

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

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

7m7
5. Lease/Serial No.
NMSF 078715
6. If Indian, Allottee or Tribe Name
N/A
7. If Unit or CA Agreement, Name and No.
N/A
8. Lease Name and Well No.
HUBBELL GAS COM B #1G
9. API Well No.
30-045- 34382
10. Field and Pool, or Exploratory
BASIN DK/WC-BASIN MC WC Basin Maun,
11. Sec, T R. M. or Blk. and Survey or Area
(K) SEC 30, T28N, R10W
12. County or Parish
SAN JUAN
13. State
NM
24. Attachments
DIST. 3

1a. Type of work. <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		17. Spacing Unit dedicated to this well S/2 324.75 DK - SW/4 160 MC	
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		20. BLM/BIA Bond No. on file UTB-000138	
2. Name of Operator XTO Energy, Inc.		23. Estimated duration 2 weeks	
3a. Address 2700 Farmington Ave, Bldg K - Suite 1 Farmington NM 87402		22. Approximate date work will start* 09/10/2007	
3b. Phone No. (include area code) 505-324-1090		24. Attachments DIST. 3	
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 1978' FSL x 1630' FWL At proposed prod. zone same		25. Signature Kyla Vaughan	
14. Distance in miles and direction from nearest town or post office* Approximately 6 miles Southeast of Bloomfield, NM post office		Name (Printed/Typed) Kyla Vaughan	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1630'		Date 08/03/2007	
16. No. of acres in lease 564.70		Title Regulatory Compliance	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 129'		Approved by (Signature) J. Montee	
19. Proposed Depth 6800'		Name (Printed/Typed) J. Montee	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5905' GROUND ELEVATION		Date 10/4/07	
22. Approximate date work will start* 09/10/2007		Office PFO	
23. Estimated duration 2 weeks		Title AFSM	

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, must 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 must 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 BLM.

25. Signature Kyla Vaughan	Name (Printed/Typed) Kyla Vaughan	Date 08/03/2007
Title Regulatory Compliance		
Approved by (Signature) J. Montee	Name (Printed/Typed) J. Montee	Date 10/4/07
Title AFSM	Office PFO	

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)

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

NOTIFY AZTEC OCD 24 HRS.
PRIOR TO CASING & CEMENT

APD/ROW

NMOCD OCT 18 2007

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

DISTRICT II
1301 W Grand Ave., Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 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 - 12 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-34382		Pool Code 71599	Pool Name BASIN DAKOTA
Property Code 22745	Property Name HUBBELL GAS COM B		Well Number 1G
OGRI No 5380	Operator Name XTO ENERGY INC.		Elevation 5905

