

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions on
reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

b. TYPE OF WELL

OIL
WELL ☐

GAS
WELL ☒

OTHER

SINGLE
ZONE ☒

MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

XTO Energy Inc.

3. ADDRESS AND TELEPHONE NO.

2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface

1,980' FSL & 1,980' FEL in Sec 7, T31N., R12W
At proposed prod. zone

same as above

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

13 air miles northwest of the Aztec, NM Post Office

15. DISTANCE FROM PROPOSED*
LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

661'

16. NO. OF ACRES IN LEASE

480

17. NO. OF ACRES ASSIGNED
TO THIS WELL

316.21

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

1336'

19. PROPOSED DEPTH

2,475'

20. ROTARY OR CABLE TOOLS

0-2,475' with Rotary Tools

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

5,901' Ungraded Ground Level

22. APPROX. DATE WORK WILL START*

Summer 2003

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
8-3/4"	7", J-55	20.0#/ft	+200'	75 sx Type III or C1 B cement
6-1/4"	4-1/2", J-55	10.5#/ft	+2,475'	195 sx Premium Lite cement

XTO ENERGY INC. Request approval to drill the above mentioned well as described in the enclosed Surface Use Plan and proposed Drilling Program.

Note: Because XTO Energy Inc. has an existing gas gathering system in this lease, no pipeline ROW is required. A proposed pipeline route (to be installed by XTO) is attached for your review.

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".

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

TITLE

Drilling Engineer

DATE

4/11/03

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

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:

/s/ David J. Mankiewicz

JUL 23 2003

APPROVED BY

TITLE

DATE

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes 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
1825 N. French Dr., Hobbs, N.M. 88240

DISTRICT II
811 South First, Artesia, N.M. 88210

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

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 15, 2000

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-31624	*Pool Code 711029	*Pool Name Basin Fruitland Coal
*Property Code 30342	*Property Name STAGECOACH	*Well Number 2
*OGRD No. 167067	*Operator Name XTO ENERGY INC.	*Elevation 5901'

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
J	7	31-N	12-W		1980'	SOUTH	1980'	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 316.21 5/2		*Joint or Infill I		*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

<p>16</p> <p>RECEIVED JUL 11 11 3:59 AM 070 Pacheco, NM</p> <p>LOT 1</p> <p>LOT 2</p> <p>LOT 3</p> <p>LOT 4</p> <p>SF-078243</p> <p>MM-021123</p> <p>LAT: 36°54'44" N. (NAD 83) LONG: 108°08'06" W.</p> <p>FD 3 1/4" B.L.M. BC 1952</p> <p>FD 3 1/4" B.L.M. BC 1952</p> <p>N 89-35-08 W 2642.10' (M)</p> <p>N 00-09-32 E 2641.40' (M)</p> <p>661'</p> <p>662'</p> <p>1980'</p> <p>659'</p> <p>659'</p> <p>1980'</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>Signature <u>Jeffrey W Patton</u></p> <p>Printed Name <u>JEFFREY W PATTON</u></p> <p>Title <u>DRILLING ENGINEER</u></p> <p>Date <u>4-11-03</u></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 Survey <u>14827</u></p> <p>Signature and Seal of Professional Surveyor: <u>DAVID A. JOHNSON</u></p> <p>REGISTERED PROFESSIONAL SURVEYOR</p> <p>Certificate Number <u>14827</u></p>
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XTO ENERGY INC.

DRILLING PROCEDURE

STAGECOACH #2

Basin Fruitland Coal

April 11, 2003

Location: 1,980' FSL & 1,980' FEL, Sec 7, T31N, R12W County: San Juan State: New Mexico

PROJECTED TOTAL DEPTH: 2,475' OBJECTIVE: Fruitland Coal GR ELEV: 5,901'

1. MUD PROGRAM:

INTERVAL	0'-200'	200'-TD
HOLE SIZE	8-3/4"	6-1/4"
MUD TYPE	FW/Native	FW/Polymer
MUD WEIGHT, ppg	8.6-9.0	8.6-9.1
VISCOSITY, sec/qt	28-32	28-33
WATER LOSS, cc	NC	NC

Remarks: Drill the surface hole with fresh water. Run and cement 7" surface casing, circulating cement to surface. NU and test BOP equipment, then drill out with fresh water. Use polymer sweeps as needed for hole cleaning. At TD, sweep the hole prior to TOH to log.

