

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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 077382	
1b. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input 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. RP HARGRAVE B #3R	
3b. Phone No. (include area code) 505-324-1090		9. API Well No. 30-045-34293	
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface 665' FNL x 1975' FWL At proposed prod. zone 2400' FNL x 1860' FWL		10. Field and Pool, or Exploratory BASIN FRUITLAND COAL	
14. Distance in miles and direction from nearest town or post office* Approximately 8.3 miles Southeast of Bloomfield, NM post office		11. Sec., T., R., M., or Blk. and Survey or Area (C) SEC 4, T27N, R10W	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 665'	16. No. of Acres in lease 2523.52	17. Spacing Unit dedicated to this well W/2 321.07	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 27'	19. Proposed Depth 2071'	20. BLM/BIA Bond No. on file UTB000138	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6147' Ground Elevation		22. Approximate date work will start* August 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 <i>Kyla Vaughan</i>	Name (Printed/Typed) Kyla Vaughan	Date 04/26/07
Title Regulatory Compliance Tech		
Approved by (Signature) <i>[Signature]</i>		
Name (Printed/Typed) ATEM		Date 6/25/07
Title ATEM		Office FTO

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)

HOLD ON RPT
2 Change to Rpt
Rpt #3

SEE ATTACHED FOR CONDITIONS OF APPROVAL
NOTIFY AZTEC OCD PRIOR TO CASING & CEMENT

NMOCD 6-29-07
BH

RCVD JUN27'07
OIL CONS. DIV.
DIST. 3

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

Form C-102

Revised October 12, 2005

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

2007 MAY 7

RECEIVED

210 EAST

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-34293		*Pool Code 71629	*Pool Name BASIN FRUITLAND COAL
*Property Code 32601	*Property Name RP HARGRAVE B		*Well Number 3R
*OGRD No. 5380	*Operator Name XTO ENERGY INC.		*Elevation 6147'

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	4	27-N	10-W		665	NORTH	1975	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
F	4	27-N	10-W		2400	NORTH	1860	WEST	SAN JUAN

*Dedicated Acres W/2 321.07	*Joint or Infill	*Consolidation Code	*Order No.
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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>15</p> <p>FD 3 1/2" BC S 89'-53'-44" E 2638.9'</p> <p>1913 GLO</p> <p>1975'</p> <p>LOT 4 40.56</p> <p>S 00'-03'-32" E 2654.4'</p> <p>1860'</p> <p>BHL</p> <p>4</p> <p>FD 2 1/2" BC 1913 GLO</p> <p>BOTTOM HOLE LOCATION LAT: 36.60494° N. (NAD 83) LONG: 107.90360° W. (NAD 83)</p>		<p>16</p> <p>WITNESS COR. FD 2 1/2" BC 1913 GLO 13.2' EAST</p> <p>LOT 2 40.47</p> <p>LOT 3 40.51</p> <p>LOT 1 40.42</p> <p>SURFACE LOCATION LAT: 36.60970° N. (NAD 83) LONG: 107.90322° W. (NAD 83) LAT: 36°36'34.9" N. (NAD 27) LONG: 107°54'09.3" W. (NAD 27)</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>Kyla Vaughan</i> 5/4/07 Signature Date <i>Kyla Vaughan</i> Printed Name</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>SEPTEMBER 27, 2006 Date of Survey Signature and Seal of Surveyor: <i>ROY A. RUSSELL</i> Professional Land Surveyor 8894 Certificate Number</p>			

State of New Mexico
Energy, Minerals and Natural ResourcesOIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO

30-045-34293

5. Indicate Type of Lease

STATE ☐FEE ☐

6. State Oil & Gas Lease No.

NMSF 077382

7. Lease Name or Unit Agreement Name:

RP HARGRAVE B

8. Well Number

#3R

9 OGRID Number

5380

10. Pool name or Wildcat

BASIN FRUITLAND COAL

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 C : 665 feet from the NORTH line and 1975 feet from the WEST line

Section 4 Township 27N Range 10W NMPM NMPM County SAN JUAN

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

6147' GROUND ELEVATION

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 >1000

Pit Liner Thickness: 12 mil Below-Grade Tank: Volume bbls; Construction Material Synthetic

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 04/26/07Type or print name Kyla VaughanE-mail address: kyla_vaughan@xtoenergy.comTelephone No. 505-564-6726