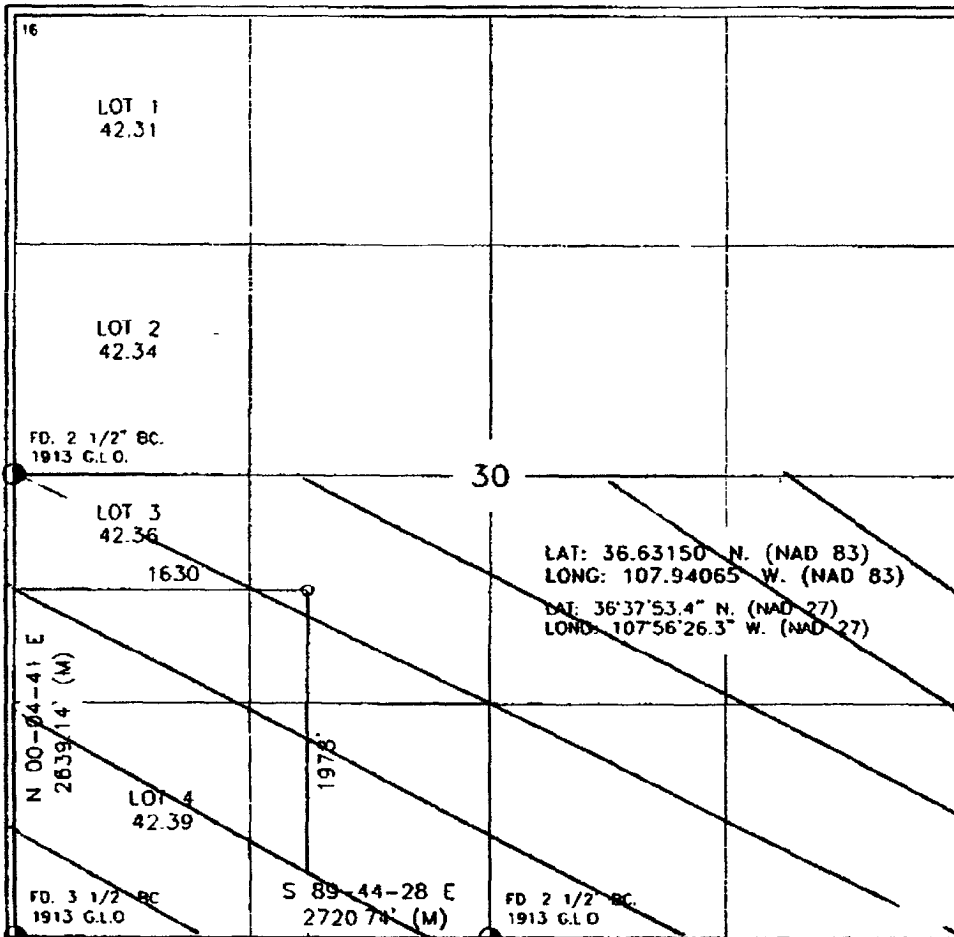
10 Surface Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	30	28-N	10-W		1978	SOUTH	1630	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
Dedicated Acres S/2 324.75			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



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.

Kyla Vaughan 5/25/07
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.

DECEMBER 22 2006
Date of Survey
Signature and Seal
ROY A. RUSSELL
NEW MEXICO
PROFESSIONAL LAND SURVEYOR
8894
Certificate Number

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

DISTRICT II
1301 W. Grand Ave., Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 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 ~~PM~~ 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-045-34382		2 Pool Code 97232		3 Pool Name WC BASIN		4 Well Number MANCOS	
5 Property Code 22745		6 Property Name HUBBELL GAS COM B				7 Well Number 1G	
8 OGRD No 5380		9 Operator Name XTO ENERGY INC.				10 Elevation 5905	

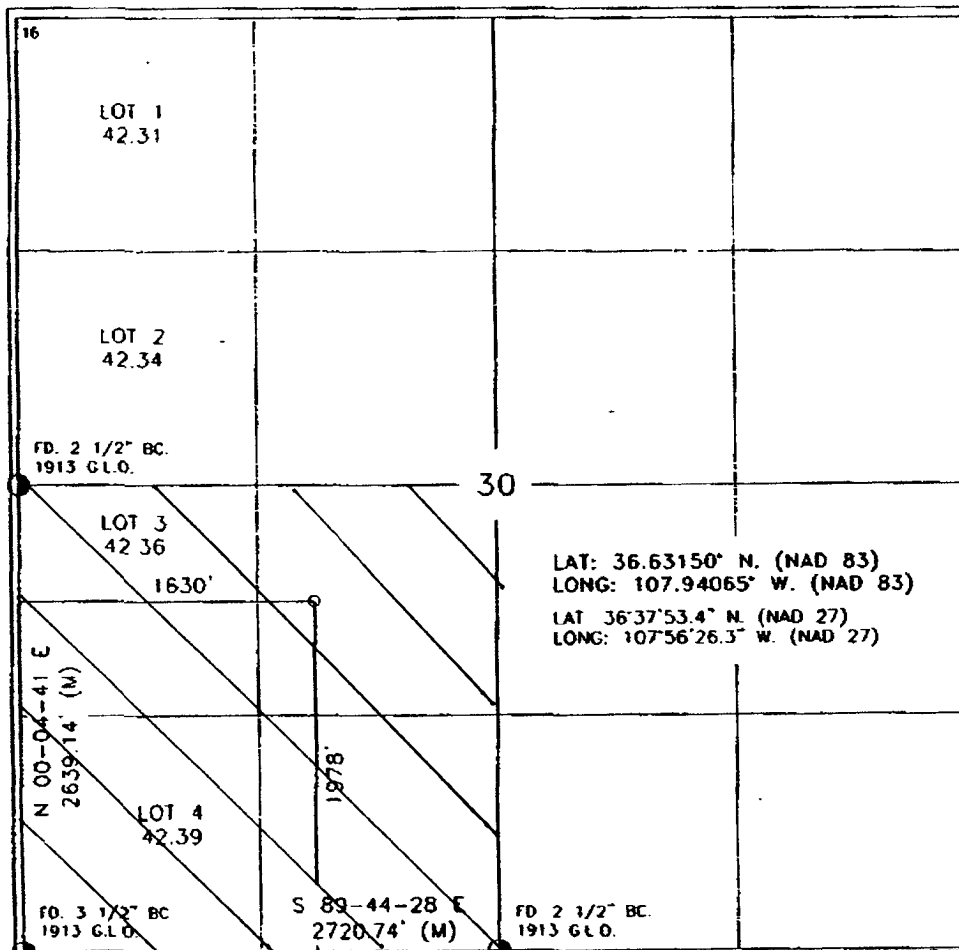
10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	30	28-N	10-W		1978	SOUTH	1630	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
SW 1/4	160								
12 Dedicated Acres		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



