

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. NMSF 0077875
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	3b. Phone No. (include area code) 505-324-1090	8. Lease Name and Well No. PO PIPKIN #2G
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface 670' ENL x 1345' FWL At proposed prod. zone SAME		9. API Well No. 30-045-34169
14. Distance in miles and direction from nearest town or post office* Approximately 9 miles Southeast of Bloomfield, NM post office		10. Field and Pool, or Exploratory EASTIN DAKOTA/EASTIN MANCOS
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 670'	16. No. of Acres in lease 2080	11. Sec., T., R., M., or Blk. and Survey or Area (C) SEC 8, T27N, R10W
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1091'	19. Proposed Depth 6930'	12. County or Parish SAN JUAN
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6083' GROUND ELEVATION	22. Approximate date work will start* MAY 2007	13. State NM
23. Estimated duration 2 WEEKS		17. Spacing Unit dedicated to this well DK: W/2 320, MC: NW/4 160
24. Attachments		20. BLM/BIA Bond No. on file UTB000138

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 <i>Kyla Vaughan</i>	Name (Printed/Typed) Kyla Vaughan	Date 02/12/07
Title Regulatory Compliance Tech		
Approved by (Signature) <i>D. Monks</i>	Name (Printed/Typed) AFM	Date 3/2/07
Title FFO		

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)

2/3 NOTIFY AZTEC OGD 24hrs
IN TIME TO WITNESS 6996' cement

APD/ROW

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

3/8/07

NMOCD

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 Ave., Artesia, N.M. 88210

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

DISTRICT IV
1220 South St. Francis Dr., Santa Fe, N.M. 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 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 30-045-34169	² Pool Code 71599	³ Pool Name Basin Dakota
⁴ Property Code 22628	⁵ Property Name P O PIPKIN	⁶ Well Number 2G
⁷ OGRID No. 5380	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 6083

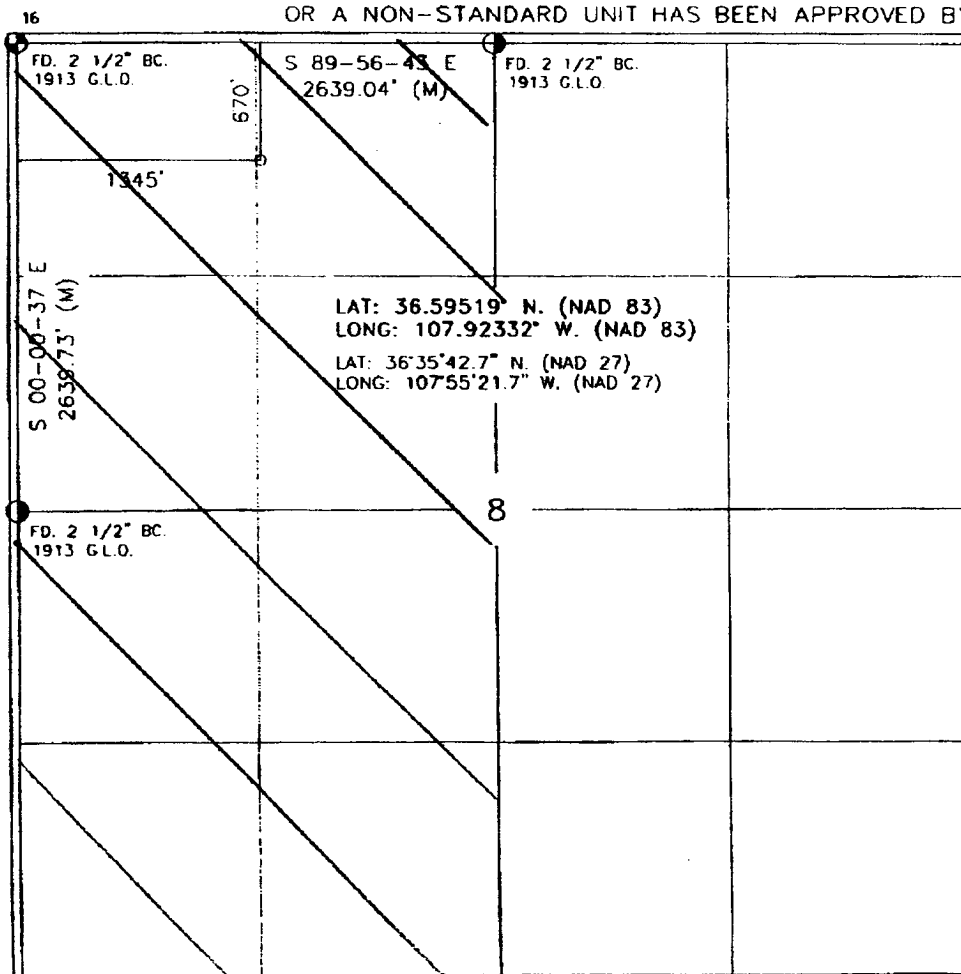
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	8	27-N	10-W		670	NORTH	1345	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
									RCVD MAR7'07
¹² Dedicated Acres w/2 320			¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No. OIL CONS. DIV. DIST. 3		

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, 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.

