

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. NMSE0077382	
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 J #1F	
3b. Phone No. (include area code) 505-324-1090		9. API Well No. 30-045-34256	
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface 1485' FSL x 1465' FWL At proposed prod. zone 1900' FSL x 800' FWL		10. Field and Pool, or Exploratory Basin Dakota	
14. Distance in miles and direction from nearest town or post office* Approximately 9 miles Southeast of Bloomfield, NM post office		11. Sec., T., R., M., or Blk. and Survey or Area (K) Sec 3, T27N, R10W	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 800'	16. No. of Acres in lease 2523.52	17. Spacing Unit dedicated to this well 320, 96 w/2	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 546'	19. Proposed Depth 6960'	20. BLM/BIA Bond No. on file UTB000138	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6134' Ground Elevation	22. Approximate date work will start* June 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:

- Well plat certified by a registered surveyor.
- A Drilling Plan
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification.
- 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 03/27/07
Title Regulatory Compliance Tech		
Approved by (Signature) <i>[Signature]</i>	Name (Printed/Typed)	Date 9/7/07
Title AFU	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)

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

NOTIFY AZTEC OCD 24 HRS.
PRIOR TO CASING CEMENT
This action is subject to technical and
procedural review pursuant to 43 CFR 3165.8
and appeal pursuant to 43 CFR 3165.4

HOLD 0104 FOR Directional Survey &
Addilled C-102

APD/ROW

NMOCD 8 OCT 18 2007. -aw

RCVD SEP 10 '07
OIL CONS. DIV.
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

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 30-045-34256		² Pool Code 71599		³ Pool Name BASIN DAKOTA	
⁴ Property Code 22742		⁵ Property Name RP HARGRAVE J			⁶ Well Number 1F
⁷ GRID No 5380		⁸ Operator Name XTO ENERGY INC.			⁹ Elevation 6134

¹⁰ Surface Location

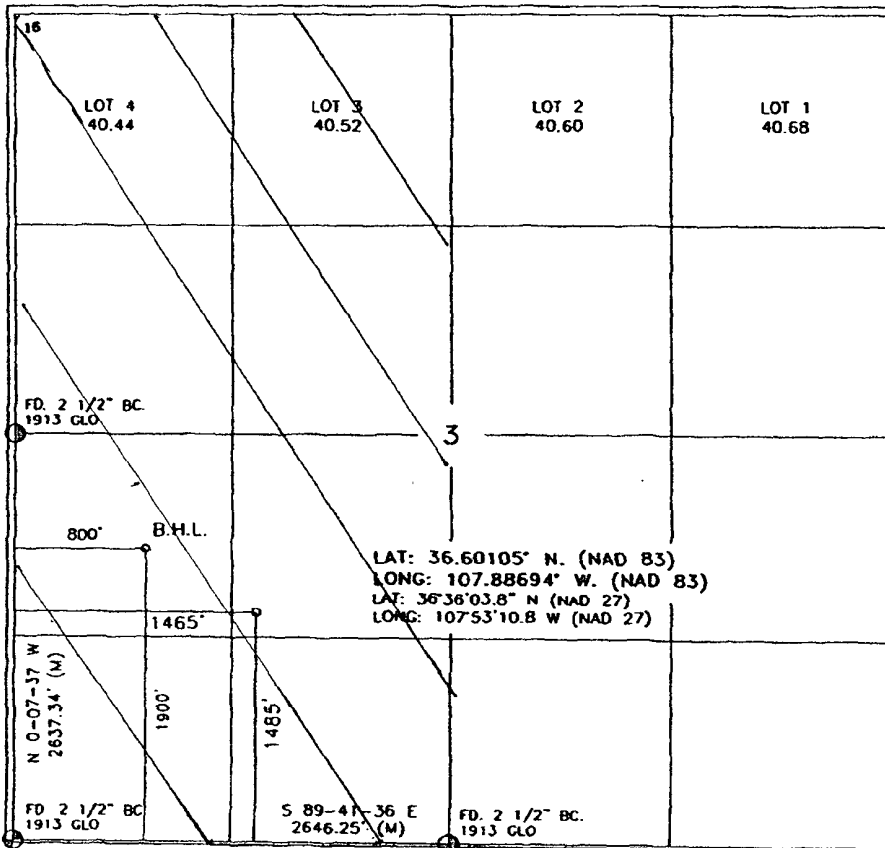
UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	3	27-N	10-W		1485	SOUTH	1465	WEST	SAN JUAN

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
K	3	27-N	10-W		1900	SOUTH	800	WEST	SAN JUAN

¹² Dedicated Acres 320.96 W/2	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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



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 undivided 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.

