

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

2002 MAY -6 PM 4:02
070 FARMINGTON, NM

5. LEASE DESIGNATION AND SERIAL NO.
NM - 03380

6. INDIAN, ALLOTTEE OR TRIBE NAME

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

7. UNIT AGREEMENT NAME
29105

8. FARM OR LEASE NAME, WELL NO.
Florance "D" #10B

2. NAME OF OPERATOR
XTO Energy Inc.

9. API WELL NO.
30 045 31086

3. ADDRESS AND TELEPHONE NO.
2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401

10. FIELD AND POOL, OR WILDCAT
Blanco Mesaverde
Otero Chacra

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
 At surface
 415' FNL & 670' FEL in Sec 17, T27N, R08W
 At proposed prod. zone
 1,360' FNL & 660' FEL in Sec 17, T27N, R08W

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
A Sec 17, T27N, R08W

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
24 air miles from the Blanco NM Post Office

12. COUNTY OR PARISH
San Juan

13. STATE
NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 415'

16. NO. OF ACRES IN LEASE
320 MV / 160 CH

17. NO. OF ACRES ASSIGNED TO THIS WELL
EA-320 MV / 160 CH N1/4

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1,200'

19. PROPOSED DEPTH
5,750' MD

20. ROTARY OR CABLE TOOLS
Rotary rig to TD

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
6,742' Ground Level

22. APPROX. DATE WORK WILL START*
Summer, 2002

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8", J-55	24.0#/ft	320'	240 sx Type III Cement
7-7/8"	4-1/2", J-55	10.5#/ft	5,750' MD	725 sx Lite Weight Cement

XTO Energy Inc. proposes to drill the above mentioned well as defined by the attached Surface Use Program and Drilling Proposal.

XTO Energy Inc. also proposes to surface commingle all of the production from the above mentioned well to an existing well as mentioned in the Surface Use Plan and as indicated in the attached map.

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

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

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 [Signature] TITLE Drilling Engineer DATE 5/2/02

(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:

HOLD C104 FOR Directional Survey

APPROVED BY /s/ Charlie Beecham TITLE ACTING DATE AUG 19

*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
1625 N. French Dr., Hobbs, N.M. 88240

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 15, 2000

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

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

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

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, NM 87505

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-31086		² Pool Code 72319	³ Pool Name BLANCO MESAVERDE
⁴ Property Code 29105	⁵ Property Name FLORANCE D		⁶ Well Number 10B
⁷ OGRID No. 167067	⁸ Operator Name XTO ENERGY INC.		⁹ Elevation 6742'

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
A	17	27-N	8-W		415'	NORTH	670'	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
H	17	27-N	8-W		1360'	NORTH	660'	EAST	SAN JUAN

¹² Dedicated Acres 320 E/2	¹³ Joint or Infill I	¹⁴ Consolidation Code	¹⁵ Order No.
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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

17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Signature: Jeffrey W. Patton

Printed Name: JEFFREY W PATTON

Title: DRILLING ENGINEER

Date: 5-2-02

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 belief.

Date of Survey: 9-17-01

Signature and Seal of Professional Surveyor: [Signature]

Certificate Number: 8894

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Energy, Minerals & Natural Resources Department

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AMENDED REPORT

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-31086		² Pool Code 82329		³ Pool Name OTERO CHACRA	
⁴ Property Code 29105		⁵ Property Name FLORANCE D			⁶ Well Number 10B
⁷ OGRID No. 167067		⁸ Operator Name XTO ENERGY INC.			⁹ Elevation 6742'

