

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

1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER			5. Lease Serial No. SE-077382
1b. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone			6. If Indian, Allottee or Tribe Name N/A
2. Name of Operator XTO Energy Inc.			7. Unit or CA Agreement Name and No. N/A
3a. Address 2700 Farmington Ave., Bldg. K, Ste 1 Farmington, NM			8. Lease Name and Well No. Federal F #1G
3b. Phone No. (include area code) 505-324-1090			9. API Well No. 30-045-33364
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface 1680' FSL x 1760' FEL At proposed prod. zone SAME			10. Field and Pool, or Exploratory BASIN DAKOTA/BASIN MANCOS
14. Distance in miles and direction from nearest town or post office* Approx 7.5 miles Southeast of Bloomfield, NM Post Office			11. Sec., T., R., M., or Blk. and Survey or Area (J) Sec 16, T27N, R10W
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 1680'	16. No. of Acres in lease 2523.52	17. Spacing Unit dedicated to this well DK-E/2 320 MC-SE/4 160	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 698'	19. Proposed Depth 6650'	20. BLM/BIA Bond No. on file	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6045' Ground Elevation		22. Approximate date work will start* Winter 2005	23. Estimated duration 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. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan | 5. Operator certification. |
| 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). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature Kyla Vaughan	Name (Printed/Typed) Kyla Vaughan	Date 09/22/05
Title Regulatory Compliance Tech		
Approved by (Signature) [Signature]	Name (Printed/Typed) [Signature]	Date 10/26/05
Title AFM		

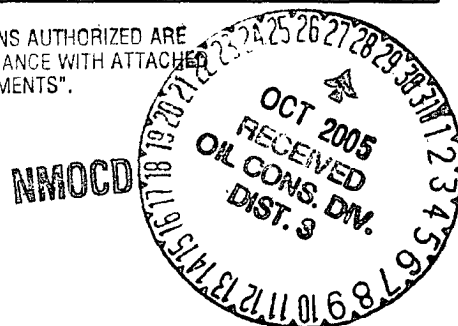
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

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".



DISTRICT I
1825 N. French Dr., Hobbs, N.M. 88240

DISTRICT II
1301 W. Grand Ave., Artesia, N.M. 88210

DISTRICT III
1000 Pdo. 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 87505

Form C-102

Revised June 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

RECEIVED

070 FARMINGTON NM ☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-33364		*Pool Code 71599	*Pool Name Basin Dakota
*Property Code 22701	*Property Name FEDERAL F		*Well Number 1G
*OGRD No. 167067	*Operator Name XTO ENERGY INC.		*Elevation 6045'

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	16	27-N	10-W		1680	SOUTH	1760	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 E 12 320					*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	LAT. 36°34'21.3"N (NAD 27) LONG. 107°53'50.3" W (NAD 27)	FD. 2 1/2" B.C. 1913 U.S.G.L.O.	1760'	N 0-05-13 E 2638.6' (M)	FD. 2 1/2" B.C. 1913 U.S.G.L.O.	N 89-46-48 W 2638.6' (M)	1680'	17	OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Kelly K. Small Drilling Assistant Date: 5/18/05
18								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. JANUARY 14 2005 JOHN R. VANDERKAM NEW MEXICO REGISTERED PROFESSIONAL ENGINEER 14828 6-0 Certificate Number

DISTRICT I
1825 N. French Dr., Hobbs, N.M. 88240

DISTRICT II
1341 W. Grand Ave., Artesia, N.M. 88210

DISTRICT III
1800 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
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Revised June 10, 2003

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RECEIVED

070 FARMINGTON ☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-33364		² Pool Code 97232		³ Pool Name WC Basin Manlos	
⁴ Property Code		⁵ Property Name FEDERAL F			⁶ Well Number 1G
⁷ OGRIID No. 1107067		⁸ Operator Name XTO ENERGY INC.			⁹ Elevation 6045'

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	16	27-N	10-W		1680	SOUTH	1760	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
¹² Dedicated Acres SE 1/4 160			¹³ Joint or Infr		¹⁴ Consolidation Code		¹⁵ 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