For State Use Only

APPROVED BY [Signature] TITLE Deputy Oil & Gas Inspector, District #3 DATE MUN 29 2007

Conditions of Approval, if any:

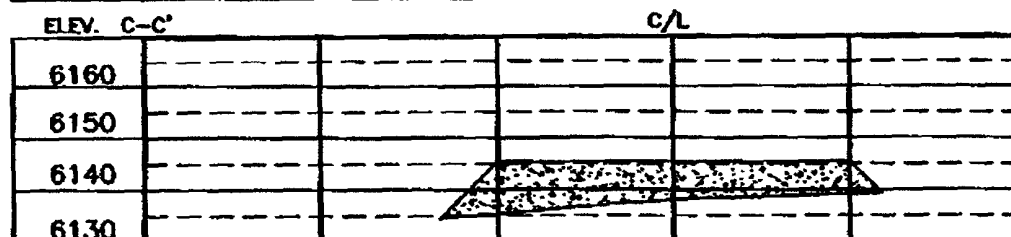
EXHIBIT D

MAD 83
LAT. = 36.60970° N
LONG. = 107.90322° W

MAD 27
LAT. = 38°38'34.8" N
LONG. = 107°54'08.5" 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 18068 • Farmington, MD 27401
Phone (303) 328-1772 • Fax (303) 328-8818



100-443887-1

EXHIBIT E

XTO ENERGY INC.

RP Hargrave B #3R

Drilling Program

April 23, 2007

Surface Location: 665' FNL x 1975' EEL Sec 4, T27N, R10W
Bottomhole Location: 2400' FNL x 1860' FWL Sec 4, T27N, R10W
County: San Juan Co. State: New Mexico

GREATEST PROJECTED TVD: 2071'

APPROX GR ELEV: 6147'

GREATEST PROJECTED MD: 3425'

Est KB ELEV: 6159' (12' AGL)

OBJECTIVE: Fruitland Coal

1. MUD PROGRAM:

INTERVAL	0' to 225'	225' to 2330'	2330' to TD
HOLE SIZE	12.25"	8.75"	6.125"
MUD TYPE	FW/Spud Mud	FW/Polymer	Air/Mist
WEIGHT	8.6-9.0	8.4-8.8	NA
VISCOSITY	28-32	28-32	NA
WATER LOSS	NC	NC	NC

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. Use Fruitland Coal produced water as make-up water for mist fluid. Pump enough fluid to dampen vibration at directional BHA.

2. CASING PROGRAM:

Surface Casing: 9.625" casing to be set at \pm 225' in a 12-1/4" hole filled with 8.40 ppg mud

Interval	Length	Wt	Gr	Cplg	Coll Rating (psi)	Burst Rating (psi)	Jt Str (M-lbs)	ID (in)	Drift (in)	SF Coll ¹	SF Burst ²	SF Ten ³
0'-225'	225'	36.0#	J-55	ST&C	2020	3520	394	8.921	8.765	20.6	35.8	48.6

Production Casing: 7" casing to be set at \pm 2330' MD, 2070' TVD in a 8.75" hole filled with 8.4 ppg mud

Interval	Length	Wt	Gr	Cplg	Coll Rating (psi)	Burst Rating (psi)	Jt Str (M-lbs)	ID (in)	Drift (in)	SF Coll ¹	SF Burst ²	SF Ten ³
0'-2330'	2330'	23#	J-55	LT&C	3270	4360	284	6.366	6.241	3.61	4.82	5.29

Production Liner: 4.5" casing to be set at \pm 3425' MD, 2071' TVD in a 6 1/8" hole filled with 8.4 ppg mud.

Interval	Length	Wt	Gr	Cplg	Coll Rating (psi)	Burst Rating (psi)	Jt Str (M-lbs)	ID (in)	Drift (in)	SF Coll ¹	SF Burst ²	SF Ten ³
0'-3425'	3425'	11.6#	J-55	ST&C	4960	5350	154	4	3.875	5.48	5.92	3.88

¹Collapse SF is based on evacuated annulus and hydrostatic at TVD.

²Burst SF is based on evacuated casing and hydrostatic at TVD.

EXHIBIT F

³Tensile SF is based on hanging air weight of casing in a vertical hole at measured depth.

