

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. SF-077315
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 G.A. No. NM 73335-DK
3a. Address 2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM		8. Lease Name and Well No. Martin Gas Com B #1F
3b. Phone No. (include area code) 505-324-1090		9. API Well No. 30-045-34091
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface 1740' FNL x 1190' 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* Approximately 7 miles Southeast of Bloomfield, NM post office		11. Sec., T., R., M., or Blk. and Survey or Area (H) Sec 31, T28N, R10W
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 1190'	16. No. of Acres in lease 240	17. Spacing Unit dedicated to this well E/2 DK 320 : NE/4 MC 160
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 620'	19. Proposed Depth 6700'	20. BLM/BIA Bond No. on file UTB000138
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5834' Ground Elevation	22. Approximate date work will start* January 2007	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 	Name (Printed/Typed) Kyla Vaughan	Date 11/29/06
Title Regulatory Compliance Tech		
Approved by (Signature) 	Name (Printed/Typed)	Date 1/17/07
Title AFU	Office FED	

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".

APD/ROW

NMOCD 8 1/9/07

RCVD JAN 19 07
OIL CONS. DIV.

Form C-102
DIST. 3

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240

DISTRICT II
1301 W. Grand Ave., 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 87505

Revised October 12 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

2006 DEC 1 PM 12 09

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-34091		*Pool Code 71599	*Pool Name Basin Damona
*Property Code 22622	*Property Name MARTIN GAS COM B		*Well Number 1F
*OCRID No. 5380	*Operator Name XTO ENERGY INC.		*Elevation 5834

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
H	31	28-N	10-W		1740	NORTH	1190	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 812.320				*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

<p>16</p> <p>LOT 1 42.42</p> <p>LOT 2 42.45</p> <p>LOT 3 42.49</p> <p>LOT 4 42.52</p>	<p>FD. 2 1/2" BC. 1913 U.S.G.L.O.</p> <p>N 89-55-06 W 2641.3' (M)</p> <p>FD. 2 1/2" BC. 1913 U.S.G.L.O.</p> <p>S 0-02-43 W 2639.2' (M)</p> <p>1740'</p> <p>1190'</p> <p>LAT: 36.62128° N. (NAD 83) LONG: 107.93200° W. (NAD 83) LAT: 36°37'16.6" N. (NAD 27) LONG: 107°55'53.0" W. (NAD 27)</p> <p>31</p>	<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, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>John L. Small</i> Signature Date 12/7/06</p> <p>John L. Small Printed Name</p>
	<p>FD. 2 1/2" BC. 1913 U.S.G.L.O.</p>	<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>APRIL 26, 2006 Date of Survey</p> <p><i>John A. Vukowich</i> Signature Surveyor</p> <p>JOHN A. VUKOVICH NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR 14831-6</p> <p>Certificate Number</p>

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DISTRICT I
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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 October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-34091	² Pool Code 97232	³ Pool Name NE Basin Mancos
⁴ Property Code 22622	⁵ Property Name MARTIN GAS COM B	⁶ Well Number 1F
⁷ Tract No. 5380	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 5834

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
H	31	28-N	10-W		1740	NORTH	1190	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 NE 1/4 1600			¹³ Joint or Infill		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

<p>16</p> <p>LOT 1 42.42</p>	<p>FD. 2 1/2" BC. 1913 U.S.G.L.O.</p>	<p>N 89-55-06 W 2641.5' (M)</p>	<p>FD. 2 1/2" BC. 1913 U.S.G.L.O.</p>	<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, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>[Signature]</i> Signature Date</p> <p><i>[Printed Name]</i> Printed Name</p>
<p>LOT 2 42.45</p>	<p>LAT: 36.62128" N. (NAD 83) LONG: 107.93200" W. (NAD 83) LAT: 36°37'16.6" N. (NAD 27) LONG: 107°55'53.0" W. (NAD 27)</p>	<p>1740'</p> <p>1190'</p>	<p>S 0-02-43 W 2659.2' (M)</p>	
<p>LOT 3 42.49</p>	<p>31</p>		<p>FD. 2 1/2" BC. 1913 U.S.G.L.O.</p>	<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>APRIL 26, 2006 Date of Survey</p> <p><i>[Signature]</i> Signature</p> <p><i>[Printed Name]</i> Printed Name</p> <p>JOHNA VUKOVICH NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR 14891-6</p> <p>Certificate Number</p>
<p>LOT 4 42.52</p>				

