UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

To 27 28 29 70 OM Expi

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

Ho

		APPLICAT	ION FOR PER	MIT TO DRILL	ORREE	MAR ZIND NIERCINED	Ĵ [5. Lease Serial No. SF-047039-B		
 1 a.	Type of Work	X D		REENTE	100	BIENER DINN	ภ	6. If Indian, Allotee o	r Tribe Name	
	Type of Work	ixi L	KILL	LI REENTE		DIST, 3	J I	N/A		
lb.	Type of Well	Oil Well	★ Gas Well	Other [Single			7. Unit or CA Agreen	nent Name and No.	
2.	Name of Operator				, 7.	4.01.2111 M. DE		8. Lease Name and W	eli No.	
	TO Energy Inc				- 131	Messes se		JF Day E #16	;	
	Address					Phone No. (include area co	ae) [9. API Well No	32/1/2	
$\frac{2}{4}$	1 ocation of Well (Report location	dq. <u>K.Stel</u>	Farmington, ordance with any State	NM te equirem	505-324-1090 ents)*		JU-1195	33013	
-		-		c 17, T28N, R1			i	0. Field and Pool, or I Bs Dakota/Bs	Mancos/Ot Chac	
	At proposed prod. 2	one	SAME				[1	(D) Sec 17,	Blk. and Survey or Ard	
14.	Distance in miles an	d direction from	nearest town or po	ost office*			1	2. County or Parish	13. State	
					comfiel	d, NM post office		Ban <i>J</i> uan	NM	
15.	Distance from proj				1	of Acres in lease		cing Unit dedicated to	this well	
	location to nearest property or lease li (Also to nearest dr		665 '	•		1343.85	DEK-	N/2 320 MC-NN/	4 160 CH-NW/4	
18.	Distance from proj to nearest well, dri	lling, completed,			19. Prop	osed Depth	20. BL	M/BIA Bond No. on	file	
_	applied for, on this	lease, it.	920 '			6850 '		UIB-000138		
21.	Elevations (Show w	hether DF, KDF	8, RT, GL, etc.		22. App	proximate date work will star	rt*	23. Estimated duration		
_	5882' Grou	nd Elevatio	on		<u> </u>	summer 2006		2	weeks	
					4. Attach	ments rder No. 1, shall be attached				
1. 2. 3.	A Drilling Plan	n (if the location	is on National For	rest System Lands, th ice Office).		•		•	,	
25	Sigmature	00 16	wahar	. 1	•	nted/Typed)		Date	00/00/06	
Tit	O				Kyla Va	ughan			03/08/06	
Āŗ	Regulatory proved by (Signature	XIII	ulce l	17 N	Name (Pri	nted/Typed)		Date	3/24/06	
Ti	le	A	FM		Office /	FO				
co	oplication approval on aduct operations the onditions of approva	reon.	or certify that the	e applicant holds leg	al or equit	able title to those rights in Maw Cos Char	the subject of the su	ect lease which would fall of the party of t	entitle the applicant to	
To Sta	le 18 U.S.C. Section ates any false, fictition	n 1001 and Title ous or fraudulent	43 U.S.C. Section statements or repr	1212, make it a crim resentations as to any	ne for any matter wi	person knowlingly and willfi thin its jurisdiction.	ully to m	ake to any departmen	t or agency of the Unite	
*()	Instructions on page	DRILLING OF SUBJECT TO	ERATIONS AUTHO COMPLIANCE WI EQUIREMENTS".		proce	action is subject to technic edural review oursuant to 4 appeal pursuant to 43 OFR	3 CFR 3	RECEIVE ARHINGT	R 13	
		V	A	PD		RN	M	N 2 3	FM 12 27	

DISTRICT 1825 N French Or , Hobbs, N.M. 58240

State of New Mexico Energy, Minerals & Natural Resources Department

Form C-102 Revised June 10, 2003

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

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

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

Certificate Numbe

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

CORNER FO 2 1/2" BC | | AMENDED REPORT

1220 South St Francis Or Sants Fe, NM 87505 WELL LOCATION AND ACREAGE DEDICATION PLAT Poel Code Danota Property Name JF DAY E 10 *Operator Name Flevelion XTO ENERGY INC. 5882 10 Surface Location UL or lot no North/South une Section Township lot Ida Peet from the Feet from the East/Fest line 28 N 7.7D NORTH 665 WEST SAN JUAN 11 Bottom Hole Location If Different From Surface North/South line I.L or lot no Section Township Lot Idn Feet from the Kast/West line " Consolidation Code "Order No. 1 Dedicated Acres Joint or Intill \exists 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 89 56-42 E 2642.5 (M) FD 5/8* REBAS OPERATORS CERTIFICATION I hereby certify that the information confidence herein 16:40:02.7" N (NAC 27) LONG 107:55:30 2" W (NAC 27) 665 SURVEYOR CERTIFICATION I hereby certify that the most localism chains on this plat was plotted from field notes of actual surveys made by

