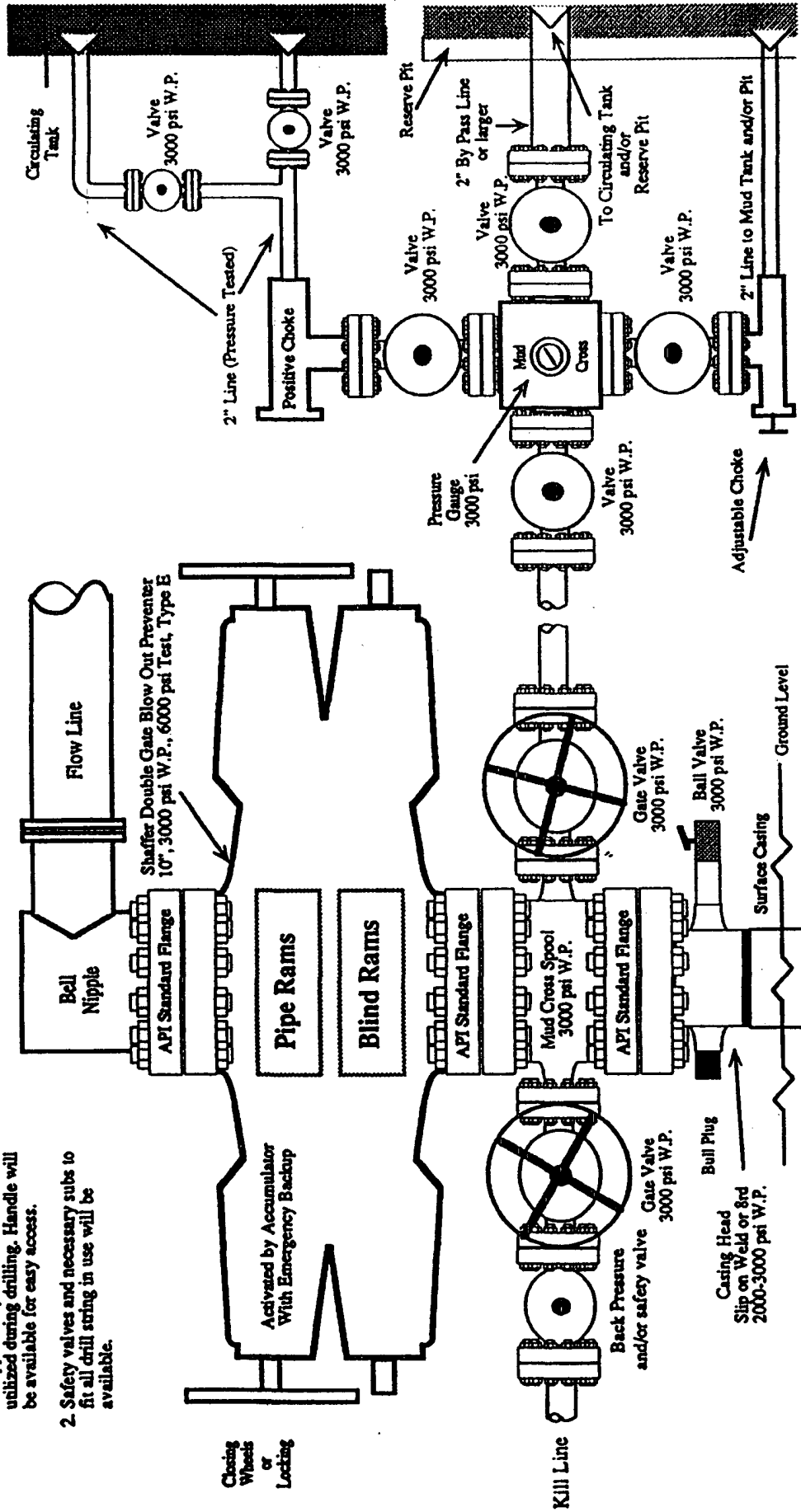
8. OTHER INFORMATION

The anticipated spud date is upon approval. It is expected it will take about two weeks to drill and two weeks 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.