Kyla Vaughan 10/11/07
Signature Date
Kyla Vaughan
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.

AUGUST 15 2006
Date of Survey
Signature and Seal of Registered Surveyor:
ROY A. RUSH
REGISTERED PROFESSIONAL LAND SURVEYOR
8894
09-07
8894
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. 30045-34250
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. NMSF-0077382
7. Lease Name or Unit Agreement Name: RP HARGRAVE J
8. Well Number #1F
9. OGRID Number 5380
10. Pool name or Wildcat Basin Dakota

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 **K** : **1485** feet from the **SOUTH** line and **1465** feet from the **WEST** line
 Section **3** Township **27N** Range **10W** NMPM **NMEM** County **SAN JUAN**

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6134' 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 **>100**
 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:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: PIT <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

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

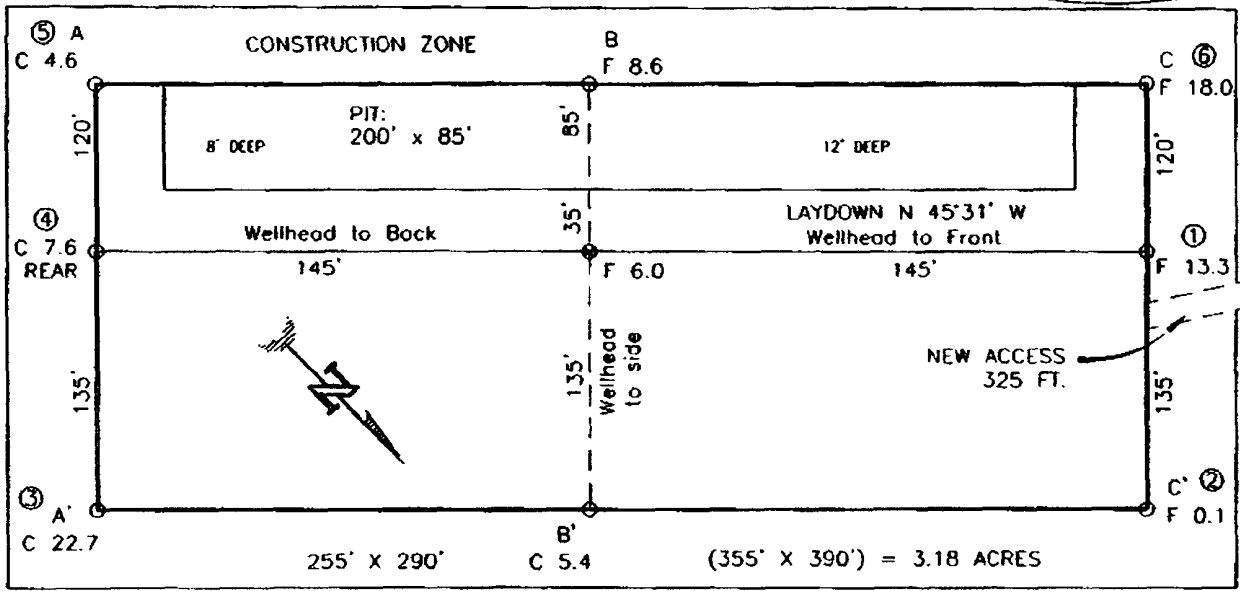
SIGNATURE *Kyla Vaughan* TITLE Regulatory Compliance Tech DATE 03/27/07
 Type or print name Kyla Vaughan E-mail address: kyla_vaughan@xtoenergy.com Telephone No. 505-564-6726

For State Use Only
 APPROVED BY *[Signature]* TITLE Deputy Oil & Gas Inspector DATE OCT 18 2007
 Conditions of Approval, if any: District #3

