Form 3160-3
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.: NMSF-077951A

1a. Type of Work: [x] DRILL [ ] REENTER

1b. Type of Well: [ ] Oil Well [x] Gas Well [ ] Other [ ] Single Zone [x] Multiple Zone

2004 NOV 19 PM 3 14
RECEIVED
070 FARMINGTON NM

6. If Indian, Allotee or Tribe Name: N/A

7. Unit or CA Agreement Name and No.: N/A

2. Name of Operator: XTO Energy Inc.

8. Lease Name and Well No.: Jack Frost B #2F

3a. Address: 2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM

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

9. API Well No.: 30-045-32698

4. Location of Well (*Report location clearly and in accordance with any State equirements*)*

At surface: 1965' FNL x 1615' FWL in Sec 27, T27N, R10W

At proposed prod. zone: same

10. Field and Pool, or Exploratory: Basin Dakota/Angel Peak Gallup

11. Sec., T., R., M., or Blk. and Survey or Area: F Sec 27, T27N, 10W

14. Distance in miles and direction from nearest town or post office*: Approx 12.55 air miles SouthEast of Bloomfield, 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 drg. unit line, if any)	16. No. of Acres in lease	17. Spacing Unit dedicated to this well
1615'	640	N2 S/2 NW/4 320 DK / 80 GP

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth	20. BLM/BIA Bond No. on file
479'	6850'	

21. Elevations (Show whether DF, KDB, RT, GL, etc.	22. Approximate date work will start*	23. Estimated duration
6164' Ground Level	Upon Approval	2 weeks

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*)	Date
Kyla Vaughan	Kyla Vaughan	11/19/04

Title: Regulatory Compliance Tech

Approved by (Signautre)	Name (*Printed/Typed*)	Date
Original Signed: Stephen Mason		DEC 2 ? 2004

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 knowlingly 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)

APD/ROW

NMOCD

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

DISTRICT I
1625 N. French 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 Dr.
Santa Fe, NM 87504-2088

DEC 2004

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹API Number	²Pool Code	³Pool Name
30-045-32698	71599	BASIN DAKOTA

⁴Property Code	⁵Property Name	⁶Well Number
22715	JACK FROST B	2F

⁷OGRID No.	⁸Operator Name	⁹Elevation
167067	XTO ENERGY INC.	6164'

¹⁰Surface Location

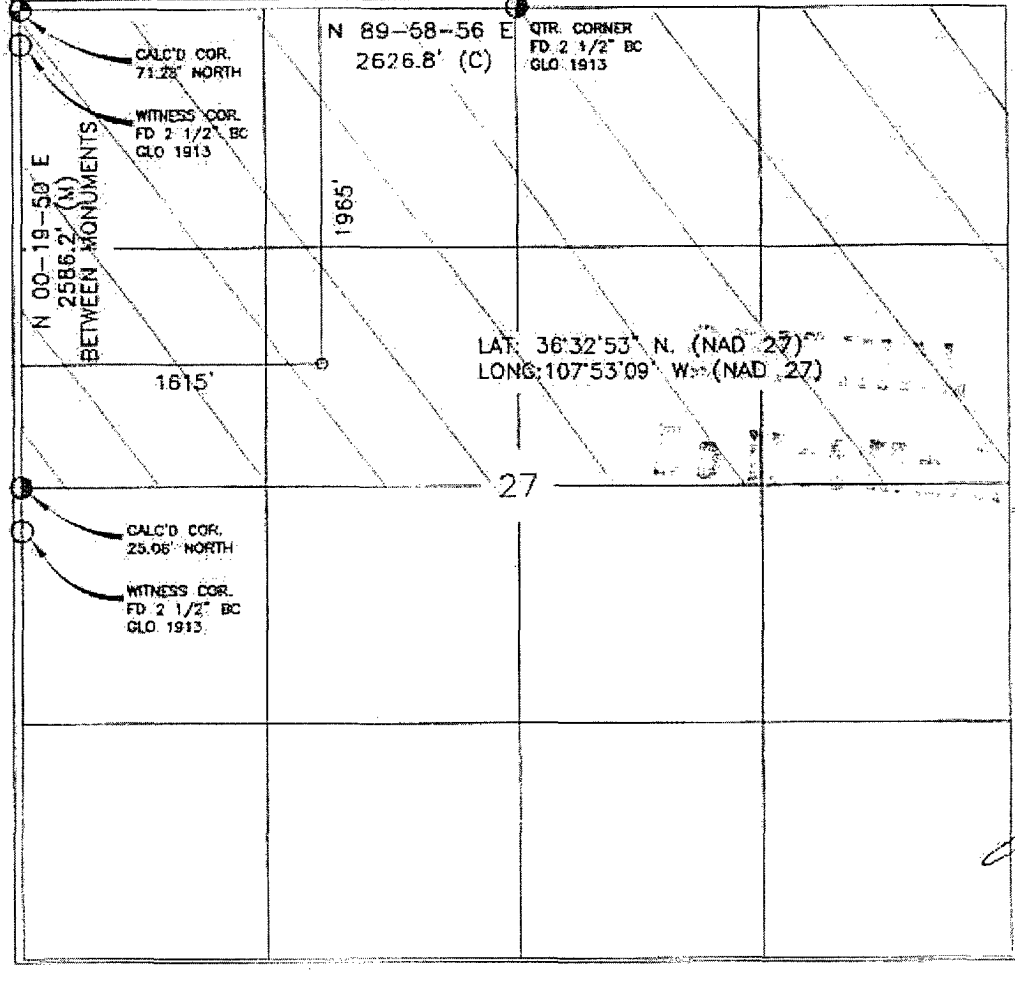
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	27	27-N	10-W		1965	NORTH	1615	WEST	SAN JUAN