2. CASING PROGRAM:

Surface Casing: 7" casing to be set at $\pm 200'$ in 8.8 ppg mud.

Interval	Length	Wt (ppf)	Gr	Cplg	Coll Rating (psi)	Burst Rating (psi)	Jt Str (M-lbs)	ID (in)	DD (in)	SF Coll	SF Burst	SF Tension
0'-200'	200'	20#	J-55	STC	2,270	3,740	234	6.456	6.331	9.99	4.59	58.5

Optimum makeup torque for 7" 20#, J-55, STC casing is **2,340 ft-lbs** (Min - 1,760 ft-lbs, Max - 2,930 ft-lbs).

Production Casing: 4-1/2" casing to be set at $\pm 2,475'$ in 8.8 ppg mud.

Interval	Length	Wt (ppf)	Gr	Cplg	Coll Rating (psi)	Burst Rating (psi)	Jt Str (M-lbs)	ID (in)	DD (in)	SF Coll	SF Burst	SF Tension
0'-TD	2,475'	10.5#	J-55	STC	4,010	4,790	132	4.052	3.927	3.57	3.33	5.24

Optimum makeup torque for 4-1/2", 10.5#, J-55, casing is **1,320 ft-lbs** (Min - 990 ft-lbs, Max - 1,650 ft-lbs).

Capacity of 7", 20# casing is: 0.04048 bbl/ft

Capacity of 4-1/2", 10.5# casing is: 0.01595 bbl/ft

EXHIBIT E

3. **WELLHEAD:**

Casinghead: Larkin Fig 92 (or equivalent) 2,000 psig WP (4,000 psig test) with 7", 8rd pin on bottom and 8-5/8" API Modified 8rd thread on top.

Tubinghead: Larkin Model 612 (or equivalent) 2,000 psig WP (4,000 psig test) with 4-1/2", 8rd bottom thread and 8-5/8" 8rd API Modified top body thread, 4.090" minimum bore.

4. **CEMENT PROGRAM:**

A. **Surface:** 7", 20#, J-55, STC casing at $\pm 200'$.

Lead: 75 sx Type III cement (or equivalent) containing 1/4 pps celloflake, 2% CaCl_2 (mixed at 14.6 ppg, 1.39 ft³/sk, 6.67 gal wtr/sk).

Total slurry volume is 104.25 ft³, 250% excess of calculated annular volume required to circulate cement to surface.

B. **Production:** 4-1/2", 10.5#, J-55, STC casing at $\pm 2,475'$.

Lead: 125* sx of Type III cement containing 8% gel, 1/4 pps Celloflake & 2% Phenoseal (mixed at 11.4 ppg, 3.03 ft³/sk, 18.51 gal wtr/sk).

Tail: 70 sx Type III cement containing 1% CaCl_2 , 1/4 pps Celloflake & 2% Phenoseal (mixed at 14.5 ppg, 1.41 ft³/sk, 6.72 gal wtr/sx).

Total estimated slurry volume is 477 ft³, $\pm 100\%$ excess of calculated annular volume required to circulate cement to surface.

* Actual cement volumes will be determined using log caliper volume plus 40% excess.

5. **DRILLING HAZARDS:**

- H₂S or other Poisonous Gases: No formations known to contain H₂S or any other poisonous gases will be penetrated with this wellbore.
- Abnormal Pressures: No overpressured zones are known to exist or are anticipated to be encountered during the drilling of this well.
- Lost Circulation: Seepage and/or lost circulation may be encountered below surface casing and can be controlled with conventional lost circulation materials added to the mud system.