¹⁰ Surface Location

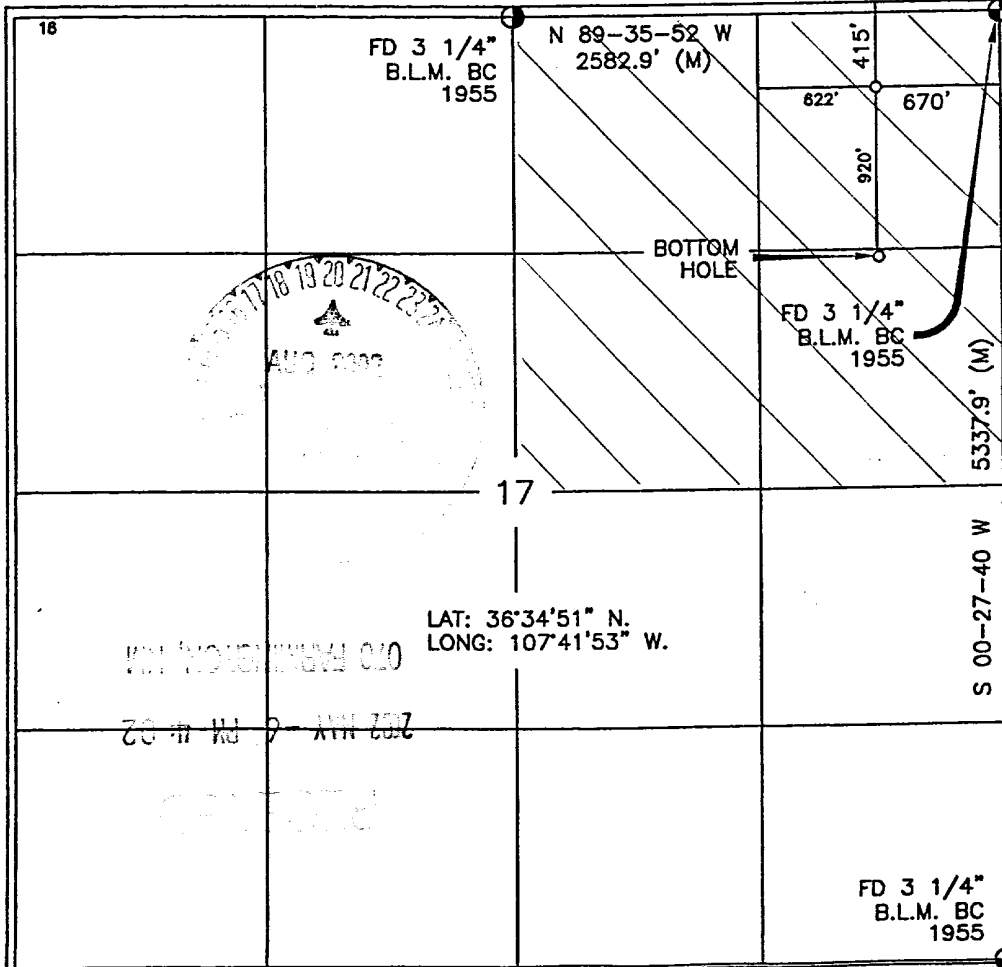
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UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	17	27-N	8-W		1360'	NORTH	660'	EAST	SAN JUAN

¹² Dedicated Acres 160	¹³ Joint or Infill NE / 4	¹⁴ Consolidation Code	¹⁵ Order No.
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17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Signature: Jeffrey W. Patton
 Printed Name: JEFFREY W. PATTON
 Title: DRILLING ENGINEER
 Date: 4-30-02

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 belief.

Date of Survey: 9-1-01
 Signature and Seal of Professional Surveyor: [Signature]
 Certificate Number: 8894