¹¹Bottom 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

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

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



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: 11-15-04

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.

JOHN A. VUKONICH
NEW MEXICO
14831
REGISTERED PROFESSIONAL SURVEYOR

Date of Survey: JUNE 30, 2004

Signature and Seal of Professional Surveyor

14831

Certificate Number

DISTRICT I
1625 N. French 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

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Submit to Appropriate District Office
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Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2 Pool Code	3 Pool Name
30-045-32698	0217D	BASIN FRUITLAND COAL

4 Property Code	5 Property Name	6 Well Number
22715	JACK FROST B	2F

7 OGRID No.	8 Operator Name	9 Elevation
167067	XTO ENERGY INC.	6164'

10 Surface Location

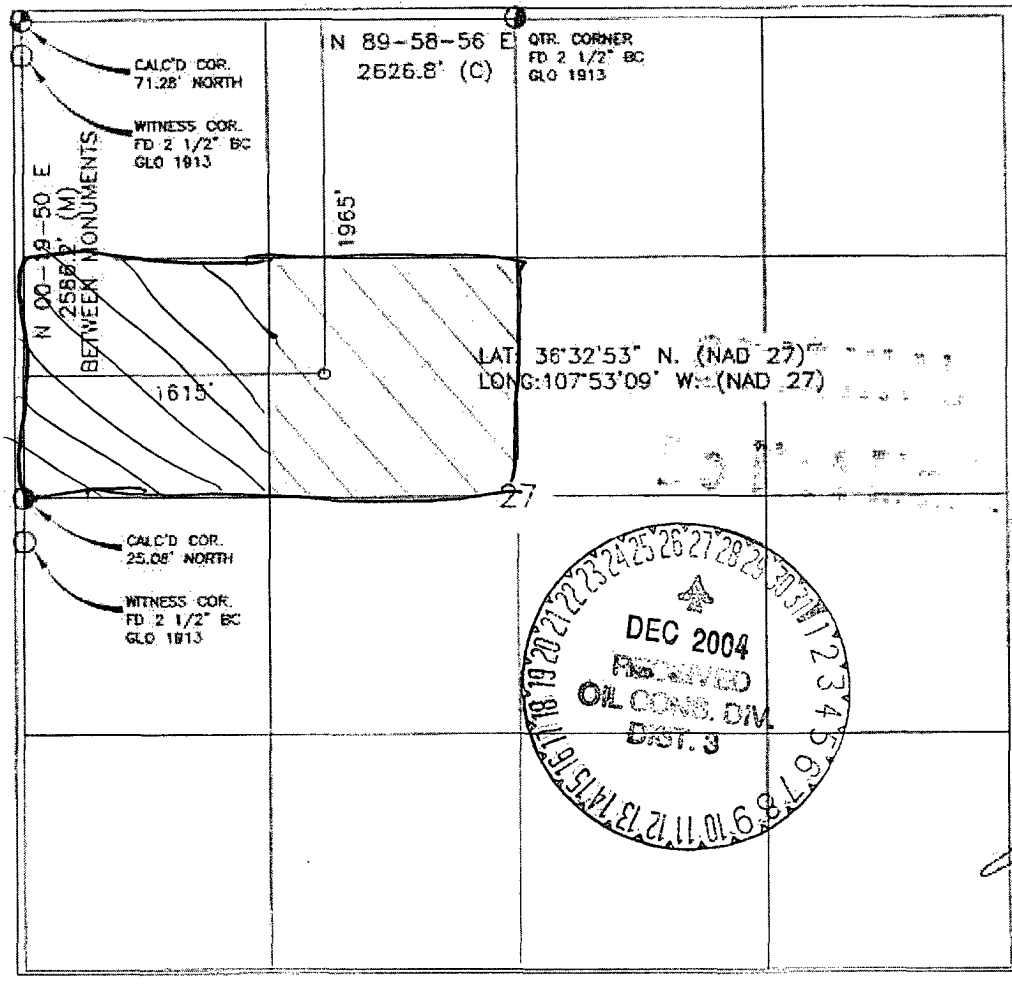
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	27	27-N	10-W		1965	NORTH	1615	WEST	SAN JUAN

