

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. NOO-C-14-20-3609	
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name HUN NE PAH	
2. Name of Operator XTO ENERGY INC		7. If Unit or CA Agreement, Name and No. N/A	
3a. Address 2700 FARMINGTON AVE., BLDG. K-1 FARMINGTON, NM 87401		8. Lease Name and Well No. HUN NE PAH #2	
3b. Phone No. (include area code) (505) 324-1090		9. API Well No. 30-045-34285	
4. Location of Well (Report location clearly and in accordance with any State requirements *) At surface 1337' FNL & 1380' FWL At proposed prod. zone SAME		10. Field and Pool, or Exploratory BASIN FRUITLAND COAL	
14. Distance in miles and direction from nearest town or post office* 19 AIR MILES SOUTH OF BLOOMFIELD		11. Sec., T. R. M. or Blk. and Survey or Area F 10-25N-11W NMPM	
15. Distance from proposed* location to nearest property or lease line, ft (Also to nearest drig. unit line, if any) 1,260'		12. County or Parish SAN JUAN	
16. No. of acres in lease 160 (320 in CA)		13. State NM	
17. Spacing Unit dedicated to this well W2			
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 742' (XTO's HNP 1)			
19. Proposed Depth 1,600'		20. BLM/BIA Bond No on file BIA NATIONWIDE 104312789	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6,432' GL		22. Approximate date work will start* 07/01/2007	
23. Estimated duration 2 WEEKS			

24. Attachments

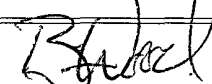
RCVD DEC 7 '07

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

OIL CONS. DIV.

- | | |
|---|--|
| 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. |

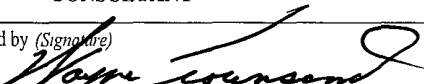
DIST. 3

25. Signature 	Name (Printed/Typed) BRIAN WOOD	Date 04/21/2007
---	------------------------------------	--------------------

Title
CONSULTANT

PHONE: (505) 466-8120

FAX: (505) 466-9682

Approved by (Signature) 	Name (Printed/Typed) Wayne Townsend	Date 12-5-07
---	--	-----------------

Title Acting AFM	Office 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)

NOTIFY AZTEC OCD 24 HRS.
PRIOR TO CASING & CEMENT

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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

NMOCD

This action is subject to technical and
procedural review pursuant to 43 CFR 3165.3
and appeal pursuant to 43 CFR 3165.4

DEC 13 2007

AV

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

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

DISTRICT III
1000 Rio Brozos 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
2007 APR 24 10:34 AM
207 APR 24 10:34 AM
3 Copies

RECEIVED
AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION, PLAT 311
207 APR 24 10:34 AM

¹ API Number 30-045-34285	² Pool Code 71629	³ Pool Name BASIN FRUITLAND COAL GAS
⁴ Property Code 22748	⁵ Property Name HUN NE PAH	⁶ Well Number 2
⁷ GRID No 167067 5380	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 6432

¹⁰Surface Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	10	25-N	11-W		1337	NORTH	1380	WEST	SAN JUAN

¹¹Bottom 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 320			¹³ Joint or Infill .		¹⁴ Consolidation Code C		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

16		17	
FD 2 1/2" BC 1932 G.L.O.		FD 2 1/2" BC 1932 G.L.O.	
N 89-51-48 E 5277.4' (M)		OPERATOR CERTIFICATION	
1337'		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	
1380'		Signature <u>Brian Wood</u> Date <u>4-21-07</u>	
LAT: 36.41911° N. (NAD 83) LONG: 107.99568° W. (NAD 83) LAT 36°25'08.8" N. (NAD 27) LONG 107°59'42.2" W. (NAD 27)		Printed Name <u>BRIAN WOOD</u>	
10		18	
S 00-17-08 E 5308.3' (M)		SURVEYOR CERTIFICATION	
FD 2 1/2" BC. 1932 G.L.O.		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 <u>NOVEMBER 2005</u>	
		Signature and Seal of Registered Surveyor <u>[Signature]</u>	
		Certificate Number <u>8894</u>	

Submit 3 Copies To Appropriate District Office
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 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

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.)		WELL API NO. 30-045- 34285
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator XTO ENERGY INC.		6. State Oil & Gas Lease No. NOO-C-14-20-3609
3. Address of Operator 2700 FARMINGTON AVE., BLDG. K-1, FARMINGTON, NM 87401		7. Lease Name or Unit Agreement Name HUN NE PAH
4. Well Location Unit Letter: F 1337' FNL & 1380' FWL Section 10 Township 25 N Range 10 W NMPM SAN JUAN County		8. Well Number #2
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6,432' GL		9. OGRID Number 167067
<u>Pit or Below-grade Tank Application</u> <input checked="" type="checkbox"/> <u>or Closure</u> <input type="checkbox"/>		
Pit type: <u>DRILLING</u> Depth to Groundwater: <u>>100'</u> Distance from nearest fresh water well: <u>>1,000'</u> Distance from nearest surface water: <u>>500'</u>		
Pit Liner Thickness: 12 mil Below-Grade Tank: Volume 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"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: DRILLING 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.