EXHIBIT D

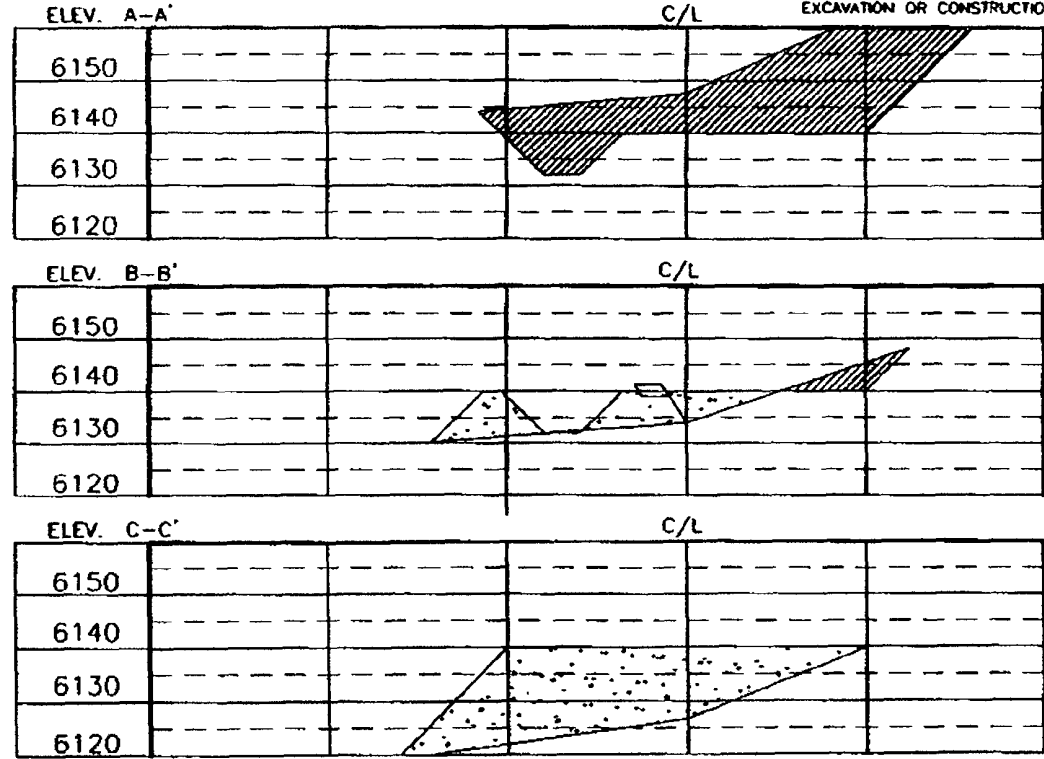
XTO ENERGY INC.
 RP HARGRAVE J No. 1F, 1485 FSL 1465 FWL
 SECTION 3, T27N, R10W, N.M.P.M., SAN JUAN COUNTY, N.M.
 GROUND ELEVATION: 6134' DATE: AUGUST 15, 2006

NAD 83
 LAT. = 36.60105° N
 LONG. = 107.88694° W
 NAD 27
 LAT. = 36°36'03.8" N
 LONG. = 107°53'10.8" 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.

Daggett Enterprises, Inc.
 Surveying and Oil Field Services
 P. O. Box 15068 Farmington, NM 87401
 Phone (505) 326-1772 • Fax (505) 326-6019
 NEW MEXICO L.S. No. 8889
 State of N.M. License No. CR772-CZ8
 Date: 10/04/06

EXHIBIT E

XTO ENERGY INC.

RP Hargrave J #1F

APD Data

March 26, 2007

Location: 1485' FSL x 1465' FWL Sec 3, T27N, R10W County: San Juan State: New Mexico
 Bottomhole Location: 1900' FSL x 800' FWL Sec 3, T27N, R10W

GREATEST PROJECTED TD: 6960'
 APPROX GR ELEV: 6134'

OBJECTIVE: Basin Dakota
 Est KB ELEV: 6146' (12' AGL)

1. MUD PROGRAM:

INTERVAL	0' to 360'	360' to 2500'	2500' to 6960'
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 ± 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 (±6960') 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'-6960'	6960'	15.5#	J-55	ST&C	4040	4810	202	4.950	4.825	1.22	1.46	1.89

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 $\pm 6960'$ in 7.875" hole. DV Tool set @ $\pm 4300'$

1st Stage

LEAD:

± 202 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:

± 395 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 1683 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, if used, 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 (6960') to the bottom of the surface csg. Run Neutron/Lithodensity/Pe/GR/Cal from TD (6960') to 3,000'.