3. WELLHEAD:

- A. Casing Head: WHI QDF System (or equivalent), 9-5/8" x 7", 3,000 psig WP (4,000 psig test) with 9-5/8" 8rnd thread ST&C pin end on bottom and 4-1/2" slips on top (if tie-back string is utilized).
- B. Tubing Head: WHI W2F (or equivalent), 7.063" nominal, 5,000 psig WP (5,000 psig test), 5-1/2" slip-on or weld-on.

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

- A. Surface: 9.625", 36.0#, J-55, ST&C casing to be set at $\pm 225'$ in 12-1/4" hole.

140 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 177 ft³, 100% excess of calculated annular volume to 225'.

- B. Production Casing: 7", 23#/ft, J-55, ST&C casing to be set at $\pm 2330'$ MD, 2070' TVD in 8.75" hole.

LEAD:

± 155 sx of Premium Lite High Strength or CBM Lite typically containing accelerator, LCM, dispersant, and fluid loss additives at 12.1 ppg, 2.22 ft³/sk, & 12.04 gal wtr/sk.

TAIL:

100 sx of Type III or V cement typically containing accelerator, LCM, dispersant, and fluid loss additives at 14.2 ppg, 1.48 ft³/sk, & 7.34 gal wtr/sk.

Total estimated slurry volume for the 7" production casing is 490 ft³.

- C. Production Liner: 4.5", 11.6#/ft, J-55, ST&C casing is to be set at 3220' MD, 1784' TVD in 6.125" hole.

The production liner will be set using an uncemented liner hanger. The liner may be tied back to surface during the completion of the well.

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

5. LOGGING PROGRAM:

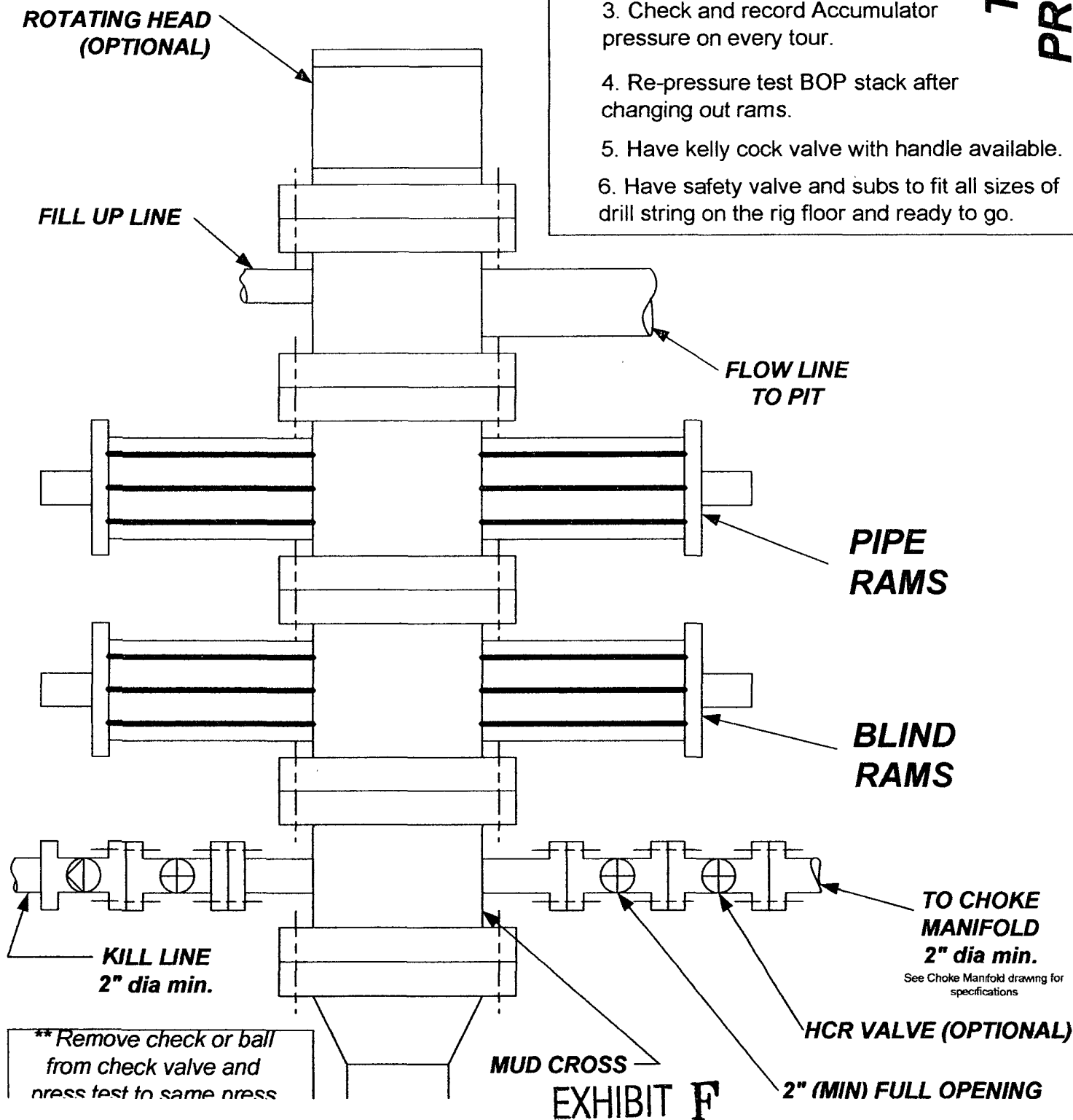
- A. Mud Logger: A geologic consultant or unmanned mud logging unit will begin logging the well once the surface shoe is drilled out and remain on the well to TD.
- B. Open Hole Logs as follows: Gamma ray and possibly Resistivity logs will be run from surface shoe to TD.