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 87240
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

Form C-103
May 27, 2004

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

WELL API NO. <u>30-045-34091</u>
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. <u>SF-077315</u>
7. Lease Name or Unit Agreement Name: <u>Martin Gas Com B</u>
8. Well Number <u>#1F</u>
9. OGRID Number <u>5380</u>
10. Pool name or Wildcat <u>Basin Dakota/Basin Mancos</u>

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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	11. Elevation (Show whether DR, RKB, RT, GR, etc.) <u>5834' Ground Elevation</u>
2. Name of Operator <u>XTO Energy Inc.</u>	
3. Address of Operator <u>2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401</u>	
4. Well Location Unit Letter <u>H</u> : <u>1740</u> feet from the <u>North</u> line and <u>1190</u> feet from the <u>East</u> line Section <u>31</u> Township <u>28N</u> Range <u>10W</u> NMPM <u>NMPM</u> County <u>SAN JUAN</u>	
Pit or Below-grade Tank Application <input checked="" type="checkbox"/> or Closure <input type="checkbox"/>	
Pit type <u>DRILL</u> Depth to Groundwater <u>>100</u> Distance from nearest fresh water well <u>>1000</u> Distance from nearest surface water <u>2200</u>	
Pit Liner Thickness: <u>12</u> mil Below-Grade Tank: Volume <u>8000</u> 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: PIT ☒

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 intends to install a lined pit on location for drilling.

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 NMOCD guidelines ☒ , a general permit ☐ or an (attached) alternative OCD-approved plan ☐

SIGNATURE Kyle Vaughan TITLE Regulatory Compliance Tech DATE 11/29/06
Type or print name Kyla Vaughan E-mail address: kyla_vaughan@xtoenergy.com Telephone No. 505-564-6726

For State Use Only

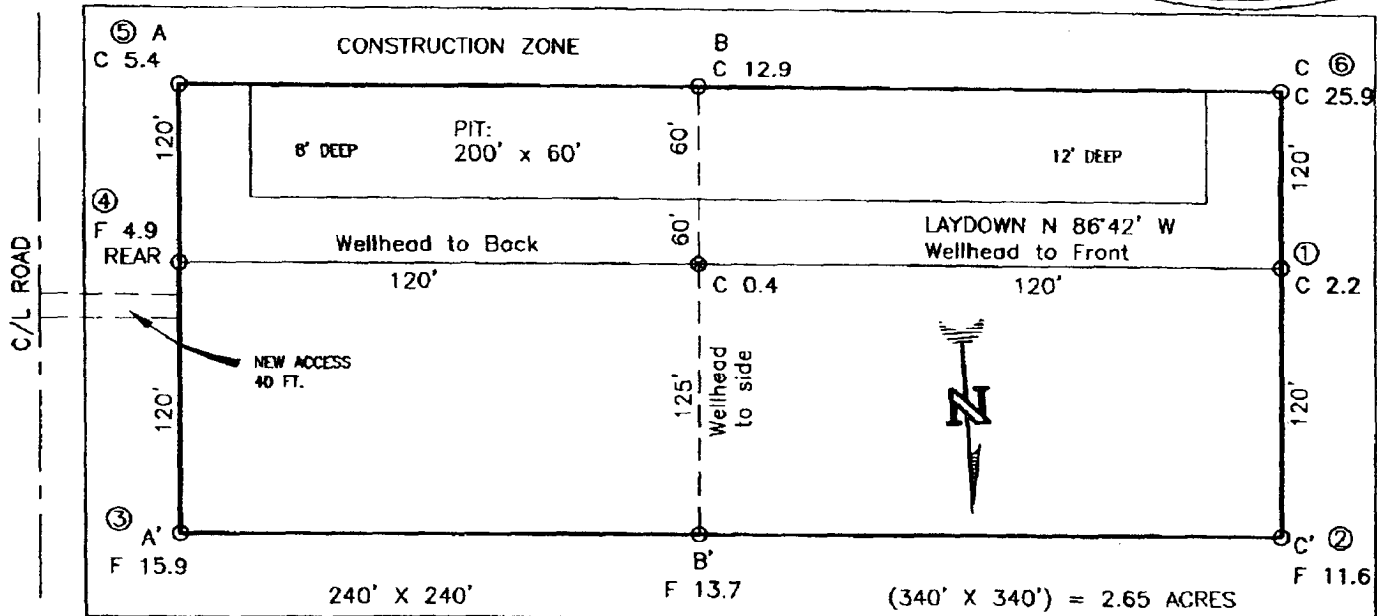
APPROVED BY [Signature] DEPUTY OIL & GAS INSPECTOR, DIST. 03 DATE 1/19/07
Conditions of Approval, if any:

EXHIBIT D

8

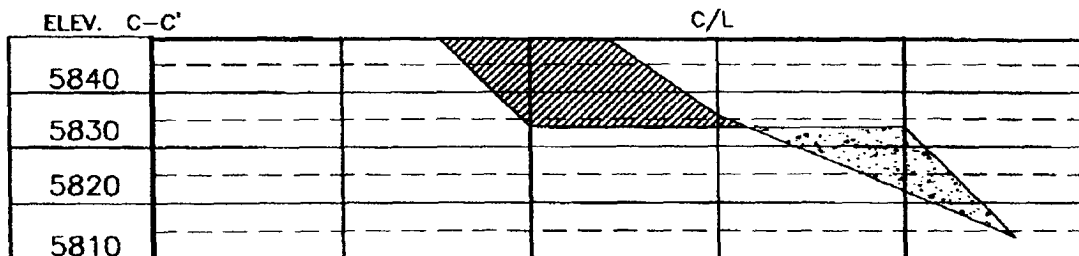
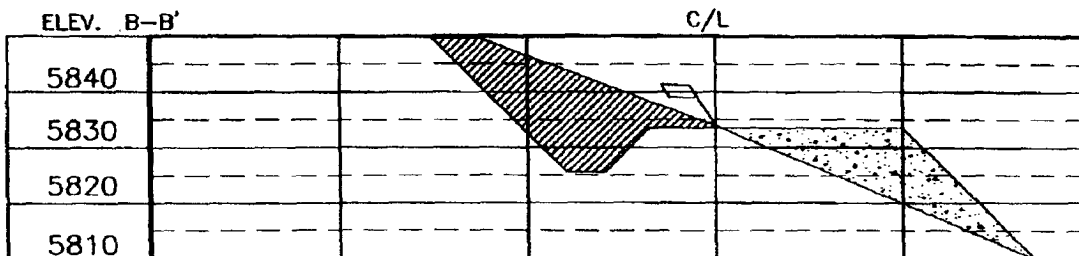
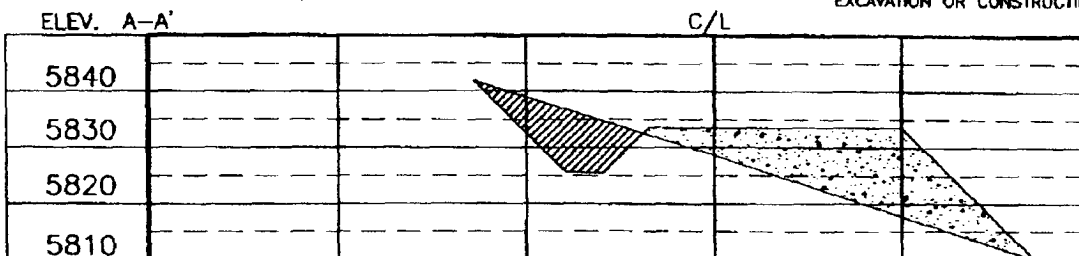
XTO ENERGY INC.
 MARTIN GAS COM B No. 1F, 1740 FNL 1190 FEL
 SECTION 31, T28N, R10W, N.M.P.M., SAN JUAN COUNTY, N.M.
 GROUND ELEVATION: 5834' DATE: APRIL 26, 2006