<div><p>16</p><p>LAT. 38°34'21.3"N (NAD 27) LONG. 107°53'50.3" W (NAD 27)</p><p>FD. 2 1/2" B.C. 1913 U.S.G.L.O.</p><p>1680'</p><p>1760'</p><p>N 0-06-13 E 2636.8' (M)</p><p>N 89-46-48 W 2636.8' (M)</p></div>	<div><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><i>Kelly K. Small</i> Kelly K. Small Drilling Assistant Date: 5/18/05</p></div>
<div><p>18</p><p>FD. 2 1/2" B.C. 1913 U.S.G.L.O.</p></div>	<div><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>JANUARY 2005 NEW MEXICO REGISTERED PROFESSIONAL ENGINEER 14828 6-0</p><p>Certificate Number</p></div>

Submit 3 Copies To Appropriate District
Office

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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

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
May 27, 2004

WELL API NO. 30-045-33364

5. Indicate Type of Lease

STATE ☐ FEE ☐

6. State Oil & Gas Lease No.
SF-077382

7. Lease Name or Unit Agreement Name:
Federal F

8. Well Number

#1G

9. OGRID Number

167067

10. Pool name or Wildcat

Basin Dakota/Basin Mancos

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. Ste 1 Farmington, NM 87401

4. Well Location

Unit Letter J : 1680 feet from the SOUTH line and 1760 feet from the EAST line

Section 16 Township 27N Range 10W NMPM NMEM County SAN JUAN

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6045'

Pit or Below-grade Tank Application ☒ or Closure ☐

Pit type DRILL Depth to Groundwater >100 Distance from nearest fresh water well >1000 Distance from nearest surface water <200'

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 COMPLETION ☐

OTHER: PTT ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐

CASING TEST AND 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.

XTO Energy proposed to install a pit on location for drilling. The pit will be closed in accordance with NMOC guidelines when work is completed.

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 or closed according to NMOC guidelines ☒ , a general permit ☐ or an (attached) alternative OCD-approved plan ☐

SIGNATURE Kyla Vaughan TITLE Regulatory Compliance Tech DATE 09/23/05

E-mail address: kyla_vaughan@xtoenergy.com

Type or print name Kyla Vaughan

Telephone No. 505-564-6726

For State Use Only

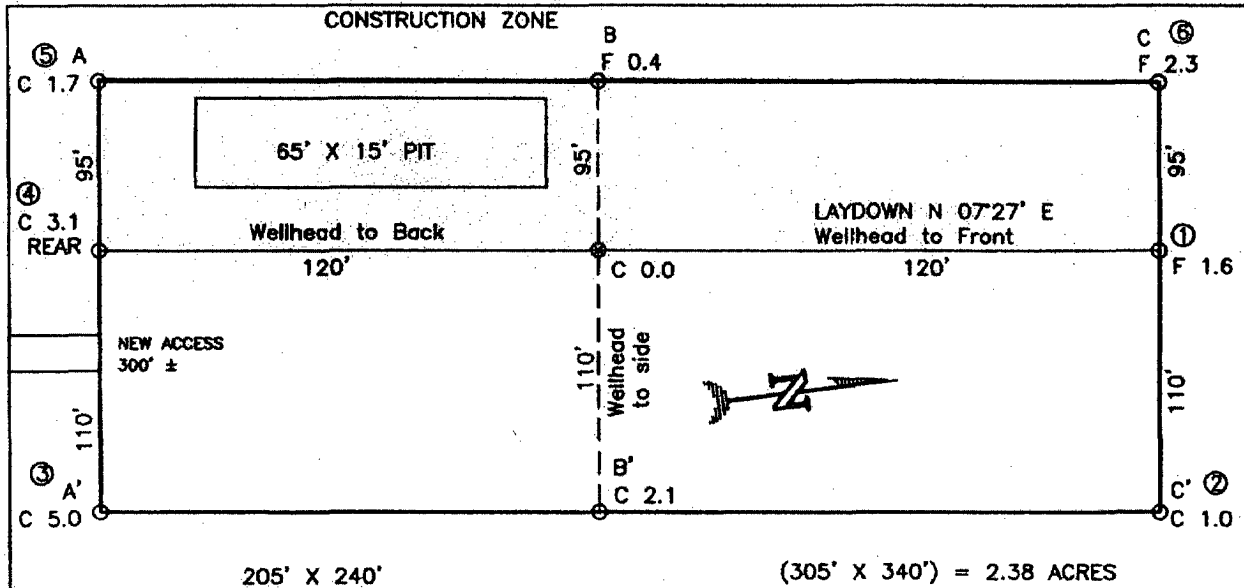
APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. IV DATE OCT 28 2005