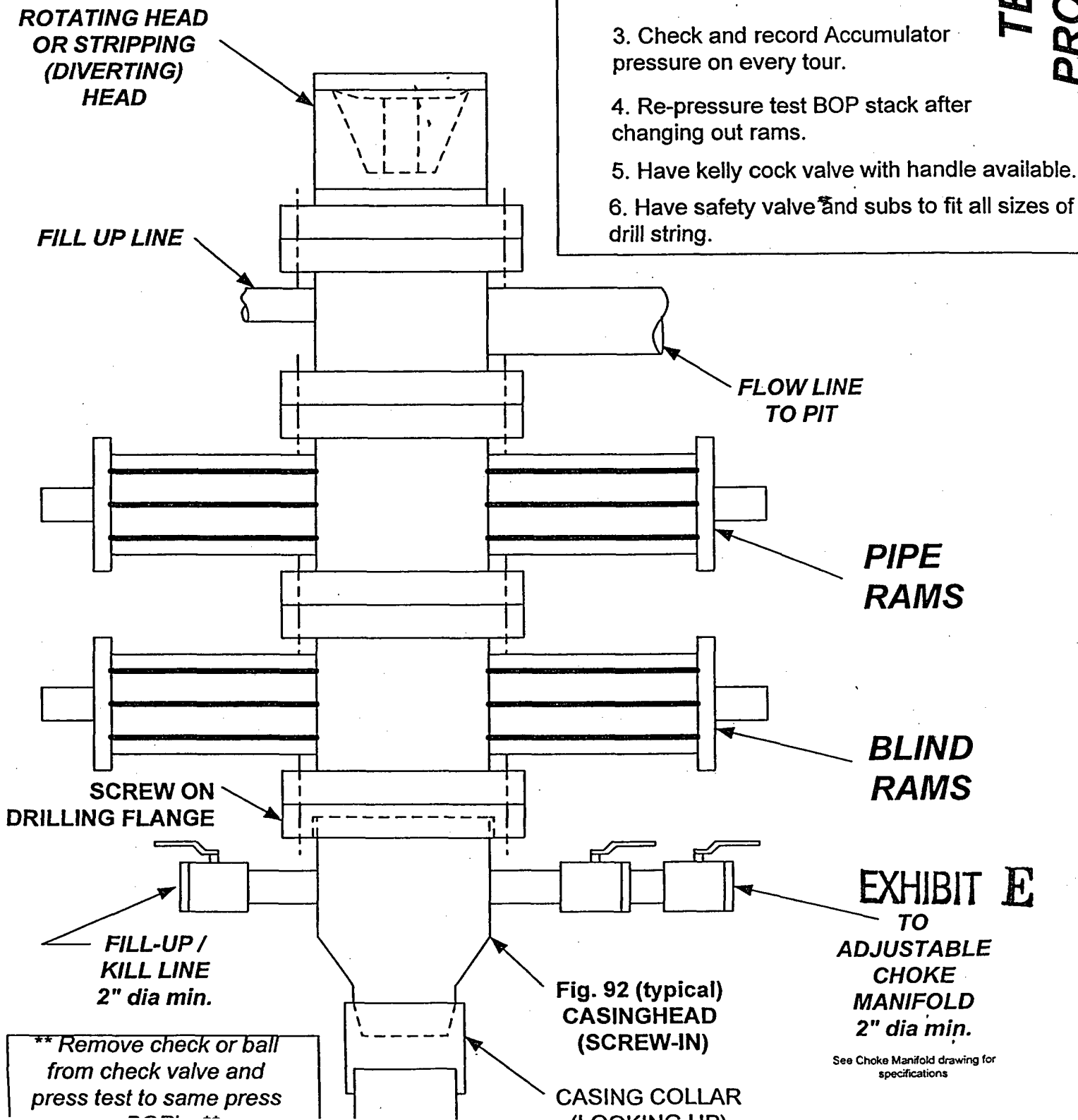
6. **LOGGING PROGRAM:**

Array Induction/DFL/GR/SP/Cal
DSN/Spectral Density/GR/Cal/Pe

TD to bottom of surf csg.
TD to bottom of surf csg.

EXHIBIT E

BOP SCHEMATIC FOR DRILLING OPERATIONS CLASS 1 (2M) NORMAL PRESSURE



1. Test BOP after installation:

Pressure test BOP to 200-300 psig (low pressure) for 5 min.

Test BOP to Working Press or to 70% internal yield of surf csg (10 min).

2. Test operation of (both) rams on every trip.

3. Check and record Accumulator pressure on every tour.

4. Re-pressure test BOP stack after changing out rams.

5. Have kelly cock valve with handle available.

6. Have safety valve and subs to fit all sizes of drill string.

**TESTING
PROCEDURE**