Form 3160-3 (July 1992)

CONDITIONS OF APPROVAL, IF ANY:

UNITED STATES

SUBMIT IN TRIPLICATE. (Other instructions on reverse side)

FORM APPROVED OMB NO. 1004-0136

JAN 2 4 2003

| | BUREAU OF | OF THE INTE | 1 11111/2/11 | | 5. LEASE DENIMSF-078641 |
|--|---|-----------------------|---|--|---|
| APPL | | | LL OR DEEPEN | PH 41: 2 | 6. IF INDIAN, ALLOTTER OR TRIBE NAMED |
| B. TYPE OF WORK DRILL DEEPEN SINGLE MULTIPLE ZONE DEEPEN MULTIPLE ZONE | | | 7. UNIT AGREEMENT NAME N/A ZZ661 8. FARM OR LEASE NAME, WEBEITGET 6 | | |
| 2. NAME OF OPERATOR TO Energy Inc. (505) 324-1090 | | | | 9. API WELL NO. | |
| 3. ADDRESS AND TELEPHONE NO. 700 Farmington Av, Bldg K, Ste 1, Farmington, NM 87401 | | | | 30045 3120° | |
| | Report location clearly and 940' FNL & | in accordance with an | | | 11. SEC., T., R., M., OR BLK. |
| At proposed prod. 20 | ne Same | | | | AND SURVEY OR AREA A 22-26n-11w NMPM |
| _ | and direction from NEAS of Bloomfiel | | FICE* | | 12. COUNTY OF PARISH 13. STATE NM |
| 15. DISTANCE FROM PROF LOCATION TO NEARES PROPERTY OR LEASE (Also to nearest dr | POSED* IT LINE, FT. ig. unit line, if any) | 940' | NO. OF ACRES IN LEASE | тот | of acres assigned HIS WELL 320 (N2) |
| 18. DISTANCE FROM PRO TO NEAREST WELL, OR APPLIED FOR, ON TO | DRILLING, COMPLETED, | 18' | 1,975' | 20. ROTA | RY OR CABLE TOOLS Rotary |
| 21. ELEVATIONS (Show w | 21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6,342' ungraded | | | | Mar. 1, 2003 |
| 23. | | PROPOSED CASING A | AND CEMENTING PROGRAM | М | 1 |
| SIZE OF HOLE | GRADE, SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT | |
| 8-3/4" | K-55 7" | 20 | 160 ' | | ≈50 cu. ft. & to surface |
| 6-1/4" | K-55 4-1/2" | 10.5 | 1,975' | ļ | ≈415 cu. ft. & to surface |
| | | | | | |
| he other prod | ucing well in the | | 2003 | Jer 4. | |
| DRILLIN C SUBJECT | OPERATIONS AUTHORIZED TO COMPLIANCE WITH AT ALL REQUIREMENTS. |) ARE | This actic | on is subjec al review p | t to technic al and ursuant to 43 CFR 3165.3 t to 43 CFR 3165. 4 |
| DRILLING SUBJECT "GENERA IN ABOVE SPACE DESCRI | OPERATIONS AUTHORIZED TO COMPLIANCE WITH AT LE REQUIREMENTS". BE PROPOSED PROGRAM: 1 | ARE TACHED | This actic procedure and appearance CC: BIA | on is subject ral review p gaal pursuan , BLM, and propose | ursuant to 43 CFR 3165.8 t to 43 CFR 3165.4 OCD (via BLM), Patton, Tribe d new productive zone. If proposal is to drill or |

*See Instructions On Reverse Side

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.

DISTRICT I P.O. Box 1980, Hobbs, N.M. 88241-1980 State of New Mexico Energy, Minerals & Natural Resources Department