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.



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

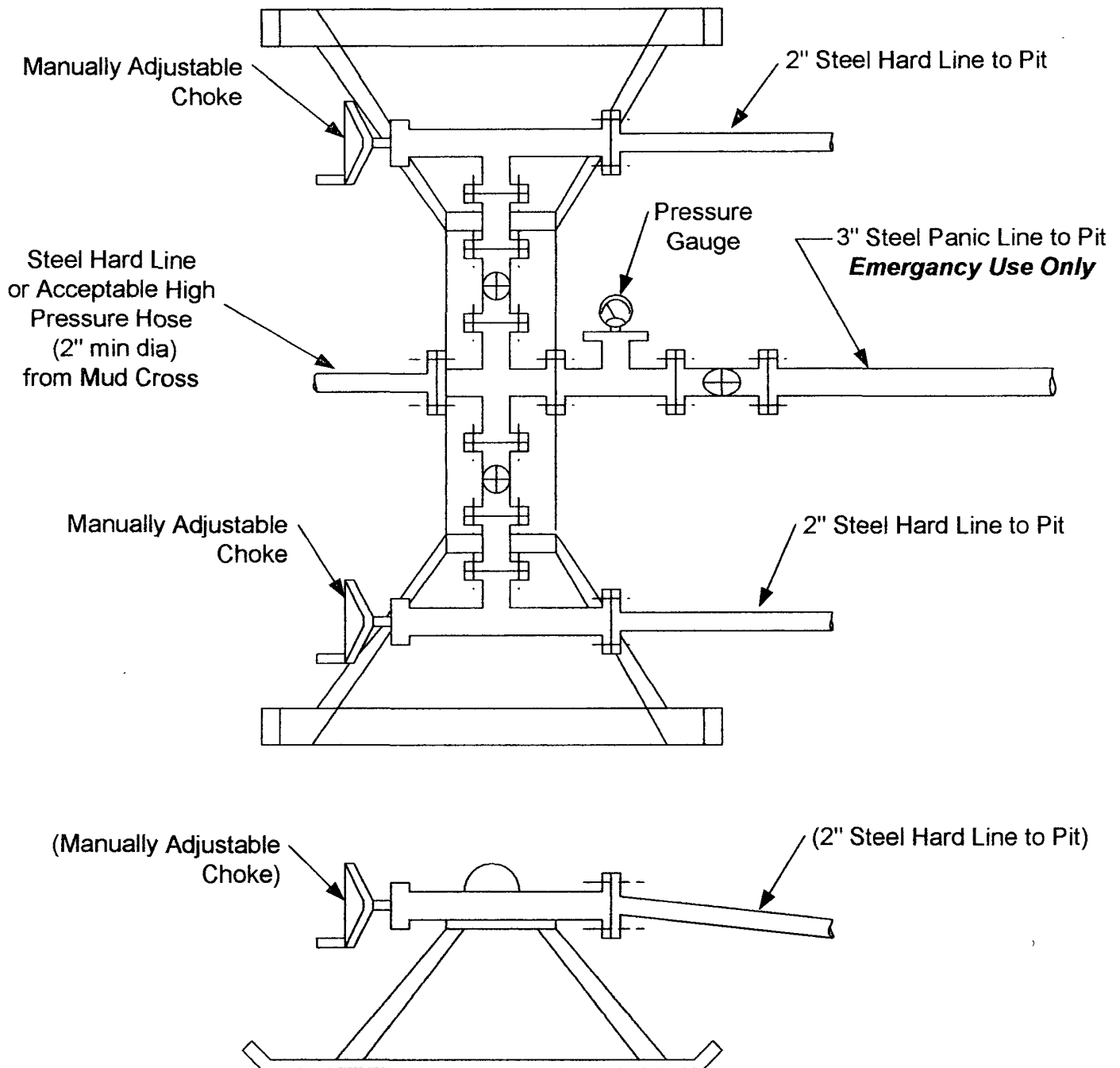
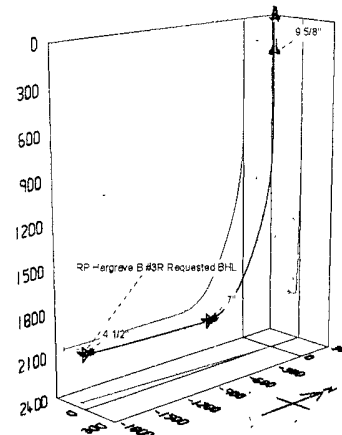