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.

Kyle Vaughan 8/2/07
Signature Date
Kyle 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.

DECEMBER 22, 2006
Date of Survey
Signature and Seal
Roy A. Rush
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

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District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

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

Form C-103

May 27, 2004

WELL API NO. <u>30-045-34382</u>
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: <u>Hubbell Gas Com B</u>
8. Well Number <u>#1G</u>
9. OGRID Number <u>5380</u>
10. Pool name or Wildcat <u>BASIN DK/ WC BASIN MC</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 ☐ 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 : 1978 feet from the SOUTH line and 1630 feet from the WEST line

Section 30 Township 28N Range 10W NMPM NMEM County SAN JUAN

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

5905' 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 >200 <1000

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 08/03/07

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] Deputy Oil & Gas Inspector, OCT 18 2007

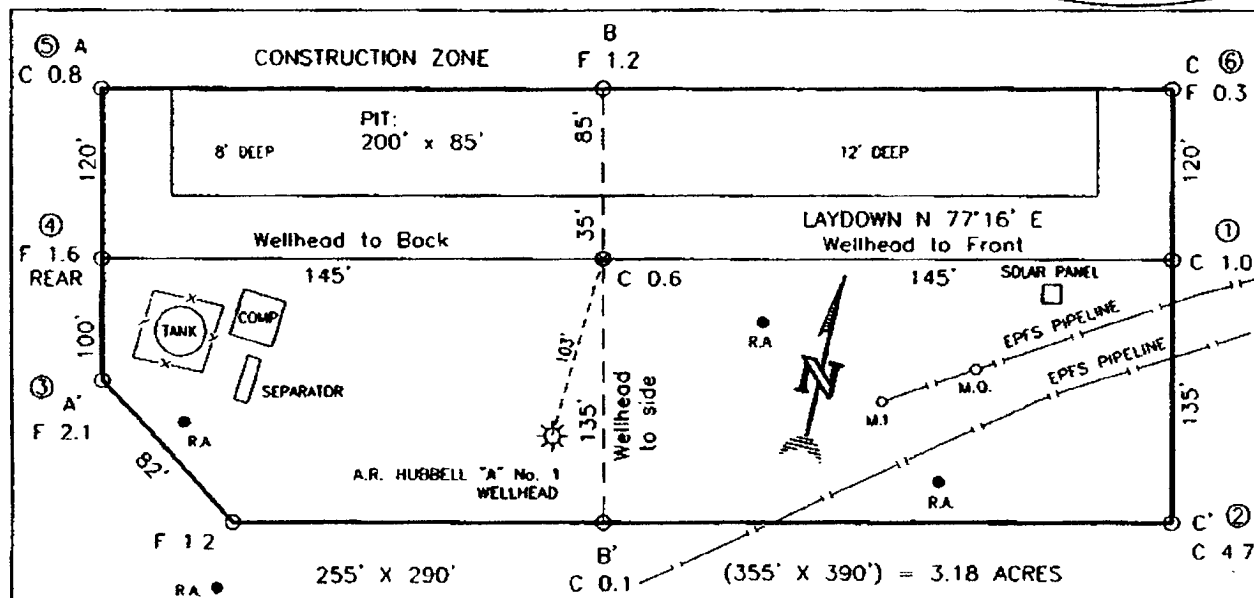
Conditions of Approval, if any:

TITLE District #3 DATE

EXHIBIT D

XTO ENERGY INC.
HUBBELL GAS COM B No. 1G, 1978 FSL 1630 FWL
SECTION 30, T28N, R10W, N.M.P.M., SAN JUAN COUNTY, N.M.
GROUND ELEVATION: 5905' DATE: DECEMBER 22, 2006

NAD 83
LAT. = 36.63150° N
LONG. = 107.94065° W
NAD 27
LAT. = 36°37'53.4" N
LONG. = 107°56'26.3" 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

ELEV. A-A'	C/L				
5920					
5910					
5900					
5890					

ELEV. B-B'	C/L				
5920					
5910					
5900					
5890					

ELEV. C-C'	C/L				
5920					
5910					
5900					
5890					

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. 8894



Drawn by: G.V.
Checked by: CR794
Date: 6/24/07

EXHIBIT E

XTO ENERGY INC.

Hubble Gas Com B #1G

APD Data

August 2, 2007

Location: 1978' FSL x 1630' FWL Sec 30, T28N, R10W County: San Juan

State: New Mexico

GREATEST PROJECTED TD: 6800'
APPROX GR ELEV: 5905'

OBJECTIVE: Basin Dakota
Est KB ELEV: 5917' (12' AGL)

1. MUD PROGRAM:

INTERVAL	0' to 360'	360' to 2500'	2500' to 6800'
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 12.25" 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 ($\pm 6800'$) 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'-6800	6800'	15.5#	J-55	ST&C	4040	4810	202	4.950	4.825	1.24	1.48	1.92

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 $\pm 6800'$ in 7.875" hole. DV Tool set @ $\pm 4100'$

1st Stage

LEAD:

± 211 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 1659 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: None.

B. Open Hole Logs as follows: Run Array Induction/SFL/GR/SP fr/TD (6800') to the bottom of the surface csg. Run Neutron/Lithodensity/Pe/GR/Cal from TD (6800') to 3,000'.

EXHIBIT F

6. FORMATION TOPS:

Est. KB Elevation: 5917'

FORMATION	Sub-Sea	MD	FORMATION	TV Sub-Sea	MD
Ojo Alamo SS	5141	776	Gallup	495	5422
Kirtland Shale	4994	923	Greenhorn	-289	6206
Farmington SS			Graneros	-346	6263
Fruitland Formation	4494	1423	Dakota 1*	-380	6297
Lower Fruitland Coal	4058	1859	Dakota 2*	-406	6323
Pictured Cliffs SS	4037	1880	Dakota 3*	-460	6377
Lewis Shale	3930	1987	Dakota 4*	-433	6450
Chacra SS	3120	2797	Dakota 5*	-566	6483
Cliffhouse SS*	2489	3428	Dakota 6*	-611	6528
Menefee**	2393	3524	Burro Canyon	-645	6562
Point Lookout SS*	1706	4211	Morrison*	-688	6605
Mancos Shale	1363	4554	TD	-883	6800

* 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
Justin Niederhofer	Drilling Engineer	505-566-7946	505-320-0158
Jerry Lacy	Drilling Superintendent	505-566-7917	505-320-6543
John Klutsch	Project Geologist	817-885-2800	--