DISTRICT | 1825 N. French Dr., Habbs, N.M. 86240

State of New Mexico Energy, Minerals & Natural Resources Department

Form C-102 Revised June 10, 2003

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

I AMENDED REPORT

DESTRICT IV 1220 South St. Francis Dr., Santa Fe, NN 87505

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

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C = 102 Revised June 10, 2003

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

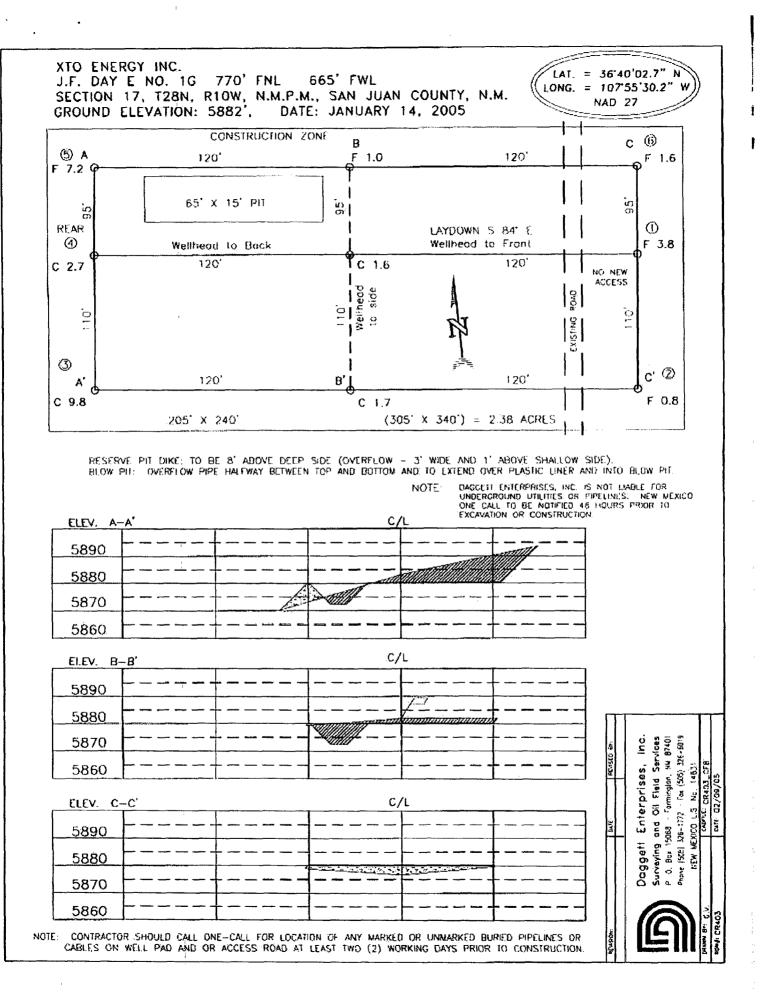
I'I AMENDED REPORT

DISTRICT IV

320 South St Pi	rencis Or .	Santa Fe, Ni	87505						i	J AMEA	DED KELO
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Submit 3 Copies To Appropriate District Office Ener	State of New Mexico rgy, Minerals and Natural Resources	Form C-103 May 27, 2004
District I 1625 N. French Dr., Hobbs, NM 87240 District II	II. CONCEDIVATION DIVISION	WELL API NO 30-045-33(4)3
1301 W. Grand Ave., Artesia, NM 88210 District III	IL CONSERVATION DIVISION 1220 South St. Francis Dr.	5. Indicate Type of Lease
1000 Rio Brazos Rd., Aztec, NM 87410 District IV	Santa Fe, NM 87505	STATE FEE
1220 S. St. Francis Dr., Santa Fe, NM 87505		6. State Oil & Gas Lease No. SF-047039-B
(DO NOT USE THIS FORM FOR PROPOSALS T DIFFERENT RESERVOIR. USE "APPLICATION	ID REPORTS ON WELLS TO DRILL OR TO DEEPEN OR PLUG BACK TO A FOR PERMIT" (FORM C-101) FOR SUCH	7. Lease Name or Unit Agreement Name: JF Day E
PROPOSALS.) 1. Type of Well:		8. Well Number
	Other	#1G
2. Name of Operator		9. OGRID Number 167067
3. Address of Operator		10. Pool name or Wildcat
2700 Farmington Ave., Bldg. K. 3 4. Well Location	Ste 1 Farmington, NM 87401	Rs Dakota/Rs Mancos/Ot Chacra
Unit Letter D : 770	feet from theNorth line and	665 feet from the West line
Section 17	Township 28N Range 10W	NMPM NMEM County SAN JUAN
	Elevation (Show whether DR, RKB, RT, GR, e 5882' Ground Elevation	(C.)
Pit or Below grade Tank Application X or Clo	sure 🗆	
	Distance from nearest fresh water well Distance from nearest fresh water well Distance from nearest fresh water well Distance from nearest fresh water well Distance from nearest fresh water well Distance from nearest fresh water well Distance from nearest fresh water well Distance from nearest fresh water well Distance from nearest fresh water well	istance from nearest surface water >1000
Pit Liner Thickness: 12 mil	Below-Grade Tank: Volumebbls; Construct	ion Material