Conditions of Approval, if any:

EXHIBIT D

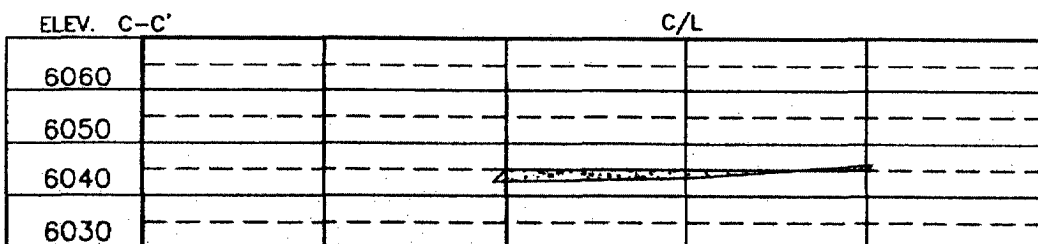
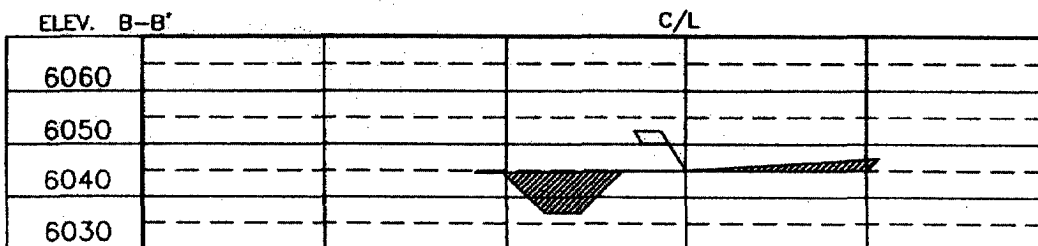
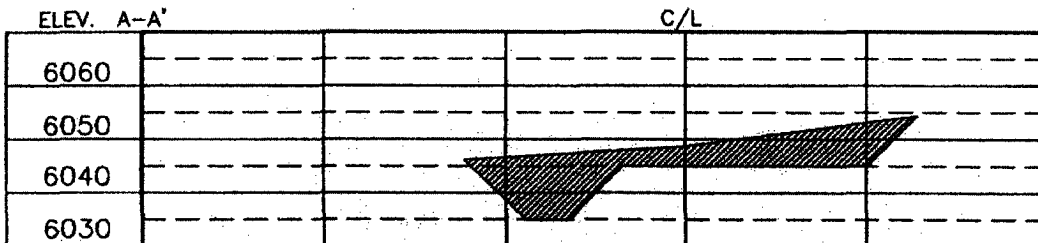
XTO ENERGY INC.
 FEDERAL F No.1G, 1680 FSL 1760 FEL
 SECTION 16, T27N, R10W, N.M.P.M., SAN JUAN COUNTY, N. M.
 GROUND ELEVATION: 6045', DATE: JANUARY 25, 2005

LAT. = 36°34'21.3" N.
 LONG. = 107°53'50.3" 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.

DATE:	REVISIONS:	DATE:	REVISIONS:
Daggett Enterprises, Inc. Surveying and Oil Field Services P. O. Box 15008 - Farmington, NM 87401 Phone (505) 336-1772 - Fax (505) 336-8019 NEW MEXICO L.S. No. 14631			
DRAWN BY: B.L. CHECKED BY: CR420			
DATE: 04/06/05			

EXHIBIT E

XTO ENERGY INC.