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

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
80 SE/NW			NSL-5148

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



17 OPERATOR CERTIFICATION

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

Signature: JW Patton

Printed Name: JEFFREY W. PATTON

Title: DRILLING ENGINEER

Date: 11-15-04

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.

JOHN A. VUKONICH
NEW MEXICO
REGISTERED PROFESSIONAL SURVEYOR

Date of Survey: JUNE 29, 2004

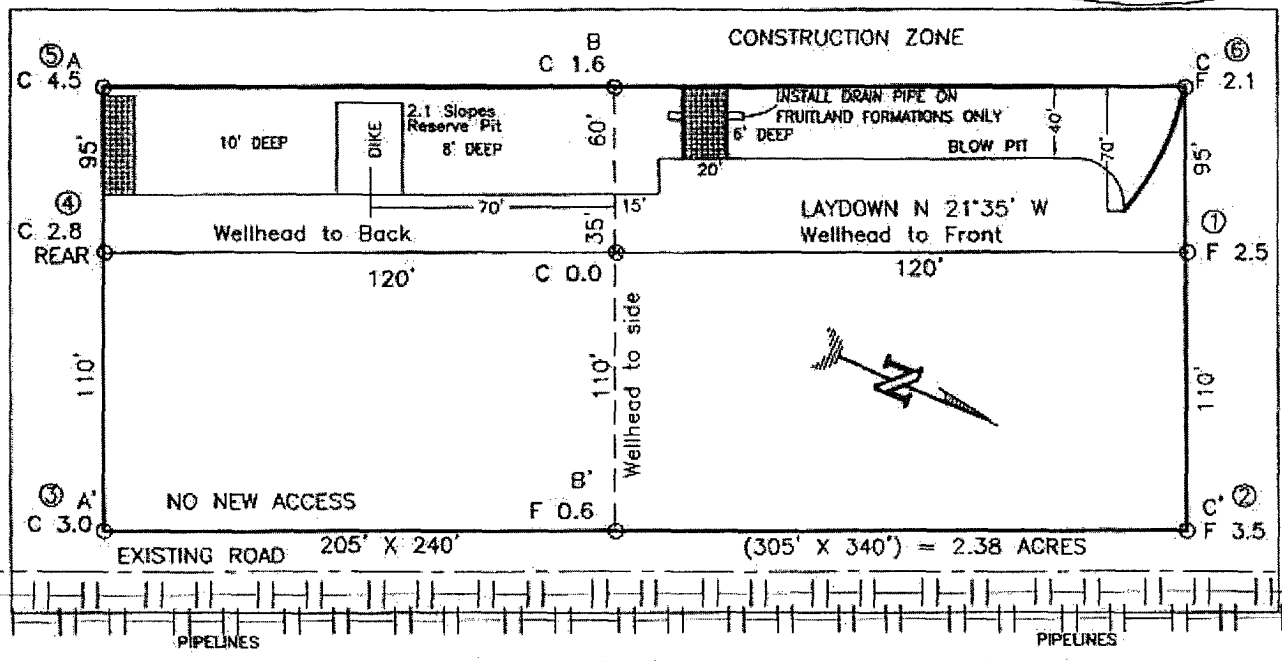
Signature and Seal of Professional Surveyor: 14831