12. Check Approp	priate Box to Indicate Nature of Notice	Report, or Other Data
	G AND ABANDON 🔲 REMEDIAL WORK	
TEMPORARILY ABANDON CHA	NGE PLANS COMMENCE DRILL	ING OPNS. PLUG AND ABANDONMENT
	TIPLE CASING TEST AND CEMENT JOB	
OTHER: PIT	OTHER:	
	tions. (Clearly state all pertinent details, and given RULE 1103. For Multiple Completions: Attac	
XTO Energy intends to install	a pit on location for drilling.	
•		
I hereby certify that the information above is grade tank has been will be constructed or goosed ac	true and complete to the best of my knowledge cording to NMOCD guidelines , a general permit	ge and belief. I further certify that any pit or below-
SIGNATURE KIJLA VIII	1	Compliance Tech DATE 03/08/06
Type or print name Ryla Vaughan	E-mail address: ky	yla vaughan@xtoenergy.com Telephone No. 505-564-6726
For State Use Only	PROBLEM ON O CAC	MAR 2 7 2006
APPROVED BY Conditions of Approval, if any:	TITLE TOTA OIL & GAS	INSPECTOR, EST. DATE MAR 2 7 2000

EXHIBIT D



XTO ENERGY INC.

JF Day E #1G **APD Data** March 8, 2006

Location: 770' FNL x 665' FWL Sec 17, T28N, R10W

County: San Juan

State: New Mexico

GREATEST PROJECTED TD: 6850'

OBJECTIVE: Basin Dakota / Basin Mancos / Otero Chacra

APPROX GR ELEV: 5882'

Est KB ELEV: 5894' (12' AGL)

1. **MUD PROGRAM:**

INTERVAL	0' to 360'	360' to 2500'	2500' to 6850
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.

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 (± 6850 ') in 7-7/8" hole filled with 9.20 ppg mud.

					Coll	Burst Rating	Jt Str	ID	Drift	SF	SF	SF
Interval	Length	Wt	Gr	Cplg	Rating (psi)	(psi)	(M-lbs)	(in)	(in)	Coll	Burst	Ten
0'-6850	6850'	15.5#	J-55	ST&C	4040	4810	202	4.950	4.825	1.23	1.47	1.90

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

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

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. <u>Production:</u> 5.5", 15.5#, J-55 (or K-55), ST&C casing to be set at ± 6850 ' in 7.875" hole. DV Tool set @ ± 4200 '

1st Stage

LEAD:

±205 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.

2nd Stage

LEAD:

 ± 350 sx of Type III with 8% gel, 1/4 pps cello & 2% LCM mixed at 11.9 ppg, 2.54 ft³/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 1671 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 (6850') to the bottom of the surface csg. Run Neutron/Lithodensity/Pe/GR/Cal from TD (6850') to 3,000'.