[Signature]
Signature
Billy Small
Printed Name
Date

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
Signature and Seal of Professional Land Surveyor

Certificate Number

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

Form C-101
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 30-045-34169	² Pool Code 97232	³ Pool Name Basin Mancos
⁴ Property Code 22628	⁵ Property Name P O PIPKIN	⁶ Well Number 2G
⁷ OGRID No. 5380	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 6083

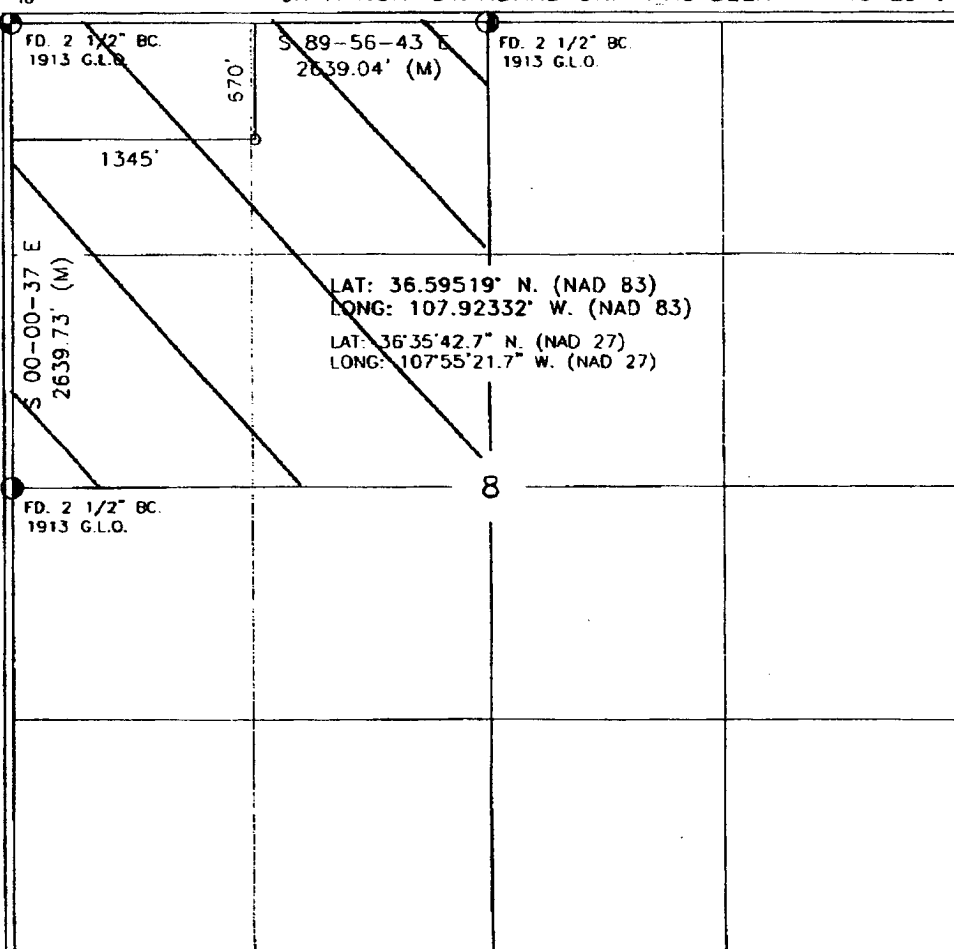
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	8	27-N	10-W		670	NORTH	1345	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 NW 1/4 160			¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No RCUD MAR7'07 OIL CONS. DIV. DIST. 3		

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OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



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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.