Federal F #1G

APD Data

September 22, 2005

Location: 1680' FSL x 1760' FEL Sec 16, T27N, R10W County: San Juan State: New Mexico

GREATEST PROJECTED TD: 6650'
APPROX GR ELEV: 6045'

OBJECTIVE: Basin Dakota / WC Basin Mancos
Est KB ELEV: 6057' (12' AGL)

1. MUD PROGRAM:

INTERVAL	0' to 360'	360' to 2800'	2800' to 6045
HOLE SIZE	12.25"	7.875"	7.875"
MUD TYPE	FW/Spud Mud	FW/Polymer	LSND / Gel Chemical
WEIGHT	8.6-9.0	8.4-8.8	8.6- 9.20
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: 8.625" casing to be set at $\pm 360'$ in a 12-1/4" hole filled with 9.20 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	ST&C	1370	2950	244	8.097	7.972	7.950	17.13	28.24

Production Casing: 5.5" casing to be set at TD ($\pm 6045'$) in 7-7/8" hole filled with 9.20 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'-6045	6045'	15.5#	J-55	ST&C	4040	4810	202	4.950	4.825	1.40	1.66	2.16

3. WELLHEAD:

- 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.
- 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 (or slip-on, weld-on), 8-5/8" 8rnd thread on top.

EXHIBIT F

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

A. Surface: 8.625", 24.0#, J-55, ST&C casing to be set at $\pm 360'$ in 12-1/4" hole.

214 sx of Type III cement (or equivalent) typically containing accelerator and LCM, mixed at 14.5 ppg, 1.39 ft³/sk, & 6.70 gal wtr/sk.

Total slurry volume is 297 ft³, 100% excess of calculated annular volume to 360'.

B. Production: 5.5", 15.5#, J-55 (or K-55), ST&C casing to be set at $\pm 6045'$ in 7.875" hole.

LEAD:

± 615 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 ft³/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.

Total estimated slurry volume for the 5-1/2" production casing is 1466 ft³.

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 2,900' 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 (6045') to the bottom of the surface csg. Run Neutron/Lithodensity/Pe/GR/Cal from TD (6045') to 3,000'.

6. FORMATION TOPS:

Est. KB Elevation: 6057'

FORMATION	Sub-Sea Elev.	WELL DEPTH	FORMATION	Sub-Sea Elev.	WELL DEPTH
Ojo Alamo SS	5216	841	Gallup Ss	683	5,374
Kirtland Shale	5047	1,010	Greenhorn Ls	-133	6,190
Farmington SS			Graneros Sh	-189	6,246
Fruitland Formation	4647	1,410	1 ST Dakota Ss*	-217	6,274
Lower Fruitland Coal			2 ND Dakota Ss*	-243	6,300
Pictured Cliffs SS	4187	1,870	3 RD Dakota Ss*	-305	6,362
Lewis Shale	4106	1,951	4 TH Dakota Ss*	-313	6,370
Chacra SS	3297	2,760	5 TH Dakota Ss*	-369	6,426
Cliffhouse SS	2648	3,409	6 TH Dakota Ss*	-413	6,470
Menefee	2537	3,520	Burro Canyon Ss*	-482	6,539
Point Lookout SS	1837	4,220	Morrison Fm	-482	6,539
Mancos Shale	1527	4,530	Total Depth	-593	6,650

* Primary Objective

** Secondary Objective

**** Maximum anticipated BHP should be <2,000 psig (<0.30 psi/ft) *****

7. COMPANY PERSONNEL:

Name	Title	Office Phone	Home Phone
Jeff Patton	Drilling Engineer	505-324-1090	505-632-7882
John Egelston	Drilling Engineer	505-564-6734	505-330-6902
Dennis Elrod	Drilling foreman	505-486-6460	505-326-2024
Red Meek	Project Geologist	817-885-2800	817-427-2475
Barry Voigt	Reservoir Engineer	817-885-2462	817-540-2092

JWP
9/16/05

EXHIBIT F

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) or which ever is less.