14831

Certificate Number

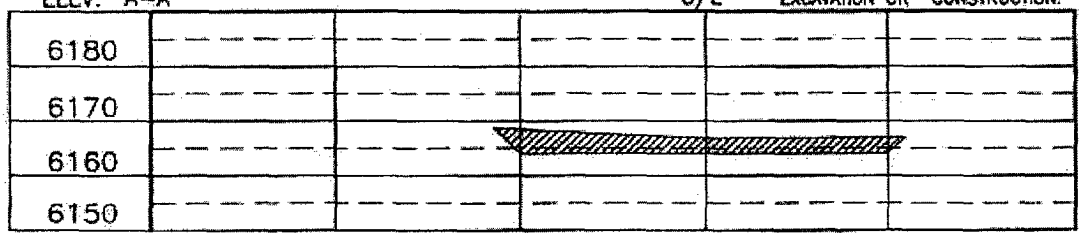
XTO ENERGY INC.
JACK FROST B No. 2F, 1965 FNL 1615 FWL
SECTION 27, T27N, R10W, N.M.P.M., SAN JUAN COUNTY, N. M.
GROUND ELEVATION: 6164, DATE: JUNE 9, 2004

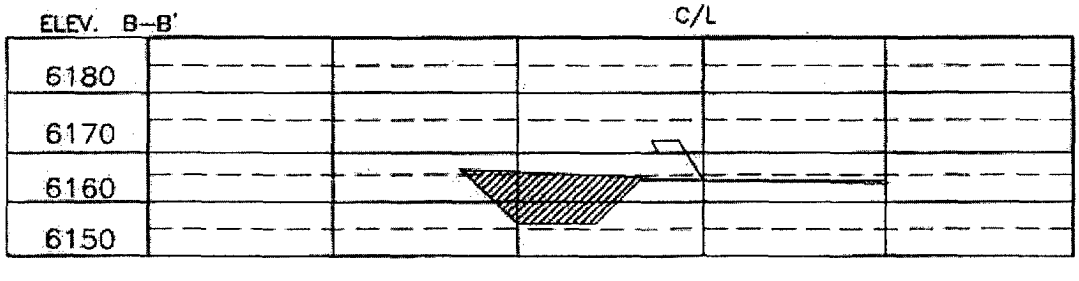
LAT: 36°32'53" N.
LONG:107°53'09" W.
NAD 27

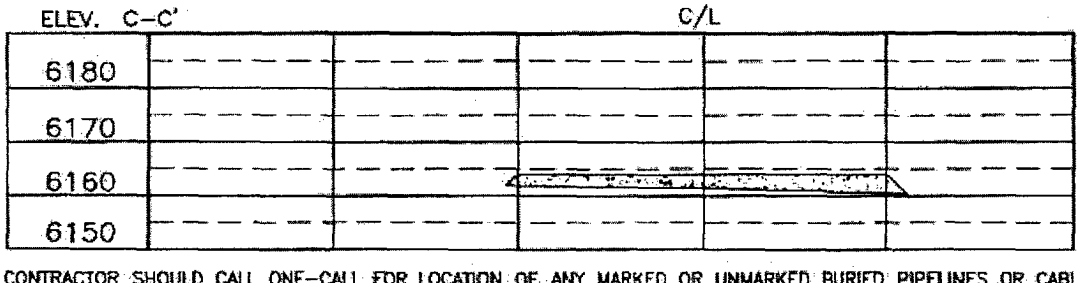


RESERVE PIT DIKE: TO BE 8' ABOVE DEEP SIDE (OVERFLOW – 3' WIDE AND 1' ABOVE SHALLOW SIDE).
BLOW PIT: OVERFLOW PIPE HALFWAY BETWEEN TOP AND BOTTOM AND TO EXTEND OVER PLASTIC LINER AND INTO BLOW PIT.

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.







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) 326-6019
NEW MEXICO L.S. No. 14831

REVISED BY:
DATE:
DRAWN BY: A.G.
DATE: 07/19/04
CADFILE: CR323CP3
REVISION:
Rev#: CR323

EXHIBIT

XTO ENERGY INC.