EXHIBIT F

6. FORMATION TOPS:

Please see Directional Plan.

**** 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
3/26/07

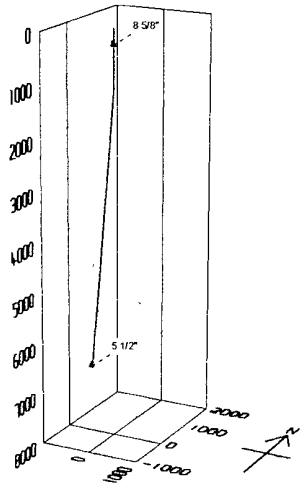
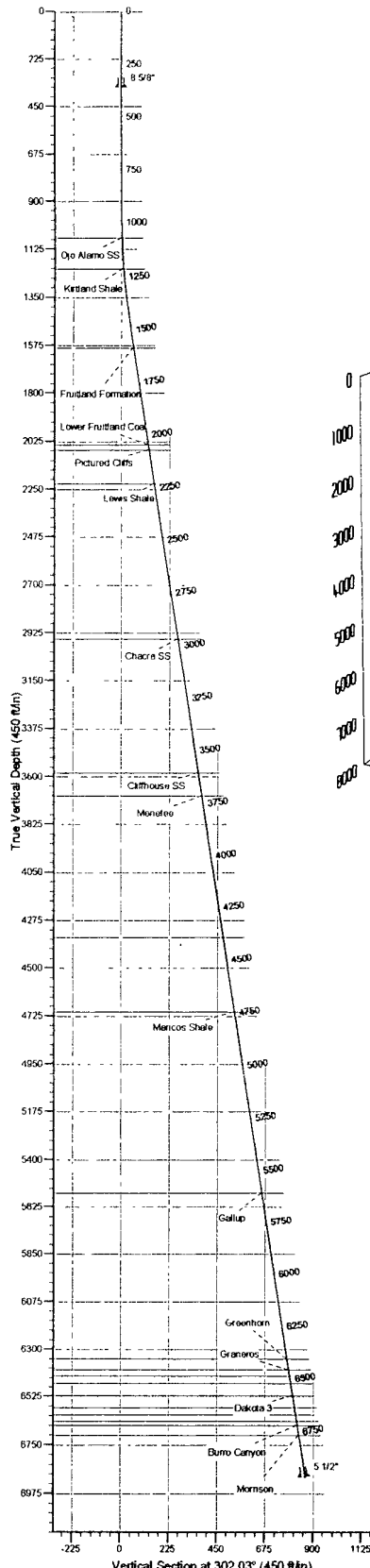
XTO Energy, Inc.
Planning Report

Database: EDM 2003 14 Single User Db
Company: XTO Energy
Project: San Juan Basin (NAD 83)
Site: RP Hargrave J #1F
Well: RP Hargrave J #1F
Wellbore: Original Wellbore
Design: Permitted Plan

Local Co-ordinate Reference: Well RP Hargrave J #1F
TVD Reference: Rig KB @ 6146.0ft (Original Well Elev)
MD Reference: Rig KB @ 6146.0ft (Original Well Elev)
North Reference: True
Survey Calculation Method: Minimum Curvature