Form C-102 Revised February 21, 1994 Instructions on back

Submit to Appropriate District Office

State Lease — 4 Copies Fee Lease — 3 Copies

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

OIL CONSERVATION DIVISION P.O. Box 2088 Santa Fe, NM 87504-2088

☐ AMENDED REPORT

| WELL LOCATION AND ACREAGE DEDICATION PLAT | | | | | | | |
|---|--|----------------------------|---|--------------------------|---|---|--|
| 30-045-3 | | 1629 | BASIN FR | 3Pool Name | COAL | | |
| *Property Code | | ⁵ Property N | | <u> </u> | | Vell Number | |
| 22661 | • BERGER - | | | | | 6 | |
| 'OGRID No. 167067 | *Operator Name | | | | 1 | * Elevation | |
| 10,001 | • | XTO ENERG | | | | 5342' | |
| (m) | | | Location | | I 5 4 AV 4 B | 7 | |
| UL or lot no. Section 22 | Township Range 26-N 11-W | Lot Idn Feet from the 940' | North/South line NORTH | Feet from the 865' | East/West line EAST | County SAN JUAN | |
| | ¹¹ Bottor | n Hole Location | If Different Fro | om Surface | .1 | ·l | |
| UL or lot no. Section | | Lot Idn Feet from the | North/South line | Feet from the | East/West line | County | |
| ¹² Dedicated Acres | 13 Joint or Infill | 14 Consolidation Co | ode | ¹⁵ Order No. | <u> </u> | | |
| 220.00 | | | | | | | |
| NO ALLOWABLE V | WILL BE ASSIGNED | TO THIS COMPLETI | ON UNTIL ALL | I INTERESTS I | HAVE BEEN C | ONSOLIDATED | |
| | | NDARD UNIT HAS B | | | | | |
| 16 ' | FD QUARTER COR | S 89-06-53 2629.4 | W / FD QUARTER | COR 17 | OPERATOR C | RTIFICATION | |
| | 1930 GLO BC | 2020.1 | 0 4 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 | | y that the information co plete to the best of my ki | ntained herein is | |
| | | | o d | true and comp | Nete to the best of my K | nomeage and belief | |
| | | 65 7475 26 27 30 | 450' | | | | |
| | | Do A CO | . 865' | | | \sim | |
| | | JAN 2000 | F | > _ | |) [/] | |
| | (<u>co</u> | Part San | | 4-13 | Vinca | tock 1 | |
| | LAT: 36°28'42" \ LONG: 107°59'07" \ | Carrow, A | ¥) X | Signature Signature | BRIAI | N WOOD | |
| | | | | Printed No | CONS | ULTANT | |
| | | Real De Caral | | Title | | 4, 2002 | |
| | | 22 | 3/4" REE | Date | 041111 | ., | |
| | | ! | WASH, ORIG WASHE | .COR 18 C | URVEYOR CE | RTIFICATION | |
| | | | | | tify that the well locati from field notes of actu | on shown on this plat all surveys made by me | |
| | | | | | supervision, and that ne best of my belief. | the same is true and | |
| | | | | AF | · · · · · · · · · · · · · · · · · · · | 2002 | |
| | | | | Date of Si Signatures | en Seal of Profession | at Surveyor: | |
| | | MN NOISAWITH | 140 | EGIO | 14827 | Work was a second | |
| | | 25 16 PM 4: 24 | ZWZ | + | &ZZA | | |
| | | | | | NO PERSON | | |
| | | CENED | | Certificate | Number 1402X | | |
| H | 1 | 4 | ı | l l | | | |

XTO Energy Inc.
Berger 6
940' FNL & 865' FEL
Sec. 22, T. 26 N., R. 11 W.
San Juan County, New Mexico

Drilling Program

1. ESTIMATED FORMATION TOPS

| Formation Name | GL Depth | KB Depth | Subsea Elevation |
|----------------------|----------|----------|------------------|
| Nacimiento Fm | 000' | 12' | +6,342' |
| Ojo Alamo Ss | 588' | 593' | +5,754' |
| Kirtland Sh | 698' | 703' | +5,644' |
| Fruitland Fm | 1,035' | 1,040' | +5,037' |
| Lower Fruitland Coal | 1,603' | 1,608' | +4,739' |
| Pictured Cliffs Ss | 1,649' | 1,654' | +4,693' |
| Lewis Sh | 1,973' | 1,978' | +4,369' |
| Total Depth (TD)* | 1,975' | 1,980' | +4,367' |

^{*} all elevations reflect the ungraded ground level of 6,342'

2. NOTABLE ZONES

| Gas or Oil Zones | Water Zones | Coal Zones |
|------------------|-------------|------------|
| Fruitland | Nacimiento | Fruitland |
| Pictured Cliffs | Kirtland | |
| | 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. Testing procedures are on the same page.



XTO Energy Inc.
Berger 6
940' FNL & 865' FEL
Sec. 22, T. 26 N., R. 11 W.
San Juan County, New Mexico

4. CASING & CEMENT

| <u> Hole Size</u> | <u>O. D.</u> | Weight (lb/ft) | <u>Grade</u> | <u>Age</u> | <u>Connection</u> | GL Setting Depth |
|-------------------|--------------|----------------|--------------|------------|-------------------|------------------|
| 8-3/4" | 7 " | 20 | K-55 | New | ST&C | 160' |
| 6-1/4" | 4-1/2" | 10.5 | K-55 | New | ST&C | 1,975' |

Surface casing will be cemented to the surface with ≈ 50 cubic feet (≈ 43 sacks) Class B + 1/4 lb/sk cello-flake + 2% CaCl₂. Yield = 1.18 cubic feet per sack. Weight = 15.2 pounds per gallon. Volume = 100% excess. A guide shoe and insert float will be used. W.O.C. =12 hours. Surface casing will be tested to 1500 psi for 30 minutes.

Production casing will be cemented to the surface. Total cement = 415 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 2000 psi.

Lead cement will be ≈ 155 sacks Class B light cement (65% cement/35% Poz with 6% gel) with 5 #/sack gilsonite + 1/4 #/sack Flocele. Yield = 1.99 cubic feet per sack. Weight = 12.4 pounds per gallon.

Tail cement will be ≈ 80 sacks 50/50 Class B Poz with 2% gel + 1/4 pound per sack Flocele + 0.5% Halad-9. Yield = 1.38 cubic feet per sack. Weight = 13.5 pounds per gallon.

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

5. MUD PROGRAM

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

Lost circulation and absorption material will be on location.