256

257

260

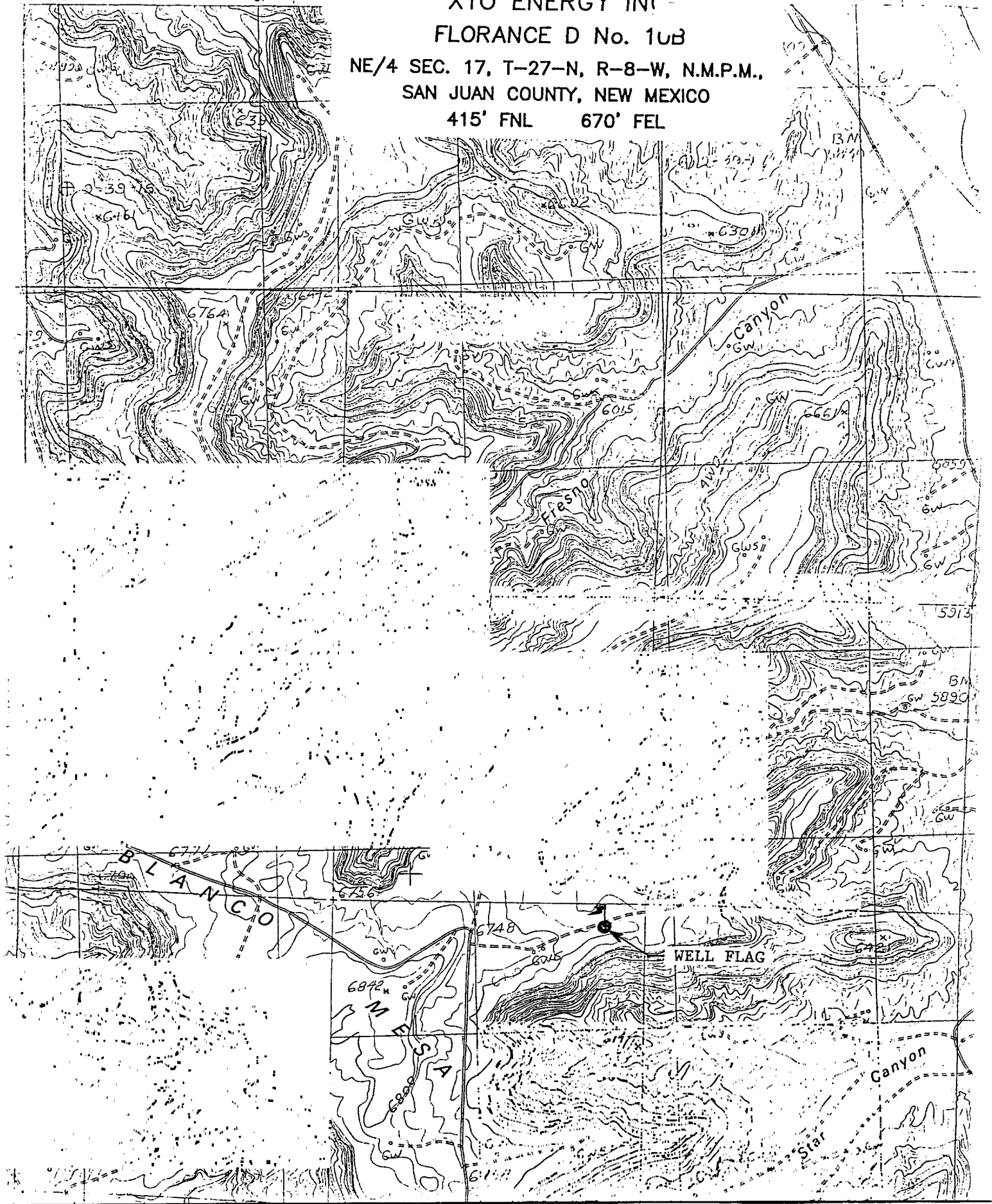
XTO ENERGY INC

FLORANCE D No. 10B

NE/4 SEC. 17, T-27-N, R-8-W, N.M.P.M.,

SAN JUAN COUNTY, NEW MEXICO

415' FNL 670' FEL



XTO ENERGY INC.

Florance "D" #10B

APD Data

May 3, 2002

Location: 415' FNL & 670' FEL, Sec 17, T27N, R08W
Surface: 1,360' FNL & 660' FEL, Sec 17, T27N, R08W

County: San Juan State: New Mexico

PROJECTED TOTAL DEPTH: ±5,750' (MD)
GR ELEV: 6,742'

OBJECTIVE: Mesaverde / Chacra
Est KB ELEV: 6,754' (12' AGL)

1. MUD PROGRAM:

INTERVAL	0' to 270'	270' to 3,500'	3,500' to TD
HOLE SIZE	12-1/4"	7-7/8"	7-7/8"
MUD TYPE	FW/Spud Mud	FW/Polymer	LSND
WEIGHT	8.6-9.0	8.4-8.8	8.6-9.0
VISCOSITY	28-32	28-32	45-60
WATER LOSS	NC	NC	8-10

Remarks: Use fibrous materials as needed to control seepage and lost circulation. Pre-treat with 20% LCM @ 3,500'. Pump high viscosity sweeps as needed for hole cleaning. Raise viscosity (>85 sec) at TD for logging. Reduce viscosity after logging for cementing purposes.