Formations

Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)
1,072.0	1,072.0	Ojo Alamo SS	Sandstone	0.00	
1,218.2	1,218.0	Kirtland Shale	Shale	0.00	
1,590.4	1,587.0	Fruitland Formation		0.00	
2,047.6	2,039.0	Lower Fruitland Coal	Coal	0.00	
2,072.9	2,064.0	Pictured Cliffs	Sandstone	0.00	
2,234.7	2,224.0	Lewis Shale	Shale	0.00	
2,972.0	2,953.0	Chacra SS	Sandstone	0.00	
3,607.2	3,581.0	Cliffhouse SS	Sandstone	0.00	
3,719.4	3,692.0	Menefee		0.00	
4,390.0	4,355.0	Point Lookout	Sandstone	0.00	
4,743.0	4,704.0	Mancos Shale	Shale	0.00	
5,601.7	5,553.0	Gallup	Sandstone	0.00	
6,400.7	6,343.0	Greenhorn		0.00	
6,454.3	6,396.0	Graneros	Shale	0.00	
6,484.6	6,426.0	Dakota 1 SS	Sandstone	0.00	
6,519.0	6,460.0	Dakota 2	Sandstone	0.00	
6,577.7	6,518.0	Dakota 3	Sandstone	0.00	
6,637.4	6,577.0	Dakota 4	Sandstone	0.00	
6,670.7	6,610.0	Dakota 5	Sandstone	0.00	
6,700.1	6,639.0	Dakota 6	Sandstone	0.00	
6,720.3	6,659.0	Burro Canyon	Sandstone	0.00	
6,764.8	6,703.0	Morrison	Sandstone	0.00	



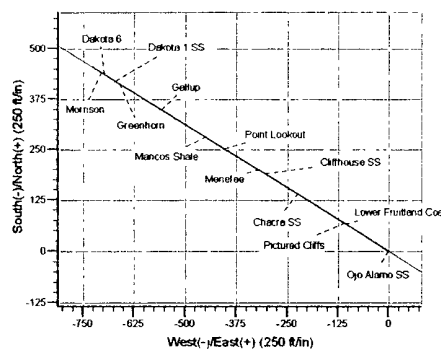
Well Name: RP Hargrave J #1F			
Ground Level	6134.0		
Surface Location	1485.0 FSL 1465.0 FWL		
Name	TVD	+N-S	+E-W
RP Hargrave J #1F - Requested BHL @ Top of Dakota	6426.0	418.7	-669.2
Latitude	36° 36' 7.920 N		
Longitude	107° 53' 21.192 W		
Shape	Point		

Project:	San Juan Basin (NAD 83)
Site:	RP Hargrave J #1F
Well:	RP Hargrave J #1F
Wellbore:	Original Wellbore
	Permitted Plan

FORMATION TOP DETAILS	
TVD/Path/MD/Path	Formation
1072.0 / 1072.0	Ojo Alamo SS
1218.0 / 1218.2	Kirtland Shale
1587.0 / 1590.4	Fruitland Formation
2039.0 / 2047.6	Lower Fruitland Coal
2064.0 / 2072.9	Pictured Cliffs
2224.0 / 2234.7	Lewis Shale
2953.0 / 2972.0	Chacra SS
3581.0 / 3607.2	Clithouse SS
3692.0 / 3719.4	Menefee
4355.0 / 4390.0	Point Lookout
4704.0 / 4743.0	Mancos Shale
5553.0 / 5601.7	Gallup
6343.0 / 6400.7	Greenhorn
6396.0 / 6454.3	Graneros
6426.0 / 6484.6	Dakota 1 SS
6460.0 / 6519.0	Dakota 2
6518.0 / 6577.7	Dakota 3
6577.0 / 6637.4	Dakota 4
6610.0 / 6670.7	Dakota 5
6639.0 / 6700.1	Dakota 6
6659.0 / 6720.3	Burro Canyon
6703.0 / 6764.8	Morrison

CASING DETAILS			
TVD	MD	Name	Size
360.0	360.0	8 5/8"	8-5/8
6896.0	6960.0	5 1/2"	5-1/2

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	
21000	0	0.00	0.00	1000.0	0.0	0.0	0.00	0.00	0.0	
31430	8	8.62	302.03	1429.1	17.1	-27.4	2.00	302.03	32.3	
46484	6	8.62	302.03	6426.0	418.7	-669.2	0.00	0.00	789.4	RP Hargrave J #1F - Requested BHL @ Top of Dakota
56764	8	8.62	302.03	6703.0	440.9	-704.8	0.00	0.00	831.4	
66964	8	8.62	302.03	6900.7	456.8	-730.2	0.00	0.00	861.3	