NAD 83
 LAT. = 36.62128° N
 LONG. = 107.93200° W
 NAD 27
 LAT. = 36°37'16.6" N
 LONG. = 107°55'53.0" W



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: 06/13/08	REVISION: G.V.	REVISION: RESTATED
Daggett Enterprises, Inc. Surveying and Oil Field Services P. O. Box 15068 • Farmington, NM 87401 Phone (505) 328-1772 • Fax (505) 328-6019 NEW MEXICO L.S. No. 14831 CAPTLE CR408 CFB DRAWN BY: G.V. DATE: 4/27/05 REV: CR408		

EXHIBIT E

XTO ENERGY INC.

Martin Gas Com B #1F

APD Data

November 29, 2006

Location: 1740' FNL x 1190' FEL Sec 31, T28N, R10W County: San Juan

State: New Mexico

GREATEST PROJECTED TD: 6700'

APPROX GR ELEV: 5834'

OBJECTIVE: Basin Dakota / Basin Mancos

Est KB ELEV: 5846' (12' AGL)

1. MUD PROGRAM:

INTERVAL	0' to 360'	360' to 2500'	2500' to 6700
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 ($\pm 6700'$) in 7.875" 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'-6700	6700'	15.5#	J-55	ST&C	4040	4810	202	4.950	4.825	1.26	1.50	1.95

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 (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 $\pm 6700'$ in 7.875" hole. DV Tool set @ $\pm 4100'$

1st Stage

LEAD:

± 199 sx of Premium Lite HS (Type III/Poz/Gel) or equivalent, with dispersant, fluid loss, accelerator, & LCM mixed at 12.5 ppg, 2.01 ft³/sk, 10.55 gal wtr/sx.

TAIL:

150 sx Type III or equivalent cement with bonding additive, LCM, dispersant, & fluid loss mixed at 14.2 ppg, 1.54 cuft/sx, 8.00 gal/sx.

2nd Stage

LEAD:

± 341 sx of Type III or equivalent cement with 8% gel & 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 1635 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 (6700') to the bottom of the surface csg. Run Neutron/Lithodensity/Pe/GR/Cal from TD (6700') to 3,000'.

6. FORMATION TOPS:

Est. KB Elevation: 5846'

FORMATION	Sub-Sea	MD	FORMATION	TV Sub-Sea	MD
Ojo Alamo SS	5102	744	Gallup**	502	5,344
Kirtland Shale	4976	870	Greenhorn	-285	6,131
Farmington SS			Graneros	-341	6,187
Fruitland Formation	4542	1,304	Dakota 1*	-378	6,224
Lower Fruitland Coal	4079	1767	Dakota 2*	-402	6,248
Pictured Cliffs SS	4060	1,786	Dakota 3*	-458	6,304
Lewis Shale	3934	1,912	Dakota 4*	-515	6,361
Chacra SS	3119	2,727	Dakota 5*	-556	6,402
Cliffhouse SS	2487	3,359	Dakota 6*	-592	6,438
Menefee	2386	3,460	Burro Canyon	-624	6,470
Point Lookout SS	1686	4,160	Morrison*	-661	6,507
Mancos Shale	1369	4,477	TD	-854	6,700

* 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
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	-

JWE

12/4/06

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 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.