Holly Small 10/18/06
Signature Date
Holly Small
Printed Name

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: 10/18/06
Date of Survey
Signature and Seal of Professional Land Surveyor
NEW MEXICO
8894
125 06
CERTIFIED PROFESSIONAL LAND SURVEYOR

Certificate Number

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 30-045-34169
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: PO PIEKIN
8. Well Number #2G
9. OGRID Number 5380
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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> 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 C : 670 feet from the NORTH line and 1345 feet from the WEST line Section 8 Township 27N Range 10W NMPM NMEM County SAN JUAN
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6083' GROUND ELEVATION
Pit or Below-grade Tank Application <input checked="" type="checkbox"/> or Closure <input type="checkbox"/>
Pit type DRILL Depth to Groundwater >100 Distance from nearest fresh water well >1000 Distance from nearest surface water 700
Pit Liner Thickness: 12 mil Below-Grade Tank: Volume 8000 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 plans 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 Kyla Vaughan TITLE Regulatory Compliance Tech DATE 02/12/07
E-mail address: kyla_vaughan@xtoenergy.com Telephone No. 505-564-6726
Type or print name Kyla Vaughan

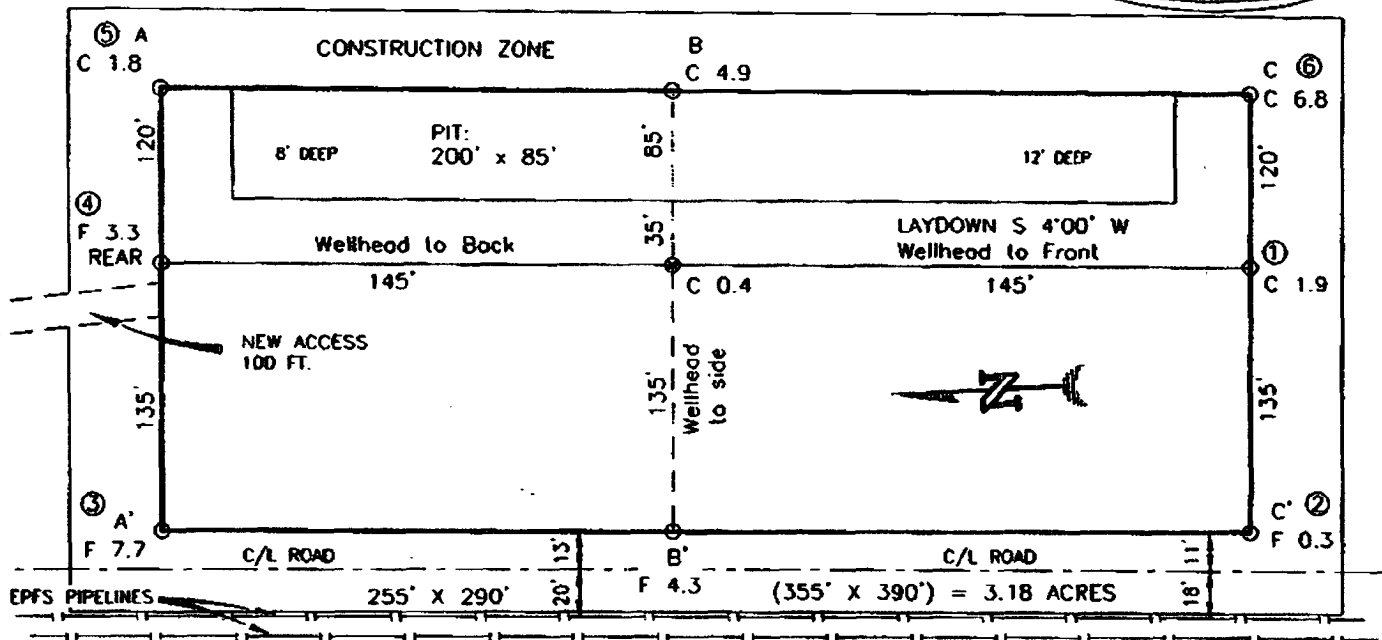
For State Use Only

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #1 DATE MAR 08 2007
Conditions of Approval, if any:

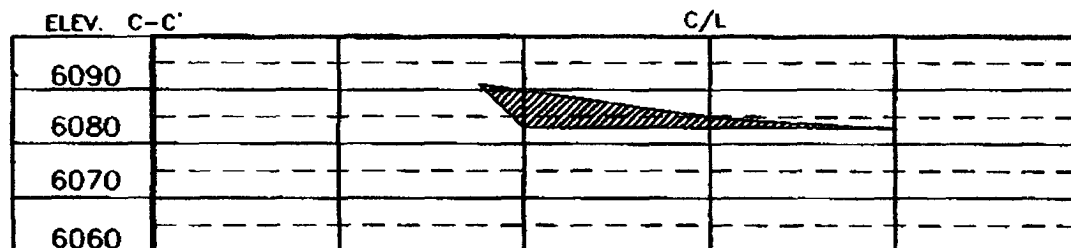
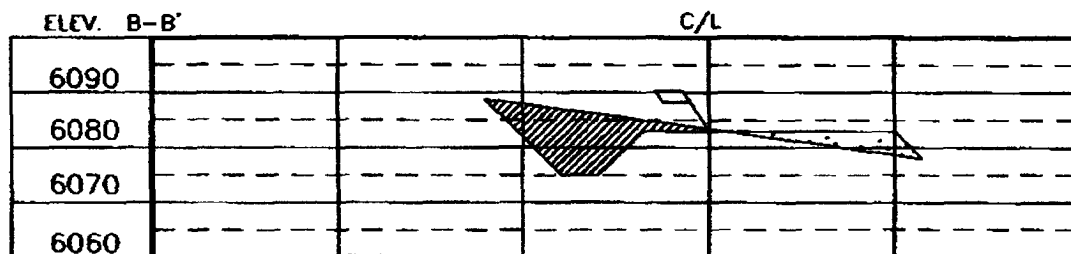
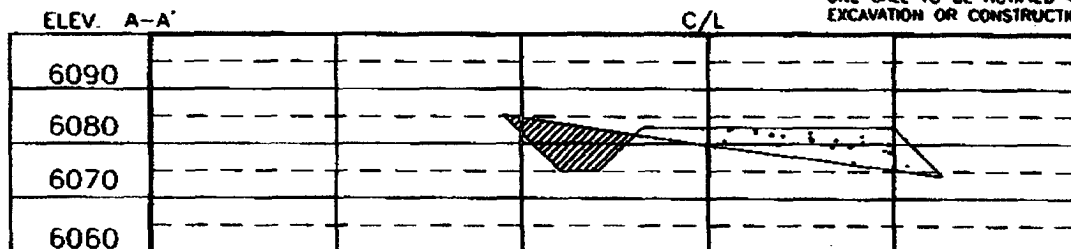
EXHIBIT D

XTO ENERGY INC.
P O PIPKIN No. 2G, 670 FNL 1345 FWL
SECTION 8, T27N, R10W, N.M.P.M., SAN JUAN COUNTY, N.M.
GROUND ELEVATION: 6083' DATE: AUGUST 14, 2006

NAD 83
LAT. = 36.59519° N
LONG. = 107.92332° W
NAD 27
LAT. = 36°35'42.7" N
LONG. = 107°55'21.7" W



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 15088 Fortington, NM 87401
Phone (505) 336-1777 - Fax (505) 336-6019
NEW MEXICO L.S. No. 8594
DATE: 08/16/06

REVISION: 15088 BY: [Signature]

DATE: 08/16/06

EXHIBIT E

XTO ENERGY INC.

PO Pipkin #2G

APD Data

February 12, 2007

Location: 670' FNL x 1345' FWL Sec 8, T27N, R10W County: San Juan State: New Mexico

GREATEST PROJECTED TD: 6930'
APPROX GR ELEV: 6083'

OBJECTIVE: Basin Dakota / Basin Mancos
Est KB ELEV: 6095' (12' AGL)

1. MUD PROGRAM:

INTERVAL	0' to 360'	360' to 2500'	2500' to 6930'
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 ($\pm 6930'$) 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'-6930	6930'	15.5#	J-55	ST&C	4040	4810	202	4.950	4.825	1.22	1.45	1.88

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 $\pm 6930'$ in 7.875" hole. DV Tool set @ $\pm 4200'$

1st Stage

LEAD:

± 215 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:

± 350 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 1691 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 (6930') to the bottom of the surface csg. Run Neutron/Lithodensity/Pe/GR/Cal from TD (6930') to 3,000'.

EXHIBIT F

6. FORMATION TOPS:

Est. KB Elevation: 6095'

FORMATION	Sub-Sea	MD	FORMATION	TV Sub-Sea	MD
Ojo Alamo SS	5182	913	Gallup**	621	5,474
Kirtland Shale	5036	1,059	Greenhorn	-177	6,272
Farmington SS			Graneros	-235	6,330
Fruitland Formation	4627	1,468	Dakota 1*	-265	6,360
Lower Fruitland Coal	4174	1921	Dakota 2*	-297	6,392
Pictured Cliffs SS	4158	1,937	Dakota 3*	-354	6,449
Lewis Shale	3973	2,122	Dakota 4*	-415	6,510
Chacra SS	3250	2,845	Dakota 5*	-464	6,559
Cliffhouse SS	2623	3,472	Dakota 6*	-523	6,618
Menefee	2514	3,581	Burro Canyon	-588	6,683
Point Lookout SS	1799	4,296	Morrison*	-640	6,735
Mancos Shale	1479	4,616	TD	-835	6,930

* 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
2/12/07

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 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.