EXHIBIT F



Well Name: RP Hargrave B #3R						
Plan Description: Bld 3 deg/100' to 35 deg, Bld 15 deg/100' to FC						
Name	TVD	+N-S	+E-W	Latitude	Longitude	Shape
RP Hargrave B #3R Requested BHL	2071.0	-1732.9	-111.5	36° 36' 17.84 N 107° 54' 12.960 W	Point	

Project: San Juan Basin (NAD 83)
 Site: RP Hargrave B #3R
 Well: RP Hargrave B #3R
 Wellbore: RP Hargrave B #3R
 Permitted Plan

FORMATION TOP DETAILS

TVDPath MDPPath Formation
 1086.0 1086.8 Ojo Alamo SS
 1201.0 1203.8 Kirtland Shale
 1590.0 1613.5 Fruitland Formation
 2071.0 2348.6 Lower Fruitland Coal

CASING DETAILS

TVD	MD	Name	Size
225.0	226.0	9 5/8"	9-5/8
2070.6	2330.0	7"	7
2071.0	3420.0	4 1/2"	4-1/2

PROJECT DETAILS: San Juan Basin (NAD 83)

Geodetic System: US State Plane 1983
 Datum: North American Datum 1983
 Ellipsoid: GRS 1980
 Zone: New Mexico Western Zone

System Datum: Mean Sea Level

SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N-S	+E-W	DLeg	TFace	VSec	Target
1	0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.0	
2	810.0	0.00	0.00	810.0	0.0	0.0	0.00	0.00	0.0	
3	811.0	0.03	183.68	811.0	0.0	0.0	3.00	-178.32	0.0	
4	1976.7	35.00	183.68	1905.5	-344.7	-22.2	3.00	0.00	345.4	RP Hargrave B #3R Requested BHL
5	1979.9	35.00	183.68	1908.1	-346.5	-22.3	0.00	0.00	347.3	
6	2348.6	90.00	183.68	2071.0	-858.9	-42.4	15.00	0.00	680.2	
7	7342.2	90.00	183.68	2071.0	-1732.9	-111.5	0.00	0.00	1738.4	RP Hargrave B #3R Requested BHL

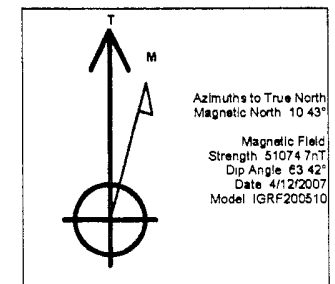


EXHIBIT F