EXHIBIT F

6. FORMATION TOPS:

Est. KB Elevation: 5894'

FORMATION	Sub-Sea Elev.	WELL DEPTH	FORMATION	Sub-Sea Elev.	WELL DEPTH
Ojo Alamo SS	5065	829	Gallup Ss**	384	5,510
Kirtland Shale	4921	973	Greenhorn Ls	-369	6,263
Farmington SS			Graneros Sh	-430	6,324
Fruitland Formation	4402	1,492	1 ST Dakota Ss*	-465	6,359
Lower Fruitland Coal	3944	1,950	2 ND Dakota Ss*	-485	6,379
Pictured Cliffs SS	3917	1,977	3 RD Dakota Ss*	-550	6,444
Lewis Shale	3718	2,176	4 TH Dakota Ss*	-607	6,501
Chacra SS	2940	2,954	5 TH Dakota Ss*	-634	6,528
Cliffhouse SS	2329	3,565	6 TH Dakota Ss*	-671	6,565
Menefee	2228	3,666	Burro Canyon Ss*	-706	6,600
Point Lookout SS	1599	4,295	Morrison Fm	-754	6,648
Mancos Shale	1260	4,634	Total Depth	-956	6,850

^{*} Primary Objective

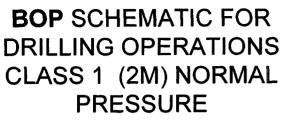
7. **COMPANY PERSONNEL:**

Name	Title	Office Phone	Home Phone
John Egelston	Drilling Engineer	505-564-6734	505-330-6902
Jerry Lacy	Drilling Superintendent	505-566-7917	505-320-6543
John Klutsch	Project Geologist	817-885-2800	
Mandi Moncrief	Reservoir Engineer	817-885-2800	

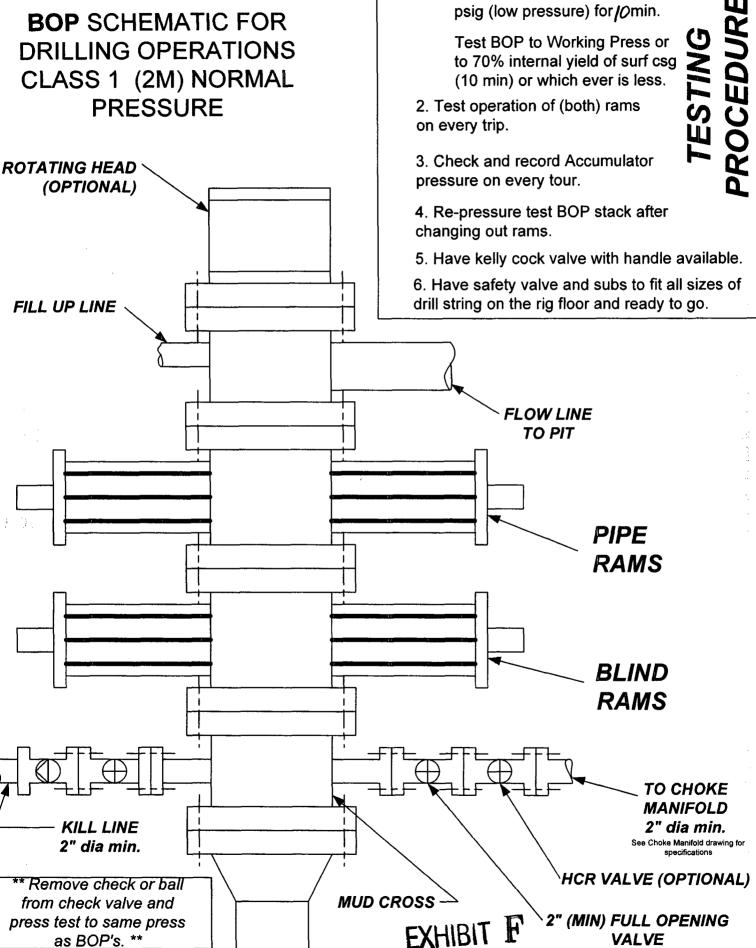
JWE 3/8/06

^{**} Secondary Objective

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



as BOP's. **



1. Test BOP after installation:

Pressure test BOP to 200-300

psig (low pressure) for 10 min.

Test BOP to Working Press or

VALVE

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

- 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.

TESTING PROCEDURE