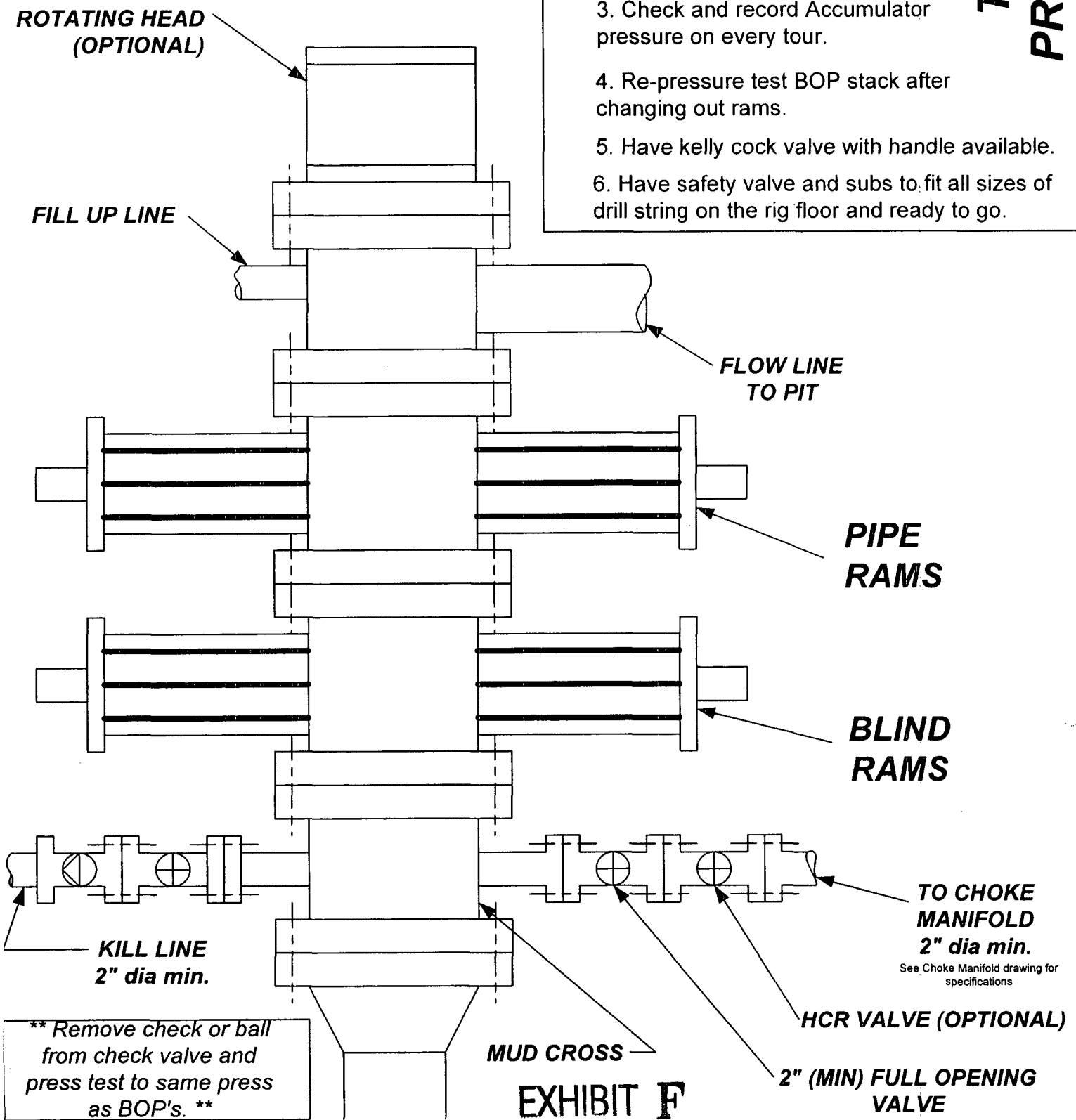


EXHIBIT F

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