2. CASING PROGRAM:

Surface Casing: 8-5/8" casing to be set at ± 320' in 8.8 ppg mud

Interval	Length	Wt	Gr	Cplg	Coll Rating (psi)	Burst Rating (psi)	Jt Str (M-lbs)	ID (in)	Drift (in)	SF Coll	SF Burst	SF Ten
0'-320'	320'	24#	J-55	STC	1370	2950	244	8.097	7.972	7.32	7.95	29.39

Production Casing: 4-1/2" casing to be set at TD in 9.0 ppg mud.

Interval	Length	Wt	Gr	Cplg	Coll Rating (psi)	Burst Rating (psi)	Jt Str (M-lbs)	ID (in)	Drift (in)	SF Coll	SF Burst	SF Ten
0'-TD	5,750'	10.5#	J-55	STC	4010	4790	132	4.052	3.875	1.66	1.33	2.44

3. WELLHEAD:

- A. Casing Head: Larkin Fig 92 (or equivalent), 9" nominal, 2,000 psig WP (4,000 psig test) with 8-5/8" 8rnd thread on bottom and 11-3/4" 8rnd thread on top.
- B. Tubing Head: Larkin Fig 612 (or equivalent), 6.456" nominal, 2,000 psig WP (4,000 psig test), 4-1/2" 8rnd female thread on bottom, 8-5/8" 8rnd thread on top.

4. CEMENT PROGRAM (Slurry design may change slightly, but the plan is to circulate cement to surface on both casing strings):

A. Surface: 8-5/8", 24#, J-55, STC casing to be set at $\pm 320'$.

Lead: 240 sx of "Type III" cement containing 3% CaCl₂, ¼ pps celloflake, mixed at 14.5 ppg, 1.39 ft³/sk, & 6.50 gal wtr/sk.

Total slurry volume is 348 ft³, 150% excess of calculated annular volume to 320'.

B. Production: 4-1/2", 10.5#, J-55, STC casing to be set at $\pm 5,750'$ MD. DV tool set @ 4,150' MD.

First Stage:

Lead: 75 sx of Type III cement containing 3% Extender, ¼ pps celloflake, 2-4% Phenoseal mixed at 11.4 ppg, 2.89 ft³/sk, 17.66 gal wtr/sx.

Tail: 150 sx of Premiun Lite HS (65/35/6) cement containing 2% KCl, 7#/sx CSE, ¼ pps celloflake, 0.5% Fluid loss, 0.2% Dispersant mixed at 12.5 ppg, 2.01 ft³/sk, 10.55 gal wtr/sx.

Second Stage:

Lead: 400 sx of Type III cement containing 3% Extender, ¼ pps celloflake, 2-4% Phenoseal mixed at 11.4 ppg, 2.89 ft³/sk, 17.66 gal wtr/sx.

Tail: 100 of Type III neat cement containing 2% CaCl₂ & 1/4#/sx celloflake mixed at 14.5 ppg, 1.39 cuft/sx & 6.81 gal wtr/sx.

Total estimated slurry volume (including 40% excess) for the 4-1/2" production casing is 1,810 ft³.

Note: The slurry design may change slightly based upon actual conditions. Final cement volumes will be determined for the caliper logs plus 40%. It will be attempted to circ cement to surface.

5. LOGGING PROGRAM:

A. Mud Logger: There are no plans to use a mud logger at this time.

B. Open Hole Logs as follows: Run Dual Induction/SFL/GR/SP fr/TD ($\pm 5,750'$) to the bottom of the surface csg. Run CNL/LDT (Lithodensity)/GR/Cal and Pe from TD to 1,800'.

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

ROTATING HEAD (OPTIONAL)

FILL UP LINE

FLOW LINE TO PIT

PIPE RAMS

BLIND RAMS

KILL LINE 2" dia min.

TO CHOKE MANIFOLD 2" dia min.

See Choke Manifold drawing for specifications

HCR VALVE (OPTIONAL)

MUD CROSS

2" (MIN) FULL OPENING VALVE

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

** Remove check or ball from check valve and press test to same press as BOP's **