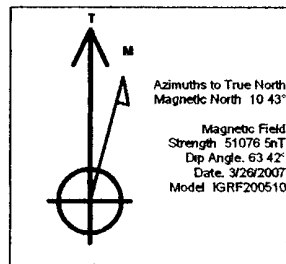
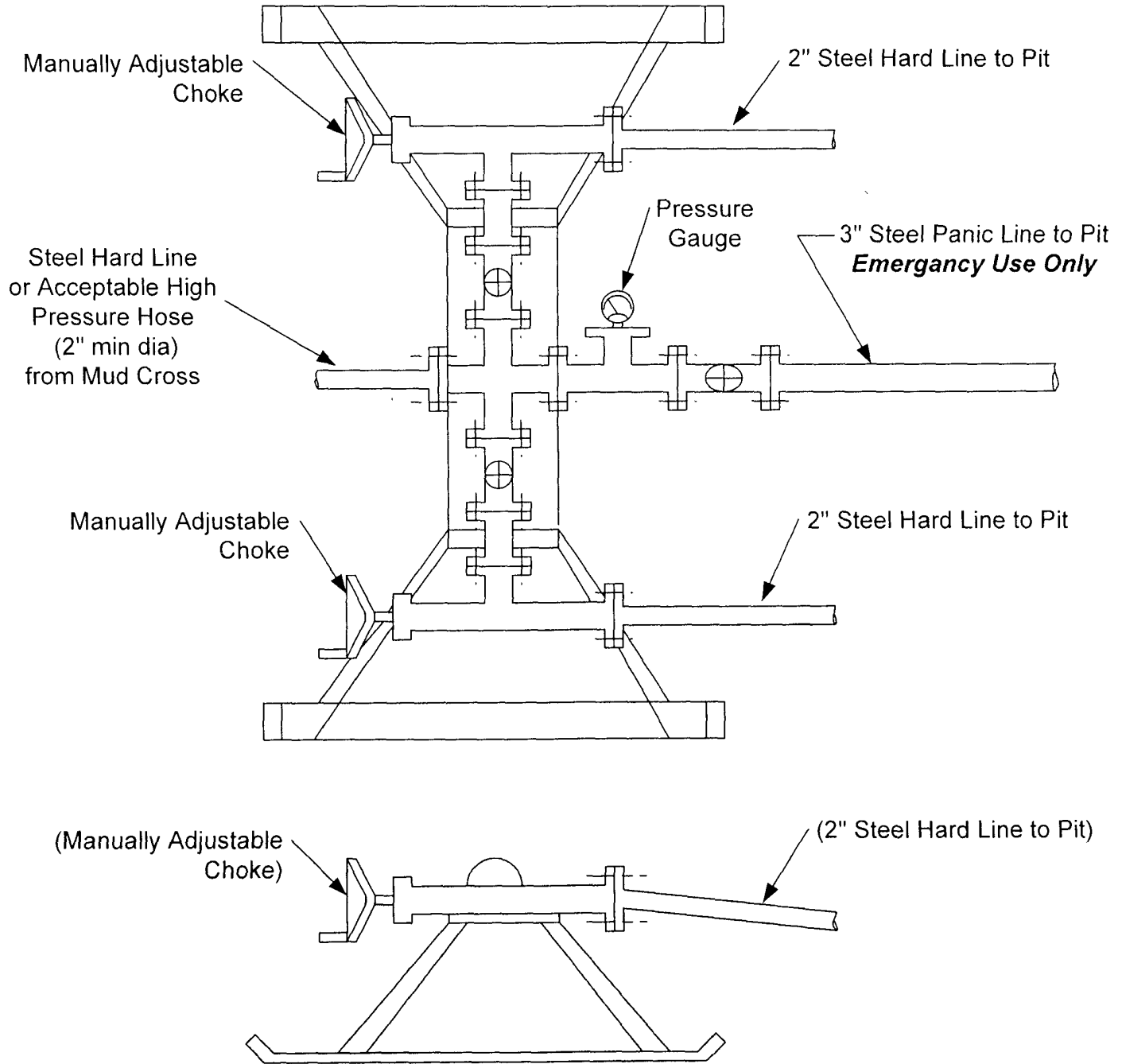


EXHIBIT F

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

- TESTING
PROCEDURE**
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.