Jack Frost "B" #2F
APD Data
November 18, 2004

Location: 1,965' FNL x 1,615' FWL Sec 27, T27N, R10W **County**: San Juan **State**: New Mexico

GREATEST PROJECTED TD: 6,850' OBJECTIVE: Basin Dakota / Angle Peak Gallup
APPROX GR ELEV: 6,164' Est KB ELEV: 6,176' (12' AGL)

1. MUD PROGRAM:

INTERVAL	0' to 360'	360' to 4,000'	4,000' to TD
HOLE SIZE	12-1/4"	7-7/8"	7-7/8"
MUD TYPE	FW/Spud Mud	FW/Polymer	LSND / Gel Chemical
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. Pump high viscosity sweeps as needed for hole cleaning. Raise viscosity at TD for logging. Reduce viscosity after logging for cementing purposes.

2. CASING PROGRAM:

Surface Casing: 8-5/8" casing to be set at ± 360' in a 12-1/4" hole filled with 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'-360'	360'	24.0#	J-55	STC	1370	2950	244	8.097	7.972	7.32	7.95	29.39

Production Casing: 5-1/2" casing to be set at TD (±6,850') in 7-7/8" hole filled with 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	6,850'	15.5#	J-55	STC	4040	4810	~~222~~ 202	4.950	4.825	1.22	1.45	2.02

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), 5-1/2" 8rnd female thread on bottom, 8-5/8" 8rnd thread on top.

EXHIBIT E

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 ± 360' in 12-1/4" hole.

210 sx of Type III cement (or equivalent) typically containing accelerator and LCM, mixed at 14.5 ppg, 1.39 ft^3/sk, & 6.70 gal wtr/sk.

Total slurry volume is 292 ft^3, 100% excess of calculated annular volume to 360'.

B. Production: 5-1/2", 15.5#, J-55 (or K-55), STC casing to be set at ±6,850' in 7-7/8" hole. DV Tool set @ ±4,000'

1st Stage

LEAD:
230 sx of Premium Lite HS (Type III/Poz/Gel) with 2% salt, 1/4 pps cello, 0.2% dispersant, 0.5% fluid loss & 2% LCM mixed at 12.5 ppg, 2.01 ft^3/sk, 10.55 gal wtr/sx.

TAIL:
150 sx Type III with 5% bonding additive, 1/4 pps cello, 2% LCM, 0.3% dispersant & 0.2% fluid loss mixed at 14.2 ppg, 1.54 cuft/sx, 8.00 gal/sx.

2nd Stage

LEAD:
375 sx of Type III with 8% gel, 1/4 pps cello & 2% LCM mixed at 11.9 ppg, 2.54 ft^3/sk, 15.00 gal wtr/sx.

TAIL:
100 sx Type III neat mixed at 14.5 ppg, 1.39 cuft/sx, 6.3 gal/sx.

Total estimated slurry volume for the 5-1/2" production casing is 1,785 ft^3.

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

5. LOGGING PROGRAM:

A. Mud Logger: The mud logger will come on at 3,000' and will remain on the hole until TD. The mud will be logged in 10' intervals.

B. Open Hole Logs as follows: Run Array Induction/SFL/GR/SP fr/TD (6,925') to the bottom of the surface csg. Run Neutron/Lithodensity/Pe/GR/Cal from TD (6,850') to ±5,800'. An FMI log will be run from TD (6,850') to 6,350'.

EXHIBIT

6. FORMATION TOPS:

Est. KB Elevation: 6,176'

Formation	Subsea Depth	Well Depth
Ojo Alamo SS	+5250'	929'
Kirtland Shale	+5099'	1080'
Farmington SS	+4924'	1255'
Fruitland Formation	+4724'	1455'
Lower Fruitland Coal	+4266'	1913'
Pictured Cliffs SS	+4255'	1924'
Lewis Shale	+3743'	2436'
Chacra	+3353'	2826'
Cliffhouse SS	+2662'	3517'
Menefee	+2619'	3560'
Point Lookout SS	+1829'	4350'
Mancos Shale	+1579'	4600'
Gallup SS	+246'	5933'
Greenhorn Limestone	-106'	6285'
Graneros Shale	-159'	6338'
1st Dakota SS	-190'	6369'
2nd Dakota SS	-235'	6414'
3rd Dakota SS	-284'	6463'
4th Dakota SS	-335'	6514'
5th Dakota SS	-381'	6560'
6th Dakota SS	-404'	6583'
Burro Canyon SS	-474'	6653'
Morrison Shale	-516'	6695'
Project TD	-671'	6850'