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 Brian Wood TITLE: CONSULTANT

DATE: APRIL 21, 2007

Type or print name: BRIAN WOOD

E-mail address: brian@permitswest.com

Telephone No.: (505) 466-8120

For State Use Only

APPROVED BY: [Signature]

TITLE

Deputy Oil & Gas Inspector
District #3

DEC 13 2007

Conditions of Approval (if any):

XTO Energy Inc.
Hun Ne Pah #2
1337' FNL & 1380' FWL
Sec. 10, T. 25 N., R. 11 W.
San Juan County, New Mexico

PAGE 1

Drilling Program

1. ESTIMATED FORMATION TOPS

<u>Formation Name</u>	<u>GL Depth</u>	<u>KB Depth</u>	<u>Elevation</u>
Nacimiento	000'	5'	+6,432'
Ojo Alamo	417'	422'	+6,015'
Fruitland Coal	1,382'	1,387'	+5,050'
Pictured Cliffs	1,432'	1,437'	+5,000'
Lewis Shale	1,532'	1,537'	+4,900'
Total Depth (TD)*	1,600'	1,605'	+4,832'

2. NOTABLE ZONES

<u>Gas & Oil Zones</u>	<u>Water Zones</u>	<u>Coal Zone</u>
Fruitland	Nacimiento	Fruitland
Pictured Cliffs	Ojo Alamo	
	Fruitland	

Water zones will be protected with casing, cement, and weighted mud. Fresh water found while drilling will be recorded. Oil or gas shows will be tested for commercial potential based on the geologist's recommendations.

3. PRESSURE CONTROL

The drilling contract has not yet been awarded, thus the exact BOP system to be used is not yet known. A typical 2,000 psi stack, manifold, and testing procedures are on Page 3.

XTO Energy Inc.
Hun Ne Pah #2
1337' FNL & 1380' FWL
Sec. 10, T. 25 N., R. 11 W.
San Juan County, New Mexico

PAGE 2

4. CASING & CEMENT

<u>Hole Size</u>	<u>O. D.</u>	<u>Weight (lb/ft)</u>	<u>Grade</u>	<u>Age</u>	<u>Connection</u>	<u>Setting Depth</u>
8-3/4"	7"	20	K-55	New	ST & C	160'
6-1/4"	4-1/2"	10.5	K-55	New	ST & C	1,600'

Surface casing will be cemented to the surface with ≈ 50 cubic feet (≈ 43 sacks) Class B + 1/4 lb/sk cello-flake + 2% CaCl_2 . Yield = 1.18 cubic feet per sack. Weight = 15.2 pounds per gallon. Volume: $\geq 100\%$ excess. A guide shoe and insert float will be used. W. O. C. = 12 hours. Surface casing will be tested to 1,500 psi for 30 minutes. *centralizers (3)*

Production casing will be cemented to the surface. Total cement: >329 cubic feet. Volumes are calculated at $>100\%$ excess. If the cement does not circulate to the surface, then a temperature survey will be run to determine the actual cement top as needed. W. O. C. = 12 hours. Test to 2,000 psi.

Lead cement will be ≈ 131 sacks Class B light cement (65% cement/35% Poz with 6% gel) with 5 #/sack gilsonite + 1/4 #/sack Flocele. Yield = 1.99 cu ft/sk. Weight = 12.4 #/gal.

Tail cement will be ≈ 50 sacks 50/50 Class B Poz with 2% gel + 1/4#/sack Flocele + 0.5% Halad 9. Yield = 1.38 cubic feet/sack. Weight = 13.5 #/gallon.

Cement equipment will include a guide shoe, float collar, and ≈ 8 centralizers.

NTL-FRA 90-1

5. MUD PROGRAM

<u>Range</u>	<u>Mud Type</u>	<u>Weight</u>
0' - 160'	Fresh-Spud	8.4
160' - TD	LSND	8.6

Lost circulation and absorption material will be on location.

XTO Energy Inc.
Hun Ne Pah #2
1337' FNL & 1380' FWL
Sec. 10, T. 25 N., R. 11 W.
San Juan County, New Mexico

PAGE 4

6. CORES, TESTS, & LOGS

No cores or drill stem tests are planned. Open hole logs will include GR, Neutron-Density, and Induction. The Neutron Density will be run from TD to 500'. The other logs will be run from TD to the base of the surface casing.

7. DOWN HOLE CONDITIONS

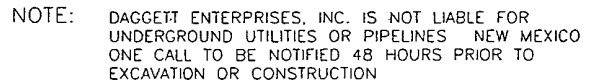
No abnormal pressures, temperatures, nor hydrogen sulfide are expected. Maximum pressure will be ≈ 200 psi.