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.

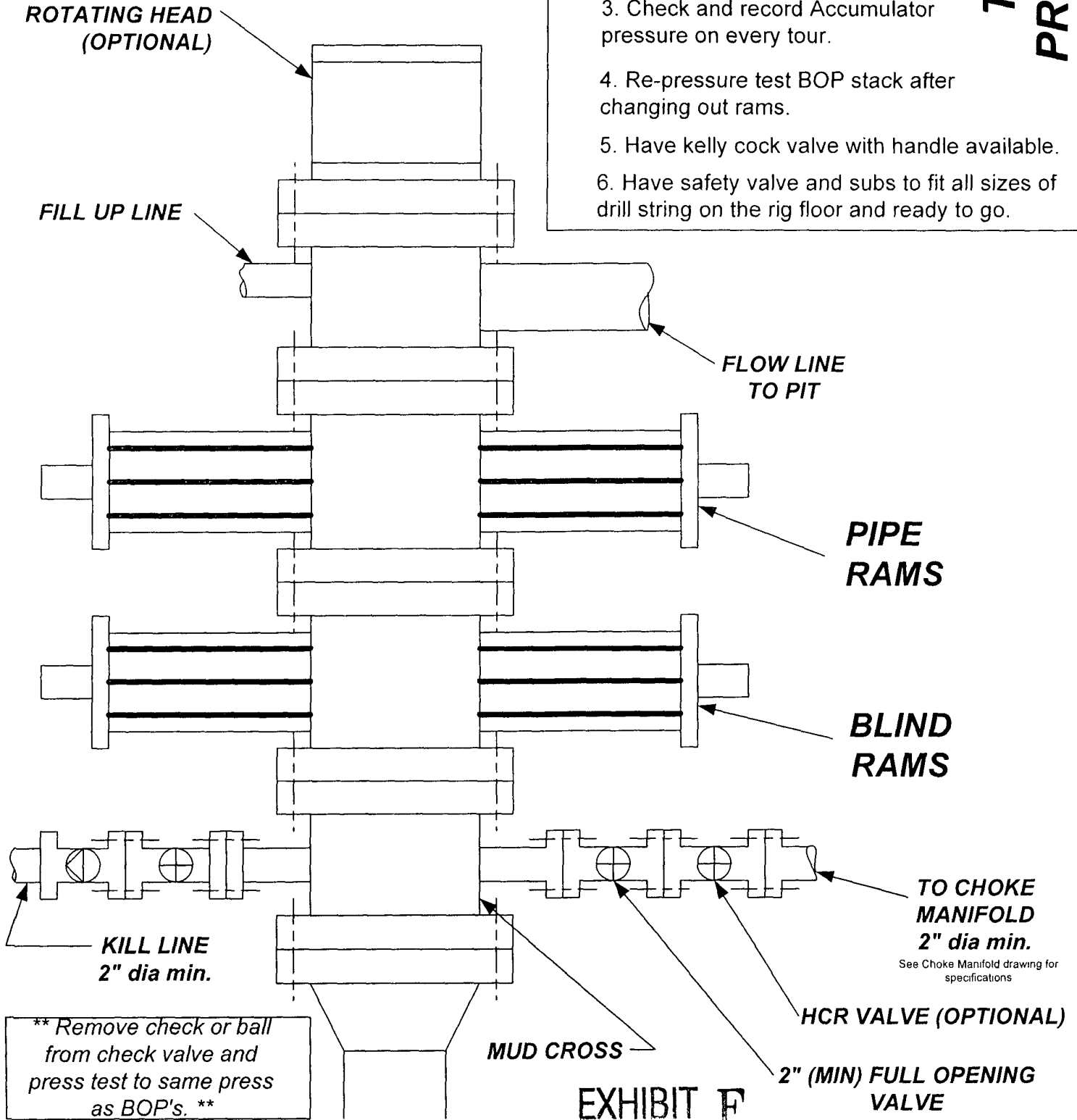


EXHIBIT F