ABHP ~ 2500psi

7. COMPANY PERSONNEL:

Name	Title	Office Phone	Home Phone
Jeff Patton	Drilling Engineer	505-324-1090	505-632-7882
Dennis Elrod	Drilling foreman	505-486-6460	505-326-2024
Randy Hosey	Project Geologist	817-885-2398	817-427-2475
Barry Voigt	Reservoir Engineer	817-885-2462	817-540-2092

JWP
11/18/04

EXHIBIT E

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

TESTING PROCEDURE

1. Stake all lines from choke manifold to pit.
2. Pressure test choke monifold after installation.
3. Pressure test manifold at the same time with the BOP Stack. Test manifold to the same test pressures.

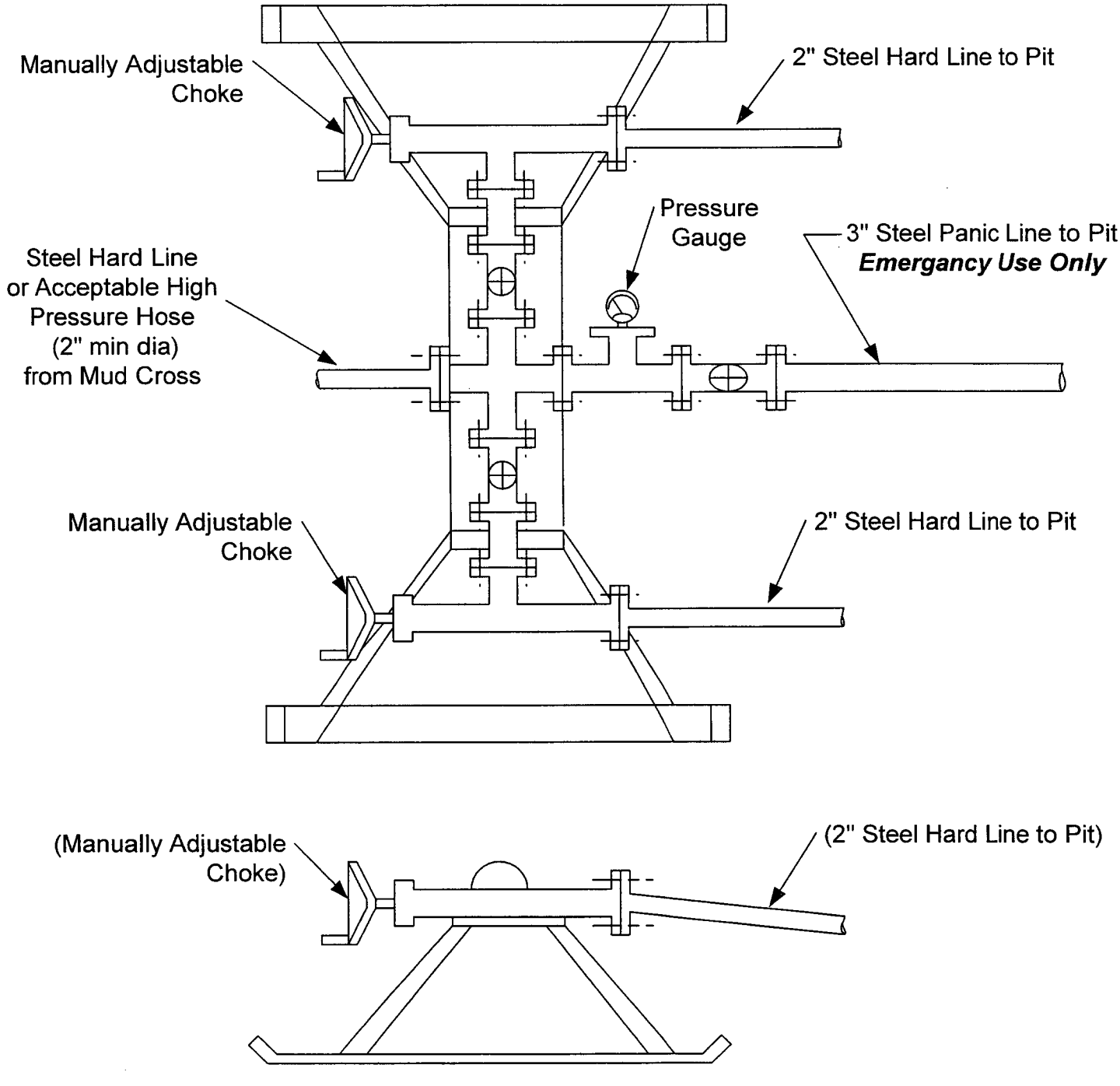
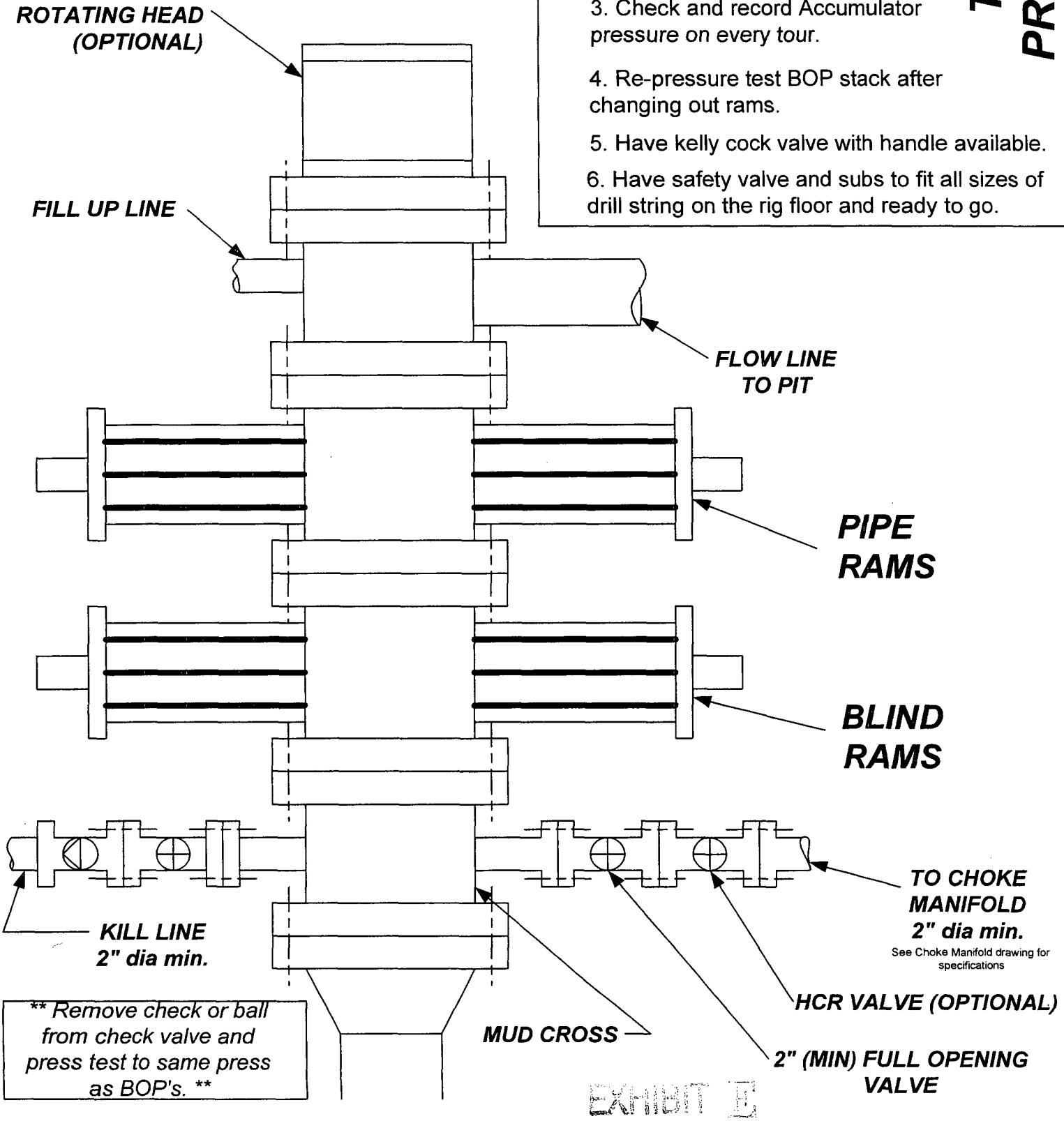


EXHIBIT E

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

TESTING PROCEDURE

1. Test BOP after installation:
   Pressure test BOP to 200-300 psig (low pressure) for ~~5~~ 10 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 on the rig floor and ready to go.



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

EXHIBIT E