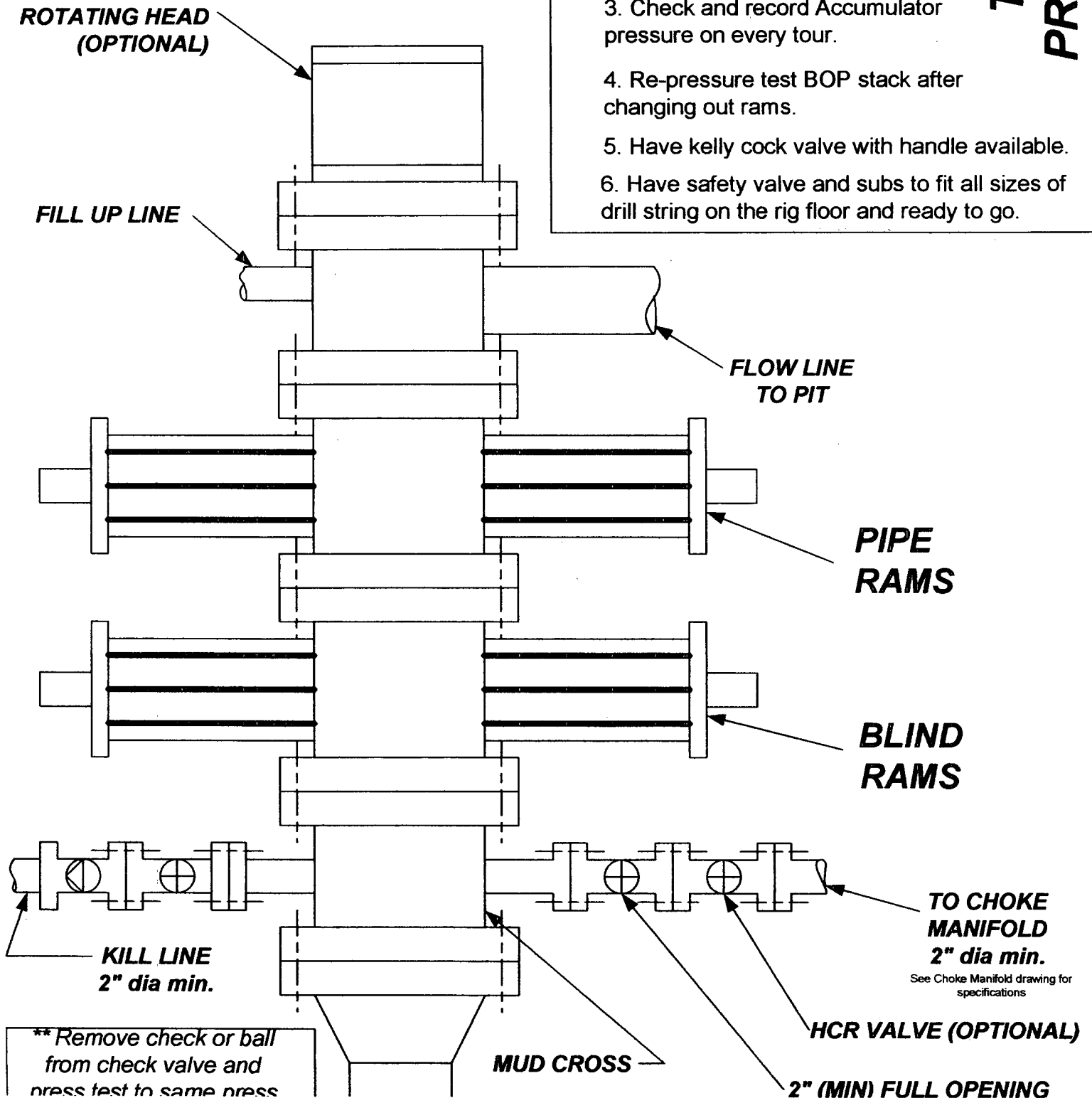


EXHIBIT F