JWE
8/2/07

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

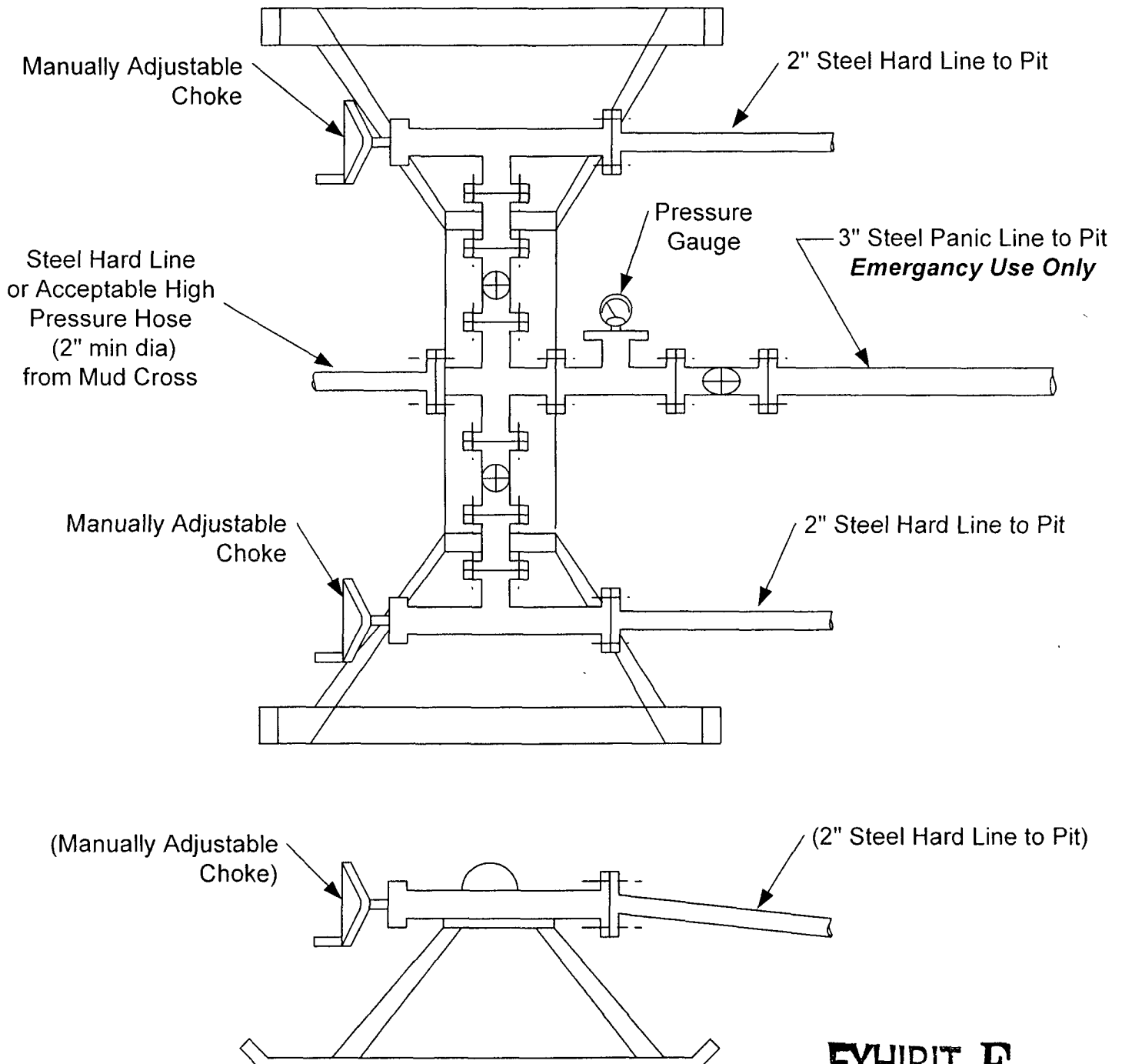


EXHIBIT F



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

Attachment to Application for Permit to Drill or Reenter

Well: Hubbell Gas Com B #1G

CONDITIONS OF APPROVAL:

Centralize surface and production casing as per Onshore Oil and Gas Order No. 2 and NTL-FRA 90-1.

Wayne Townsend – (505) 599-6359

Jim Lovato – (505) 599-6367

Steve Mason – (505) 599-6364

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.

ROTATING HEAD
(OPTIONAL)

FILL UP LINE

FLOW LINE
TO PIT

PIPE
RAMS

BLIND
RAMS

KILL LINE
2" dia min.

TO CHOKE
MANIFOLD
2" dia min.

See Choke Manifold drawing for
specifications

HCR VALVE (OPTIONAL)

2" (MIN) FULL OPENING
VALVE

** Remove check or ball
from check valve and
press test to same press
as BOP's. **

MUD CROSS
EXHIBIT F