8. OTHER INFORMATION


The anticipated spud date is upon approval. It is expected it will take ≈ 1 week to drill and ≈ 1 week to complete the well.

NAD 83
LAT. = 36.41911° N
LONG. = 107.99568° W

NAD 27
LAT. = 36°25'08.8" N
LONG. = 107°59'42.2" W



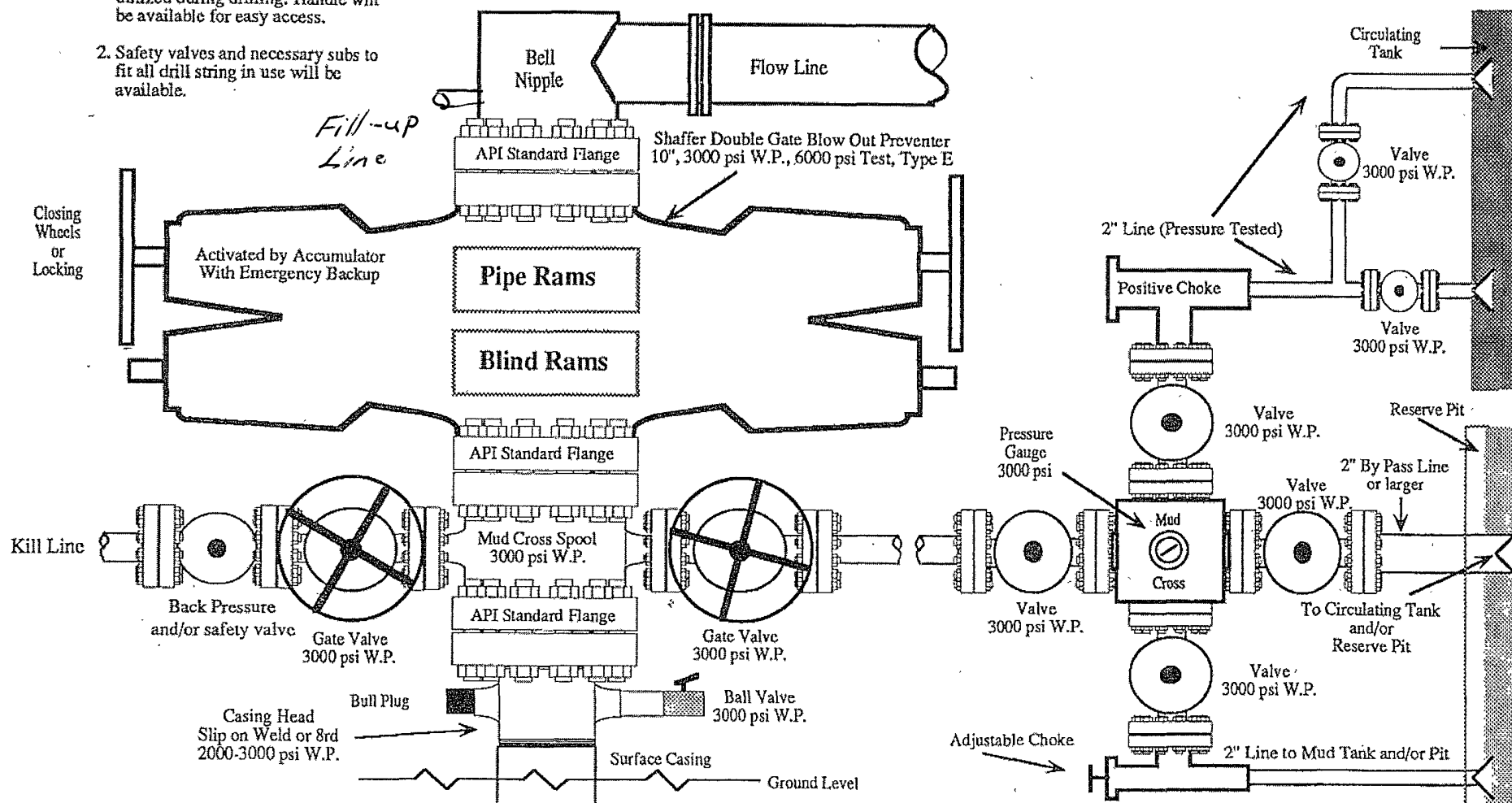
ELEV.	C-C'	C/L
6440		
6430		
6420		
6410		

REVISION:	DATE:	REVISED BY:
 <p> 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 U.S. No. 8894 </p>		
DRAWN BY: G.V.	CAPLIE CR610_CFB	
ROWF: CR610	DATE: 11/02/06	

2,000 PSI BOP SYSTEM

Note: 1. An upper Kelly cock valve will be utilized during drilling. Handle will be available for easy access.

2. Safety valves and necessary subs to fit all drill string in use will be available.



Note: This equipment is designed to meet requirements for a 2-M rating standard per 43 CFR part 3160 (amended). Proper operation and testing of equipment will be carried out per standard. 2,000 psi equipment can be substituted in the drawing to meet minimum requirements per standard.