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

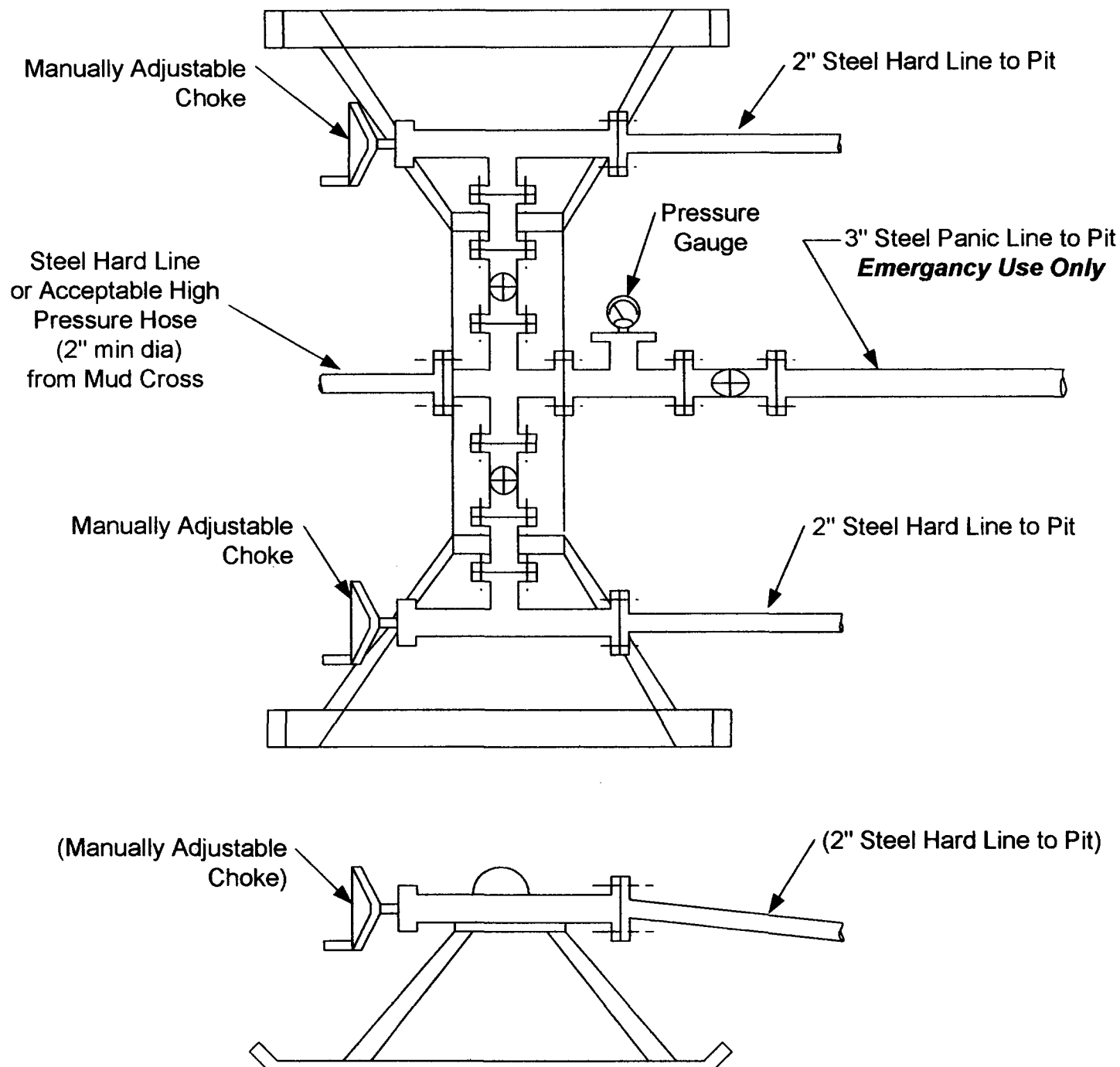


EXHIBIT F