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.

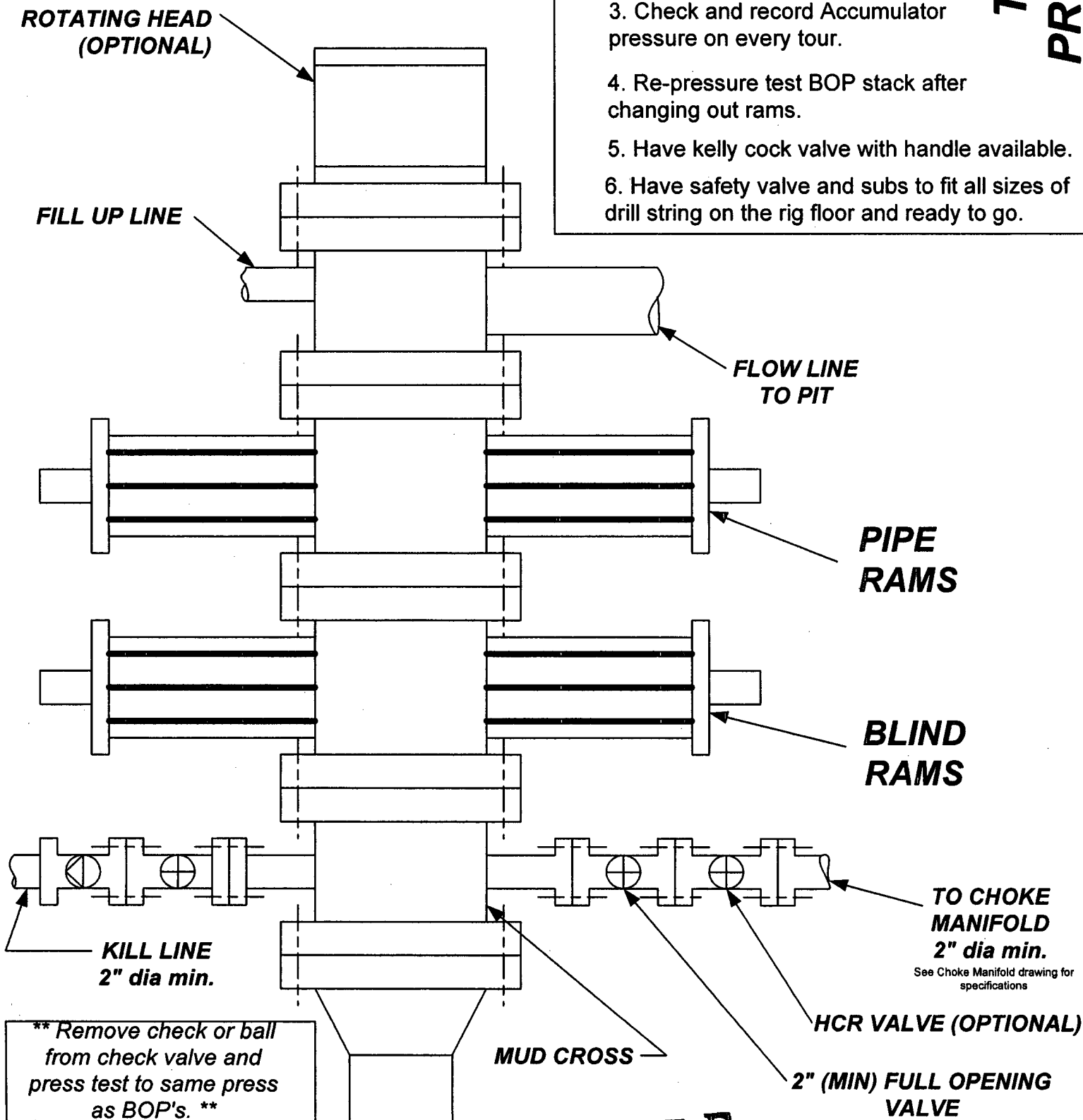


EXHIBIT F

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

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

TESTING PROCEDURE

